

# Master Thesis



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## Business relationships with suppliers in Abbey Ireland

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## **Abstract**

This master thesis is dealing with business relationships between suppliers and Abbey Ireland, which is a privately owned Irish inbound tour operator company based in Dublin. This company was chosen because of the previous experience with this company and because of the diversity of services it provides. The suppliers are in this thesis any suppliers that Abbey Ireland is working with and they range from accommodation or food and beverage suppliers to transportation suppliers.

The research question this thesis is looking to answer is: How does the relationship with suppliers affect business for Abbey Ireland? However, this research question is very broad and therefore 4 additional subquestion that narrows down the main research question were added. Who are the suppliers, Benefits & Challenges of Business Relationships and Relationship Marketing. The theory chapter and the analysis chapter reflects and follows this division. The data for the thesis were collected by conducting face-to-face interviews with Abbey Irelands' employees and by participant observation as the researcher was present at the company during the research as a member of staff. Furthermore pilot interview was conducted in order to confirm the importance of supplier-relationship with Abbey Ireland.

The research is written under social constructivist paradigm, therefore there is no ultimate truth to be found as it always depends on the point of view the people have on the world. However, as people researched belong to the same company their point of view towards business should be at least similar.

The outcome of this thesis can serve as a guideline for the company as new information regarding how to deal with suppliers can be discovered.

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# 1 Introduction

Imagine the situation, there are enough financial resources and enough free time and on that account, the decision for going on holiday is made. Whether people visit a website, where they purchase their holiday online or with a help of local tourism provider, a wide range of services can be chosen from. This can vary from packaged holiday, which involves accommodation and other services already negotiated and included in the price or a single hotel booking. This relatively easy process of buying holiday for a customer with enough financial resources and free time can be, on the other hand, a relatively challenging process for the tourism company providing the service. One week of leisure holiday can involve months of preparation and this long process creates an intriguing problem in how the company can provide all these services.

First of all, in order for customers being able to enjoy tourism products, which could be anything from accommodation to visiting a famous distillery, there must be initiated a negotiation, which leads to a possible relationship between the company providing the service and the customer. In this thesis, the supplier is the company providing the service, which can be accommodation, transportation, guiding, food and beverage etc. As for the customer, this thesis has its aim to research largest Irish inbound B2B (business to business) tour operator called Abbey Ireland, which is considered as a client. The main reason for choosing this company for a research is the previous experience from this company and the specifications of this company. The experience is through almost 6 months internship and because of the complexity of the company, the wide range of services and therefore, wide range of service providers and subsequently easier access to the information, this company was chosen for the research. As for the specifications, Abbey Ireland is privately owned Irish company that is in business for 38 years. In its essence, as mentioned earlier, it is B2B inbound tour operator. This means that the company is dealing with other companies – travel agents, whose clients want to visit Ireland – Republic of Ireland and Northern Ireland.

Again, B2B aka business to business means that company deals with another company, in this case, Abbey Ireland and the supplier. But how does one establish and most importantly maintain those relationships between companies? One of the possibilities how to accomplish this goal is to engage in relationship marketing because one of the bases for relationship marketing is building long-term relationships based on personal and social bonds (Hennig-Thurau, 2000). These personal bonds are important to maintain because according to Parvatiyar & Sheth (1999) personal relationships have been recognised to shape economic outcomes. Furthermore, relationships are key for business success (Wallace, 2010). But still, many companies are underestimating the power of nurturing relationships (Nour, 2011), which can create potential interests in this thesis to see, if this is the case for Abbey Ireland. Above mentioned building relationships within the company brings also social context to it. As according to (Melé & Schlag, 2015) some practitioners stressing the

necessity to humanise the business, as seeing the company as a community, not a money-making machine. “*We like being humans*” and it is a challenge to make the organisations more like that (Notter & Grant, 2011). Tourism is a job that involves working with people, where Abbey Ireland’s employees engage with a supplier who are people as we. This thesis is, therefore, focusing on those relationships between Abbey Ireland and suppliers as they are a key social element of the business. However, this thesis is only focusing on the relationship with suppliers, therefore on the supply side and the demand side is in this thesis omitted because of the already big complexity of the intended research.

There have been several marketing shifts throughout the business history with changing focus on the main player (Parvatiyar & Sheth, 1999). There might be many different main players as the company is not working in a vacuum and there are many stakeholders as well as Irish legal system. As business is changing to the current demands and situation in the market, Abbey Ireland needs to consider those changes and how it affects the relationship with suppliers. But in general, the main relationships Abbey Ireland is maintaining are with its employees, clients and suppliers (Brian, Appendix 2.1) and it is challenging to keep everyone happy, especially when each subject has its own demands. As this is complicated topic enough, the focus of this thesis was shifted only to the suppliers for various reasons. There were personal reasons as the researcher only wrote project from the customer point of view and therefore the other side of the business is a bit mystery and intriguing problematic. Also, during the internship period at the researched company it was suggested by Brian (chairman and founder of Abbey Ireland) that focusing the thesis on the company, rather than the customers could be an interesting topic. On top of that, in the pilot interview for this thesis, Brian (Appendix 2.1) said that suppliers are key for Abbey Ireland and without them it would not be possible to do business. Because the importance of suppliers was so stressed out in the pilot interview, it is worth going in deep with this topic, especially when the researcher has a personal interest in this topic.

Having the experience from the company and getting familiar with various topics especially about relationship created an interest for this thesis as relationships as complicated they can be, one can only imagine how complicated they can be in business context. And this is the basis for the research. Because again, Abbey Ireland is well known to the research as in internship company and in addition to that, regardless of this thesis is the researcher currently employed in this company and therefore is right in the “*centre of action*”. Initial interest in writing about marketing as it is defined as “*meeting needs profitably*” (Kotler and Keller, 2012) was adjusted to specific stream of marketing, which is relationship marketing. Because this concentrates especially on relationship problematic, which is the main focus of this thesis and therefore it offers additional point of view on the business relationships. Because according to Freytag & Philipsen (2010) the use of relationship marketing gives more realistic perspective in practice, because relationships are important for initiation development, change and the success of the company. However, the main topic is not focused solely on the relationship marketing but there are several aspects of this topic that

fit the main focus in this thesis. As according to Iglesias et.al (2011), marketing experts started pointed out several years ago, that marketing should shift its focus towards relationship marketing. From a previous interview regarding internship portfolio with chairman Brian McColgan was clear that the main focus in marketing is various workshops, summits and business trips, which refers to building relationship both with suppliers and clients of Abbey Ireland. Kotler and Keller (2012) created a list of 10 Deadly Sins of Marketing and number 4 on that list is *“The company has not properly managed its relationships with its stakeholders”*. Originally it was planned to research the main relationships in the company, towards the clients, employees and suppliers, but this would be unsuitably broad and would not allow going in depth with the topic. The primary focus is to concentrate on the company’s side of *“the story”* and the more specifically on a company and the supply side, the suppliers. The researcher acknowledges that demand side is very existent for Abbey Ireland as at the end of the day, whatever is negotiated with the supplier is what is demanded by clients. But only the relationships on the supply side are researched in this company. Moreover, there has been enough literature written which concentrated mainly on consumers (Kotler and Keller, 2012; Shani & Chalasani, 1992; Wang et. al, 2014), and therefore it created bigger interest for the researcher to find information about the supply side in regards to relationships with the company buying the services. In addition to this, suppliers are very important partners for Abbey Ireland, because without them there would be no services to be sold to the clients (Brian, Appendix 2.1). And therefore it is good idea to discover more about various nuances in the relationships and what does it mean for Abbey Ireland and for the suppliers.

As mentioned earlier, from the work experience at Abbey Ireland as a trainee and as a permanent staff you can hear every day how important relationship with customers and suppliers are and at the end of the day it all comes down to them, whether the business is sealed or not. Hearing it daily not only makes it *“stuck”* in your head but also emphasises the importance for the company, as it is something that it worth looking into and not some artificially created problem only for the purpose of the thesis. This is not only observation but also a fact when according to Freytag and Philpsen (2010) relationships are important for the success of the company at the market. Relationships were always important for business but there is a bigger focus on them in the last couple of years (Lichtenberg, 2002). The presence at the researched company helped come up with the topic. To add to that, according to Tracy (2012) *“some of the best ideas for qualitative research come from your personal life”* and furthermore, the best topics are based on inspiration from the researchers surroundings. As a researcher, I am personally involved in this topic as not only it intrigues me to understand this issue but I feel connected to the company and therefore wish to contribute to them.

## 1.1 Problem Formulation

The aim of the research in this thesis is to answer the research question which is done, on a general level, by gathering as much data about suppliers from the departments that are dealing directly with suppliers on a daily basis – contracting, accommodation, operations and accounts department. This involves determining the benefits, the challenges, the general policy towards suppliers and as mentioned earlier information about the relationship marketing. This data is obtained from an experienced tour operator company and can serve as a solid basis for other companies as well. Because the purpose of any researcher is to enhance knowledge (King & Horrocks, 2010). The data serve only as a tool for answering the research question. Furthermore, one of the research aims of this thesis is to discover how suppliers can benefit from being involved in the relationship with Abbey Ireland and of course vice versa. Abbey Ireland needs suppliers to satisfy the demand side of the business, but from the different perspective, the question is, whether suppliers need Abbey Ireland and the relationship with Abbey Ireland is different depending on how dependent is the business on Abbey Ireland. Therefore, it is also important to finding out the mutual value the relationship can offer to both Abbey Ireland and the suppliers.

