

UNIVERSITY OF TARTU  
Pärnu College  
Department of Tourism Studies

Triin Niinepuu

**CUSTOMER LOYALTY AND THE ROLE OF DELIGHT  
IN DAY SPA INDUSTRY, CASE OF ESTONIA AND  
FINLAND**

Master Thesis

Supervisor: Heli Tooman, PhD

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Recommendation for permission to defend thesis .....

(Supervisor's signature)

Permission for public defence of thesis granted on ..... (date)

Head of the Department of Tourism Studies, Pärnu College of the University of Tartu

..... (name and signature)

This Master thesis has been compiled independently. All works by other authors used while compiling the thesis as well as principles and data from literary and other sources have been referred to.

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## INTRODUCTION

This Master's thesis contains the theoretical discussion of aspects of customer loyalty and delight. This argument has not been recognised in Estonian and Finnish day spa industry. The empirical data derives from the example of the Estonian and Finnish day spas.

Today's service environment means tight competition almost in every field. Companies are under pressure to keep and gain more customers for success. This is especially true in spa industry where the income depends on the number of treatments bought by clients. At the same time, gaining new customers is considered even five times more expensive than maintaining the old ones (Chiu, Hsu, Lai, & Chang, 2012, p. 843). Therefore the loyal customer base is essential for smoothly running business.

Studies reveal that customer loyalty predicts organizational profit and growth especially in service related industries (Marquardt, 2015, p. 3; Torres, Fu, & Lehto, 2014a, p. 298). Loyal customers are willing to spend more money (Dey, Ghosh, Datta, & Barai, 2017), buy more and recommend the services and company more often (Ludwig, Heidenreich, Kraemer, & Gouthier, 2017). Bowden (2009) also adds the benefit of engaged customers in strategic decision-making process, especially in markets with price competition. From a managerial perspective, loyal customers can be considered as one of the lasting asset owned by an organization (Kandampully, Zhang, & Bilgihan, 2015, p. 379).

Literature on customer loyalty reveals many aspects that influence it. One factor closely related to is called delight – its importance is prominent in service areas. Customer delight can lie in surprises, bonuses or offering exceptional services which creating positive state towards the company. Role of delight is getting more important in the customer loyalty concept as it has become clear that satisfaction alone is not enough to get the desired results (Ahrholdt, Gudergan, & Ringle, 2017; Meyer, Barnes, & Friend, 2017).

Today's socio-economic trends like increasing level of living standards, growth of health consciousness and ageing population influence health tourism which in turn shape

attitudes towards spas (Majandus- ja Kommunikatsiooniministeerium, 2013). The popularity of spas is increasing. From year 2013 to year 2015 the number of operating spas went up to 121,595 (from the 2103 when the number was 105,591). The most popular type of spas are day/club spas: in 2015, there were counted 64,262 of those. (Global Wellness Institute, 2017). Whereas day spas are most popular in United States, it is a rather new concept in Europe. Day spas focus on certain types of treatments. As they do not offer accommodation, the clients are usually locals. But this attractive concept has been taken over and adjusted also by hotel spas, who sometimes have developed special day spa packages for short-term visitors. Day spa market is developing also in Estonia and Finland where different newcomers offer new content to the originally American concept. The popularity of day spa services means high competition for spa companies. As spa visit is all about customer experience, the delight factor is especially beneficial to establish the affectionate connection between the customer and the facility (Lo & Wu, 2014).

As customer loyalty is well-known concept and has influenced business practices for long time, the concept of customer delight is much less utilised construct. This Master thesis pays special attention to the interconnectedness of two concepts. This is not merely theoretical discussion, but special interest is paid on how these concepts are known, understood, and used in practice. Customer loyalty is especially significant in service areas. Day spa industry is about offering sensual and luxurious experiences; increasing competition in the area makes customer delight especially efficient concept for the business. Nevertheless, there are no studies on the subject how the concept of customer delight is beneficial for the day spa companies or how it is put into practice. Broad research question of the thesis aims to find the answers how aware are the day spa managements of customer delight, how they understand and use it and how they assess its value for the business.

Its empirical data is obtained from research conducted among Estonian and Finnish day spa managers (hotel spas offering the same services were also included). The research problem deals with the question how delight factors can augment the loyal customer base in day spa business. The practical goal of this master thesis is to rise the spa managements' awareness and present them practical recommendations which should help them to gain

and maintain competitive advantage. To fill the goal of the thesis, two research questions were asked:

1. How is customer loyalty measured and managed in day spa settings?
2. To what extent are day spa managers using delighting factors?

In order to achieve the aim of the Master's thesis and to answer research questions, the following research tasks are set:

1. Reviewing and analysing relevant literature on theoretical concept of customer loyalty, delight approaches and the characteristics of day-spas.
2. Mapping and providing the overview of the current situation in Estonia and Finland regarding day spas and hotel spas which are offering day spa services and day spa packages.
3. Preparation of the study, choosing appropriate methods, composing interview questions, conducting pilot study and making agreements about the interviews with day spa and hotel spa managers.
4. Conducting the empirical research with spa managers and analysing the results. Research data is collected with semi-structured interviews with the spa managers in Estonia and Finland.
5. Making the conclusions and formulating recommendations to spa managements.

This Master's thesis is divided into three chapters. First part introduces theoretical background of customer loyalty, its practical benefits but also the impact of service failure. Following subchapter discusses delight approaches, its antecedents, creation and critics. Last part of the first chapter gives an overview of a day spa characteristics and requirements. Theoretical part is based on relevant academical literature and books. Second chapter consists of empirical data, where the author first describes the current situation in day spa industry in Finland and Estonia. Then the methodology of the research is introduced. The final part of analyses is presenting the results of the interviews. Third chapter is presenting the conclusions, recommendations for day spa and hotel spa managers how to best manage delight in creating customer loyalty. The thesis ends with conclusions, references list, eight appendices and summary in Estonian.

# **1. LITERATURE REVIEW**

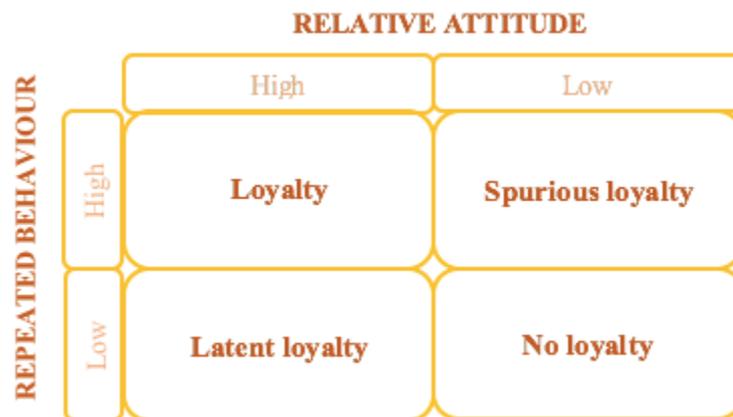
## **1.1. Customer loyalty: meaning and approaches**

Customer loyalty has been considered the key for companies to be financially successful and sustainable in a longer period. This is especially important in service-related industries as existence of the customers is the reason why establishments operate at all. The concept of loyal customers is defined in many ways. For example, it can be explained as repeated service consumption or preferring one specific brand to others. Customer loyalty is widely investigated for decades already but there are still questions where scholars' opinions do not coincide. On the other hand, in rapidly changing world new loyalty related factors are coming to the agenda.

Probably the most accepted and widely used loyalty definition is already almost twenty years old: Oliver (1999) is proposing following definition: "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). Different scholars offer alternative explanation of this notion. Iqbal, Ahmad and Nasim (2016) describe loyalty as state of mind – a group of attitudes and beliefs, which depend on associated behaviours.

Most of the researchers today construct their study concepts related to customer loyalty based on two earlier frameworks: Dick and Basu's and Oliver's. Dick and Basu (1994) state that there are two essential conditions to create loyalty: relative attitude and patronage behaviour. From attitudinal perspective, loyalty is a positive willingness purchase again from the same vendor and/or suggest it to others. Attitudes are described in three different categories: cognitive as brand beliefs and opinions, affective as feelings involving the service/goods provider and conative as behavioural habits toward the brand. Behavioural point of view concentrates on actual purchase behaviour, which includes

duration and participation. Figure 1 shows the attitude–behaviour relationship. High relative attitude and high repurchasing behaviour mean continuous act towards the organizations and this is considered as loyalty. High relative attitude and low repeated behaviour can mean that the client is liking the brand but not repurchasing it – it is latent loyalty. Low relative attitude and high patronage behaviour indicate spurious loyalty which means repeated purchases based on habits or familiarity, not on emotional attachment. Combination of low relative attitude and low repurchasing behaviour means no loyalty.



**Figure 1.** Relative attitude–behaviour relationship (Dick & Basu, 1994, p. 101)

Oliver (1999) provides four-dimensional model – three phases are following cognition–affect–conation pattern, and he is adding the fourth one – action phase. It is the commitment to the action of rebuy and overcoming the obstacles to achieve favourable behaviour. In his model, loyalty is seen as process. The weakest state is cognitive loyalty: in this stadium the brand preferences are developing (for example, choosing the grocery shop which is either closest or offers cheapest prices). Second state is affective sense which means that the previous intentions are evolving to satisfaction on the basis of pleasing experience. Satisfied customers are more committed to the company but still easily interrupted by other firms. Following state is conative (behavioural intention) loyalty, which means that in addition to affect the intention to act emerges, for example intention to revisit a particular place. This is considered as a deep commitment but

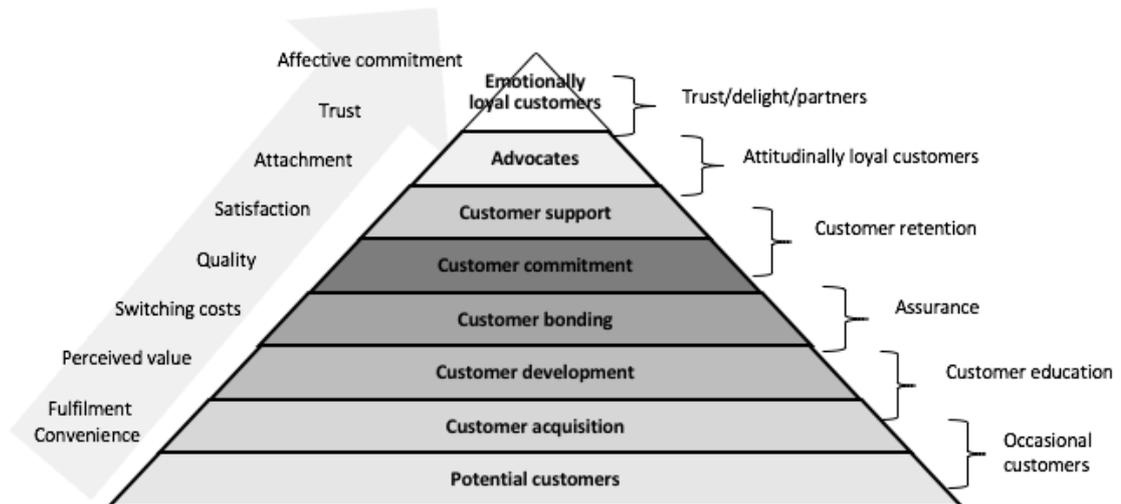
sometimes the intentions remain mere intentions. Therefore, true loyalty is accomplished in last phase 'real action', when all the intentions are transformed into actions.

Härtel and Russell-Bennett (2010) disagree with Oliver's idea about cognitive loyalty being the first stage of building continuous and strong relationships between consumers and organizations. They are stating that cognitive and emotional loyalty can occur together and be influenced also by other factors and circumstances. It is possible simultaneously be loyal attitudinally, but not behaviourally, for example, to desire a brand but be incapable to buy it due to financial issues or unavailability; or vice versa acquire something repeatedly because it is the only option. Akin (2012) argues that every repurchase is not loyalty – or moreover, no confirmation of future repurchases.

Wolter, Bock, Smith and Cronin (2017) discuss that attitudinal loyalty with conviction is the state when the favourable behaviour can be predicted. Loyalty without conviction acts like previously described latent loyalty, which means that the favourable behaviour is based on habits, convenience, location etc. The greater is the conviction concerned, the influential the loyalty behaviours are. They are also stating that satisfaction creates cognitive loyalty, but for creating conative loyalty (which represents continuous behaviour) satisfaction is not sufficient. El-Manstrly and Harrsion (2013, p. 1851) argue that intentions to purchase, recommend, and spend more money are linked to affective loyalty and emotions.

The intangible nature of services makes the creation of loyalty more complicated due to the increased risk of buying the service (So, King, Sparks, & Wang, 2013). Numerous studies try to ascertain loyalty antecedents (e.g. Chiu et al., 2012; García de Leaniz & Rodríguez Del Bosque Rodríguez, 2015), but only a few try to shed light on the process of customer loyalty development. Kandampully et al. (2015) portray the different stages how to develop emotionally truly loyal customer base in hospitality sector (Figure 2). "Attracting, converting, engaging and bonding customers are part of the pathway to creating brand advocates and emotionally loyal customers" (p. 383). In lower stages the value for the company is quite shallow, higher ranks on the pyramid indicates higher strategic value. On the left side there are different factors which are valued by the customers. On the right side, the benefits for the company are presented. To reach the top

of the pyramid and create emotionally committed true loyal customer base, the delight factor is needed.



**Figure 2.** Customer loyalty pyramid (Kandampully et al., 2015, p. 381)

For every company loyal customers should be an important goal (García de Leaniz & Rodríguez Del Bosque Rodríguez, 2015). Different authors measure distinct outcomes of loyalty and its profitability for the company. For example, Aksoy (2013) presents extensive list of loyalty indicators: retention, share-of-wallet (SOW), frequency, customer profitability, repurchase intention, recommend intention, net promoter score (NPS), word-of-mouth (WOM), recency of purchase and complaints etc.

Retention shows how likely new customers might come back and how long they stay with the company – and organizational culture and customer service are considered huge influence in here. (McCrary, Pilcher, & McMillan, 2017). SOW is showing the preferences of clients, more accurately it shows if the firm is the client’s first choice (Buoye et al., 2016). NPS is used to measure loyalty and predict the firm’s revenue growth by measuring the recommendation intentions of customers (Mecredy, Wright, & Feetham, 2018). WOM and recommendations create free advertisements for establishments which makes it much easier to find new customers. Majority of customers prefer the same firms their family, friends and other acquaintances suggest (Chen, Chang, & Wu, 2013). In the industries with high involvement service, clients manifest more

favourable behaviors, whereas WOM may be even more valuable than repurchasing (Fernandes & Esteves, 2016, p. 135). Customer complaints in one hand show the room for improvement to provide higher service quality but also managements can take advantage of it by engaging more loyal customers if the complaints are solved efficiently. Cai and Chi (2018, p. 15) explain that making a complaint must be easy for clients in order to maintain or increase their loyalty.

When business starts to build loyal customer base, at first they should define loyal customer within their firm (Aksoy, 2013), for example based on the repurchase frequency, or how much are they spending, SOW etc. Another aspect is to understand what drives clients' loyalty to a certain company. Gathering and analysing the customer information helps firms to make their everyday business operations more efficient (Saarijärvi, Grönroos, & Kuusela, 2014). Bowen and McCain (2015) add another benefit of researching and segmenting the customers: if the firm is aware of their customers' needs and expectations, they can tailor its services and therefore provide personal treatments. Gathering customer information may be challenging, but Leppäniemi, Karjaluoto and Saarijärvi (2017, p. 165) argue that satisfaction triggers clients open up and raises their willingness to share personal preferences and useful information. For analysing customer responses, Sauro (2015, p. 21) advises to conduct key driver analysis (e.g. quality, value, utility), which shows what services and factors have the most impact on loyalty.

Another perspective that managers need to understand is what kind of services they are offering. Satisfaction is creating only weaker forms of loyalty, which are easily interfered by external factors (Wolter et al., 2017). If the goal is to target convenience/habitual customers and attain latent loyalty (based on budget, location, accessibility etc.) then satisfaction is enough. If the goal is to offer high quality premium services, the companies need to focus on their customers' characteristics and eliminate the barrier-to-purchase when they create the truly loyal customer base.

Bock, Mangus and Garretson Folse (2016) complement the previous idea by offering a proactive strategy for companies to increase loyalty and revenue growth. Their study demonstrates that when frontline employees are using customized interpersonal adaptive

behaviours it will generate desirable positive effect. Interpersonal adaptive behaviours allow employees to approach uniquely to every customer and serve them according to their needs and personality. Kasiri, Cheng, Sambasivan and Sidin (2017) propose combination of customization and service standardization for even greater result. Standardization has high positive effect on service quality. For hospitality industry, they suggest customizing the services according to customers but standardize the process of delivering the services.

Many companies in different business field have loyalty programs to strive greater loyal customer base and ensure customers' preferences towards their company. The main aim of loyalty programs, what will give most likely the desired outcomes for firms, should be the psychological value (intangible, emotional and recognition aspects) (Xie & Chen, 2014). Offering the psychological value through loyalty program will enhance the frequency of the purchase positively and the general value perception of the organization. Nowadays more and more people expect from such kind of programs immediate reward that compose experiences and makes clients feel special (Bowen & McCain, 2015). Kim, Vogt and Knutson (2015) state that loyalty programs are paying off when they are influencing the affective loyalty. In other words, the products and services should influence emotions. Their suggestion is to link loyalty programs to benefits around lifestyle events to get the desired results.

As previously shown there are many positive effects on increasing loyalty through the program, but some authors are noticing also the weaknesses of them. Tripathi (2017) is more critical on the assumptions made on the single visit even if the customers register to the loyalty program, spread WOM and give positive feedback. He states that loyalty is developing over a period and has multiple sides, depending on customers motives. El-Manstrly and Harrison (2013) highlight the frequent shortcomings of loyalty programs: they found that mostly those benefitted short-term behavioural intentions which did not lead any step closer to true loyalty (attitudinal and behavioural jointly). Xie and Chen (2014) emphasize in hotel setting the importance of distinctive loyalty program based on the customer segments, as the "one-size fits all" does not attract more loyal customers. This can thus be very complicated as the organizations are coping from each other and the unique programs are not giving desired effect. Today there can be found many loyalty

schemes which are not rewarding clients loyalty but are developed with aim of ‘getting more out of customers’.

The main attribute of service is the intangibility aspect. It is not possible to ‘touch and see’, but instead services offer something to feel and experience. The nature of the services unavoidably elicits sometimes failures during the service deliver. When not treated, errors can transform loyal customers to disloyal, spoil the company’s reputation and value (Tran, Roswinanto, Nusron Yunus, & Kurnia, 2016, p. 81). When companies come up with recovery systems they can reduce the damage. Roschk and Gelbrich (2014) are stating that “...matching compensation type with failure type...” (p. 207) gives the best results for recovery and thereby customer loyalty. This means that for the failed service the best correction is to offer new reperformance. But in the case of poor attention, there should be offered different types of compensation (apology, new service, gift etc.). Establishments who have developed recovery systems show the responsibility to offer quality service to their clients (Guchait, Kim, & Roseman, 2014).

Customer loyalty in theory is a powerful tool for securing the success of the company. But as shown, it is not so easily applied in practice. There are many different aspects what need to be considered. Companies need to think properly their strategies and what is important for them e.g. either situationally loyal customers or truly loyal customers.

## **1.2. Customer delight: meaning and approaches**

Increasing competition in spa tourism has led to condition, where customers’ satisfaction is not enough anymore to gain long-term success for the businesses. A new notion of “delighting customers” has arisen. Customer delight is important area of study which has been found the key factor to assure customers behaviour such as loyalty. Among academic circles it is a rather new concept – there are numerous studies but there is still lacking an unambiguous understanding. In this subchapter the author of the thesis is giving deeper insight into theoretical framework of customer delight and its characteristics.

Scholars have pointed out mainly three roads how delight is created: disconfirmation paradigm, needs-based theory and affect (emotions) related. Probably the first important

theory regarding delight was disconfirmation paradigm (Oliver, Rust, & Varki, 1997). This means that customers are comparing their expectations with performance and delighting happens only when the expectations are exceeded. This is considered as a cognitive process based theory.

Schneider and Bowen (1999) criticize previously explained approach and draw attention in two aspects that make it questionable – expectations are inherent in the companies and are depending on the field of activity and secondly, individual expectations are established based on internal standards. Therefore the authors are proposing needs-based theory to supplement the first one and explain how needs are influencing human behaviour in the context of delight and loyalty. Companies will be successful in composing delight when they are satisfying their customers' needs, especially taking notice on three aspects: security, justice and self-esteem. People does not want to feel stupid and the more competent the company can make the customers feel the more delighted they will be. The latter (self-esteem) is the most critical in delight management. Later some authors (Bowden-Everson, Dagger, & Elliot, 2013; Loureiro, Miranda, & Breazeale, 2014) have highlighted also trust as one important need in this construct.

Third concept sees delight as emotional response towards product or service (Ludwig et al., 2017). It can be seen as affective state, when a consumer does not have expectations but is pleased with performance (Elias-Almeida, Miranda, & Almeida, 2016). Surprise, joy and arousal can be the elements, which are creating such kind of response (Guchait et al., 2014, p. 454).

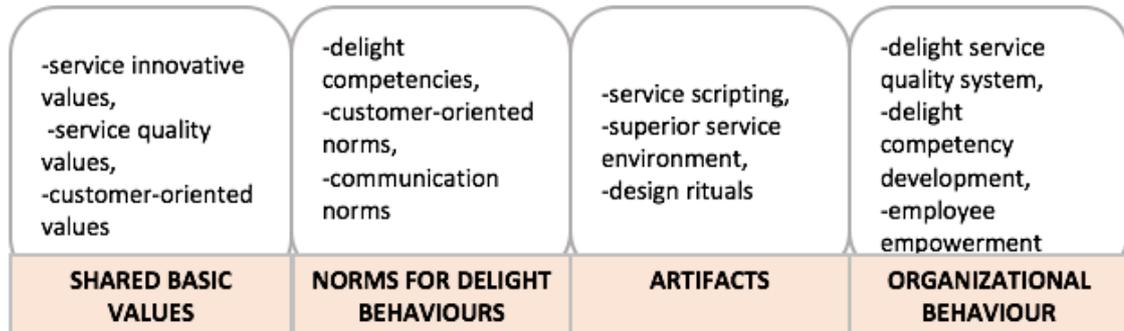
There can be also found ideas which are combining different approaches. Torres and Kline (2013) are emphasizing delight as an “emotional arousal and excitement towards a company” (p. 648) which results from the customers need for self-esteem. Liu and Keh (2015) are proposing that delight is a two-dimensional concept: cognitive as disconfirmation and affective. Clients who meet high disconfirmation and emotional dimensions will be delighted. High disconfirmation and low affective dimension will be considered as highly satisfied. The case with both low dimensions means solely satisfied. Barnes, Collier, Howe and Hoffman (2016) are agreeing that under different circumstance different approaches can apply and co-exist when creating delight.

One of the most mentioned critical factor for creating delight in earlier and recent studies is a combination of joy and surprise or surprisingly unexpected pleasure (Barnes, Ponder, & Hopkins, 2015; Oliver et al., 1997). Surprises usually construct positive emotions which can be the reason which links it into creating delight. Bowden and Dagger (2011) are explaining the surprise efficiency as it may release emotional arousal and Wang (2011, p. 150) states that disconfirmation is the reason for surprise. More recent studies are stressing also other factors what may be even more essential for this construct. Barnes et al. (2016, p. 284) are reporting that joy alone is a significant factor to delight. In a restaurant setting, joy and captivation had the highest impact instead (Dey et al., 2017). One possibility, when for example joy and surprise are inappropriate, Ball and Barnes (2017) are suggesting to employ gratitude, which has the same effect as other antecedents.

Other authors (Ludwig et al., 2017) are expressing that creating extra value for the customers evoke delight. They also recognize the role of surprise as it is probably the most resultant in creating the delight: the impact of extra value dropped when consumers were not surprised. Elias-Almeida et al. (2016) explain that when perceived service quality exceeds expectation, positive responses as satisfaction and delight arise. In hotel context demographical distinctions of expectations have been pointed out – marital status, sectors of employment, place of residence, purpose of visit, age group, monthly income (Goswami & Sarma, 2014), gender (Goswami & Sarma, 2014; Torres et al., 2014a), cultural differences (Torres, Fu, & Lehto, 2014b). For example, females, unmarried, with higher monthly income have superior expectations for the company. Cultural diversity plays crucial role as some cultures appreciate tangible dimensions while others value intangible dimensions.

In retail companies, customer delight is set mainly by the products, but in service companies by employees (Barnes, Ponder, & Dugar, 2011). Employee manners and attitudes towards customers are highly affected by organizational culture (Ibrahim, Boerhannoeddin, & Kayode, 2017). Also Torres and Kline (2013, p. 655) highlight the importance of organizational culture in creating delight – it will determine the style of the service and the role of employees in the company. Kao, Tsaur and Wu (2016) are proposing multi-layered approach for the companies to develop delight culture (see Figure 3). Different layers are interrelated – customer delight values of the company are

the core, norms are resulting from values and are expressed in artefacts and organizational behaviours. The extensive list of different aspects which are shaping the delight culture can be found in Appendix 1.



**Figure 3.** Organizational delight culture layers (Kao et al., 2016, p. 102–105.)

Other authors highlight the importance of employees in creating customer delight. Employee engagement and positive attitude (Shaheen, Zeba, & Mohanty, 2017); personal communication (Barnes et al., 2015); perceived employee effort and expertise (Barnes et al., 2016, p. 285) are found to create joy and surprise and therefore lead to delight. Collier, Barnes, Abney and Pelletier (2018, p. 159) are warning against making the exceptions, for example discarding the rules may actually give the opposite reaction – clients are made ‘accomplice in crime’ and therefore they may feel guilt and it reduces the positive emotion. Companies need to understand that the effort on investing in employee skill development and training, are leading to customer-focused organizational culture (Torres & Kline, 2013).

Barnes et al. (2015) are pointing out that delighting is actually a two-way road. Receiving delighted customers’ feedback will affect employees positively which in return increase the employee job satisfaction and they are more committed to the firm. Lee and Shea (2015) are stressing the need to see the bigger picture, even if there are great employees, some clients still have minimum contact with them and for them there should be other aspects to create delight.

It can be compensated with physical environment and tangible elements like necessary equipment and furniture; cleanliness and well-cared physical facilities; overall relaxing

atmosphere; appearance of the employees (Elias-Almeida et al., 2016); complementary drinks (Barnes et al., 2016, p. 285); unexpected gifts (Lee & Shea, 2015); atmospheric cues (lighting, music, temperature, colour scheme, aromas, decoration and design elements, treatment rooms) (Loureiro, Almeida, & Rita, 2013, p. 40) All the previously mentioned authors have stressed the importance of cleanliness.

The debate concentrates on the main predictor of customer loyalty. Some authors suggest that satisfaction has a greater effect on loyalty than delight (e.g. Kim et al., 2015; Loureiro et al., 2014). Others (e.g. Ahrholdt et al., 2017; Bowden-Everson et al., 2013) are highlighting the importance of satisfaction although it demands also customer delight to increase customer loyalty. Thirdly there are opinions which underline the significance of delight whereas satisfaction has very low or no impact (e.g. Lee & Shea, 2015; Meyer et al., 2017). According to Barnes, Beauchamp and Webster (2010) loyalty is in positive correlation with delighting customers, “firms will get out of relationships with their consumers what they put in” (p. 281). This means when the clients feel that they have gained great benefits from the service, they are balancing the relationship by offering the company what is in their possession – commitment, repurchasing, willingness to pay more etc. If clients have somewhere experienced delight, they might not consider visiting other firms at all, which signifies the high influence of delight. In spite of Kim et al. (2015, p. 188) are substantiating the importance of cognitive, affective, and conative loyalties in delight construct, most of the authors are investigating the linkages between delight and customer loyalty under the term which are mostly treated as behavioural intentions (Table 1).

When a service error appears, it is possible to solve it with delight factor. Collier et al. (2018) found that delight factors like perceived employee effort, surprises and perceived employee empathy are increasing tolerance to service failures. Sivakumar, Li and Dong (2014) are stating that when failure and delight are occurring at the same time, the error will have bigger impact. They are also stressing, that in the case of service failure in the beginning of the treatment it can be fixed with the delight in the end of the service. But when delighting takes place in the beginning of the service and error occurs in the end phase, other recovery measures should be used to fix it. For example, when the organization takes full responsibility over its fault and admits its frankly, it increases trust

towards the company (Kwong & Yau, 2002, p. 261). The most effective apology will come from three levels – frontline, manager and company (Guchait et al., 2014, p. 466). Frontline apology only lowers the delight level instead. Offering good service recovery in all company levels requires good collaboration and organizational culture.

**Table 1.** Types of behavioural intentions based on academic literature

Behavioural intention	Scholars
Commitment	Liu & Keh, 2015; Barnes et al., 2010
Positive word of mouth	Barnes et al., 2010; Ball & Barnes, 2017; Oliver et al., 1997; Dey et al., 2017; Collier et al., 2018
Repurchases/revisiting intentions	Wang, 2011; Barnes et al., 2010; Oliver et al., 1997; Ludwig et al., 2017; Dey et al., 2017; Lee & Shea, 2015; Bowden-Everson et al., 2013
Positive outcomes for employees	Barnes et al., 2015
Willingness to pay more	Barnes et al., 2010; Dey et al., 2017
Recommend to others	Oliver et al., 1997; Ludwig et al., 2017; Dey et al., 2017; Lee & Shea, 2015; Bowden-Everson et al., 2013
Decreased price consciousness	Collier et al., 2018
Increased tolerance to failure	Collier et al., 2018

Source: Composed by the thesis author, based on referred scholars on Table 1

The delight studies were started already in the middle of 1990s, and in the beginning of 2000s first critical approaches appeared. As managing delight requires extra resources like finances, time etc. from company, Rust and Oliver (2000) are questioning if the benefits from delighting customers equates or gives back more profit, than was used for creating delight. In other words, is it worth to for companies to develop delighting strategies? There are also other contradictory and doubtful factors. The element of surprise causes for the firms the situation where they should come up with something new every time (Kim & Mattila, 2013). But customers perceive different factors as surprising. For the companies this means offering constant variety of surprises and extensive knowledge of their customers. Another aspect is offering continuously at least same level services for every visit (Goswami & Sarma, 2014). This is risky as the expectations are set to rise every time.

Ludwig et al. (2017) are arguing that wrong handling of delight measures can instead give backward effect and trigger disloyal customers. More precisely, when the clients are not

receiving the expected extra value from a service, they probably feel anger and disappointment, which in turn will result in not returning to the company and spreading negative word of mouth. Kim and Mattila (2013) are suggesting the solution to reduce this risk by explaining customers every time why the surprise or extraordinary occasion took place. It will indicate for the clients that there could be a one-time thing and the expectations are not raised to the level which could not be met. Topaloglu and Fleming (2017, p. 727) are suggesting that companies should intentionally promote their performance on lower level compared with the real services. This avoids disappointed customers. Ludwig et al. (2017) are arguing that the delight is taking place and give the desired outcome even if the customers know about the extra value. True, the effect is not so strong compared with the unexpected extra effort, but still have the positive consequence. Rust and Oliver (2000) are referring that only then should companies use delight when they know that satisfaction is strongly influencing the repurchase intention. This means that the companies can delight clients who were dissatisfied by competitors and thereby increase their own customer base.

The extensive emergence of customer delight concept in academic studies proves its prominence and practical value in entrepreneurship. Nevertheless, good planning and customer analyses should always inform making delighting strategies.

### **1.3. Overview of different types of spas with a focus on day spas**

Spa culture has a long history, but they are increasingly gaining popularity. Spa visits are much more than just receiving treatments: it has become a social trend. Most spas are providing proactive treatments and serving healthy people, who want to feel better, for example reduce stress level in contrast to medical spas who cure illnesses. This chapter provides definitions of spa types, focusing on the distinctiveness of day spas and spa-goers characteristics.

By the nature spas are places where experiences are created and customers are engaged with all their senses. Experience has been considered a personal matter, with important emotional significance towards the products and services consumed (Lo & Wu, 2014).

Spas are not inherently the place where to just receive treatments: it is offering relaxation, healing, pleasure (Koh, Yoo, & Boger, 2010) and there is something for body, mind and spirit. Managements are putting effort into designing a complete approach for treatments, which would connect the previously mentioned elements. Spa time is a rare occasion when people take time off from the everyday pace and noise to spend time for themselves and their thoughts (McCarthy, 2017, p.134).

Spas may be divided based on their location, size, service offerings, and other factors (e.g. big spa-hotels, resorts, day-spas etc). Based on International Spa Association (ISPA) Smith and Puczkó (2013, p. 87) provide six types of spas:

- Club spa – offers fitness related services and in addition offers professional spa services in daily bases.
- Day spa – provides professional spa services in daily bases, accommodation is not available.
- Destination spa – provides comprehensive program with spa services, physical fitness activities, wellness education, healthy gastronomy, and additional cultural program for example. Its primary aim is to develop healthy habits.
- Medical spa – core services are related to cure people and treating is performed by licensed health care professionals.
- Mineral springs spas are located on nearby mineral, thermal or seawater and used as hydrotherapy.
- Resort/hotel spa's main aim is to offer accommodation and in addition professional spa services, fitness and wellness components.