An understanding of the general processes in relationships between Abbey Ireland and its suppliers might be obvious from the general business point of view, but thesis has its aim to go more in depth with the topic and focus on the social element in relationships as well, whether there is one or not. All things considered, the main research question this thesis is aiming to answer is:

*How does the relationship with suppliers affect business for Abbey Ireland?*

Answering this research question can be quite complex and the answer might differ from person to person. This is, however, very general question that incorporates in itself the main focus of this thesis. Consequently, in order to truly uncover depth in the relationship problematic between the suppliers and Abbey Ireland the sub-questions that are incorporated in the research question will be described. Firstly, researching the main departments in the company that deal with suppliers – contracting, accommodation, operations and accounts helps to determine whether having a stable relationship with suppliers is beneficial for Abbey Ireland. Subsequently, a comparison can be made, whether the approach toward the relationship is different depending on which kind of service does the supplier offer. And this will in general uncover who the suppliers are and how or if they differ depending on type of service or other criteria. In addition to this, the question whether the relationship with suppliers is strictly business relationship or if there is also personal/social element is incorporated in this researcher question as even when it is a business to business relationship, the business is represented by people employed by the business. Because according to Wallace (2010) in 1980 business was built on friendships and not only on impersonal communication via phone and machines. And this approach can be implemented these days as well (Ibid.). Therefore, it is worth looking into, whether this



approach can be again applicable to the business world, even when it would be researched on one particular company. Secondly, the benefits of relationships that can be influence the business for Abbey Ireland and the suppliers will be uncovered. Thirdly, challenges that can occur when dealing with various suppliers will be researched. Last but not least, as mentioned in the introduction, the marketing approach in form of relationship marketing will be researched, because it is another point of view on the relationships with suppliers and taken into account that this thesis is dealing with successful business, it is presumed that some marketing is involved even when dealing with suppliers. But this will, however, be either confirmed or declined after the research is conducted.

To sum up, the one broad research questions incorporate in itself 4 main sub-questions, which are data about suppliers in general, benefits, challenges and marketing approach to the relationships in form of relationship marketing. Those sub-questions should reveal necessary information that will help to get in deep with the problematic by gathering the appropriate data, which will assist with answering the research question.

There are several contributions this thesis can offer, from theoretical as well as practical perspective. Firstly, from the practical perspective, the outcome of this thesis can be beneficial and informative especially for Abbey Ireland as well for the researcher everyday work in the company. Understanding the relationship problematic with suppliers, how does Abbey Ireland deal with them and especially how different departments deal with suppliers can improve the communication with them and make it more effective. As being relatively new to the company, the researcher must find her own way how to communicate with suppliers but no specific guideline is given. Learning from mistakes is still learning but having the suitable information is much more effective. Finding out from the different departments how do they approach their specific suppliers and what is the best way to deal with specific ones is much more effective and could create very practical and useful outcome of this thesis because the researcher can share this knowledge with colleagues. On some level, the research can be also beneficial to other similar companies as they can learn from Abbey Ireland how to implement the similar strategy towards suppliers, but this could create a conflict of interest and practically would be supporting competitors. On the other hand, on an academical level, this is one of the possible contributions of the thesis. Because, if there is an issue in the company, it might not be obvious to look for the solution in strengthening the relationship with suppliers. And to find how influential this relationship with suppliers can be on Abbey Ireland's business is another aim of this thesis. It would be biased to presume that the knowledge is not already known but a new angle could be found out during the research time that can bring new knowledge. The result of this thesis can have a considerable practical contribution for the management of organisational relationships and networks between suppliers and Abbey Ireland and how can value be created in business markets in general.

From the theoretical perspective this thesis can offer inside into business relationships from different perspectives. Not only one stream of relationships is discussed, but outsourcing and relationship marketing is included as well as it shows how diverse the topic is and that it can be researched from many perspectives. Therefore, the thesis is looking at the general business issue through the relationship of the company with its suppliers. The suppliers, the supply side is considered for the purpose of this thesis as the key subject for the business for Abbey Ireland and this the relationship topic is narrowed down with the tour operator and B2B theory.

## **1.2 Abbey Ireland**

For the quick overview, Abbey Ireland is one of the brands incorporated in Abbey Group, which consists of Abbey Ireland, Abbey Conference & Events, Moloney & Kelly, Abbey Scotland and ETS, which was acquired in 2015 and extend the business to the whole UK. Since then it is possible to say, that Abbey Group operates in Ireland, Northern Ireland, and the United Kingdom, which offices in Dublin, Edinburgh and London. Nevertheless, only Abbey Ireland is researched in this thesis as being the first one established and the biggest and most diverse from all other brands in Abbey Group. However, the business is much interconnected between all the above-mentioned brands. It is “one big family” that is owned by the same people and operated with the same strategy (Brian, Appendix 2.1)

Abbey Ireland is in total divided into 12 departments. The Human Resources, IT or Tour Plan department (inbound booking system), Accounts department, Operations, Accommodation, Mediterranean, FIT (individual travel) and Online Bookings, Nordic-Nonenglish speaking, French, German, International department and Business Development. Each department has its own clients and responsibilities and it is possible to say that there are 12 small companies within the company. Most of the language-targeted departments are further divided into Business Development part who is preparing offers and Customer Care who operates and basically take cares of the travellers.

As for the supplier side, departments that do not come in direct contact with suppliers on a daily basis are only Human Resources and Tour Plan (IT) department. Accounts department deals with paying bills to the suppliers. Operation department is booking all services for the tours (e.g. visits, lunches, dinners, coaches etc.) therefore is in direct contact with suppliers daily. The same applies to accommodation department, that is booking all accommodation for group travellers (hotel, hostels, Bed and Breakfast etc.). All other departments with special language-specifications have basically similar contact with suppliers as operation department but on much smaller scale. “Language departments” are in contact with suppliers regarding information about availabilities, rates, amendments or anything they require information for their work. All above mentioned applies to group travels, which means there are more than 10 people travelling. FIT and online booking department are then divided into German, French, Spanish/Italian and International departments and people working there do the bookings for accommodation and other services themselves.

As mentioned earlier, Abbey Ireland is a B2B – business to business company and therefore it does not meet directly with the people actually travelling to Ireland. Clients of Abbey Ireland are another tourism companies from all over the world, mostly another tour operators and agencies.

For better understanding an example how Abbey Ireland is working is described on a case of the researcher own group of travellers in Nordic-Nonenglish speaking department. To a Czech tourism agency Pražský Klub came a client asking for a 9-day tour in Ireland and wishes to visit the most iconic attractions in Ireland. Pražský Klub then contacts Abbey Ireland with the request, saying how many people will be travelling, when, what their budget is and what they would like to do. Abbey Ireland assigns this group to its language placement, which is, in this case, Nordic-Noneglish speaking department and prepares the offer based on the provided information. Afterwards, there are months of Customer Care preparations before the group actually travels or cancels the entire tour. Abbey Ireland is offering services according to client's wishes through. The business chain of Abbey Ireland is simple. Client contacts a tourism company with request for holiday in Ireland, tourism company contacts Abbey Ireland, Abbey Ireland contacts suppliers and once everything is confirmed with suppliers, traveler might enjoy their holiday. Abbey Ireland is much as a customer for suppliers as Pražský Klub is customer to Abbey Ireland. Clients are paying Pražský Klub, who is invoiced by Abbey Ireland but originally Abbey Ireland is the first to be involved by suppliers. But in this thesis, the only part of the chain researched is the part between Abbey Ireland and the suppliers, who provide the services.

## **2 Methodology**

The methodology chapter in this thesis will describe and explain the chosen methodological considerations for this thesis that will assist with answering the research question and its sub-questions. It is important not only to describe how the research will be conducted but also why and to what outcome is expected from the research. Firstly, the paradigm which is used in this thesis, the social constructivism will be described as it explains how this thesis and the research are conducted. Secondly, the qualitative methods as a chosen method for this thesis are explained in general and especially in regards to this thesis. Thirdly, the data collection methods will be described and explained for the chosen topic and chosen company which is Abbey Ireland. Those methods are pilot research, qualitative interviews and participant observation. Last but not least, the limitations that can be encountered during the writing process of this thesis are described in each part of the methodology section. Mentioning limitations is not a negative aspect because being aware of the limitations that can occur can suppress the impacts of the limits (Weller & Romney, 1988).

### **2.1 Philosophy of Science**

To begin with, before starting to work on this thesis or any other academical work, there is a basic question or a fact, what belief does the research has, that will be also present in the thesis? This is, however, not an intentional choice. Nevertheless, according to Dwyer et. al (2012) this belief should also determine the nature of the research questions, issues and tourism phenomena of interest and it should not be based only on hegemonic research practice. For this thesis, the nature of research is qualitative research as it deals with questions why and how and also it is focused only on one company, where it aims to understand a relationship problematic. Nonetheless, the researcher chooses the topic depending on her point of view as paradigm is exactly it and not a choice as mentioned earlier. Because paradigm is a set of assumptions about the world that helps to choose the methods, tools and participants for the research (Ponterotto, 2005). Furthermore, according to Sandelowski (2000), paradigms are '*viewing positions of the researcher*'. Therefore, the paradigm for this thesis could be mostly described as personal experience if the definitions would be taken literally, and if they were the whole thesis would be based on working and social experience from the company, but also on the personality of the researcher. The researcher is not determined only by the experience from the company, but this influence cannot be ignored. Because the knowledge from the company shapes the whole perception of tourism and Ireland as a country too. In addition to that, the paradigm in this section is compared to the real practice from Abbey Ireland, because the paradigm is a guideline for doing the research. But in general, paradigms influence how people view and how they do things (Rubin & Babbie, 2015). Therefore explaining the paradigm for this thesis as the belief of the researcher is essential, because it explains the approach in this whole thesis and also why this topic and the company was chosen.

Anyhow, regardless any paradigm or any approach towards it, there are 3 basic questions the proponents react to - ontological, epistemological and methodological questions and answers to those questions create those basic set of beliefs, thus paradigm (Guba, 1990). In other words, three main elements of research are ontology (definition of reality), epistemology (knowledge) and methodology (how the knowledge is collected) (Phillimore & Goodson, 2004). The paradigm used in this thesis is social constructivism. According to Dwyer et. al (2012), there are several specifications for social constructivism, which incorporates ontology embracing multiple realities, inter-subjective epistemology and focus on qualitative methods. According to Kukla (2000) those, who are prone to answer affirmatively the question, whether the reality is constructed by our own activity, are called social constructivists. Taking this into consideration, the researcher in this thesis must call herself social constructivist.

### **2.1.1 Ontology**

The ontology is based on basic questions, "*What is the nature of "reality"?*" (Guba, 1990). Maybe if somebody finds the answer to this question, the world will be a better place. Anyhow, the ontological consideration is interested in the very philosophical question.

Whether reality is subjective and constructed socially from perceptions of a social actor or whether it is objective and constructed externally regardless of the social actors (Bryman, 2012). The researcher considered ontology as a suggestion to be open minded about the research, as a different researcher would do the research in a different setting, tone or approach and therefore the outcome might differ. The researcher accepts in this thesis that the outcome is not ultimate truth and the outcome can be changeable because “*Many constructions are possible*” (Guba, 1990).

The social constructivists believe in the individual interpretation of reality, which is made by individual assumptions (Guba & Lincoln, 1989). Therefore, if you interpret that having the good relationship with a supplier is beneficial to your work, it is based on you work experience and personal feeling and therefore you act upon that belief. The basic assumption in social constructivism is that ‘reality exists only in the context of the mental framework for thinking about it’ as ‘there are many constructions and there is no foundational way to choose among them’ (Guba, 1990). Social constructivism theory believes in individual interpretation of reality, which is made by individual assumptions (Guba & Lincoln, 1989). Taking this into account, this whole thesis and most accurately the outcome if this thesis is simply an interpretation of the researcher’s reality. Collecting data in social constructivist is possible by talking to people, observing their activities, etc. (Guba & Lincoln, 1989). Both mentioned are done in this these and talking to people at the researched company is a daily task for the researcher as being employed at the company. At the same time, the observing is an easy task but not efficient enough. Talking is interpreted for this thesis mostly in doing interviews with chosen people, who are believed to have the most accurate answers that will help to answer the research question in this thesis.

People’s subjective experience ergo their realities are valid, multiple and socially constructed (Ebersöhn & Eloff, 2004). Therefore, the researcher experience at Abbey Ireland is not an obstacle for the research but “*valid, socially constructed reality*”, which can be used in this thesis. But going back to the question raised by Kukla (2008), whether reality is constructed ...“*by our own the activities*“. As a matter of fact, theoretically, it is because no matter how different people in Abbey Ireland act and behave towards suppliers, they create the reality in which the company is at the moment. Although, no matter what the employees do, they will not change the key reality that Ireland is very rainy country, but by their activity they can influence the business in this rainy country thanks to the interaction with other people.

### **2.1.2 Epistemology**

“*What is the nature of the relationship between the knower (the inquiry) and the known (or knowable)*” (Guba, 1990). Answer to this question can differ depending on the person answering it and take into consideration the social constructivism, there is no objectivity (Guba, 1990), and therefore, the relationship between the researcher and the knowledge of

relationships researched in this thesis is highly subjective. Dealing with relationships in this thesis is highly topical as it can be considered, that also the relationships with suppliers are highly subjective and this needs to be taking into consideration while doing the research and also with analysing it.

At the beginning, the researcher has pre-knowledge about the company, but not particularly about the relationship between the company and the suppliers. The lack of this knowledge, in fact, created interest because the researcher was missing some facts between the knower and the known, or in this case unknown. By doing the research, the researcher gains more knowledge about the complex issue of relationships. However, the researcher is aware of the fact, that she is not separated of what is being observed, as there has been and there still is an ongoing interaction between the knower and known (Egholm, 2014). The interaction is in the form of being present in the company and therefore being in contact with the environment and the people researcher. For social constructivist epistemology, the reflexivity is particularly important, because it requires the researchers to "*...consider their contribution to construction of meaning*" (King & Horrocks, 2010). The researcher understands that paradigm is not just way to approach the thesis, but it is the basic belief about the world and reality the researcher has.

### **2.1.3 Methodology**

*"How should the inquirer go about finding out knowledge"*? (Guba, 1990). The knowledge is discovered by conducting the research, which helps to access the final knowledge that is the answer to the research questions. Methodology focuses on understanding and concentrates on finding the best way to gain knowledge (Denzin & Lincoln, 2005). The best way is highly subjective term because it is dependent on what is aimed to find out and therefore the researcher is conducted Does the researcher want to find out the relationship with suppliers are as important as presumed or does the researcher wants to be proven wrong by finding out it is not as important? The answer is anything but obvious in general, but the researcher in this thesis knows what she wants to find out

It is however important to realize, that by asking specific questions, the research is already influenced by the subjectivity of the researcher. But this is, after all, a part of the research paradigm, social constructivism as no ultimate truth is sought (Guba, 1990), as this would contradict with the basic belief of the researcher. According to Ebersöhn & Eloff (2004) you can understand the experiences of others by interacting with them and listening to them. This interaction basically refers to the interview conducted with the chosen Abbey Irelands'employees. By listening what they are saying the necessary information for this thesis is collected and the information refers to their experiences that are socially constructed by being in contact with the suppliers on a social level. In order to do all mentioned, the qualitative research is the best suitable method (Ibid.).

Funny fact is that Hacking (1999; cited in Kukla, 2008) came up with 66 odd items that have been described as socially constructed and Ireland is one of them. It makes you wonder if that has any affect on this thesis since the thesis is focused on Irish company dealing with suppliers in Ireland. This is a philosophical question and the paradigm is after all philosophy of science. But taking every definition and fact mentioned earlier in this section, if everything is constructed by people themselves and everything is based on individual interpretation, how can anything be objective? Taking social constructivism theory in extreme it is possible to say, that the researcher can willingly or unconsciously, based on the beliefs and interpretations interpret the outcome of this thesis or the meanings of the collected data as wanted or wished. But this is perhaps the main point of social constructivism or research, taking theories, definitions and data and putting them together with the researcher personality, which created unique outcome that clearly works in the world. Two people see different colour and one issue of relationship with suppliers be slightly different shade of grey for the researcher writing this thesis than another researcher reading it. Both are shades of grey, just slightly different. This metaphor just suggests that because points of view at this-this might differ.

It is important to acknowledge that paradigms exist side by side (Ebersöhn & Eloff, 2004) and therefore even when the social constructivism is the paradigm used in this thesis, other researcher could use completely different paradigm and still be correct. Therefore the outcome of this research is influenced by the paradigm used, which could create possible limitation, because social constructivism point of view is only one point of view at the issue, which is in fact biased. Nevertheless, according to Rubin & Babbie (2015) objectivity is impossible. This is not a simple justification, but if the research believes and views the world as multiple objective realities, it is impossible to question this belief and call it biased. According to Kukla (2008) all beliefs can be explained in social terms and in addition to that all beliefs have social cause. In that case, everything in Abbey Ireland can be explained by relationships and everything is caused by relationships, which is a good core assumption for this thesis. If everything would have social context then dealing and researching relationships is the best approach for researching business in general. But either way, the social aspect ergo relationship with suppliers is considered as a key element and influencer for any activity in Abbey Ireland.

## **2.2 Qualitative Methods**

In the following section the qualitative methods are described, because the research, carried out in this thesis is done by using qualitative methods for its specifications. The main elements of the qualitative research are described in this section and how it refers to this thesis. The challenges and limitations are discussed for this chosen method as well.

Qualitative research is generally associated with social constructivism (Dwyer et.al, 2012), as this is the paradigm which is basically in the background of this whole thesis, it is a fitting method. "Qualitative research does not claim to produce objectively defined knowledge as subjective interpretation is philosophical keystone and value-neutrality highly questionable notion" (King & Horrocks, 2010). This goes in line with the social constructivist paradigm because the knowledge produced is valid but it is just not possible to generalise it as it is dependent on the different point of views. According to Dwyer et. al (2012) there was a shift from quantitative to qualitative research in tourism due to its "*ability to provide rich, in-depth knowledge...*" especially "*...with regard to the 'how' and 'why' of tourism related phenomena and experiences*". Even though it might be challenging to clearly define qualitative methods, Kvale (2008) has identified some similarities in the different understandings and create general definition, as that the qualitative research method tries to describe, understand and sometimes even explain a social phenomenon from 'the inside and out' by analyzing experiences, thoughts, discourses, pictures, interaction, etc. of individuals or groups. Qualitative research emphasises the understanding of the world from the perspective of its participants (Phillimore & Goodson, 2004). Because of its nature, the qualitative methods used for this thesis as above all it aims to understand the reality of relationships with suppliers from the perspective of the people researched. This will be done by pilot interview, face-to-face interviews with employees of Abbey Ireland and participant observation in the company.

With qualitative approaches it, the emphasises placed upon studying things in their natural settings (Phillimore & Goodson, 2004; Kvale, 2008). The presence in the company as a researcher and therefore be part of the company and do the research in the company creates clear natural settings. In addition to this, in qualitative research, there is a directional relationship between researcher and researched (Phillimore & Goodson, 2004), which can be interpreted in many ways. In this thesis, this refers to the relationship between the researcher and researched, as they are part of one company, they might know each other from previous experience and most importantly as being part of the company and they are creating the business together. There is a clear connection with the topic in this thesis, as there is a relationship between the researcher and the researched and this thesis topic is focused on relationships, which created an interesting connection.