Different types of spas are offering similar variety of treatments, but the key of the categorization is the core service. A hotel/resort spa may also function as a day spa, if they are granting the access also to clients from outside the establishment e.g. locals or visitors from other accommodation establishments. As the focus of this thesis is on day spas, the overview of this type of establishments is presented below. Day spas are independent establishments, either freestanding or located in a mall, commercial building, airport terminal, or hotel (Anderson, 2011). As mentioned before, day spas do not offer accommodation. Spa facilities may include beauty and relaxation programs with the intentions to improve health, beauty and relaxation (Yaman, Alias, & Ishak, 2012). When

water treatments are one important factor regarding spas, day spas might offer only beauty treatments (Smith & Puczkó, 2015). Some day spas offer in addition e.g. yoga, reiki or reflexology (D'Angelo, 2006, p. 29). Treatment times can vary from an hour or up to whole day (Anderson, 2011).

The rapid development of day spas leads to the situation where some companies are using the term 'spa' in their name only to increase their income and stand out as fancier (Kelleher, 2004, p. 17). Kucukusta and Guillet (2014) confirm that people are willing to pay higher price, when it comes to spas – according to common understanding higher price equates better quality. But in reality this can confuse the customers and frustrate them when they are expecting a quality, relaxing, peaceful experience but will get service equivalent to regular beauty parlour instead. The issue has been topical for several years and therefore criteria has been suggested to distinguish a day spa from companies which are only offering some spa services (see Table 2).

**Table 2.** General requirements for day spas

<b>Requirement</b>	<b>Author</b>
Clean, safe, relaxing atmosphere	Kelleher, 2004; Koh et al., 2010; Kuckusta & Guillet, 2014; Loureiro et al., 2013; Smith & Puczkó, 2013
Private rooms and individual service	Kelleher, 2004; Monteson & Singer, 2004
Washing and dressing rooms for females and for males	Kelleher, 2004; Monteson & Singer, 2004
Bathrobes and slippers for different size clients	Kelleher, 2004
Day spa packets	Kuckusta & Guillet, 2014; Monteson & Singer, 2004
Relaxing area	Loureiro et al., 2013; Mak, Wong, & Chang, 2009
Saunas, steam rooms or other water related treatments	D'Angelo, 2006; Mak et al., 2009; Smith & Puczkó, 2013
Professional staff	Kelleher, 2004
Massage, body treatments, facials	Kelleher, 2004; Smith & Puczkó, 2013
Professional spa products	Kelleher, 2004
Staffed reception	Monteson & Singer, 2004

Source: Composed by the thesis author, based on referred scholars on Table 2

Hanks and Mattila (2012) studied how women see the differences of salons and spas. They state that spas are for relaxation, pamper and related with hedonic values, but salon visits are perceived as utilitarian and are listed in the same category with many other necessities (e.g. I have to do my hair).

Spa visits usually take predictable amount of time that customer spends in quiet space. For day spas this means limited and predictable treatment room capacity. This enables to calculate the maximum number of client per day/week/month and maximum profit range, which allows managements to maximize effectively target customers. (Modica & Scanu, 2014)

The spa industry is dynamic: as trends and preferences are changing fast (Langvinienė, 2011), it is important for spas to stand out with unique treatments. Diversification is essential in many ways: to create unforgettable memories for clients and also to survive in market (Hjalager & Flagestad, 2012). As the core services are mostly the same, it is possible to be different by specializing on something unique, or offer special personal care (Kotler, Bowen, & Makens, 2010, p. 42). Another aspect to succeed is to develop branding strategy, which ensures that customers are identifying with the establishment and its facilities (Anderson, 2011, p. 40). When spas have developed their own products, it has been found beneficial for increasing customer loyalty (Kucukusta & Guillet, 2014). Another opportunity is to develop into a wellness spa, which is also a rising trend in tourism. Loureiro et al. (2013) suggest paying more attention to intangible aspects connected to our five senses. The elements are right music, aromas, decorations and interior design, the way how treatments are conducted and also the taste experiences. Anderson (2011, p. 41) is adding the personally tailored guest experience for creating the exceptional feeling for the clients. Chen et al. (2013) are adding the holistic care and luxury aspect to wellness spas.

Organizations can develop tailor-made treatments, implement marketing strategies, and attract new segments if they have the good knowledge of their customers. Following is describing spa visitors socio-demographic characteristics and motivations in different types of spas. Spa-goers' intentions may be influenced by the socio-demographic backgrounds, previous experiences or other circumstances. Customer preferences can vary from price range, quality, product brands until to therapist qualifications (Kucukusta & Guillet, 2014, p. 115). Mak et al. (2009) are proposing that over 75% of spa visitors are female, and the largest age groups are between 26–33 and 34–42 years. Two thirds from the respondents have bachelor's or higher degree.

There have been found evidence of numerous factors which are influencing the treatment choices: gender, age, education level, previous experience, expected benefits (Adongo, Amuquandoh, & Amenumey, 2017). Koh et al. (2010) are presenting marital status, gender and education as the influencers of spa visits, but Dimitrovski and Todorović (2014) found that only marital status has the effect on intentions regarding sociodemographic characteristics. Married people are more into socializing, when singles are more modest.

Medina-Muñoz and Medina-Muñoz (2013) are arguing that there is no single profile of spa-goers regarding the socio-demographic attributes. Instead they are stressing the importance of segmenting the customers according to their needs which is found to be as most beneficial for companies. This should contain learning the needs of the customer by asking from them, and according to the results also adjusting the facilities and services to ensure the loyalty of the customers (Kamenidou, Mamalis, Priporas, & Kokkinis, 2014). Even if there is disagreement on the sociodemographic attributes, Dryglas and Salamaga (2017) present clearly emerged differences between various segments. Spa/wellness seekers segment is dominated by women, especially younger ones with higher education and highest incomes.

Today's spa customers are looking for multiple benefits (Koh et al., 2010). Dimitrovski and Todorović (2014) are bringing out six motivational factors why wellness tourists visit spas: rejuvenating, beauty treatments, hedonism, socialization and excitement, relaxation and escape, whereas the last three are the most popular ones. Almost the same intentions have been found in other studies: physical relaxation, pampering, rewarding oneself, seeking mental peacefulness and escaping from work stress and social life (Mak et al., 2009). These results show that more and more people are seeking something for body, mind and soul.

Koh et al. (2010) are dividing spa-goers into three segments according to their intentions: escapists (quiet relaxing atmosphere, away from home and improve their health and rejuvenate), neutralists (relax and not socializing), hedonist (excitement and interaction by escaping from daily routine). Voigt, Brown and Howat (2011) are referring to three types of wellness tourists: beauty spa visitors, lifestyle resort visitors and spiritual retreat

visitors. First one is also the most likely segment for day spas. These consumers expect a psychological self-transformation through pampering, indulgence, relaxation and 'escaping'. Loureiro et al. (2013) are confirming that the relaxation created with atmosphere and involvement is the most valued aspect in spa context. Also a study conducted by Mak et al. (2009) draws out the pattern that relaxation (97,4% from the answerers) is the main attraction for clients.

Tsai, Suh and Fong (2012) are highlighting the one of the fast-growing segments is male spa-goers. Spas need to understand the importance of this segment, when creating loyal spa customer base. Male spa-goers' intention are largely the same, the main reason for visiting spas are the relaxation aspect, second was indulgence and third due health reasons; and the main service is body massage. Men stressed four factors which are influencing their choices: price of spa service, security measures, staff communication skills, and staff knowledge. For male spa-goers the lowest influence stems from the setting of the spa and reputation of the establishment. Male visitors revisit and recommend the spa to others because of proper environment and satisfaction.

One predictor of repeating customers is the previous experience. Most likely if the persons have visited spa once, they will return (Kim, Kim, Huh, & Knutson, 2010). Therefore the promotional and the well-designed membership programs can be the positive impulse for the new and returning customers. Satisfaction is the outcome of both first time and repeating visitors, but the motivation among these groups is different. First timers often are looking novelty from their experience. (Lim, Kim, & Lee, 2016) Spa-goers who seek novelty are hard to turn into loyal customers.

Lagrosen and Lagrosen (2016) found in their study four quality dimension what hotel spa customers value: physical effects (feeling better physically after), mental effects (stress relief and relaxation), pleasure (nice environment, great facilities, enjoyable treatments etc.) and smoothness (freedom choose treatments not too crowded etc.). Three factors were especially critical: calm atmosphere, friendly staff and well-cleaned facilities. Guillet and Kucukusta (2016, p. 422) proposed following factors regarding spas which are influencing the experience: cost, therapist qualification, level of privacy, variety of spa facilities and brand of the products.

Langvinienė (2011) is presenting regular day spa customer profile in Lithuania: on average, 35–60 years old women who are interested in beauty and body care, earning middle or higher salaries, and often living or working nearby the establishments. They are spending in spas from one hour to one day. Average visit is once per month. They like to use spa services in their leisure time or taking a break during a work day. They are valuing quality, availability and accessibility and they are quite price sensitive. Day spa guests are usually visiting the establishment alone. Kucukusta and Guillet (2014, p. 122) found that day spa visitors value therapist's qualification. There are also other segments besides locals among day spa clients. Mak et al. (2009) are adding that usually tourists who have tight schedule during their trips prefer day spas due their convenience and flexibility.

The rapidly growing everyday pace and information flood around us leads to rising numbers of stress and depression. People feel the need to take time off and engage their five senses to reduce stress level. Day spa concept offers best possibilities to achieve this within short timeframe.

## **2. CUSTOMER LOYALTY AND THE ROLE OF DELIGHT IN DAY-SPA INDUSTRY, CASE OF ESTONIA AND FINLAND**

### **2.1. Overview of Estonian and Finnish Day Spa industry**

This chapter gives an overview of day spa industries in Estonia and in Finland. There are many factors which influence the industry overall and there are aspects which characterise this market only. Estonian and Finnish contexts are relatively similar and therefore it is possible to treat them together.

With the mass immigration in the beginnings of 1900's in United States different cultures tried to integrate their traditions like Russian banja, Finnish sauna and Turkish hammam. For Americans it was hard to take over such communal bathing traditions as they valued more approaches based on personal treatment. This was the beginning of day spa culture which is valued even more nowadays. The first day spa was established in America in 1910 when Elizabeth Arden introduced the Red Door Salon in Manhattan. (The Spa Association, n.d.) Day spas are also the main type of spas in United States (Global Wellness Institute, 2017). In European context it is younger concept. Whereas it is rather dynamic and unregulated field in Estonia and Finland, more day spas may be found in Western-Europe (Smith & Puczkó, 2013, p. 50).

In Estonia the focus has been previously more on spa hotels and so-called sanatoriums, (Estonian Spa Association, n.d.) where people stayed overnight and the purposes were healing. Both in Estonia and in Finland there has been a long and spectacular sauna culture: In Finland, there are still estimated around 2 millions saunas for 5,3 million people (Weaver, 2013). But with increasing consciousness to healthy lifestyle people are more interested in pampering themselves also in shorter periods (few hours until a day) and this has led to the increasing numbers of day spas.

The overall spa trends are still in the move towards more natural, green, organic and local resources and old traditions are highlighted and introduced to tourists (Wellness Tourism Worldwide, 2011). The global trends have shaped the market and current situation of Estonia and Finland. Probably the majority of Estonian spas offer treatments with local resources like mud, peat and other natural resources. Natural and organic local products and ingredients are also popular choices in treatments. Some spas have elaborated their treatments taking into account local context: e.g. Georg Ots Spa in Saaremaa ([www.gospa.ee](http://www.gospa.ee)) has created a range of services with the raw-material from Saaremaa, for example scrub with sea sand, mask with sea algae, or juniper bath.

There is a great emphasis on sauna-rituals reminding and introducing the old sauna traditions ([www.spaestonia.ee/resort](http://www.spaestonia.ee/resort); [www.vspa.ee](http://www.vspa.ee); [www.harmoonikum.ee](http://www.harmoonikum.ee)). Bigger companies are differentiating themselves and try to target also unusual segments. Viimsi Spa ([www.spatallinn.ee](http://www.spatallinn.ee)) has developed spa for adults, entrance starts from 18 years old. More effort is put on relaxation and stress reduction. Another typical aspect in current situation is the use of local natural cosmetic brands (e.g. [www.lumi.ee](http://www.lumi.ee); <https://difference.com/et/>; [www.nurme.ee](http://www.nurme.ee)). The market in Estonia is quite versatile, offering hand-made brands as well as top quality professional series.

When all-around the world the wellness tourism is taking off, the Finns are focusing more on wellbeing tourism, which includes also spas. With the word wellness, luxurious 4-star and 5-star services are expected, but wellbeing tourism is a wider concept. Wellbeing tourism is found to be more appropriate as Finns like to stress the importance of physical activities, relaxation, sauna and spending considerable time outdoors (Konu, Tuohino, & Björk, 2011). Finland presents itself through unique selling points such as world's cleanest and greenest country, healing power of forests and saunas (Slow, 2017). They are not promoting themselves as spa destination, but previously mentioned factors refer to relaxation and stress reduction. Another characteristic aspect is strong and old sauna culture and saunas are still somewhat better represented than spas. There are many public saunas ([www.visitfinland.com](http://www.visitfinland.com)).

In Estonian traditional culture saunas had a central position, but its functions were very practical (cleanliness, disease prevention, giving birth etc.). On the other hand, also spa culture developed next to sauna culture. The first known bath was established already in

1796, after that also other similar establishments were opened. The first spas offered medical treatments like mud, salt, and sea therapy. (Estonian Spa Association, n.d.) The resort or hotel spas (also called spa hotels) are the most popular in Estonia. The author could map 46 hotels or accommodation establishments based on online research, which offer spa services and day spa packages (see Appendix 3). There are government regulations for accommodation establishments who can use the word spa in their name. The requirements include (Nõuded majutusettevõttele, 2012):

- 1) establishments have to offer at least two different massage services;
- 2) they have to offer at least two different hydrotherapies or the availability of a swimming pool;
- 3) they need to provide sauna service (a sauna for a minimum of 6 people);
- 4) in addition at least two different beauty services and personal services other than the sauna service have to be offered. Under beauty and personal services are hair dressers services, manicure-, pedicure-, cosmetic- and solarium procedures.

Hotels can apply quality stars issued by Estonian Hotel and Restaurant Association . They are using the same criteria as Hotel Stars Union. Many spa hotels have pursued it, which shows the overall high level of quality. In addition, Estonian Spa Association (n.d.) distinguishes medical and wellness spas. Medical spas offer licensed out-patient cure, whereas wellness spas offer relaxing spa services and disease prevention. Wellness spas need to grant very high quality and service standards. In the moment there are 16 spas who have gained the recognition from association (see Appendix 3). Another aspect in Estonian spa industry is licenced spa therapist. Spa therapists are trained since 2014 (Kuressaare ametikool, n.d.). The need for such kind of program was due to the increasing popularity of wellness and spa tourism and people's health consciousness. The gap between the increasing demand and skilled employees was the reason why it is government endorsed curricula. Licenced spa therapist is expected not only to conduct spa treatments but also to introduce the spa culture and its specifics (Kutsekoda, n.d.).

Knowingly the first Finnish spa was opened in 1896 in Savonlinna in Kasino Island. It was a well-known and popular place and had visitors also from other countries (Spa Hotel Casino, n.d.). In Finland there is available 38 establishments which offer day spa services and packages (based on online research) (see Appendix 4). Finnish spa association

([www.spa.fi](http://www.spa.fi)) represents twelve of them. No criteria is presented who can apply for the recognition from spa association. Another recognition what tourism related companies can apply is Quality 1000 (Laatutoni Q 1000) assurance programme tailored especially for travel industry, based on international quality certification criteria ([www.perho.fi](http://www.perho.fi)). Sauna from Finland is a network which offers authentic Finnish sauna experience. They have developed quality criteria for different establishments which shows that the sauna experiences would be top of the world. (Sauna from Finland, n.d.)

Online research did not reveal information about the requirements and legislation regarding spas in Finland. Therefore one expert was contacted: P. Kylmänen, employee of a beauty School in Finland (personal communication, May 9, 2018) discussed the situation in Finland and said that in the moment Finland lacks both legislation who can name themselves a spa, and who can work in beauty and spa industry. This is a major problem as there can be found many persons who work without qualification. There is not any specific spa related educational program as is in Estonia but in their school system they also teach relaxing treatments like aroma massage, hot lava stone massage etc.

Day spa industry in Estonia and in Finland is still in development process. To the knowledge of the author of the thesis there is no criteria who can designate themselves as day spa one how to measure service quality. In online research the author tried to map all the establishments who use spa in their name but do not offer accommodation. The aim was to obtain the overview how many day spas are in Estonia and in Finland.

In Estonia there could be found 15 establishments which met the criteria. From the results occurred that some day spas do not have contracted employees but instead the treatment rooms are rented for therapists. Still, one company name and/or specific products are used (e.g. Privilege Day Spa, Sundari Day Spa, Babor Spa in Tartu) (see Appendix 2). The author compared companies and their services against Estonian legislation concerning accommodation establishments who can use word 'spa' in their name (aspects concerning accommodation were dismissed). These regulations could be starting point when developing criteria for day spa regulations. Only one Estonian day spa met the criteria. Other spas are most frequently missing one or two hydrotherapies and/or the availabilities of sauna.

Previous analysis included only the requirements for treatments, but also other aspects should be included in legislation such as clean, quiet relaxing atmosphere (Kuckusta & Guillet, 2014), private treatment rooms (Monteson & Singer, 2004) and the availability of bathrobes and slippers (Kelleher, 2004). It can be seen that some companies (e.g. [www.kampspa.fi](http://www.kampspa.fi), [www.vspa.ee](http://www.vspa.ee)) are already working towards creating the right atmosphere – telephones are forbidden, there are private relaxing areas and also bathrobes provided.

Langvinienė (2011) (see page 24) presented the thorough profile of an average day spa visitor. Most of the clients are 35–60 years old women, earning middle or higher salaries and living or working nearby the establishments. Mak et al. (2009) propose that over 75% of spa visitors are female, and the largest age groups are between 26–33 and 34–42 years. Two thirds of the respondents have bachelor or higher degree. In the following, the statistics from Estonia and Finland is presented of potential day spa visitors (see Table 3). Table consist of the in-depth information about capital cities only, because most day spas are located there.

**Table 3.** The socio-demographic data of Estonia and Finland.

Area	Population	Women		Bachelor or higher education degree	
		25-34	35-60	25-34	35-60
Age groups					
Estonia	1,315,635	92,092	176,223	44,296	64,847
Tallinn	450,075	37,924	59,611	21,226	28,227
Finland	5,503,297	377,823	862,610	147,375	281,045
Helsinki	629,512	68,485	104,754	33,771	46,799

Source: Composed by the thesis author based on statistics of Estonia and Finland (<https://www.stat.ee>; <http://www.stat.fi>)

One of the characteristic of day spas is the focus on treatments (Smith & Puczkó, 2015), which means that businesses divide market share also with beauty and massage salons. There can be found approximately 1,297 beauty salons in Estonia based on [www.ilusalongid.ee](http://www.ilusalongid.ee) webpage. In Finland the numbers 3, 475 based on [www.asiakastedo.fi](http://www.asiakastedo.fi); [www.kauppalehti.fi](http://www.kauppalehti.fi); [www.fonecta.fi](http://www.fonecta.fi). Competition is very high especially for the companies which could be considered more as beauty parlours than day spas.

The approaches of Finland and Estonia are similar – trends here are influenced by global spa trends. In Estonia the greater emphasis is on spa culture, which is confirmed by relative number of spas. In Finland the focus is more on saunas. The contexts are similar enough to be disserted together, main differences come in on the legislation level.

## **2.2. Description of research among spa managers in Estonia and Finland**

The aim of the empirical research was to support reaching the overall aim of Master’s thesis and to provide practical perspective to theoretical discussion. The research is based on theoretical discussion introduced in the thesis. Practical research aims to answer following questions:

1. How is customer loyalty measured and managed in day spa settings?
2. To what extent are day spa managers using delighting factors?

This study is using qualitative research methods to find answers for the research questions and conduct the study. Qualitative methods “...provide opportunities for exploring all possible social variables, and set manageable boundaries” (Holliday, 2016, p. 6). Qualitative research is beneficial when there is no previous knowledge or the data is limited in particular field. Qualitative research provides explanations and descriptions according to real situations and is not trying to put the data into predetermined forms (Hammersley, 2013, p. 12). These methods are sometimes accused of subjectivity, but in dealing with humans it is sometimes inadequate to rely on statistics and quantitative survey, to get the in depth understanding. This kind of subjectivity can be reduced when the researches are describing the procedures, how and what is done, in a straightforward and transparent manner (Holliday, 2016, p. 7). There are three reasons why the author chose qualitative methods to conduct this survey. Firstly, day spas in Estonia and Finland constitute a new and limited community of practice. Secondly, to the knowledge of the thesis author, the concept of customer delight has not been reflected upon in Estonian scholarly discourse. Also, it would have been somewhat difficult to sample all of the spas in Finland and Estonia using a questionnaire and the response rate might not have been adequate for statistical analysis.

The research started with mapping the Estonian and Finnish day spas and spas offering day spa services among others. There are altogether 15 spas of interest for this study (see Appendix 2). Internet materials were used as primary sources. In the next phase, the companies were contacted via phone or e-mail. Sample for this study was formed based on purposive sampling. This means that informants were chosen on specific principles and criteria (Gentles, Charles, Ploeg, & McKibbin, 2015). The criteria for the choice of subjects were chosen by the author of the thesis:

- 1) interviewee needs to have competence on subjects of customer delight and loyalty in their company (it might be either manager, owner, marketing manager or someone else);
- 2) interviewee must represent establishment where company's name includes the word 'spa';
- 3) in case of hotel spas, the company needs to offer also day spa services (allowing treatments for visitors who are not staying in their hotel).

Sample consists of nine spa managers. It was decided to conduct equally five interviews both in Estonia and in Finland. As it proved to be difficult to find five participants from Finland, the numbers were adjusted to six interviews in Estonia and three in Finland. Six interviewees work in day spas and three in hotel spas. The names of the managers or companies are not used, these are replaced with pseudonyms – day spa managers are referred to as DS and hotel spa managers as HS, number in the code is representing the time of occurrence (see Appendix 5).

Interview as one of the possible instrument to use conducting qualitative research, is allowing respondents to explain their point-of-views in their words (Magnusson & Marecek, 2015, p. 25). Research data were collected during semi-structured interviews. Semi-structured interview enables the author to go in depth with the topic but still be flexible (Laherand, 2010). Also there have not been found any studies previously regarding day spas which can mean that during the interviews new information might raise. Semi-structured interview enables to ask flexible questions. Answers can be specified during the interview by asking follow-up questions, which may elicit rich details. For the scholar is possible to give extra explanations which may be necessary for the respondent to understand the questions correctly and therefore the scholar will get the

important, needful data (Magnusson & Marecek, 2015, p. 25). One reason why this method was chosen is to get good personal contact and let respondents to express themselves freely. Taking into account the emotions and gestures during the interviews, allows better interpretation of the answers during the analysis.

Before the interview the author of the thesis composed interview guide in English and in Estonian (Appendices 6 & 7). Originally the questions were in English and translated to Estonian, cooperating with translator to ensure the correctness of the questions. Questions were divided into three blocks according to theoretical approaches: those concerning customer loyalty, customer delight and day spa specifics. The questions were adopted from the following authors' works: Aksoy (2013); Kao et al. (2016); Langvinienė (2011). Regarding customer loyalty, the questions focused on following subjects: whom companies consider as their loyal customers, how they measure loyalty, is it a strategical goal, and linkages between loyalty and financial performance. Customer delight section covered questions about organizational culture, feedback from customers and the delighting items company are developed. Last section included questions about day spas or day spa packages and services (in hotel context), its clients, regulations and the development of establishments. During the interview the author asked some additional questions to specify the main questions and ideas, but also to keep the interview in focus. There were also few questions regarding background information like work experience, number of employees, position, and number of treatment rooms. In the end of the interview respondents had the possibility to add some additional info and opinions.

To increase the trustworthiness of the instrument a pilot study was conducted. The pilot interview was conducted in English with a specialist who has worked in spa field, in leading positions over ten years. The reason of the pilot was to make sure that questions were easily understandable and that the respondents would understand the questions correctly because English was not their first language. The understanding of questions is important to be successful in collecting needed data (Magnusson & Marecek, 2015, p. 25). Based on the feedback of a professional, some questions were rephrased to raise its clarity and focus. Also the interviewer could practice presenting the questions, get an understanding of timeframe and see the possible bottlenecks.

After correcting the interview guide, nine interviews with spa managers (six in Estonian and three in English) were conducted between March and April in 2018. Beforehand the agreements for the interviews were made and notified the possible time expenditure. The time and location were arranged by the interviewee via phone or e-mail. Eight interviews were conducted face-to-face in respondents' work places and one respondent agreed to answer in written. Visiting the places in person allowed the author to get acquainted with the environment and company.

The ethical principles of conducting the interview were carefully followed (Hirsjärvi, Remes, & Sajavaara, 2010, p. 27). In the beginning of the interviews the aim of the research and different steps of it were introduced. Followed by the confidentiality principles, the voluntary nature of the interviews was explained. Also the permission for recording was asked. Before the questions, academic terms such as customer loyalty and delight were shortly explained. During the interview all the respondents could answer in their pace. If the informant moved to subjects not relevant to ongoing topic, they were politely guided back to the topic with a new question. Additional questions were asked for clarification, if needed.

All the interviews were recorded, which allows to playback the collected data. Before every interview the recorder was controlled and made sure that the device is working correctly. All the respondents gave the permission to record. Two respondents were at first obviously feeling uncomfortable, but the interviewer solved the situation with small-talk in the beginning. This was making the respondents more open, and the answering was fluent. The interviewer gave her best to achieve positive environment, where the respondents could feel secure when sharing their thoughts. The recordings are saved to the thesis author computer, securing that any non-relevant persons have no access on them.

The average interview took about 50 minutes. During the interview the author of the thesis made notes about the body language and attitudes to remember all the details. After the interviews, the information was transcribed straightly. All the intonation, laughter, coughs and non-verbal communication are also important to keep in mind when transcribing the interviews (Õunapuu, 2014, p.175). Not to miss any of previously

mentioned aspects, notes taken during the interviews were added to transcript. The longest transcription took seven hours and the shortest five hours. All together there is 78 pages of transcribed text.

Next step of the research was coding. Deductive coding supports composing the interview questions as the categories are deriving from previous studies. On the other hand, the method is still flexible and allows to create new codes if necessary for the study. (Mayring, 2014, p. 97)

**Table 4.** Data categorization

<b>Initial categories</b>		<b>Final categories</b>	
<b>CUSTOMER LOYALTY</b>			
Strategic goals, loyalty definition within the company, loyalty behaviour tracking methods, customer survey methods, linkages between loyalty and performance		Strategic goals, loyalty definition within the company, customer survey methods, linkages between loyalty and performance,	
<b>CUSTOMER DELIGHT</b>			
Service innovative values, service quality values, customer-oriented values, delight competencies, customer-oriented norms, communication norms, service scripting, superior service environment, design rituals, delight service quality system, delight competency development, employee empowerment		Service innovative values, service quality values, customer-oriented values, person-based value, delight competencies, customer-oriented norms, communication norms, service scripting, superior service environment, delight service quality system, delight competency development, employee empowerment, most frequent positive feedback, delight factors, changes in company, service recovery protocol	
<b>ATTRIBUTES OF DAY SPAS AND SERVICES</b>			
<b>Day spa</b>	<b>Hotel spa</b>	<b>Day spa</b>	<b>Hotel spa</b>
Day spa characteristics, day spa service improvement	Hotel spa service improvement	Day spa characteristics, day spa service improvement, legislation regarding spa industry, expectation of customers	Reason for day spa packages and services, day spa services improvement, expectations of customers, customers socio-demographic profiles

Source: Composed by the thesis author based on Aksoy (2013), Kao et al. (2016) & Langvinienė (2011) and interviews

The problem with the deductive approach might be that the theoretical part can incline empirical results, but offering disproving evidence helps avoid it (Laherand, 2010, p. 295).

For this step, the co-coder (University Ph.D. lecturer) was included in the process. Co-coder who is unrelated with the study helps to ensure the reliability (Drisko & Maschi, 2015, p. 107). At first the initial categories and codes were introduced to the co-coder and then the author of the thesis and co-coder worked individually with the text. The analysis of the interview transcripts should be made in the original language and then the completed analysis should be translated to the language of the publication (Magnusson & Marecek, 2015, p. 76). Therefore the Estonian transcripts were analysed in Estonian and English transcripts in English. The results from two coders were compared and in the case of disagreement, discussion took place until they reached to consensus. Then the Estonian results were translated into English. In this process translator was involved to avoid the inaccuracies. In Table 4 first column is presenting the initial categories based on theory, and in second column the final categories based on the data from interviews are shown.

Empirical research was conducted with the aim to bring together theoretical discussions on customer loyalty and delight and practical day spa business context, but also to add in-depth view on practical use of theoretical concepts. Qualitative research methods proved to be most suitable to explain real situations and practices in limited field. Interview methods provide researcher with detailed description and elicit rich details that would be hard to access with different methods.

### **2.3. Analyses of Data**

The results of interviews are presented in three categories, which were derived from theory: customer loyalty, delight and day spa specifics. The results are illustrated with quotes, which by the author's judgment have been most appropriate and suitable as those are either describing relevant attitudes in the field or make good generalizations. Quotes are distinguished from author text with quotation marks and were edited to minimum beforehand. Day spa and hotel spa results were analysed together where justified, and left separately where this was essential. In the end of this chapter short summary of Finnish context and establishments is provided.

First sections focus on subjects connected to customer loyalty. All day spa managers pointed out that their company's strategic goal is to create or increase the loyal customer base. Nevertheless, no companies had a written strategy plan, neither had they set

measurable or controllable goals. None of the respondents gathered this information nor analysed it to intentionally use some techniques or methods to attract more customers. Managers were acknowledging the fact that the loyal customers were the key of a successful and sustainable company. DS5: “Absolutely – it’s unwritten rule. It has been repeated to the team over and over again since the beginning, and respective behavioural rules [have been developed] – all the little things that you call delight factor.”

Here can be drawn parallels also with hotel spa, only one establishment had set concrete goals to reach. They were aiming for a certain number of regular customers for certain period. It was also explained that if they would reach the goal, new plans would be made. They also had calculated the maximum number of customers they would be able to treat, as they did not intend to lose their advantage of offering really personal and high-level services. HS1: “Surely our targets are set. We aren’t aiming towards enlarged client base, we wish to offer delight factor to every single client. With too many clients you cannot serve everybody so personally.”

Other two respondents were stating the same as day spa managers. They acknowledge the importance of loyal customer base, but they could not point out any intentional strategies or measures how to increase it. One manager brought out the following reason.

It is as it is here in Estonia with every business – from business idea to implementation there is super limited time, everything is done with limited number of people – so if a company, or owner thinks to do something then one CEO is hired and that’s all. Just do it! But when people make projects, obtain supplies, conduct procurements, etc. – nobody has time for strategies. ... These long-term visions, strategic goals are for giant concerns who have separate departments for it and everything. In an average Estonian company one person does everything, and exactly as they think, as they feel. Nobody sits down to put strategic goals in writing. (HS2)

Three studied day spas had determined criteria for loyal customers in their establishments. One company had regulated the number of treatments (twice in three months) that client had to take to gain the loyal customer status. When the status was gained, there were no requirements or overview of the frequency of their visits. Nor did they follow their future behaviour. Two firms considered their customers loyal from the second visit; and one of

them was using a bonus card system so that loyal customers would gain the benefits. Also they hope that they are the first choice of customers. DS3: “So this means for us that when a person consumes in this sector, if they need something done what we can provide then we can be sure that we are the first choice for her or him in this matter.” But all the companies added that staff member can decide on each case separately, whom they would consider as loyal customers. Systems were flexible, person- and situation-based. None of the companies had a permanent method to define loyal customers on fixed criteria such as visiting frequency or amount of money paid for treatments. Accordingly, they were not utilizing any measures to control or analyse the loyal customer behaviour. One spa had flexible system where the therapist and receptionist made proposal who should get the loyal customer benefits (e.g. client who was visiting once in a month or buying certain number of products). DS2: “Sometimes if some customers are coming more frequently and taking the treatments with one therapist then the therapist is talking to receptionist and suggests to do discount or give some samples.”

In case of hotel spas, only one establishment had determined the loyal customer – by this status they were referring to the ones who had obtained loyalty card (there were about 15,000 card owners). Other companies could not bring out any specific requirements who could become loyal customers. One firm explained that as a young company they wished to work in that direction in the future: they had different ideas how to manage loyal customers.