Denzin and Lincoln (1998) see researcher as an individual, who pieces together sets of practices to make a solution to the puzzle, which is a research question. Piecing up can be referred to gathering data, primary and secondary and connecting them together as a puzzle, where at the end, metaphorically speaking the research can see the whole picture and make conclusions about it. Topic for this qualitative research comes from the researcher surrounding "*puzzlement and interest*" (Tracy, 2012), meaning that the researcher has chosen the topic of this research paper based on her own observations and experiences. While doing qualitative research, the researcher is closely involved with people he or she is researching (Bryman, 2008). In this thesis, this fact is interpreted as by the presence in the



company as a member of staff, which creates close involvement and also previous experience. But the puzzlement is created not only on the personal level as many might not be aware of how tourism companies are operating and it might be interesting for the readers of this thesis as well. Because it is not only a theory but a real life experience from the researched company, Abbey Ireland. Qualitative enquiry is personal, the researchers bring to the research their background, experience, skills etc. (Patton, 2005). There is one important factor that needs to be taken into consideration. The researcher is only a human, who is influenced by many factors. It is a challenge to stay objective (Kvale, 2008). To help reduce the problem of subjectivity, an emphasis should be put on how the relationship with other people involved in the research is played out (Galani-Moutafi, 2000). For this thesis, there is no conflict of involvement between the researched and the researcher as there is no obvious connection except being part of the same company. The general attitude in the company is overall friendliness, which is more benefit to the researcher rather than negative aspect. On the other hand, it is suggested, that the individual identities the researchers bring with them into the research should not be hidden (Phillimore & Goodson, 2004), because everyone can put a piece of themselves in the research and make it therefore more interesting. At the same time, according to Galani-Moutafi (2000), the research should be more humanised". The researcher sees the humanisation not only in the research but in the company as all. The same applies to the suppliers as for the participant in the research, they are not enemies, and they are friends who are trying to help or co-exist. Every researcher has a point of view, opinion or a way of seeing the world and "*...qualitative research acknowledges this and even celebrate it*" (Tracy, 2012). As mentioned earlier, there is a tendency not to see the suppliers as enemies, who will get automatically angry with any request or query because they are just people, the same species as the researcher. Both can do mistakes and both can learn from them. The most significant influence from the researcher point of view is that the researcher is not seen only as an academic work but as a possible outline for the future reference for the researcher working experience in the company.

It is essential to bear in mind some limitations or aspect of the research that can influence it. First of all, prior experience has a significant impact on how the data are approached (Silverman, 2010). It is impossible to completely separate the academic and working life of the researcher. Because as much as the data is used for the thesis, as much is the data used for the work experience in the company. Therefore, it is vital to be aware that personal and emotional experiences can create preconceptions, not only about the topic but also about the outcomes from the research in this thesis. The researcher in this thesis has a bond to the company researched and believes in this company, but this emotional bond does not influence the topic, which is the relationship with suppliers. It can influence later on how the researcher is dealing with the suppliers, but this does not affect this thesis. Furthermore, it is also essential to acknowledge, that the nature of qualitative research is influenced by the topic, researcher insiderness, social situatedness and the access to the data (Dwyer et.al, 2012). On one hand, being present in the company give unlimited access to the data about

suppliers from own experience as well as from the casual conversations with other employees. On the other hand, it creates conflict in interest as whether is the researcher mainly employee or researcher. For this thesis, the researcher must try to balance both, so that neither part will significantly influence the other. This involvement in the company is therefore not a limitation but a challenge and good test of multitasking. As being social constructivist the researcher sees her position as being both as a win situation, because it benefits both the research and the working knowledge. In addition to that, according to Dwyer et.al (2012) there are boundaries in qualitative research as it is only focused on “slice of life” and therefore, it shows multiple perspectives, which do not profess to identify a truth for all. This slice of life in this thesis is the focus on the suppliers because it is only one part of the whole company. But the researcher is aware of this selection, which was made in order to gain a deep understanding of one particular issue. In regards to all above-mentioned challenges of the research, it is also important to bear in mind, that there is no perfect outcome of any research because the research process itself is often messy and highly subjective (Phillimore & Goodson, 2004). The researcher does not simply accept that it is not possible to make objective research and that it is always dependent on the perspective. This, in fact, helps to be more aware and more careful with the research and creates a challenge on its own to avoid above mentioned issues.

### **2.3 Data Collection**

To be able to answer research questions some data must be data collected and in this chapter, the methods of collecting data for this thesis will be described. To begin with, the aim of any research is to obtain data, which are subsequently analysed in order to draw conclusions from them (Kvale, 2008). To get data is so important because they help to answer the research question. In this thesis, primary and secondary data are used. More precisely, primary data are collected in the form of interviews with Abbey Ireland employees. Collecting primary data includes in general collection of new data using interviews, questionnaires, observations and any other methods that require interactions by the researchers (Abnor and Bjerke, 2009). In this thesis, the required methods for obtaining primary data are the pilot interview and face-to-face interviews. Each of these methods has their special purpose in this thesis and will be further described and explained. Furthermore, the observation method is used as a complementary method, because being in the company during the writing period allows gathering unintentionally as well as intentionally some data. As according to Veal (2006) observation is an alternative source of information for the research.

Secondary data are theories previously collected by other researchers, in the form of articles, studies, reports and other relevant literature and is ‘an essential component of a successful research design’ and in addition to that, it allows ‘interpret primary data with

more insight' (Malhotra & Birks, 2005). Secondary data are a valuable source of knowledge, which helps to understand the topic, which are relationships between Abbey Ireland and its suppliers. To understand and consequently explain the issues researched in this thesis various books, articles, studies and also company resources are used. Moreover, it is practical to make a good use of available knowledge (Long, 2007), because using this knowledge means it has already been researched and therefore confirmed before. According to Veal (2006) even if the researcher is based on collecting primary data, it is necessary to make use of already existing one. Nevertheless, it is not always easy to find exactly the same secondary data for the topic this is dealing with and therefore the researcher must be creative and innovative with the data he or she has. Because previously collected data could have been created for another purpose and from a different perspective (Arbnor & Bjerke, 2009), then the perspective in this thesis. In addition to that when it is possible, it is beneficial to find similar studies about the topic, because it can help to model our own research (Silverman, 2010). This research modelling can either point out the research to some specific stream or it can help to diverge from the unwanted or unsuitable topic as it was the case in this thesis. Reading case studies and articles about demand side only created biggest interest about the supply side withing the relationship towards the company. Therefore it can be considered as effective and useful source of information even when the secondary data are not further used in this thesis.

There are of course several limitations to data gathering and the most general one could be that different people hold different views about a certain issue (Desai and Potter, 2006), to be more exact, each department or staff member can have different experiences with relationship with various stakeholders. Clearly, the contracting department, which is the one negotiating the prices and terms is under lot of pressure and therefore the relationships can be at some point escalated. Moreover, several issues can influence the quality and quantity of collected data (Phillip et al., 2007) and in this thesis the issue is the timing and personal influence. As according to Patton (2005) data collection is influenced by who the researchers as a person. On the other hand, this cannot be considered as a real limitation, because the research in this thesis is social constructivist. Therefore she sees the reality in her own way. These are only several, most basic limitations that can occur when gathering data. Each method for data gathering will have more detailed discussion about the advantage and disadvantage of the chosen method.

### **2.3.1 Preliminary Research**

According to Cargan (2007), preliminary research is "means of checking", whether a research can provide "accurate data" and, in this thesis the preliminary research is used to get an overview of the company and the relationship with suppliers as well as find our possible issues the company is facing at this moment. At the same time, doing preliminary

research can help to determine the research problem and create new ideas (Denzin and Lincoln, 1998) as it is a test, whether substantial data from the participants will be obtained (Silverman, 2013). Data gathering for this preliminary research is done by using a qualitative method, namely face-to-face interview. The interview is conducted with the founder and currently the chairman of Abbey Ireland, Brian McColgan. As a founder and a person who takes important decision for the company is Brian very compatible and valuable source of information and knowledge about the company.

Some of the knowledge or answers gained from the pilot interview were known before from a personal experience but to say it in Abbey-business talk, the pilot interview serves as a re-confirmation. Because one thing is to assume from experience that Church restaurant in Dublin does not require pre-order from their menu, but completely different thing is to reconfirm this information with the venue. The supplier might have changed its policy or requirement since the last reservation done in this restaurant. The same applies to Abbey Ireland's policy that might be known only to the management or higher level. The structure of the interview was an open conversation with a prepared set of questions. The interview was divided into 2 sections. The first one included set of questions, which aim was to find out general information about the company. Namely, who the suppliers are and figure out what the main challenges in business at the moment are there are in general. The second part of the interview was purely focused on the relationship with suppliers as what is the base of those relationships and how are they viewed from the highest level of hierarchy in the company. Those questions also served as a test, whether it is worth asking as if the answers are helpful for answering the research question.

To conclude, the main aim of this pilot research was to test whether the focus on the relationships was an appropriate choice of topic that is worth of researching or whether there is some more current issue in the business of Abbey Ireland that would be beneficial for the company to be researched.

### **2.3.2 Interviews**

In the following section of methodology, the data collection method face-to-face interview will be described. More precisely, the process of conducting the interview, the challenges and the limitations that can influence the interviews in this thesis will be described. The data obtained from the interview will be afterwards analysed, which will help with giving an answer to the research question.

To begin with, according to Barbour (2008) are interviews the most usual method used for doing research in qualitative methods. The research in this thesis is qualitative, as described in section 2.2 and the interview tool was considered to be the most appropriate to collecting data for this thesis. Moreover, doing interviews in order to gather data for this thesis goes in

line with the social constructivism paradigm, because according to Warren (2001), qualitative interview tends to be more constructionist rather than positivist. Interviews are conversations between the researcher and the researched, who is the one answering the questions (King & Horrocks, 2010; Gillham, 2000). In interviews, there is information gathered from individuals (Veal, 2006). The individuals in this thesis are Pauline – group accommodation manager, Paula – contracting manager, Aisling – accounts payable manager and Theresa – operations manager. Those people were chosen as representatives of their department as they are the heads of their departments and the choice of departments was based on the interaction each department has with suppliers. According to Warren (2001), participants in the interviews are viewed as meaning makers. The participants produce required information, which is required for understanding the research issue (Gillham, 2000). The interview with chosen participants was done exactly for the purpose to get a deeper understanding of the relationships with suppliers. This information gathered helps to answer the research question and its sub-questions, which is the main aim and expected the outcome of the interviews. To actually do interviews, the researcher requires access to the participants and initiate contact with them (Seidman, 2013). The access to the company and to its participants is easy due to the researcher involvement in the company. But on the other hand, even when the access is easy, it does not automatically mean, there will be any time available to do the researcher. The working hours for the researcher and also for the chosen participants are from 9am till 5:30pm and therefore there is limited time for each when the actual interview can be done. Because one cannot secure, how long will the interview take?