Our idea is not so much to establish loyal customer card, like Kaubamaja’s partnercard, which are not forcing me to purchase. I will get the discounts but this not obligate me to buy. We actually want to execute more like sports club principles, or by purchasing a certain number of things, you can get one for free. Rather is this what is bringing people back to us. Not that you have visited once or twice and the you are loyal customer. (HS2)

Another hotel spa manager explained that they had extensive knowledge about their customers. They did not see any point in setting specific requirements for loyal customer, but they collected some information of interest (visiting frequency, purchase behaviour, time and other preferences) from clients who were visiting the establishment repeatedly. HS1 “we know our customer very well. We know that Mister X is coming three times in

a week, at six o'clock. And Missis M is coming five times a week eight o'clock in the morning. When some new member are coming we are then starting again to learn about he or she. We have our own systems Excel tables . And the we soon know that the new member Missis Jay is coming every morning 9.30. and we found this fast [from our system]. about it and we have our own Excel tables and inside the system.

There are many possibilities to gather information from the clients. All day spa managers mentioned that the main channel both for information and feedback (e.g. what the customers liked, their complaints or suggestions) was oral, non-formal conversation. Information was obtained by receptionists and spa therapists during and after services. In some cases, the information was saved in databases but sometimes it was simply taken to knowledge without any measures to organise or analyse it later. DS1: "Customers who are visiting more often, this information we have written down and the beauticians can use this information – what was done previously e.g. But this system is not working very well yet." Two companies collected also more in-depth information like personal data, birthdays, preferences of treatments, allergies, wishes, expectations. They also took notes about the treatments and products their frequent clients used and the comments about the service. This information was collected and saved – one firm had electronical database and another used paper questionnaire format. When some regular customers had stopped returning, then one company was trying to track down the reasons. DS5: "If a person is a regular customer and in some point we lose the contact, then we try to find out the reason why is this occurred." None of the day spas did specific or regular customer satisfaction or other surveys of similar kind.

Hotel spas collected the feedback via cards or questionnaires placed in hotel rooms: this was the case for three spas. This way the managers were able to collect some information about clients' satisfaction and service quality. In addition, one spa hotel conducted small survey once in a month during one week. The questions included client's age, location, negative aspects and the suggestions for improvement.

For us is important, from where the customers are coming. And what exactly they would expect from us more. For that we have questionnaire, every month one week, which are very short, because no one would be bothered to fill in the long one. What

is important for us, age is important, and from where they are coming, then we know to where to direct marketing. (HS2)

Another spa collected data also orally, in a non-formal manner. It was collected during normal communication between clients and staff members, and information was inserted into company's internal database. The information was later analysed and used for planning future strategies.

The linkages between customer satisfaction/loyalty and financial performance were not tracked neither among day spas nor hotel spas. One day spa manager explicated that most of the revenue came from regular customers, and one manager gave the evaluation that half of the profit is coming from loyal customers. Other managers had heard of such relationship, but they did not invest any resources nor did they collect respective statistics. They were lacking overall understanding how the revenue was divided between money coming from loyal or non-loyal customers. One day spa manager found it could be useful in theory, but in practice things would not work that way:

No loyalty does not ensure growth [of the company], for example if person is coming all the time for back massage and now we sell something extra, he or she is not starting to come twice as much. Related to whatever company, if you are selling milk or car tyres, for the growth you need to gain new customers. (DS4)

One hotel spa manager was stating exactly opposite:

Every companies achievement and growth, you need to have new goals, other way it will just fall apart. Lets say if we have to desired proportion of customers, from what we cannot overstep. Then we are starting to think how we would get more from that customer. What kind of services can we offer more for that customer. For example if he or she is using all our spa facilities, has he brought his wife, brother, friend, sister to our treatments. ... You have to be open-minded and think outside the box. Sky is the limit. (HS1)

This part of research covers questions concerning customer delight. There are aspects about organizational culture which is creating the delight. These are divided into four categories: shared basic values, norms, artefacts and organizational behaviour. Shared basic values are divided into four subgroups (see Table 5). Most mentioned values were about quality and one manager highlighted one value as offering the delight factor itself.

One new category came out from the results and it person based value which is related to employees.

**Table 5.** Organizational culture shared basic value results.

<b>SHARED BASIC VALUES</b>			
<b>Service innovation values</b>	<b>Service quality values</b>	<b>Customer-orientated values</b>	<b>Person based value</b>
-Offering innovative procedures, -Developing differentiated services, -Creating unforgettable moments and exceptional experience	-Offering quality services -Performance of the employees are in high level -Offering delight factor -Using quality products in treatments -High level of customer service	-Valuing customers -Customer friendliness -Customer-oriented service behaviour -Caring about customers -Customer-friendly attitudes	-Valuing employees -Caring about other employees

Source: Composed by the author based on the interviews

Another layer of delight culture is norms. Norms in the businesses show the roles of different employees. Norms are derived from values. In Finnish and Estonian spa context the most mentioned norms are under customer delight competencies. Some managers highlighted the norms, which are critical for spas – professional competencies, necessary skills and knowledges to conduct spa treatments. Here is also presented norms regarding other employees (see Table 6).

Artefacts are creating the overall holistic experience for customers. With bigger hotel spa there were behavioural service scripting standards developed. Under service standards for everyday operations were mentioned that phone should be answered before the fourth ringing, multitasking between the assignments, always asking the previous visits, behaviour for service recovery, no personal telephones allowed outside the dressing rooms etc. Service standards regarding customers are for example greeting by name, saying hello before customer will do it.

**Table 6.** Organizational culture norms results. Composed by the author based on the interviews

<b>NORMS</b>			
<b>Customer delight competencies</b>	<b>Customer-oriented norms</b>	<b>Communication norms</b>	<b>Norms regarding other employees</b>
<ul style="list-style-type: none"> <li>-Elementary service behaviour</li> <li>-Exceptional customer service skills</li> <li>-Delight oriented personal qualities (Politeness, Friendliness, intelligent, trustworthy, always smiling, honesty)</li> <li>-Professional competence (skills and knowledge about beauty and spa industry).</li> <li>-Competent in job assignments (Problem solving skills, focusing on job, follow the standards)</li> </ul>	<ul style="list-style-type: none"> <li>-being beauty inspirator for the customers (therapist exceptional appearance)</li> <li>-Creating personal contact.</li> </ul>	<ul style="list-style-type: none"> <li>-customer friendly communication</li> <li>-respective communication towards other employees</li> </ul>	<ul style="list-style-type: none"> <li>-Regular treatments for employees</li> <li>-Fitting in with other colleagues</li> </ul>

Source: Composed by the author based on the interviews

There were also criteria for appearance for hair, no tattoos showing, make up, nails, uniforms. None of the day spas had such a strict standards. Superior service environment were mentioned by all the companies (see Table 7).

**Table 7.** Organizational culture artefact results.

<b>ARTEFACTS</b>	
<b>Customer delight service scripting</b>	<b>Superior service environment</b>
<ul style="list-style-type: none"> <li>-Service standards for everyday operations</li> <li>-Service standards regarding customers</li> <li>-Criteria for appearance</li> <li>-Criteria for conducting the treatments</li> </ul>	<ul style="list-style-type: none"> <li>-Specific interior (characteristic for firms)</li> <li>-Same uniform</li> <li>-Special music</li> <li>-Specific scent</li> <li>-Natural colours</li> </ul>

Source: Composed by the author based on the interviews

Organizational behaviour are including the activities what can be done by management. The constant quality control checking is necessary to ensure the high level of service quality. Regarding recruitment process there are different competencies what managers

are appreciating. And they are relying on their guts when hiring new people. Another aspect specific to spas are the professionalism of therapist what is also evaluate before hiring new employees (see Table 8).

**Table 8.** Organizational culture organizational behaviour results.

<b>ORGANIZATIONAL BEHAVIOURS</b>		
<b>Service quality control system</b>	<b>Competency development</b>	<b>Employee empowerment</b>
-Collecting and analysing feedback from customers -Mystery shopper. -Control of the technical aspects	-Testing the skills and hands of therapists -Hiring right personality traits -Communication with customers and employees	-Employees are empowered to solve their issues and delight customers -Receptionist are empowered to manage problems also problems for therapists and delight customers -Duty managers have empowerment and necessary skills to solve problems and employees are empowered to delight customers

Source: Composed by the author based on the interviews

According to research, most frequent positive feedback regarding day spas concerned specific therapist. Clients acclaimed best therapist by names. Second most mentioned aspect was overall atmosphere – it included special interior, scents, attentive selection on details, but also the selection of products was brought out as good example. Thirdly, extras like water, tea, coffee, champagne snacks were mentioned. In addition, one spa highlighted customers’ emotions and feelings after the treatments. DS6: “After the treatment they are like different people, they are relaxed, it can be seen that their expectations are exceeded, and they say that it is the best treatment ever. That we made something good for they life. Some people start crying after treatment, because they are so happy.” Another company (DS5) pointed out as one the most appreciated aspect in feedback: “if service provider explains and informs them [clients], and tells about what she is doing and why she is doing that”.

In the case of hotel spas the positive feedback was largely the same – positive feedback concerned certain therapists (professionalism) and staff members in general (friendliness, helpfulness, forthcoming nature were mentioned as valuable characteristics), high level of service, availability of extras (tea and coffee, free towels, slippers and bathrobes, water bottles) and cleanliness of the establishment and variety of facilities (saunas, different

rituals etc.). HS3 “Mostly the high level of service of our company is acknowledged (for example, even cleaners, who are meeting the client in the corridor, greet the customer) as well as cleanliness and beautiful interior decoration.”

All the companies utilized customer-oriented approach. Customer behaviour and feedback was said to be important ground for changes. Every single spa that participated in the study (including both day spas and hotel spas) was able to name at least one change which was driven by suggestion or complaint made by clients. The companies explained that the changes were usually of smaller nature – something that was under the control of managers and relatively easily achievable. One company added that the changes were usually done only after several clients were pointing out same circumstance. HS3: “However, major changes usually do not occur after one customer's feedback. But if it is seen that different clients are consistently making suggestions/complaints about the same thing, there will be definitely changed something. The changes mentioned included for example replacing the massage bed, extending the relaxation and clothing time after the treatment, restructuring the parking spaces, decorating room with fresh flowers. Hotel spas added examples how the smell of the new rooms was hidden with more pleasant scents, how choice of music was renewed, sauna essence was made stronger, special shelves for glasses were installed next to saunas. DS2: “So there was a problem with music: even if we had seven different music channels then we had those for many years, and of course the regular customers in one point started to make comments that we should change the music and we did.”

Both day spas and hotel spas mentioned the excellent and well-designed service component important delighting aspect. There were both tangibles and intangibles which the managers had developed with the goal to delight customers. As intangible elements, personal care and providing exceptional service were most frequently mentioned. DS6: “If you choose one treatment, there is no specific protocol, but it is personalised for the customers. I think that's why they are loyal, every customer comes again, they know that the treatment is not exactly the same, it is always something new, and they like the surprising element.” Spas were also paying attention to develop service scripts and standards. This included for example greeting customers by name, always trying to greet before client would do it, and in one case when background information was archived,

also offering customer's favourite drinks. All efforts were made with the aim to create specific relaxing atmosphere for best customer experience. As tangible elements, available drinks (water, tee coffee, champagne), snacks, and gifts (products, samples), extended treatments (make up after facial, extra time) were named during interviews. The combination of both mentioned aspects was considered most effective by spa managers. HS1: "I would say that it is the combination, the service, giving the water and the existing towels."

Service recovery systems are solved mainly in two manners. In some cases the employees themselves are expected to solve the service failures. They are empowered and can use their own judgment how to solve it. DS3. "If the customers are unhappy with the service or something happens during the services then it is usually therapist's responsibility solve it, but sometimes the customers demand the managers to solve the problem". Another option is that receptionists or managers are taking care of the issues. The receptionists are empowered to solve the problems at their discretion.

We actually have this system that senior receptionist are always in the house. If they have some concerns [regarding service recovery] then after they will explain why they decided to solve the situation, for one reason or another. But actually I also appreciate, if some failure occur, that the employees will feel also good about themselves, if they can solve it right away. Not like this that wait and we call [the manager]. (HS2)

One company has duty manager who has the skills and knowledge how to please the customer, that they would be satisfied in the end. Most mentioned gestures are offering discounts, products, gifts, new free-of-charge services. One company highlighted the importance of the apologies from manager. DS5: "We never get engaged in arguments or justify ourselves. We always apologize that this kind of situation occurred when people were not satisfied and ask what exactly caused your displeasure; and grant them next procedure *pro bono*."

Third section covers the subject of day spa services and packages. The questions were somewhat different for hotel spas and day spas. In Estonia, there is no legislation which institutions can call themselves day spas. That is why one questions was added to question guide with the aim to find out why the businesses were using a notion 'day spa'. Five of

the respondents asserted calling themselves day spa since the beginning. The reasons were quite similar – considering the variety of treatments and the environment, it was perceived as the most appropriate title. One interviewee added also the attractiveness of the word. Others highlighted the absence of accommodation and focusing on certain treatments – they stressed that these two aspects together define day spas. The treatments that were perceived as typical of day spas were facials, body treatments and massages. DS1: “[We called ourselves day spa] from the beginning. And we have water procedures like sauna and sauna rituals, and many facials and massages, private rooms. To call it spa seemed the right designation.” Once it was also emphasized that day spas focus more on treatments instead of infrastructure such as sauna or swimming pools. One day spa explained the name in a different manner: the owners of the company had changed and new owners decided to retain the name as it was already familiar in the region. The manager admitted that the new concept was not typical to day spa anymore as they concentrated more on aesthetic medicine. Nevertheless, some of the old day spa treatment packages were still in the menu and they had no intention to abandon those. DS5: “From old owners we have retained some procedures. We have not removed those and we still do these and these are the core of our day spa: lava stone massages, every kind of romance packages and such.”

Five of the managers stressed that their customers perceived them as different and standing out in the business because of their distinctive methods. According to managers’ opinions unique and innovative treatments were the main reason why their customers were returning. One spa added very personal approach and high level of services. Another aspect that all the managers mentioned was person based: certain therapists were considered especially good and customers were preferring their services. DS4: “Why people return – in our services it is the person. It’s business of persons: if they like the hands of certain therapist then they return. We don’t force the loyalty in any way, [with us] they don’t benefit from it any way.” It is also worth to emphasize that managers had obtained this knowledge from staff members who had immediate contact with clients, and it was mostly based on the oral feedback from customers.

Three day spa managers admitted desire to develop their institution more into health centre – providing also yoga, dietary advice and trainings. One day spa also considered

providing accommodation in future, which would also result in changing the whole concept. DS1: “We actually have already plans for expanding. Our idea is to offer also accommodation and actually change our concept more towards health centre. We are thinking to provide different trainings – more holistic concept like health promotion.” One respondent pointed out that day spa would lose its distinctiveness and would become a beauty salon, if it starts offering manicure, pedicure, and hair dresser services. One respondent said that when it comes to improvement, they keep their own track and develop the services also accordingly. One company expressed the need always consider the trends, customers’ needs and wishes while developing the treatments and be ready to adjust their activities accordingly. It was acknowledged that this kind of flexibility requires continuous reflection on one’s own treatments, collecting feedback and being aware of ongoing trends. DS3: “By keeping track what the competitors are doing and keeping myself informed on new products and what line of treatments is coming up. And of course, by keeping up with the development of the industry. And of course, also listening to our customers, what are their needs and what are they interested in – yes, this is actually the main aspects, when we are thinking of new treatments.”

The managers’ opinions about the need of regulations on defining day spa were somewhat different. In this context, it is also important to keep in mind distinction between two countries. Two Estonian managers welcomed the initiative to regulate the area. One of them also pointed out that regulations alone would not make efficient difference in the field: it also had to be well-communicated. People have to understand the difference at first and only then they can benefit from regulations. DS4: “I think there would point, then when people are making difference of these two concepts. In some ways there could be clearer definitions about what is making a salon to a day spa and what are the differences.” The question who should regulate the field was another matter. One manager did not see any possible benefits from regulations. He expressed his concerns instead, stating that people tended to overregulate things which might end up with harmful results instead.

Yes, sure there could be [regulations about day spas], but there is always the threat in Estonia, not only in this particular field but in all areas, that the level of regulations overcome the logical limit, and will begin to suppress this process. Too many regulations are not good either. (DS5)

At first, all the Finnish managers highlighted the need to regulate the area and put down in writing who can work in spas and salons, as this is not regulated in Finland yet. This has elicited the condition where many people without proper training nor education work in salons and spas. DS2: “My biggest concern is that authorities do not regulate who can work as a beautician. In the moment almost everybody who has learned on their own can provide services as a beautician and in a environment like this, there is no authority who can prevent that a client in good faith would not have a bad experience due to unprofessional therapist.”

All the hotels under study have offered day spa packages and services since the establishments were launched. Hotel spas explained that they aimed to offer services also to locals. One respondent also highlighted the demand and wishes from clients. HS2: “However we have made ourselves absolutely clear, and we know that the local people are those who come to us and whom we have to please, to whom we need to offer something surprising from time to time to keep them.” Hotel spas also provided approximate numbers of local and hotel visitors (Table 9).

**Table 9.** The approximate ratio of local and hotel guest who are using different spa services.

Respondent	Weekdays	Weekends
HS1	60% of hotel guest 40% of locals	80% of hotel guest 20% of locals
HS2	80% of locals* 20% of hotel guest	70% of locals 30% of hotel guest
HS3	60% of hotel guest 40% of locals	70% of hotel guest 30% of locals

\* In this context, Estonia is divided into two regions due to its size. Locals are defined as people living in one of the two regions.

Source: Composed by the thesis author, based on semi-structured interviews

According to interviews, most customers were women, but the spas were happy to see the rising proportion of men. Managers admitted that special efforts were made to attract more male guests, including special packages from them. The reasons why men and women would visit the same company repeatedly were believed to be the same for both sexes. The hotel spas stressed the expectation of customers to receive high level and quality services. The variety of spa treatments and facilities, cleanliness, the interior design were also mentioned. According to one respondent’s words, their customers

returned because of relaxation and enjoyable treatments. One respondent stated that they had not collected data to find out customer expectations and why their client kept returning but based on clients' feedback she presumed it was high quality service. HS3: "We have not conducted exact client surveys but based on client feedback it can be concluded that people return due to high quality services and client service that we offer."

Another aspect of question guide focused on developing new day spa packages and procedures. Two of the companies expressed opinion that the treatments being offered were functioning well. If something was working, there was no need to replace it and start thinking of something else. Managers explained that they would renew their service packages when they saw that treatments were losing their popularity. HS1: "These [day spa] packages has been here many years. These work and there is no point to change something what is working. We have day spa packages for women, men, for friends – these all are working, for locals and also for hotel clients". One establishment saw its strategy in providing continuous development: some main treatments were available at all times; and a seasonal range of the procedures was changing. The new treatments would be taken in if changing circumstances supported it: for example, when company received new offers from the partners. But the innovation might also be based on ideological decision such as supporting local company's products and thus making a connection to patriotism or local identity. According to study results, there were also seasonal offerings and adjustments in spa menus. HS2: "Completely randomly, definitely seasons based that in autumn are one and in spring another. Some are completely randomly foe example partners." Altogether it was obvious that treatment renewals were quite spontaneous and not a result of long strategy making process. One company declared that their service development always considered one basic aspect: they always wanted to keep their menu balanced and offer something for everyone – including women, men, children, couples, etc. HS3: "Creating different day spa packages we are mainly trying to emanate that there would be packages for different clients. For women and men, for young and old and in addition to pregnant women."

Comparing the Finnish and Estonian context there cannot be found any significant differences. Within the three Finnish day spa managers who were interviewed, the results how spas are managed cannot be differentiated. But differences can be observed on

another level: what the companies offer. Some of them are focussed on personal high-level services and target customer segments who value these aspects enough to pay premium price. Or other firms emphasise wish to serve more customers and offer wide range of treatments.

The use of loyalty measures is comparable between the companies in Estonia and in Finland, differences derive from the size of the companies. Most of the companies are providing quality services and personal approach. Company's focus also determines the extent how much they use delight factors. All the companies use delight factors more or less.

### **3. DISCUSSION AND RECOMMENDATIONS**

#### **3.1. Customer loyalty conclusions and recommendations**

It is argued in theory that loyal customers are the key to success. Therefore firms need to focus on creating customer loyalty and set the strategic goals (García de Leaniz & Rodríguez Del Bosque Rodríguez, 2015). When asked from spa managers how they see the relevance of loyal customers, they all acknowledge its importance. But only one spa has set goals to increase loyal customer base and they are actively working towards the targets. One manager explained that setting the strategic goals is not characteristic of Estonian companies as there is usually only one CEO who is in charge for everything and there is just not enough time for everything.

This can be the reason why companies do not have enough resources to develop strategies. As it can be seen in day spas most of the managers are also the owners and conduct the procedures (see Appendix 5). This means that one person has already extensive list of work assignments and to setting customer loyalty as one strategic goal does not seem reasonable. Day spas can perform a certain number of treatments, depending on the number of treatment rooms and employees (Modica & Scanu, 2014). This means the revenues of day spas do not have much space to grow and hiring CEO or mid-level manager would be more expensive than the profit from increased loyal customer base. Considering that in an average day spa has five or less employees, the managers can inform the workers of business tendencies without extensive written strategies. Another aspect could be that the managers do not have the right knowledge and skills how to improve the situation.

Organization can see loyalty in different manners: for one company the visiting frequency may be most important, for others how much the clients purchase. To develop any strategies, one must start from defining the loyal customer (Aksoy, 2013). One company defined their loyal customers by loyalty card – there were about 15,000 loyal customers.

As this is an impressive number and it could be presumed that most of the profit comes from loyal customers. But this kind of shallow analysis do not give clear picture of the companies' situation. Tripathi (2017) criticises if assumptions are made based on a single visit even if the customers register themselves in loyalty program: real and beneficial loyalty develops over time. Loyalty programs are found to be effective when these create psychological and emotional value (Xie & Chen, 2014). But for respondents things were different with loyalty card: these cards are individual and therefore companies can reach customers easily (sending the newsletter, making offers etc).

The majority of the managers stated that the process who would gain the loyal customer benefits were made dependent on the situation and person. They do not have fixed criteria. Even if previously was mentioned the importance of definition (Aksoy, 2013), this might not always be beneficial for small companies in spa industry. It allows the companies pay extra attention to individuals and make the offerings even more personal. The overall affordability of spa treatments is increasing but still in Estonian it is perceived as luxury and not as necessity, therefore there are many price sensitive customers in spa field (Langvinienė, 2011). This means that many customers cannot afford to go to spa monthly and visit it e.g. for celebrating their birthdays. The flexible and personal approach allows to attract also this customer segment. For one manager it was important to be the first choice of the customers (SOW). Even if the clients visit the establishment once or twice a year, the personal approach of defining loyalty can be one effective tool to accomplish that. As Fernandes and Esteves (2016) indicate, in high involvement services (like spa treatments are) WOM may be even more valuable than repurchasing.

The next step in loyal customer management should be to collect the information according to the loyalty parameters set by the company, so that they would gain overview of their customers. But as only one company had set the requirements who gains the loyal customer status, but they did not analyse their customers further behaviour. Another company stated that if a frequent client stopped returning, then day spa tried to track down the reasons. It is very hard for companies to understand the changes in clients' behaviours and use any measures to keep the customers without necessary information.

Many of the managers get feedback in oral non-formal form. In some cases the information is not archived, which does not allow to make statistics or conclusions.

Saarijärvi, Grönroos and Kuusela (2014) refer to the usefulness of collecting relevant data to be able to make conclusions and simplify everyday operations. Collecting the necessary information from the clients also allows the companies to understand the intentions and needs of the customers and based on that develop the services and treatments to satisfy the customers and retain their loyalty. When considering day spa peculiarities, managers must consider the capacity of day spas and relatively low customer numbers – in many cases it would be waste of resources to conduct customer survey.

The linkages of loyal customers and profit are important to know. Only one company knew that their profit come mainly from loyal customers. If the main profit is coming from new customers that means for some reasons people are not coming back, and the firm need to change something to survive. If a company is interested particularly in increasing the loyal customer base, they should focus on delighting factors.

In the moment it seems that the managers do not use all the potential to attract more loyal customers. Information what customers like and what does not impress them, the work of business can be made more efficient. If some treatments and services are not used often, then managements can concentrate on developing new things, which are more efficient and pleasant for customers.

Based on the previous, following recommendations are made for spa managements:

- Companies should define their loyal customers based on aspects relevant to their business.
- The understanding company's loyal customer policy and its significance should be communicated to every staff member.
- Collecting relevant information concerning the customers should lead to analyses. Without taking time to draw conclusions, companies lose the opportunity to become more effective
- Companies should analyse where their profit is coming from. This is important as this will determine the strategy to whom to focus.

Defining one's loyal customer base helps companies to develop strategies and methods how to ensure the success on their field. To attract clients and offer best services,

customers and their needs and expectations should be studied. This helps companies to minimize possible risks.

### **3.2. Customer delight conclusions and recommendations**

In wider picture, service components and tangibles are the delight creating features. But in more complex analysis, four levels of organizational culture can be separated which grant huge benefits for companies, if managed well. When the company has taken the delighting direction, everybody in the company should be on board and the values must be explained for the employees.

Companies are using different aspects of delight. There are many authors whose studies have concentrated on separate components for creating delight, but actually it is more effective if service firms have designed organizational culture where different aspects complement each other for customer delight. People perceive the environments differently according to their previous experiences (Ludwig et al., 2017) and have distinct contacts during their visits (Lee & Shea, 2015). To maximize the possible benefits of delight management, organizational culture as whole plays crucial role. It allows to affect more people regardless of their peculiarity.

The delight culture is divided into shared basic values, norms, artefacts, and organizational behaviour. Managers can highlight these basic values and their subsectors (quality, innovation and customer-oriented values), which confirms delight oriented basic values theory proposed by Kao et al. (2016). Most of the companies try to provide high level services and create unforgettable moments for their customers. Innovation and unique treatments are important as this is the ground for surprise element and thereby creating delight. Surprise is considered as one of the strongest factor in creating delight (Barnes et al., 2015). Companies are focusing on customer-oriented values and one company pointed out delight factor itself as one value. Two companies highlighted the value of employees. This is an important aspect: employees are the delight creating component in customer-oriented services (Barnes et al., 2016, p. 285; Shaheen et al., 2017). Both spa therapists and frontline employees are the core in spas. Management's acknowledgement of their role is a great motivation for employees that makes them feel important and necessary for the company. If employees feel valued, they share the same

care to their customers. Another important aspect emerging from study results is positive feedback for concrete therapists, as one of the most frequently mentioned feature. This means that many loyal customers are coming back just for certain employee. Managements can show their gratitude by recognizing them, for example choosing the best employee, praise them publicly, or make gifts for outstanding therapists.

Another layer is constituted by norms: how staff members perceive and perform their duties in work environments. Norms are based on companies' values and dictate how people should behave. Some specific norms contribute to delight culture: basic politeness, following the standards (both behavioural and when conducting treatments), problem solution ability, focusing on job assignments, respectful communication towards customer and other employees were pointed out by spa managers during interviews. Previously listed norms are more superficial than those described in delight culture context. "Following the standards" is more characteristic for bigger spa hotels with more employees. In day spa context person-based problem solution ability is more appreciated.

There are some other aspects what companies are cultivating which were not mentioned as norms by the managers. All the companies had made some changes according to customers' complaints and suggestions – for example changing the massage table, bringing in fresh flowers, intensifying sauna scents etc. This shows their careful attention towards their customers and their opinions. It makes the clients feel important and increase customer self-esteem. Increasing the self-esteem of customers is considered as strong delight-oriented behaviour (Schneider & Bowen, 1999) and fulfilment of customers' needs is one important aspect in creating delight (Kao et al., 2016). This is just one example of organisational behaviour which is not considered a norm by managements. It shows that creating delight is sometimes a result of automatic action, but not an informed systematic endeavour for many studied companies.

Superiority in service environment is supported by specific interior design, attention to details, scents, atmosphere, uniforms. Some of the managers mentioned the complementary drinks and snacks. These aspects are also confirmed by customer feedback and their preferences. In bigger hotel spas service standards have been developed. Standards dictate employees' appearance and behaviour (e.g. answering the phone, greeting the customers). The more employees the harder is to keep the service

standards at even level. Following standards (for example appearance criteria) can increase we-feeling of belonging to one group. In big spa hotel contexts, the standards are justified but the managements have to also leave room for personalised approach. Few establishments who participated in the study (both day spas and hotel spas) highlighted the share of information during procedures as one of the service scripting essentials. This is also pointed out by Schneider and Bowen (1999): people do not want to feel stupid and the more competent company makes the customers feel the more delighted they will be.

Not everybody is good in working at services areas. People need to have some interpersonal skills to be successful in this area. Some of the customer-oriented competencies can be developed and obtained through training. When hiring new employees, the managers use basically the same typology – job interview, test period (day/week/month). During this time the skills and other characteristics of new person are evaluated. The managers also highlighted the importance of ‘fitting into the company’ which means involving other employees and considering their opinion. The final decisions are made based on managers’ intuition. In spa service, there is significant importance on therapist and their skills (Kucukusta & Guillet, 2014). One special characteristic regarding customer loyalty in day spas is therapist-based preferences. If a popular therapist leaves a company there is big chance that significant part of customers move with the therapist. This makes it even more important task to keep the good employees motivated and content.

The empowerment of employees may be conducted in different ways. In day spas every therapist is empowered and encouraged to solve their own issues. In the context of hotel spas the empowerment is given to frontline employees mostly or in some cases there are duty managers for that. This is beneficial as the workers can solve problems immediately. This is also suggested by previous studies. According to Barnes et al. (2015) frontline employees’ satisfaction is rising, when problems are solved immediately. Decision not to give the empowerment to all workers in bigger spa hotels means clearer work division and holds the level of services more stable. Guchait et al. (2014) highlighted the importance of apology in service recovery process. But only one manager mentioned apologising as one part of the service recovery. It can also mean that for other managers the apologising is so fundamental that they did not mentioned it extra.

The managers mentioned that most positive feedback from their customers concerns following aspects: therapists, employees, service quality, cleanliness, variety of treatments and tangible elements like tea and coffee. These delight factors do not coincide with the ones found in following studies: Barnes et al. (2016); Elias-Almeida et al. (2016); Lee & Shea (2015); Loureiro et al. (2013), Shaheen, Zeba, & Mohanty (2017). This shows that clients are appreciating the extra effort but without more exact data it is hard to conclude that delight factors are the ones why customers are returning. Managers can only assume previously mentioned linkages but there is nothing to confirm it. The absence of the relevant information can also lead to the inefficient use of the resources such as time and finances. Day spa managements in Estonia and Finland concentrate on developing one direction without understanding the clear benefits of it. The situation is found to be one bottleneck in delight construct. In order to get the desired results, the managements need to understand how much are they putting in creating delight factor and how much is it returning. Delighting customers strategies are only then meaningful if the result shows is increased profit (Rust & Oliver, 2000).

Another problematic aspect of delighting is the raising expectations of customers (Goswami & Sarma, 2014; Kim & Mattila, 2013). It is already observable in spa environment. Some aspects which were considered as delighting factors few years ago are today usual routines – for example offering complementary drinks like tea, coffee and water after the treatments. It is perceived essential today as more experienced spa visitors are disappointed by absence of complimentary beverages and in their eyes, it lowers the establishment's rating. This is also arising the issue that the basic requirements for spas are getting wider and wider in years and it requires from companies bigger investments.

The factor of customer delight influences loyalty. There are authors who have not found any benefits of delighting customers (Kim et al., 2015; Loureiro et al., 2014). This can be related to the industry, main customer segment, and type of loyalty. As Wolter et al. (2017) pointed out, satisfaction created only shallow loyalty and delight factor would influence customers with shallow loyalty very little. This can be illustrated with study conducted by Hanks and Mattila (2012), who has described women's attitudes towards salons and spas. Participants in the study described that salon visit was a necessity and

hence, aspects like availability, location and price play biggest role. Spa visits related to hedonic values and the delight factor was creating better experience.

Based on the discussion of customer delight following recommendations are proposed:

- Cultivate delight creating organizational culture at every level.
- Analyse different delighting factors, which are giving the desired results and change the ones which are not paying off to make companies work more efficient.
- Create an effective service recovery system

All the companies who participated in the study used delight culture factors to some extent. Even if many aspects are covered well, there are also some weakly aspects which would benefit from informed elaboration. In the moment, there were some activities and efforts made, but the managers lacked bigger plan nor were they able to control whether their chosen methods work. Company's customer-oriented values should be supported on different levels: by behaviour of employees, artefact design and quality controls by managements, which include hiring right persons, their training and empowering.

### **3.3. Conclusions and recommendations of day spas and packages**

Most of the day spa managers could point out some specifics regarding day spas such as treatment based approach with focus on face and body treatments, no accommodation, private treatment rooms etc. These aspects are the main criteria of day spa definition offered by (Kelleher, 2004; Monteson & Singer, 2004; Smith & Puczkó, 2013) This was also the reason why most of the spas called themselves day spas – they are providing treatments that are closer to a spa than a beauty parlour. When comparing the requirements which define who can label themselves as 'spas', then most of the day spas are lacking water related procedures and saunas. There is no legislation who can name themselves 'day spa' in Estonia or Finland, which can result in situation where some usages are misleading for customers. Day spa managers mostly agreed that there should be some requirements to distinct day spas. Only one manager could not see the differences or benefits of it. As the day spa market is growing in Estonia and in Finland, legislation and requirements need to be fixed. If any salon can also call themselves a day spa it will also lower the trustworthiness of other facilities as people appreciate quality. When firm

is using the word spa it gives a signal of high level of services. This allows day spa companies to ask the premium price compared to other salons. Kucukusta and Guillet (2014) found in their study that people who are visiting spas are willing to pay more money: clients expect that higher prices equal with higher quality.