The interview, in its very nature, is a conversation but the researcher must be careful to let the researched speak but also interrupt when the talk is not going to in the desired direction (Johnson, 2005). Interviews help to gain deeper insight into social issues through understanding the experiences (Seidman, 2013). In this thesis, the aim is to find out from experience how does the relationship with suppliers look like, what are the challenges and benefits for both sides. The participants in the interview can only speak from their own or somebody else's experience. The participants were chosen because they are only dealing with the supply side – the suppliers in Abbey Ireland and not with the demand side. Therefore, they are fitting representatives to talk about those relationships as they are involved with suppliers on daily basis and they should have experience when dealing with them.

Questions for the interview in this thesis are designed so that they will help to answer the research question. The questions for the interviews are semi-structured. This means that there is a prepared number of questions, but those questions are sufficiently open and additional questions cannot be planned as they arise from the situation (Wengraf, 2001). Even when the researcher has a prepared list of questions, the researcher is free to take the natural path and change the questions depending on how the interview is evolving (Johnson, 2005). For this thesis the researcher had prepared a list of questions but depending on the

answers provided, new ideas or new questions might arise, that are necessary for answering the research question. At the same time, the questions are simple and straightforward as according to Kvale (1983) interview questions should be brief and simple because it makes it easy for the interviewer to answer the questions and subsequently it is easier to analyse the data. If the questions are too difficult and too long the researched person can get confused and answer the questions the researcher needs. Therefore, the questions for this thesis were constructed very straightforwardly. Once the questions were asked the role of the researcher is to listen (Johnson, 2005). Because the researched person could already answer some questions that the researchers had on their list or on their mind. Therefore, there is no need to ask twice in order not to waste the time of the researched person or even appear more involved and interested in what the person has to say. The questions for interviews were very similar as the main goal was to gather information about suppliers in general, challenges, benefits and marketing point of view at the relationships. The questions were altered depending on the department the interview was conducted.

Interviews should be recorded to compare written notes with the transcript of the same interview (Green, & Thorogood, 2013). Both versions have their meaning as the researcher when writing down might miss something that was said and on the other hand the notes might stress the most important part, which can be missed in the whole length of the interview. Therefore in this thesis, both the notes and the recording of the interview will be done during interviews. However, there is an issue, that not everybody wishes to be recorded (Green & Thorogood, 2013). The researcher, therefore, cannot automatically presume, that the recording will be done. Therefore, for each interview, the researcher will also have prepared notebook and before each interview the participant will be asked, whether it is alright if the interview will be recorded for further transcribing.

There are several limitations to interviews as interview participants can provide different answers to a different interviewer (Kvale, 2007). It is important to bear in mind that interviews depend highly on the ability and willingness of the participants to give accurate information (King & Horrocks, 2010). In this thesis, it could mean that either the people do not know the answers or they are reluctant to answer because it might be a sensitive question relating to the business procedure in Abbey Ireland. According to Johnson (2005) the researchers should be well prepared for the interview so that they do not waste the time of the researched subject, therefore, they should show up on time and be well prepared. There is no universal protocol how to develop a qualitative interview (King & Horrocks, 2010).

### **2.3.3 Transcribing the interviews**

Collect data for this thesis in forms of interviews will be processed and analysed in the analysis section and to help with this process, the conducted interviews with Abbey Ireland's staff members will be transcribed from audio files to a word document, as it helps with

analysing the data. Because according to Bryman (2008) the preferable way of processing qualitative interviews, that are recorded, is by transcribing them (Bryman, 2008). Therefore, the conducted interviews, except the pilot interview are transcribed (Appendix 3 on USB). The pilot interview is not transcribed, because of the quality of recorded data.

There are several advantages and also challenges of transcribing the interviews and both will be discussed in this section. First of all, the researcher must work with written transcription because neither listening nor notes are sufficient enough for analysis (Magnusson & Marecek, 2015). One can never be quick enough to write down all the necessary information and the memory is also an unreliable source. Therefore, Magnusson & Marecek (2015) are suggesting to transcribe each interview right after it is completed, because this way the researcher remembers it more clearly and the transcription could be easier then. Because once the collected data from interviews have been transcribed they are considered as solid empirical data for the research (Kvale, 2008). It is also a proof of the validity of the data collected.

According to Green & Thorogood (2013) and Magnusson & Marecek (2015), the most qualitative interview there is no need for too detailed transcription that would include writing down pauses, laughter, intonations etc. Even when the details are not essential for the transcribing, transcribing the interviews should include what the interviewer and the participant said (Magnusson & Marecek, 2015). In addition to this, according to Silverman (2013), there is no perfection transcription and each researcher transcribes in an appropriate way that fits the research. The transcription for the purpose of this thesis will consist of the questions and the comments from the researcher and the answers and comments from the participant in the order as it appears on the audio file. However, details such as laughter or body gestures will not be written down as they are not considered to be essential for the analysis. Because the researcher believes, this has no influence on the provided information and will not help with answering the research question. Nevertheless, transcribing is very time-consuming as you listen, stop and type what you hear, but after this process is repeated several times for a small segment of conversation (Magnusson & Marecek, 2015). It can also be time-consuming because of various technical difficulties as the audio file might be corrupted and it is difficult to understand. Furthermore, conversations are not always grammatically correct do not always involve finished sentences and also the transcription should be done according to this knowledge, without making trying to tidy up the actual talk (Green & Thorogood, 2013). However as mentioned earlier, those blank words and sentences that do not make sense can be left out, as they do not contribute to this thesis and especially to answering the researcher question. Therefore, those words or sentences without any meaning might be left out of the transcription in this thesis. However, there is a connection to some limitations. The limit to transcribing is that any method of transcribing involves some interpretation from the interviewer (Magnusson & Marecek,2015), therefore it is hard to influence how the researcher views the answers given. In addition to this, different transcribers could come up with different transcriptions (Kvale, 2007), because

each can hear something else, especially when the interview are conducted with people from various nationalities and different accents.

One last note, in the research the participants' confidentiality should always be safeguarded (Magnusson & Marecek, 2015). Before each interview, the researcher asked, whether the participants do not mind that the interview would be recorded and that the recording is used purely for further analysing the research.

#### **2.3.4 Participant Observation**

*“The best, and often the only, sources of information about individuals' leisure or tourism behaviour or attitudes are the individuals' own reports about themselves “* Veal (2006)

The participant observation in this thesis is not a primary method because the data collecting is unintentional and arises from the situation when the researcher is present in the company daily during the research period as a member of staff at Abbey Ireland. Therefore, the observation method for collecting data is a supplementary method for this thesis and being a research method there are advantages and disadvantage in general but also specifically for this thesis. The data collected can bring another point of view and can help with answering the research question with the more practical approach, because the data collected would be purely from the working environment.

To begin with, the research in this thesis is a qualitative research and participant observation is commonly used in qualitative research because it helps to gain a deeper understanding of the topic researcher from the participant's point of view (DeWalt & DeWalt, 2010). The researcher in this thesis is both the participant and the researcher and therefore the understanding of the issues is easier to gain. Furthermore, according to Given (2008), participant observation is a very useful qualitative method and perhaps the most productive. To explain this supplementary method for this thesis, participant observation is a method where the researcher takes part in daily activities of a group of people in order to learn their routine and culture (DeWalt & DeWalt, 2010). Even when this thesis this participation is not done purely for the research purpose, the goal is the same. The observation helps to understand how employees deal with the suppliers and how the relationship is carried out in Abbey Ireland and also vice versa. According to Jorgenson (1989) “observing while participating is a primary method of gathering information as personal experience provides another source of information. The participant observation has the advantage of being unobtrusive because it involves gathering data without the researched to be aware of the research (Veal, 2006), but in this thesis even the researcher is put into the role of researched. The employees nor the suppliers are aware that any email correspondence, a phone call or any form of conversation can become a valuable source of information for this thesis. If not a source of information, most definitely it can shape the research because it can



give a new idea what to implement in the thesis. Again, the researched is based on the company not to do the research but to be an employee, therefore, any data gathered during this period can be considered as unintentional but still valuable. Most obvious data gathering for this thesis is finding out from own experience, what levels of relationship with suppliers Abbey Ireland are having and what and who can be easy or hard to work with and furthermore, what can influence this procedure. Subsequently, this observation will serve as another source of data for analysis, where it will help to compare the outcomes of the research or the interviews with own work experience when dealing with suppliers. Because according to Cargan (2007), the biggest strength of participant observation is the possibility to integrate data collection and analysis. The same advantage mentioned DeWalt & DeWalt (2010) where according to them, the advantage of participant observation is, that it is both data collection method and analytic tool. Therefore, the researcher can gather some data in Abbey Ireland and later on use it for analysis too. Last not but least there are several opportunities of gathering the data. According to Cotterrell (1988), the data collection can be done by e.g. by watching what is happening or join a group of people, where the researcher just follows the group or arranges interviews or focus group. In this thesis, the method is mainly watching the situation but also engaging in the situation as being the participant and the researcher at the same time, due to the presence in the company. But a very important fact is that the researcher did not join the company to do the research. The possibility to observe while work is just a favourable circumstance for this research.

According to (DeWalt & DeWalt, 2010) participant observation puts the researcher in the action and allows gathering any data which the researcher needs. The action in the thesis is the daily routine in Abbey Ireland when dealing with suppliers, which is subsequently the required data. But there is, of course, a challenge or disadvantage to this method as the challenge is to remain objective (Cargan, 2007). At the same time, this research is done under social constructivist paradigm and therefore the researchers have already their own point of view on this situation (Bryman, 2008). Nevertheless, the participant observation as a research method is only appropriate when certain conditions are present e.g. the researcher is able to access the settings or the issue is observable in every day life settings (Jorgenson, 1989). And because the researcher can get full access to Abbey Ireland, which is the setting for this thesis, this method is appropriate to use based on this definition. Because it also enhances “*naturalness*” of the researcher position (Cargan, 2007).

But the downside is that the researcher does not know which data will be important (Cargan, 2007), therefore it is important to gather as much data as possible to be able to either include or include the data in the analysis. There is another disadvantage of participant observation connected to the data collected. The issue is the subjectivity because there is no way how to test what the researcher found out Cotterrell (1988). There is also a possible issue with sensitivity and ethic of the participant observation where on one hand it allows gaining information that with another method it would not be possible (Cargan, 2007). But on the other hand, it might abuse privacy and rights (Ibid.). All above-mentioned

advantages and disadvantages need to be taken into consideration for this thesis because they can influence the outcome of this thesis in the process of collecting and analysing data.