The differentiation of the spas is the key to success (Hjalager & Flagestad, 2012). The nature and the variety of treatments (massages, body treatments, facials) of the spas are very similar in essence, but the companies can stand out with unique procedures, product brands, or focus on certain area. Many day spas are offering differentiated concept. Some of them offer aesthetic medicine procedures, some popularise nature cosmetics. Even if the companies have not made any special customer surveys they were often certain that their customer intentions and the reason why they are visiting is the distinctive concept of the establishment.

The day spa packages and services are attracting local customers. This is smart strategy as the Estonian tourism is seasonal, which means that there are many months in year with low number of tourists. Being able to attract locals allows companies to survive the low season periods. The hotel spas have provided the approximate numbers of their customer segments: 20–80% clients are locals (see Table 9, p. 47). Half of the hotel spas are serving more than 60% local clients. The research also allows to separate the numbers in weekdays and in weekends. According to it, in weekdays the locals form quite a big proportion of total customers. This means also significant profit from them and it explains why managements put effort on developing loyal customer base.

Segmenting the customers' base has great potential to make well-informed decision in creating customer delight. It also helps to prevent contradictory expectations: if a spa is advertising itself as a relaxing atmosphere for escapists (Koh et al., 2010), it cannot present itself as a destination for family vacation. Awareness of one's client and their intentions is key to success when segmenting the customers. There were only some companies participating in this study who collected different socio-demographic information about their customers (such as age, gender, place of residency). Some companies gather the information about customer's treatment preferences, favourite locker number etc. Only one company said that they were doing some segmentation based on places where clients lived. It can be concluded that managements do not see the

benefits of segmenting the customers. In day spas the customer numbers are relatively low and therefore the segmentations seems pointless. Companies have adjusted to another direction as they try to get to know customer preferences and collect other useful data in order to provide personal approach. In smaller day spas it more beneficial and effective than making general decisions based on 30 or 40 people. It may also be the case in few hotel spas, which are the only ones in certain region. Low competition means that the companies do not have to think so much about focusing on certain segments, instead they need to serve the majority of the area. Compared to Finland, Estonian population is small and if the companies would target only one segment they would actually limit their chances to grow.

Based on the theoretical approaches and the empirical material, the following recommendations are made by the author to day spa and hotel spa managers:

- Find out the reasons why customers are visiting their spa.
- Collect data about customers needs and intensions and develop spa services accordingly.
- Raising awareness among staff members about the day spa distinctiveness to increase peoples' awareness and in the end benefit from it.

All the companies who participated in the study used delight culture factors to some extent. Even if many aspects are covered well, there are also some weakly aspects which would benefit from informed elaboration. The notion of customer delight is relatively less known among spa managers and it also shows in practical delight management. Similar types of extra value to delight customers are offered in different spas: spas keep keen eye on each other's activities and copy form the competitors.

## CONCLUSION

The Master's thesis focuses on two closely related theoretical concepts: customer loyalty and customer delight. First, an overview of theoretical discussion is given, which provided the author of the thesis with conceptual tools and knowledge to plan and conduct empirical research. To do so, author had to obtain overview of current day spa landscape. In analysis, the practical value of these two concepts in the Estonian and Finnish day spa industry is tested. The research component was used to explain how these two concepts are known, understood, and put into practice by spa managers and secondly, to generalise practical suggestions for the sector how to increase loyal customer base through delight factor.

Loyal customers play huge role in spa industry. It is highly competitive and price-sensitive area: spa services are considered luxury rather than necessity. This means that spa companies need to put more effort into creating loyal customer base than other types of industry mostly do. Delighting customers is believed to be one of the most effective and critical components in achieving these targets in day spa context.

Estonian and Finnish day spa contexts are well comparable. In these countries, the sector is young, very dynamic and in rapid change which is also well illustrated by the fact that both countries lack official legislation regulating the field. This is why in analysis both countries were presented together. The only contexts where it proved to be efficient to keep them separated was historical overview and subjects related to national legislation.

Empirical data was collected during nine semi-structured interviews with spa managers representing somewhat different establishments. After mapping the day spa business in two countries, author decided to include two types of establishments: day spas and hotel spas (on the condition that the latter offered day spa services among others). As day spa business is dynamic and not regulated, the distinction based on actual services, treatment menus and infrastructure seemed most justified and appropriate. Still, the different nature

of both types of establishments was recognised and relevant explanations were added to discussion.

During the interviews, questions were asked about customer loyalty and customer delight, but qualitative interview form also offered opportunity to hear more about the establishments and their functioning. It was most useful as it appeared that theoretical concepts and the practical potential behind these theoretical concepts was not always well acknowledged by spa managers. When asked directly about customer delight, the managers could not always name all the respective actions but described those later spontaneously in different connections. The interviews made it clear that for many studied companies creating delight was more often a result of automatic action, but not an informed systematic endeavour. The perspective granted by qualitative method would not have been necessarily accessible with different methods.

The thesis sought to find answer to two research questions:

1. How is customer loyalty measured and managed in day spa settings?
2. To what extent are day spa managers using delighting factors?

In addition, very practical goal was set: to rise the spa managements' awareness and present practical recommendations on creating customer delight which should help them increase loyal customer base and through it gain and maintain competitive advantage.

Customer loyalty is a complex notion. Theoretical approaches define several phases of loyalty, each denoting to customer's different emotional involvement and commitment towards a company. To make most efficient decisions, companies need to define their loyal customers based on aspects relevant to their business: highest loyalty level is not always the most reasonable goal. Collecting information about customers is not enough if it is not followed by analysis. Well gathered, archived and analyzed information helps to calculate which customer segment is responsible for the biggest profit share. Whereas several spas admitted covering some of these aspects, the overall understanding of loyalty management was vague and based on guessing or intuition rather than calculations. This is peculiarity of day spa sector: managers must consider the capacity of day spas and relatively low customer numbers. In many cases it would be waste of resources to conduct detailed customer survey and everyday attention compensates it to some degree.

Understanding one's customers is the key in the service field today. This is also true in efficient delight management. Different people gain delight or joy by very different elements, both tangibles and intangibles play a crucial role here. When companies want to benefit from delighting customers then the combination of exceptional service, right employees and extra gifts gives the best results. Whereas creating customer delight could be seen as everyday ideal in experience-oriented spa sector, it is at the same time relatively expensive. Customer delight management needs to be well considered, both benefits and risks must be taken into account. Constant reflection on one's delight factors is needed to notice which solutions are functioning and which do not impress clients. Customer segmenting is one of the key elements that helps to choose the wisest combination of delight factors.

The aim of the Master thesis is filled and respective suggestions were provided. No bigger obstacles were met: theoretical frameworks, research questions, chosen methods and empirical data formed logical base for analyses. It is first-time study in Estonia that concentrates on the role of delight and its influence over customer loyalty in day spa context. The study enables to acknowledge the importance of delighting customers and therefore increase companies' sustainability and success for day spas and other hotel spas. In the future similar, but extended study could be conducted which includes the opinions of spa visitors. It would help to understand whether the activities chosen by managers are fruitful and efficient. Also the data collection could be made in original language for Finnish people, as the language skills of the managers and other possible respondents can be limited.

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**Appendix 1. Different delight culture aspects**

<b>Cultural layer</b>	<b>Dimensions</b>	<b>Activities to achieve delight</b>
<b>Shared basic values</b>	Service quality values	-Emphasize in providing value-added products or services;-Pursue service efficiency; -Solicit attention to details; -Pursue a home away from home experience.
	Service innovation values	-Pursue continuous service improvement; -Pursue flexibility in service encounters; -Encourage service creativity and innovation; -Pursue positive surprise service; -Encourage in sharing creative ideas; -Encourage in creating a pleasure/memorable experience for the customer.
	Customer-oriented values	-Respect individualism and pursue personalized/customized service; -Take care of customers as employees' responsibilities; -Think before customer; -Cultivate a culture permeating desires to delight customer; -Encourage to provide extra-role services; -Create customer-oriented culture.

**Appendix 1 continued**

<b>Customer delight norms</b>	Customer-oriented norms	<ul style="list-style-type: none"> <li>-Provide personalized/customize service is expected;</li> <li>-Predict customer's need;</li> <li>-Fulfil safety needs is expected;</li> <li>-Fulfil justice needs is expected;</li> <li>-Fulfil customer needs of being cared is expected;</li> <li>-Fulfil customer needs of self-esteem is expected;</li> <li>-Provide extra-role service behaviours is encourage.</li> </ul>
	Communication norms	<ul style="list-style-type: none"> <li>-Customer information exchange and sharing in the organization is expected;</li> <li>-Communication to achieve organizational goals of customer delight is expected.</li> </ul>
	Customer-delight competencies	<ul style="list-style-type: none"> <li>-Ability to listen and understand customers' needs expected;</li> <li>-Ability to solve customer's problem is expected;</li> <li>-Sincere attitude and extra friendliness are expected;</li> <li>-Empathy;</li> <li>-Team-oriented service behaviours are expected;</li> <li>-Detail-oriented behaviours are expected.</li> </ul>
<b>Artefact</b>	Design rituals	<ul style="list-style-type: none"> <li>-Create special activities for delighting customers;</li> <li>-Hold public award events for recognizing and motivating the employees' customer delight performance;</li> <li>-Provide extensive service activities for the purpose of creating emotional connections with customer</li> </ul>
	Service scripting	<ul style="list-style-type: none"> <li>-Superior service language and scripting;</li> <li>-Employees body language and etiquette for customer delight.</li> </ul>

**Appendix 1 continued**

	Superior service environment	<ul style="list-style-type: none"> <li>-Provide visual devices for customer delight;</li> <li>-Provide audio devices to delight customers;</li> <li>-Provide designed physical environment to increase customer delight;</li> <li>-Provide service amnesties to create a delightful environment;</li> <li>-Provide complimentary services for customer delight.</li> </ul>
<b>Organizational behavior</b>	Competency development	<ul style="list-style-type: none"> <li>-Design recruitment policy and system to hire the right employees;</li> <li>-Hire the customer delight competencies</li> <li>Hire the right personality traits to delight customers;</li> <li>-Conduct regular trainings of customer delight competencies;</li> <li>-Use mentors as training and performance checking system.</li> </ul>
	Service quality control system	<ul style="list-style-type: none"> <li>-Establish a customer preference profile;</li> <li>-Regularly survey customer comments and consumption experience;</li> <li>-Enact policy and support systems for employees to solve customers' problems;</li> <li>-Establish SOP and service quality control system;</li> <li>-Establish a customer information exchange system to welcome new ideas for service innovation;</li> <li>-Establish cross-department communication system;</li> <li>-Connect customer delight performance with employee appraisals;</li> <li>-Conduct regular service comparisons in the market.</li> </ul>
	Employee empowerment	<ul style="list-style-type: none"> <li>-Empower employee to provide customized services;</li> <li>-Empower employee to provide alternative services;</li> <li>-Empower employee to provide services with positive surprises;</li> <li>-Empower employee to provide innovative services.</li> </ul>

Source: Kao et al., 2016

## Appendix 2. Overview of Estonian day spas

Name	Location	Services offered	Spa related services	Services missing	Web page
Day spa	Tallinn, Estonia	-hair dressers services -manicure -pedicure -depilation -facial treatments -massages -special treatments -body treatments -only for men -spa packages -permanent make up	-spa manicure -spa pedicure -spa packages -spa treatments for men -two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://dayspa.ee/et/">http://dayspa.ee/et/</a>
Schnelli Day Spa	Tallinn, Estonia	-facial treatments -body treatments -massages -hand and feet treatment -depilation -male special -hairdresser services -laser therapy -cellulite treatment	-two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://spalife.ee">http://spalife.ee</a>

**Appendix 2 continued**

Privilege Day Spa	Tallinn, Estonia	-facial treatments -special treatments (mesotherapy, ultrasound etc.) -spa treatments (wrap and body treatments) -massage -permanent make up -treatments for men -manicure and pedicure - body treatments (hydrotherapy, thalassic, signature treatments, oriental treatments etc).	-hydrotherapy (four different baths) --two different massages -two different beauty services or personal services*	-one type of hydrotherapy or the availability of swimming pool -sauna services**	<a href="http://www.privileg.ee/ee/">http://www.privileg.ee/ee/</a>
Sundāri Day Spa	Tallinn, Estonia	-massages - facial treatments -body treatments	-two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://www.sundari.ee">http://www.sundari.ee</a>

**Appendix 2 continued**

Olive Spa	Tallinn, Estonia	-facial treatments -body treatments -massages -hand and feet treatments -day spa packages -spa rituals -hair dressers services -light therapy	-two different massages -two different beauty services or personal services* -day spa packages -spa rituals with aroma sauna	-two different hydrotherapies or the availability of swimming pool -sauna services** (not specified for how many persons, and the availability to use without specific ritual)	<a href="http://olivespa.eu">http://olivespa.eu</a>
Reval day spa	Tallinn, Estonia	-spa packages -massages -facial treatment -body treatments -pedicure -manicure -depilation. Ei ole vanni või sauna	-spa packages -two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	Not available at the moment

## Appendix 2 continued

Beauty Plaza Day Spa	Tallinn, Estonia	-facial treatments -body treatments -permanent make up -eyelash extension -make up -hand and feet treatment -depilation -hairdressers services -massage -different day spa packages (for men, women etc.) -different service packages (for children birthday party, bachelorette party, for companies etc.)	-day spa packages -two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://www.beautyplaza.ee">http://www.beautyplaza.ee</a>
Babor Beauty Spa	Tartu, Estonia	-facial treatments -body treatments -manicure -pedicure -massage -depilation -eyelash and eyebrow -make up -permanent make up	-two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://www.babor.com">www.babor.com</a>

**Appendix 2 continued**

Thai Orchid Spa	Tallinn, Estonia	-massage -body treatments -facial treatments -spa programs (spa party, birthday party, for men, )	-two different massages -two different beauty services or personal services* -infrared sauna included in packages (not enough information who can use it)	-one hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://www.thaispa.ee">www.thaispa.ee</a>
Thai Lotus Spa	Tallinn, Estonia	-massages -facial treatments -spa programs -Thai programs -Peeling -depilation -wraps	-two different massages -two different beauty services or personal services* -infrared sauna included in packages (not enough information who can use it)	-one hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://thailotus.ee">http://thailotus.ee</a>
Aloe Spa	Tallinn, Estonia	-hair dresser services -facial treatments -nails -permanent make up -pedicure -massages	two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://uus.aloespa.ee">http://uus.aloespa.ee</a>

**Appendix 2 continued**

Butterfly Salon Spa	Tallinn, Estonia	-hair dresser services -massages -facial treatments -depilation -treatments for eyelashes and brows -make up -eyelash extensions	two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="https://butterflysalonspa.ee">https://butterflysalonspa.ee</a>
NailSpa	Tallinn, Estonia	-manicure -pedicure -make up -false nails -eyelash and eyebrow treatments	two different massages -two different beauty services or personal services*	-two different hydrotherapies or the availability of swimming pool -sauna services**	<a href="http://nailspa.ee/et/home/">http://nailspa.ee/et/home/</a>
Sinine Spa	Tallinn, Estonia	-hairstylist services -hand and foot treatments -facial treatments -massages -body treatments -spa packages	-spa packages -two different massages -two different beauty services or personal services* -bath included to day spa packages (no information if it is available without package also)	-one hydrotherapies or the availability of swimming pool	<a href="http://www.sinine.ee/spa/">http://www.sinine.ee/spa/</a>

## Appendix 2 continued

Harmoonikum eco spa	Viimsi, Estonia	-signature treatments -facials -body treatments -hand and foot therapy -sauna treatments and rituals -beer spa -baths -spa packages	-spa packages -two different massages -two different beauty services or personal services* -bath (no information if it is available without package also) -sauna rituals -private sauna renting -beer spa	All the requirements filled	<a href="http://www.harmoonikum.ee">www.harmoonikum.ee</a>
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\* hair dresser services, manicure, pedicure, cosmetic services or solarium.

\* \* sauna services at minimum for six person.

Source: Composed by the thesis author based on online research

### Appendix 3. Estonian hotels which are offering day spa services

Location	Name of the Establishment
Tallinn and Harju County	<ul style="list-style-type: none"> <li>- Hilton Tallinn Park Hotel</li> <li>- Braavo Spa Hotel</li> <li>- Kalev Spa Wellness centre*</li> <li>- Kreuzwald Hotel Tallinn</li> <li>- Laulasmaa Spa Hotel*</li> <li>- Lavendel Spa*</li> <li>- Meriton Wellness spa</li> <li>- Pirita Spa hotel*</li> <li>- Rocca Al Mare Hotel Spa</li> <li>- Swiss Hotel</li> <li>- Tallinn Viimsi Spa</li> <li>- Telegraaf Hotel Elemis Spa</li> <li>- Von Stackelberg Hotel Tallinn</li> </ul>
Ida- and Lääne-Viru counties	<ul style="list-style-type: none"> <li>- Aqua Hotel &amp; Spa</li> <li>- Jäneda relaxation centre &amp; spa</li> <li>- Meresuu Spa &amp; Hotel</li> <li>- Narva-Jõesuu Spa &amp; Sanatorium</li> <li>- Noorus Spa Hotel</li> <li>- Saka Manor Wellness SPA</li> <li>- Toila Spa*</li> <li>- Vihula Manor Country Club and Spa</li> </ul>
Tartu, Põlva, Viljandi, Valga and Võru counties	<ul style="list-style-type: none"> <li>- Cantervilla Castle</li> <li>- Energy Eco-spa</li> <li>- Natural Health Centre LoodusBiospa</li> <li>- Kubija Hotel &amp; Nature Spa*</li> <li>- Pühajärve Spa and Holiday Resort*</li> <li>- V Spa &amp; Conference Hotel*</li> <li>- Värska Spa*</li> </ul>
Lääne and Saare counties	<ul style="list-style-type: none"> <li>- Arensburg Boutique Hotel &amp; Spa</li> <li>- Fra Mare Thalasso Spa*</li> <li>- Georg Otsa Spa Hotel</li> <li>- Grand Rose Spa hotel</li> <li>- Hotel Saarema Thalasso Spa</li> <li>- Johan SPA Hotel</li> <li>- Pädaste Manor</li> <li>- Spa Laine*</li> <li>- Spa Hotel Meri</li> <li>- Spa Hotel Rütli</li> </ul>
Pärnu county	<ul style="list-style-type: none"> <li>- Estonia Medical Spa &amp; Hotel*</li> <li>- Estonia Resort Hotel &amp; Spa 4stars*</li> <li>- Hedon SPA &amp; HOTEL</li> <li>- Strand SPA &amp; Conference Hotel</li> <li>- Tervis Medical Spa Hotel*</li> <li>- Terviseparadiis Spa Hotel and Water park*</li> <li>- Viiking SPA Hotel*</li> <li>- Wasa Hotel and Spa</li> </ul>

Source: Composed by the thesis author based on online research

\*recognized by Estonian Spa association

#### Appendix 4. Finnish hotels which are offering day spa services.

Location	Name of the Establishment
Uusimaa Region and Helsinki	<ul style="list-style-type: none"> <li>- Best Western hotel Haaga*</li> <li>- Crowne Plaza Helsinki</li> <li>- Flamingo Spa</li> <li>- Hotel Haikko Manor &amp; Spa*</li> <li>- Långvik Congress Wellness Hotel</li> <li>- Spa Hotel Päiväkumpu*</li> <li>- Wellnes Manor Kaisankoti</li> </ul>
Southwest Finland, Päijänne Tavastia and Tavastia Proper Regions	<ul style="list-style-type: none"> <li>- Hellimö</li> <li>- Holiday Club Caribia</li> <li>- Kasnäs Hotelli</li> <li>- Kumpeli Hotel Spa</li> <li>- Naantali Spa*</li> <li>- Ruissalo Spa*</li> <li>- Spa hotel Cumulus Resort Aulanko</li> </ul>
Northern Savonia, Southern Savonia, North Karelia and South Karelia Regions	<ul style="list-style-type: none"> <li>- Holiday Club Saimaa</li> <li>- Hotel and Spa Resort Järvisydän</li> <li>- Imatra Kylpylä Spa*</li> <li>- Koli relax Spa in Sokos Hotel Koli</li> <li>- Kruunupuisto Hotelli</li> <li>- Lappeenranta Spa</li> <li>- Spa Bomba</li> <li>- Spa Hotel Casino</li> <li>- Spa Hotel Rauhalahti*</li> <li>- Spa Hotel Kunnonpaikka</li> <li>- Vesileppis</li> </ul>
Pirkanmaa, Satakunta, Southern Ostrobothnia and Central Finland Regions	<ul style="list-style-type: none"> <li>- Cumulus Resort Ikaalisten Kylpylä</li> <li>- Holiday Club Tampereen Kylpylä</li> <li>- Hotelli Mesikämmen</li> <li>- Kylpylähotelli Summassaari*</li> <li>- Peurunka Spa</li> <li>- Spa hotel Cumulus Resort Eden</li> <li>- Spa hotel Cumulus Resort Laajavuori</li> <li>- Yyteri Hotel &amp; Spa*</li> <li>- Yyterin Kylpylä</li> </ul>
Kainuu, Lapland and Northern Ostrobothnia regions	<ul style="list-style-type: none"> <li>- Holiday Club Katinkulta</li> <li>- Iso Söyte</li> <li>- Levi Hotel Spa</li> <li>- Rokua Health &amp; Spa Hotel</li> </ul>

Source: Composed by the thesis author based on online research

\*belong to Finnish Spa Association

## Appendix 5. Background data of the respondents

Name	Duration of interview in minutes	Location	Date of the interview	Type of spa	Code used in text	Position	Work experience in years	Number of employees	Number of treatment rooms
Interview 1	59	Estonia	29.03.2018	Day spa	DS1	Spa manager/owner/spa therapist	10	5	4
Interview 2	49	Finland	04.04.2018	Day spa	DS2	Spa manager/owner	10	34	23
Interview 3	58	Finland	05.04.2018	Day spa	DS3	Spa manager/owner/therapist	9	5	4
Interview 4	46	Estonia	10.04.2018	Hotel spa	HS1	Spa manager	10	11	4
Interview 5	59	Estonia	10.04.2018	Day spa	DS4	Spa manager/owner	4	2	2
Interview 6	36	Estonia	12.04.2018	Hotel spa	HS2	Spa manager	15	53	11
Interview 7	-*	Estonia	13.04.2018	Hotel spa	HS3	Marketing manager	7	30	19
Interview 8	34	Estonia	17.04.2018	Day spa	DS5	Spa manager	10	3 + 4**	3
Interview 9	55	Finland	27.04.2018	Day spa	DS6	Spa manager/therapist	2	3	1

Source: Composed by the thesis author based on online research

\*interview in written

\*\*Three full-time employees and four employees when needed

## **Appendix 6. Interview guide in English**

### Interview questions:

The first section is aimed towards the customer's loyalty.

1. Is customer's loyalty a strategic goal in your company's overall plan? If yes, then how important is it?
2. How would you define a loyal customer within your organization?
3. If and how are you keeping track on your loyal customers' activities (this is related with the previous question - for example, if a loyal customer is considered to be a person who is visiting your spa once a month, then how are you keeping track/monitoring it and if at all?)
4. What methods does your company use to understand (get to know) your customers? (For example, customer surveys, customer databases).
5. Does your company link customers' satisfaction or loyalty data to financial performance? (in theory: the more loyal the customer is the more successful the company will be). Also, I would like to know, are you keeping track how much loyal customers you have and how much are they spending compared with non-loyal customers?

Second section is about customers' delight:

6. What are the shared basic values of your company?
7. Which norms/regulations are the employees expected to follow?
8. What kinds of artefacts are there presented in the organization?
9. What kind of organizational behaviour can be found in the company?
10. Could you give some examples from the most frequent positive feedback?
11. Has there been a case where client's feedback/complaint has been grounds for a change?
12. What elements have you developed to your customers with the purpose of delighting them?

Third part for day spas:

13. Why and when was the establishment named as a day spa?
14. What do you think what makes your company a day spa?

## **Appendix 6 continued**

15. In your opinion, should there be legal requirements for day spas (to separate them from beauty parlours)? And why?
16. Who are your customers (what are their expectations and why are they coming to your organization)?
17. How could you improve your services as a day spa service provider?

Third part for hotel spa:

1. When and why was it decided to start offering day spa services?
2. Who are the customers who are using day spa services (locals, hotel guest, women men etc.)?
3. Who are your customers? (what are their expectations and why are they coming to your organization)
4. How could you improve your services as a day spa service provider?

Background information:

- Work experience in spas:
- Number of employees:
- Your position (owner, manager etc):
- Number of treatment rooms:

Is there anything you would like to add?

## Appendix 7. Interview guide in Estonian

Esimene osa küsimusi on suunatud kliendi lojaalsuse kohta:

1. Kas külaliste lojaalsuse saavutamine on teie ettevõtte üld-eesmärk? Kui vastasite jah, siis kui oluline see teie jaoks on?
2. Kuidas defineeriksite lojaalset klienti teie organisatsiooni raames?
3. Kas ja kuidas jälgite lojaalseid kliente? (antud küsimus on seotud eelneva küsimusega – näiteks, kui peate lojaalseks kliendiks külastajat, kes külastab spaad kord kuus, siis kas ja kuidas seda jälgite?)
4. Milliseid meetodeid kasutab teie ettevõtte mõistmaks kliente? (erinevad küsitlused, andmebaasid)
5. Kas teie ettevõtte seostab külaliste rahuolu või lojaalsust majandusliku jõudlusega? (teoorias võime väita, et mida lojaalsem on klient, seda edukam on ettevõtte. Selle küsimuse põhimõte on teada saamaks, kas te omate ülevaadet, kui lojaalsed on teie kliendid ning kui palju kulutavad nad raha võrreldes mitte-lojaalsete klientidega?)

Teine osa küsimusi on suunatud külaliste heameelega:

6. Millised on teie ettevõtte väärtushinnangud?
7. Milliseid norme/eeskirju peavad teie töötajad järgima?
8. Millised reegleid võib teie ettevõttes kohata?
9. Missuguseid organisatsioonile omaseid käitumisreegleid võib teie ettevõttes kohata?
10. Kas oskate tuua näiteid kõige hiljutisemast positiivsest tagasisidest teie ettevõttele?
11. Kas on olnud olukordi, kus kliendi tagasiside/kaebus on tinginud muutusi teie ettevõttes?
12. Milliseid elemente olete välja arendanud oma külalistele rõõmu valmistamiseks?

Kolmas osa küsimusi päeva spaade juhtidele:

13. Miks ja millal nimetati teie asutus päevaspaaks?
14. Mis muudab teie arust asutuse päevaspaaks?
15. Kas teie arust peaksid päevaspaadele olema kehtestatud seaduslikud normid? (et eristada neid ilusalongidest) Miks?

## Appendix 7 continued

16. Millised on teie kliendid? (millised on nende ootused ja miks külastavad nad teie organisatsiooni?)

17. Mil moel oleks teil, kui päevaspaa teenuste pakkujal, võimalik oma teenuseid täiustada?

Kolmas osa küsimusi hotellid spaade juhtidele:

18. Millal ja miks otsustasite hakata pakkuma päevaspaa teenuseid?

19. Kes on teie kliendid, kes kasutavad päevaspaa teenuseid? (kohalikud, hotelli külalised, naised, mehed jne)

20. Millised on teie kliendid? (millised on nende ootused ja miks külastavad nad teie organisatsiooni?)

21. Mil moel oleks teil, kui päevaspaa teenuste pakkujal, võimalik oma teenuseid täiustada?

Taustainfo:

- Töökogemus spaas
- Töötajate arv
- Ametikoht (omanik, juhataja jne)
- Hoolitsustubade arv

Kas soovite midagi lisada?

## RESÜMEE

### KLIENDILOJAALSUS JA KLIENDILE HEAMEELE VALMISTAMISE ROLL PÄEVASPAAS ETTEVÕTLUSES EESTI JA SOOME NÄITEL

Triin Niinepuu

Lõputöös uuritakse, kuidas heameele valmistamine klientidele mõjutab nende lojaalsust ettevõtte suhtes Eesti ja Soome päevaspaade näitel. Lojaalsete klientide olemasolu on eriti oluline teenindustevõtetele. Kliendilojaalsust ja selle erinevaid lähtekohtasid on juba pikema aja jooksul uuritud ning on leitud, et lojaalsed kliendid on ettevõttele mitmel moel kasulikud: nad ostavad rohkem, nad on nõus maksma kõrgemat hinda ning soovivad ettevõtet ka teistele. Tänapäeva tiheda konkurentsi tõttu teenindussektoris ei piisa enam kliendi rahuolust selleks, et nad oleksid ettevõttele lojaalsed. Üks võimalus, kuidas kliente ettevõttega siduda, on valmistada neile heameelt. Kliendile heameele valmistamise all võib mõelda kliendi ootuste ületamist, kliendi üllatamist või tema kõrgemate vajaduste, nagu näiteks enesehinnangu tõstmist.

Magistritöös pööratakse erilist tähelepanu sellele, kuidas need kaks kontseptsiooni – kliendilojaalsus ja heameele valmistamine klientidele – omavahel seotud on. Neid käsitlusi uuritakse Eesti ja Soome päevaspaade kontekstis, kuna teadlikkus tervisest ja isiklikust heaolust kasvab ning lühiajalised spaakülastused lähevad rohkem hinda. Sellega seoses kasvab ka päevaspaade populaarsus. Populaarsuse kasvamisega kasvab ka konkurents ja klientidele heameele valmistamine on üks võimalus, kuidas tagada ettevõtte jätkusuutlikkus ja konkurentsipüsimine.

Magistritöö eesmärk on tõsta spaajuhtide teadlikkust ning toetudes teoreetilistele käsitlustele ja uuringutulemustele, antakse praktilisi soovitusi, kuidas heameele valmistamist juhtida ja säilitada seeläbi konkurentsieelis. Eesmärgi täitmiseks moodustati kaks uurimisküsimust:

1. Kuidas käsitletakse ja juhitakse kliendilojaalsust päevaspaades?

2. Millisel määral kasutavad spaajuhid erinevaid meetodeid klientidele heameele valmistamiseks?

Magistritöö koosneb kolmest peatükist. Esimene osa on jagatud kolmeks alapeatükiks ja kirjeldab kliendilojaalsuse käsitlusi ja praktilisi kasutegureid, aga ka teenuse ebaõnnestumise mõju. Järgnev alapeatükk arutleb kliendile heameele valmistamisega seotud oluliste aspektide üle, kuidas klientidele heameelt valmistada, ning sisaldab kriitikat. Viimane osa annab ülevaate päevaspaade eripärast ja üldise spaakülastaja profiilist. Teoreetiline osa tugineb asjakohastele akadeemilistele artiklitele ning erialakirjandusele.

Teine peatükk sisaldab empiirilisi andmeid. Kõigepealt antakse ülevaade Eesti ja Soome hetkeolukorrast nii päevaspaadega seoses kui ka üleüldisematest trendidest. Antakse ülevaade kasutatud uuringumetoodikast, milleks on kvalitatiivne uurimismeetod. Andmete kogumiseks kasutati poolstruktureeritud intervjuud. Küsimustele vastas üheksa intervjuueeritavat, neist kuus Eestist ja kolm Soomest. Andmete analüüsimisel kasutati deduktiivset sisuanalüüsi. Teise osa viimases alapeatükis on esitatud uurimistulemused, mis on illustreeritud tsitaatidega spaa juhatajatelt. Magistritöö kolmas peatükk on jagatud kolmeks alapeatükiks vastavalt teoreetilistele käsitlustele ning sisaldab järeldusi ja soovitusi kliendilojaalsuse, kliendile heameele valmistamise ning päevaspaa ettevõtluse kohta. Toetudes teoreetilistele käsitlustele ja uuringutulemustele, tehti spaajuhtidele kümme ettepanekut.

Lojaalsed kliendid mängivad spaaettevõtluses väga suurt rolli, kuna tegemist on väga konkureeriva ja hinnatundliku sektoriga. See aga tingib selle, et spaad peavad lojaalse kliendibaasi loomisel rohkem pingutama. On leitud, et kliendile heameele valmistamine on üks tõhusam ja kriitilisem vahend päevaspaade kontekstis.

Eestis on selline uuring esmakordne, mis keskendub kliendi heameele valmistamise rollile ja kliendilojaalsuse mõjutustele päevaspaade kontekstis. Uurimus võimaldab tunnustada heameele valmistamise tähtsust klientidele ja seeläbi tagada päeva spaade ja hotelli spaade jätkusuutlikus ja edukus. Tulevikus võiks uurimise alla võtta ka nende samade spaade kliendid, et aru saada kas spaade kliendile heameele valmistamise juhtimine on viljakas ja tõhus.

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