### **3 Theoretical Framework**

The purpose of this following chapter in this thesis is to explain the theoretical foundation for this thesis. The explanation and theoretical discussion will help to understand the topic and it will be used as a base for interview questions. At the same time, the theories described in this section will be mainly used for analysing data collected for this thesis. The actual data will be compared to the theories presented here, which will help to analyse them and consequently it will be possible to draw a conclusion from it in the form of giving an answer to the research question and the subquestions.

This thesis is using qualitative research methods and according to Dwyer et.al (2012) researchers are required to familiarise themselves with past works within and even beyond the fields of study. Therefore to be able to analyse and write about relationships with suppliers, books, articles and another relevant literature was examined not only about the topic but about tourism in general in order to be able to distinguish what is truly needed for this thesis. The approach used in this thesis is not only to be aware what is suitable here but also what is not and therefore to avoid using unnecessary theory that would not benefit this thesis and would not help to analyse the data and answer research question.

Each theory presented and described in the following section has its connection to the research question and sub-questions as it provides a theoretical base for the analysis. To conclude, the theories are tools and by using this tools will allow to discuss and analyse collected data. Firstly, the tourism terms that are describing the company and the way it is doing its business will be described, namely Business to Business (B2B) and tour operator theory as this determines the company. Secondly, several different approaches to the business relationship theory, that is dealing with suppliers is explained as a core for the business the company side as well as from the supplier side. Furthermore the benefits and challenges of business relationships are described. Thirdly, relationship marketing as one of the possible approaches how to deal with suppliers is discussed because it will help to analyse the data and answer research questions.

#### **3.1 B2B and tour operator**

In following a section of the theory, the main specifications of Abbey Ireland - B2B and tour operator will be explained. For the purpose of this research it is necessary to be aware of the various specification of the company as it should explain, if keeping good relationships is

important for Abbey Ireland and what might influence those relationships because the researched company is B2B and inbound tour operator. Furthermore, understanding the basis of the company helps with analysing collected data. Having the information and understanding it will help with answering researcher question because B2B and tour operator theories have its specification that has influence on the relationship with suppliers.

### 3.1.1 B2B

To begin with, B2B refers to a strategy when business is dealing with business instead of the direct customer (Sheth & Sinha, 2015). In this thesis, those two businesses are researched company and suppliers. The biggest difference between B2B and B2C companies according to Kotler and Pfoertsch (2006) is the matter of complexity, the significantly fewer number of customers who purchase significantly bigger volume of product or services. B2B opposite to B2C companies require different approaches mainly in marketing strategies where it is very difficult to win customers over the good Twitter post of an advert with a famous person (Geehan, 2011). The main focus is on building and maintaining a relationship with suppliers in this thesis and in theory, B2B companies are building relationships "...for pricier, more complex and long-term sales" (Bodnar and Cohen, 2011). Even though the brand the company represents for B2B Company does not only reach the customer but other stakeholders as well (Koteler and Pfoertsch, 2006)

Each business has its goal to achieve and for B2B company the goal is sustainable, profitable and predictable profit (Geehan, 2011), but this can be achieved using many different tactics. Some B2B companies are preferring short-time contracts while others might be a perusing long-term relationship (Ibid.) and that is base on the short or long-term results and it is impossible to say either of those practices is wrong or good. Simply put, the company does what the company thinks it is the best for the business. Nevertheless, according to Kotler and Pfoertsch (2006), unlike B2C, B2B is defined by closer and longer lasting customer-supplier relationship. The essence of any B2B company should be "...the engagement, collaboration and advocacy" (Geehan, 2011)

There has been little research examing B2B situations, where the company provides services to indirect customers, but basically, the services are provided by B2B company are provided to customers of company's clients (Pomirleanu et.al 2015). But as it was mentioned earlier, the decision-making the process for the buyer is much more complex (Kotler and Pfoertsch, 2006), because the buyer (a client of Abbey Ireland) is buying a very large volume of services (e.g. accommodation for 35 people) and therefore it creates bigger possible risk for the client. To ensure success, the company has to have a clear vision of the outcome it is aiming for (Greehan, 2011). According to research made by Candi and Kahn (2016) B2B customer is more interested in performance and functionality rather than in emotional and social benefits even when they present opportunity. In B2B companies, few customers might account for most of the profit for the company (Geehan, 2011). In other words, B2B

company might have fewer customers than B2C but each is much more important than individual for B2C.

### **3.1.2 Tour Operator**

*“Incoming tour operators package and bundle all aspects of the Irish tourism product for marketing and selling to tour operators and wholesalers based in overseas markets.”*

*(Failteireland )*

In this theory section, the basis of Abbey Ireland as being tour operator will be explained. The previous question was a definition of tour operator with an Irish context, because Failte Ireland is a government tourism institution. To follow on that definition, it might seem easy to combine different products and services and provide as a one package but in practice, this whole business process is highly risky, complex and demand driven (Dwyer, 2007). Tour operators are companies who purchase different services in accommodation, transport and other activities, combine those services into a package and they sell it directly or indirectly to consumers (Holloway, 1998). Abbey Ireland, the company researched in this thesis is not only tour operator but also B2B company, which from a previous section refers to the indirect sell to consumer. To add to this, tour operators are companies that sell tours either directly or indirectly through travel agents and they vary in size (Talwar, 2006). Tour operator is creating holiday by negotiating with various service providers and packages products in holiday, which is advertised in brochures (Rodgers,2001). From those definitions tour operator sounds more like a person rather than a company, which is partly true. Tour operator is a company filled with people providing exactly the same services mentioned. From previous paragraph it can be clear the indirect sell is based on B2B and the direct on B2C (business to customer). Tour operators are according to Talwar (2006) using the host-country ground for in-country logistic, which he refers to transport, accommodation etc. This is the main reason for working with foreign tour operators because they are much more knowledgeable about the product the agents are selling to the clients (Rodgers, 2001).

The main function of tour operators is to reduce information and transaction cost for client and promotional costs for suppliers (Sheldon, 1986). Tour operator provides all the information about the supplier to the client and therefore the suppliers do not have to promote themselves to the client. This is only one way how it can be interpreted but it does not have to apply to all tour operators. Because tour operators have contracts with suppliers who offered much lower prices, the tour operator can offer this lower price to its customers (Dwyer, 2007). Because tour operator offers lower price to the client, the client can choose tour operator instead of other agency or simply buying the service individually, because it is better value for money, same service but better price.

Package tour is a complex and vulnerable product, because it is intangible and highly elusive (Gabbott and Hogg, 1998). Tour operators are only selling what is given or provided to them.

If intangible visitor attraction as Cliffs of Moher merges with intangible element of rainy weather in Ireland it can cause a problem. Cliffs of Moher can become dangerous and are closed when the weather is too humid. When tour operator sells this attractions to number of people and cannot deliver what promised, even when it is not the tour operator's fault it still looks bad for the business. Most of the business you can influence but intangibility of services no one can. Because the tour operator only acts as an intermediary between the suppliers and the travel agent, or the suppliers and the consumer (Sheldon, 1986). According to Roper (2005), tour operators are vulnerable in terms of relying on consumer discretionary spend. Nevertheless, some businesses in destination rely on tour operators as they are dependent on them as for their livelihood (Roper, 2005). As tour operators should be well acknowledge they might be able to offer different hotels, transportation services or visits then it would be e.g. possible to find online because they also have the experience with those service providers. According to Schuh (2000) it is worth looking into whether the tour operating industry and its products are "highly situation-specific". Taking Ireland into account, is situation specific the fact that some scenes of famous TV show called Games of Thrones were filmed in Ireland and therefore this can attract fans to visit those places. Or perhaps the 100th anniversary of the famous 1916 Easter rising against the English rule in Ireland most certainly did not create opportunity for tourism with new tour, museum exhibitions and big festivals. Tourism or the work of tour operator is not dependent on the situation, but on how is the situation benefited. Everybody has access to the situation but how successful or how much profit a company can make of it is a different story. To continue with the money issue, tour operators have cancellation policies to secure themselves financially and generally deposits and payments come in before the travel date, but the payment to suppliers is due after the clients have travelled (Sheldon, 1986). One can argue whether this is correct and fair to the supplier because he is the only reason why the customers can travel but gets paid last. But on the other hand, the supplier has the power to dictate the terms and conditions. In its essence tour, operators are negotiating prices with suppliers at the destination and receive from them discounts, that regular end-consumer would not normally get, but it is up to the tour operator whether they pass on this discount to the client (Ibid.) Tour operator accepts the booking from a travel agent on behalf of the client (Rodgers, 2001), which is the base of B2B. Then the price given to the agent is based on all the services demanded, to the negotiated and contracted price from the supplier is added a mark-up, which creates the profit to the tour operator (Dwyer, 2007). The mark-up is a real thing and there is no need to deny that even when tour operator might offer memorable experiences, they are still doing for profit because it is a business after all. Tour operator is dealing with various partners to provide the services to its clients. According to Dwyer (2007), all contracts with suppliers must be signed at least 12 months in advance and therefore tour operator has to anticipate many factors because there is a risk that the services might not be sold. But this is not a specification to tour operators this is a risk for business in general and those who overcome the outcomes of this risk are the ones staying in business.

## 3.2 Business Relationships

In the following section, several business relationship theories will be presented, because the relationship is the main research topic of this thesis and therefore it is beneficial to look at the theory foundation from a different point of views as it is very broad and diverse topic. Having solid theory base is beneficial for the following analysis and will help to answer the research question. Because according to de Tormes Eby (2012) relationships are doors to how people behave and think at work. Therefore not only the relationship with suppliers, in general, will be described in the section but also, the benefits and challenges of business relationships will be discussed, as those are also the two sub-questions of the research question.

To begin with, business success is dependent on the internal and external relationships (Lendrum, 2011). And relationships can be defined as connections between interacting partners (de Tormes Eby, 2012), who are in this thesis Abbey Ireland and suppliers. Again, the suppliers in this thesis are accommodation, transportation, food and beverage or any suppliers the researched company is working with. However, it is difficult to describe the business relationship explicitly (Halinen, 2012). As there are many types of suppliers, there are also many theories that can describe the relationship with them. One possibility how to describe the connection between researched company and suppliers is by introducing outsourcing theory. Because outsourcing is external contracting of activities or business processes, that are necessary for providing services to firms, who undertake this activity as they have the higher capability for it (Rodriguez and Robaina, 2006). The external contracting in this thesis is referring to the suppliers, who provide various services. The involvement with the outsourcing company is because the company is capable of providing services or product that the company itself cannot. On top of that, according to Reiss (2015) outsourcing is purchasing your product or service from an outside party. Last but not least, according to Pomirleanu et.al (2015) providing services in B2B companies equals business process outsourcing. The choice of implementing the outsourcing theory in this section is due to its focus on relationships and the definitions fit the process of doing business in the researched company. Understanding this process more will help with answering the research question because further explanation about relationships between businesses will be explained in this section. Furthermore, in social constructivism, the researcher should not be prejudiced (Guba & Lincoln, 1989). The prejudice in this case is in form of presuming, that this theory does not fit this thesis, but given arguments proving otherwise justifies this choice.

Tourism has a unique nature like intangibility and inseparability of production and consumption which only highlight the consequential roles of building and maintaining strong relationships with partners (Wang et. al, 2014). According to Halinen (2012) continuity is the

key for successful business relationships. Those business relationships are a combination of economic and social factors and are not stable because there are way too many factors that can influence the structure (Hadjikhani & LaPlaca, 2013). Company's management acknowledged that in order to prosper on business markets not only they need to have close collaborative relationships but also understand it (Anderson, 1995). Both sides need to understand the benefits and risks of being involved in business together and more likely they need to understand how can they cooperate and why. Understanding those relationships is not only beneficial for the company but for this thesis as well.

According to Huang & Keskar (2007), many theories are lately focusing on supplier selection, which is indeed very essential point for the business. According to De Boer et. al (2001) broader supplier selection is required as customer preferences are changing. This does not only apply to the speed of the process but to the quality as well. If many customers of Abbey Ireland would be interested in e.g. fishing activities, it would be wise to establish a prompt business relationship with a supplier offering this activity. As soon as possible does not automatically mean take the first one available, as without proper consideration a supplier with unsuited activity might be chosen. Supplier selection is according to Dulmin & Mininno (2003) dependent on price, the ability to meet quality requirements and delivery. Key relationship factors from the supplier's point of view are according to Baker et. al (1999) trust, commitment, cooperative norms, and satisfaction. Furthermore, one of the key questions is how to select a good supplier with who the company can maintain supply-relationship (Hong 2005). There must be some general and rational reasons but each company has most likely their own selection criteria, which are confirmed by experience gained. Finding out, what are the criteria for suppliers in the researched company will help with answering the research question. But the question is when it is the right time to engage in such relationships? Closer and more friendly relationship between partners should be a goal of the business between those partners is established and not at the beginning (Graham, 2012). But on the other hand, according to Nour (2011) relationships are the gateway to business, which is the completely opposite approach. According to Lichtenberg (2002) the success for the company starts, when the company dares the relationship with partners to make more personal. The business world is tough, but personal approach towards it can be helpful as people feel more at ease when they have personal connections (Isaacs, 2010). Because interpersonal relationships are vital to every business relationship (Mitrega et. al, 2012). According to Anderson (1995), relationship development begins with selecting a partner which is dependent on the company's experience and knowledge of the partner. But working with a partner does not automatically mean partnership, this can evolve in time and the purpose of the business becomes more collaborative (Ibid.) But according to Reiss (2015), one of the ways how to secure better partners is by paying on time as it can be significant factor in establishing strong and lasting relationship.

### 3.2.1 Benefits

At this stage, it should be clear what business relationships between company and suppliers are. But if those companies should engage in such, there must be some benefits in being involved together and therefore, the benefits of relationship will be described in this section. Because understanding what those benefits are will help with analysing collected data and subsequently with answering the research question.

Companies are trying to reduce the increasing costs and satisfy the customer demand at the same time to gain competitive advantage at the market (Hong et. al, 2005). This competitiveness can be created by being relationship-oriented (Jørgensen & Freytag, 2000). This orientation in a relationship is beneficial for the company because according to Graham (2012) relationship is something that can help to distinguish the company from the competitor. And competitor in this particular case is another tourism company that wants to use the same supplier. The competition is afterwards the case of having the availability, better rates and relationship can also help with last minute requests or amendments. This thesis will aim to find out, whether this theory is applicable to the researched company as it would only strengthen the importance of relationships. According to Handfield (1999) in a competitive environment are suppliers increasingly important resource. And also from this can be deduced, that suppliers are a source of anything company require that is outside of the company competence, therefore it is outsourced. At the same time, Baraldi et. al (2014) are stressing the fact, that any outsourcing decision implies a relationship with the supplier, the one whom the activity is outsourced. Because According to Möller & Törrönen(2003) being able to properly manage one business relationship is an important learning step for being able to manage many relationships in the future. On one case the company can test what to do or what to avoid in a proper business relationship but it is important to acknowledge that each partner is different. There are many factors that influence the relationship between partners. It is also essential to acknowledge, whether Abbey Irelands is or is not the particularly important source of business for many suppliers because this knowledge changes the way how the suppliers deal with Abbey Ireland. On the other hand, suppliers are interested in quantity rather than the profit they make from selling because customer retention can be a major determinant of the profitability (Kalwani and Narayandas, 1995). Taking into account what was mentioned earlier about how tour operators have a contract with the supplier with lower rates, this confirms that this lower rate is beneficial because of the volume of the business. Also, suppliers make special rates for those customers who purchase in large portions from them (Kalwani and Narayandas, 1995). This creates another reason for collaboration between companies. The reason why the company and the supplier are engaging in a collaborative relationship is to reduce their costs or add value in a way that each partner profit from the partnership better than when they would be working alone (Anderson, 1995). In this way, it is possible to say that companies can be helping each other to win the business. In addition, relationships have in fact value in them, because they create a win-win situation (Nour, 2011). And this win situation for both partners can involve previously mention lower rates but on the other



hand, higher volume of business for the second partner. As an example, when a company has a good experience with a city centre restaurant, which is easy to work with, it creates benefits both for the company and the restaurant. The restaurant gets a higher amount of business from the company, because of the relationship. This way both benefit.

Jørgensen & Freytag (2000) argue whether relationship-oriented companies are more successful than transaction-oriented. But this is very difficult to generalise, what works for one company does not automatically work for the other one. Anyhow, in B2B markets the relationships with suppliers are important for the performance and the development of business (Guercini et. al, 2014). The company researcher in this thesis is B2B company, therefore, it should apply to it as well, but only by doing the research can this theory be confirmed or not. According to Handfield (1999), collaboration can create a competitive advantage as the relationship with a supplier can contribute to the company's performance. Because according to Baker et. al (1999) suppliers who engage in a long-term relationship are able to retain or improve their profitability. The question is whether this is possible in any time frame or only long-term relationship can bring the benefits. According to Baker et.al (1999) not the length but the relationship orientation leads to a positive outcome. Which indicates, that with whom the company has the longest relationship does not automatically make them the best supplier, even the word best is highly subjective. On the other hand, the length of the relationship with suppliers has according to Handfield (1999) positive affect on product development. And according to Halinen (2012) the length of the relationship has certain benefits, because it is costly effective to maintain relationship than engage in new one. Theories can vary but what is more important is what can be proved by practice and this can be researched. But anyhow, a secret to succeeding in business it to have lasting relationships (Wallace, 2010).

*“Business is still driven by people and relationships”* and people need to interact with each other to do business together (Wallace, 2010). Relationships involve and they are built on series of individual interactions (de Tormes Eby, 2012). The word individual is key and refers to the social constructivism approach in this thesis because it cannot be generalised. Essentially, the business can be influenced by interaction of 2 individuals representing their own company (Guercini et. al, 2014). Companies need to be smart about their supplier because according to De Boer et. al (2001), organisations are becoming more dependent on them, but truly the fact is that without them, there would be no business for Abbey Ireland. Even when the importance for the chosen company in this thesis is clear, it is good to be aware that suppliers are considered essential in general as well. This only supports the significance of them and the right decision to focus on them in this thesis. When contracting a new supplier, several things in the decision-making process need to be considered such as price, quality, cancellation policy etc. The first thing before engaging with a new partner is to realise, that current investment is the foundation of future success in a business relationship (Graham, 2012). Better the relationship is initiated the most beneficial it will be depending on the definition previously mentioned. According to De Boer et. al (2001) there are several

factors influencing the decision such as the number of suppliers available, the supplier relationship and the amount and nature of uncertainty present. According to Dulmin & Mininno (2003), the final choice of supplier is driven by more than one criteria and even the Miss World is not won by the prettiest face only. Tourism is essentially a social psychological phenomenon (Chen et. al, 2012) and it is dealing with people and sometimes the job might require to be aware of the psychology of human mind to know how to react to different situations. Ethics is a very important aspect especially when a company wants to have a good reputation, but in order to achieve the goal or ease the consequences, it might be necessary to play on the human psyche. This could involve dealing with suppliers when there is a problem, you know how to approach the problem without forcing either side to be angry with the company. It is important to realise that relation strategy is always possible for the company but the main point is, whether the company finds it profitable or suitable to develop a deeper relationship with its partner (Grönroos, 1997).

### **3.2.2 Challenges**

There are not only benefits in a business relationship but also challenges the company as well as the suppliers are facing because they are or want to be in a relationship. The have a complete overview and get more in depth with the relationship the topic, the challenges that can occur will be discussed in this section. The challenges in a business relationship are one of the sub-questions of the research question and therefore it is important to get a better understanding of this topic as it will help to analyse collected data and subsequently to answer the research question.

To begin with, those challenges are reminders that nothing can be taken for granted, that the benefits of the relationships mentioned above are not automatic and some effort must be made to make them and keep them beneficial. Because the business relationship is not only about friendship, you must offer and deliver a highly quality product or service than the competition (Graham, 2012). Therefore establishing a good personal relationship with a business partner and expecting miracles from it is not a reality and most likely the relationship will not last without any added value to it. Also, not all relationships can be treated the same, the company must identify those, who are the most vital for the growth (Nour, 2011). It can be challenging to identify the biggest partners to focus on, most likely will be no harm of focusing on the wrong or less vital one, but there also will not be such a big benefits. Therefore, the company must carefully choose, with who will be the relationship the most fruitful. As a final note, the tourism phenomena is constantly changing and the popularity of various activities then change as well (Veal, 2006). Therefore with whoever the company might be working at the moment, might not be the same supplier in several years because of the different demand. Accordingly, the importance of business relationships will change as well. Not all suppliers can be treated the same way in practice since no special treatment can be implemented to all of them. But anyhow, partnership requires a close relationship between the supplier and the company, so that they become mutually dependent (Baraldi et. al, 2014). The dependence is beneficial for them because

the partnership is usually used because it brings lower cost and higher quality than the “home” company could provide (Reiss, 2015). And theoretically, the lower cost for Abbey Ireland can be the hypothetical purchase of own restaurant, which the initial investment and the cost of running this business might create higher costs for Abbey than simply purchase service from another company.

Also, relationships experienced by individuals are not automatically equal as each can perceive it differently (de Tormes Eby, 2012), which is another embodiment of the social constructivism, that can be influencing the outcome of this thesis. Because to understand the relationships between two specific partners, the standpoint of both needs to be discovered. According to the theory, firms engage in relationships with compatible partners whose complementary resources, when combined with their own provide competitive advantage (Morgan & Hunt, 1999). In practice, those partners are tour providers, hotels, restaurants, transport providers and many others. The crisis is often the catalyst for collective action through partnerships (Espino-Rodríguez & Rodríguez-Díaz, 2008). This refers to the fact that partners are either more willing to work together when cooperating bring those benefits. According to Eggert et. al.(2005) many researchers examine the relationship with suppliers at a single point in time, which might have an effect on value creation between the company and its suppliers. Above mention can, therefore, alter how the relationship between suppliers and the researched company is presumed depending on specific conditions both partners are situated at. It can be never fully known what motivates each of the involved partners because there are so many unknown conditions.

Another aspect of the supplier-customer relationship is to initiate in a safe relationship in case of depressed market condition so that at least some business can be done even when it is an unfavourable deal (Wilson, 1995). This is pointing to an interesting question and a challenge, whether it is better to do some, even relatively disadvantageous business rather than none. According to Grönroos (1997), there are certain sacrifices and efforts the suppliers has to undertake to sell. The supplier can be involved in a relationship with a customer because of the good past history or simple good feeling about the customer (Anderson, 1995). The decision whether to do business with suppliers is not only a choice of the company but it is a choice of the suppliers as well. To see the whole picture in fully understanding the relationship between suppliers and the company both partners needs to be researched. To develop a fruitful partnership between supplier and the buyer, both have to adapt and commit to the relationship (Möller & Törrönen, 2003). Not only the company has to make an effort to maintain good relationship with the supplier but according to Eggert et. al. (2005) the supplier should anticipate the changes in value because it could affect the business relationship. As a final thought, there is a big risk that partners call upon relationships with companies only when they need something, which is opposite approach to proactively nourishing a relationship (Nour, 2011). Therefore, regardless how important the relationships for the company is, as mentioned earlier, the relationship should not be used as an only one-sided benefit.

However, the whole relationship process with suppliers depending on how rare the product or service is because, in the case of a routine item, there is a big number of suppliers that can supply this item (De Boer et. al, 2001) or the services in this thesis. On the other hand, it might not be that easy to supply a service. It is true there are many hotels in Belfast, but then again some are in the city centre, some are decentral, some are offering spa services, some do not have triple rooms etc. and then when a special request is made, especially for a bigger group it might not be that easy to substitute the accommodation especially when there is no availability. The similar or the same applies to restaurants for example as well and many other services. There are many restaurants in one city but usually only one specific museum or only one specific cathedral, even though there are two gothic cathedrals in Dublin. Investments have to be made in order to maintain the relationships, as they are considered to be assets for the business (Hennig-Thurau, 2000). One of the investments can be considered punctuality-investment, when your company is not the only one using one specific supplier and all want the service and product to be delivered as high priority.

To sum up, in the following section some relationship theories, their benefits and challenges have been described. This theory will be used when analysing the collected data so that answer to research question can be found.

### **3.2.3 Relationship Marketing**

To begin with, the base of any marketing is to create value for customers, that is better than the one received from the competitor (Lindgreen & Wynstra, 2005). From the definition is clear, what is the aim of marketing but not what are the means to achieve it. In the following theory section, the relationship marketing is described as a tool and suggestion how to reach this goal. Relationship marketing is a part of the research question as a sub-question because it focuses on the relationship but from the marketing perspective and therefore, this theory will be later used in analysis as it will help to answer the research question.

But what is actually relationship marketing? According to Rao & Perry (2002), many definitions of relationship marketing are too comprehensive, that some of the details are lost. Nevertheless, Harker (1996) created a definition by examining 26 different definitions and resulted in "relationship marketing occurs when an organisation engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers or partners over time" (Ibid). This definition emphasises the purpose and benefits of relationship marketing but it is not limiting it to what is and what it is not. As nothing is ever the same, according to (Rao & Perry 2002) there are many types of relationships in marketing. This can be altered to interpretation that each relationship marketing can be dealing with different type of relationship and each can be performed differently which is the base of this thesis which is written under social constructivist

paradigm. However, the core theme of relationship marketing is the focus on the cooperative and collaborative relationship between the company and other marketing actors (Parvatiyar & Sheth, 1999). This relationship between actors is described to be long-term oriented and interdependent (Dwyer et.al, 1987). Therefore, the core is to be focused on the relationship that is preferably long-termed and is beneficial for all includes parties. As furthermore, the purpose of relationship marketing is according to (Parvatiyar & Sheth, 1999) to enhance mutual value for those involved in the relationship. The world is very competitive and there is a wide range of partners to choose from or to work with but when adding value to the partnership the choice is then much clearer and more beneficial. This practice leads to better value creation rather than creating conflicts due to competition (Harker, 1996). In order to gain the competitive advantage, tourism practitioners started implementing relationship marketing as a strategic tool (Wang et. al, 2014). According to Gummesson (2011), it should be a win-win situation for everyone involved in the relationship. Therefore, relationship marketing seems to be the great approach in general marketing approach, taking only one definition into account. But to add to that, relationships should be about mutual value because everybody benefits, when companies are deepening their partnerships with key suppliers and distributors and are seeing them as partners (Kotler and Keller, 2012). The benefits as well as possible challenges are discussed in this section of theory to help to understand the focal point of this thesis. Some of the issue regarding the relationships have been mentioned in the pervious section that was dealing with suppliers, because it is hardly possible to separate those two topics as they belong together.

Nevertheless, managers should be pragmatic about relationship marketing and be aware that relationship can go either way (Rao & Perry, 2002). It always depends on the situation, the choice of approaching the supplier or the very choice of the right supplier to engage in relationship marketing. As “The basic aim of relationship marketing is to foster long-term relationships and to create mutual benefit ...“(Percy et.al, 2010), this does not always has to become reality, because not all involved parties might see this as their goal, even when it is logical. In any case, relationship marketing is based on loyalty (Gummesson, 2011) and loyalty in business is very important and desired and can be easily destroyed.

To develop strong relationship requires understanding each others capabilities, goals and desires and the outcome of it then bring marketing network and once that is done, profit will follow (Koteler and Keller, 2012). The idea of building a nice relationship with clients and other stakeholders comes in line with the idea humanise the business (Notter & Grant, 2011), but it is still a business and therefore this is all done mostly to ensure the profitability and gaining competitive advantage. But in general, to build true integrative relationship marketing requires time (Shani & Chalasani, 1992), where the same can apply to any business relationship without the focus only on the marketing side. In its essence, the base for all marketing is the relationship between customers and suppliers (Gummesson, 2011). Having the good relationship with researched company is can be beneficial for the suppliers

as well because attracting a new customer could cost five times more than retaining an existing one (Kotler and Keller,2012).

## **4 Analysis**

In the following part of this master thesis, the collected data will be analysed in regards with presented theories. The aim of the analysis is compare, discuss and contrast all the collected data from interviews and participant observations, with the theoretical framework, which was presented in the previous chapter.

To begin with and explain the structure, the following analysis chapter of the master thesis is divided into 4 sections that reflect the topics presented in the theory chapter as well as division of the research question into subquestions. The research question this thesis is looking to answer is - How does the relationship with suppliers affect business for Abbey Ireland? The main topics were described in theory chapter and all the analysed data will be furthermore compared to the B2B and tour operator theory.The previously mentioned 4 sections of the analysis are – Who are the suppliers, benefits of relationships, challenges in relationships and relationship marketing. Each of these sections will analyse data together from pilot interview, interviews and participant observations as previously mentioned.

But it is important to clarify, that the analysis of the data collected by participant observations will be in the form of examples of situations that the researcher has come across when dealing with suppliers on a daily basis. The situations will be described briefly as going too much in details can get confusing especially for a person who is not familiar with the situation. However, the knowledge gained from the participant observations can be tested against the collected data from the interviews and the theories presented as mentioned previously. In addition to this, in the interviews, the participants did not name many particular suppliers because of the confidentiality, but in the part of the analysis, the examples of some outstanding situations the researcher experienced will be described. As having this data from first hand is a great opportunity and new point of view to the topic of relationships with suppliers. Some situations happened over the phone, some per email. It is difficult to put a reference to the the situations that happened over the phone, however, the email conversations are attached in Appendix 4 to show, how the conversation with the supplier can look like.

It is important to mention again that this thesis is written under social constructivism, the knowledge is constructed by innumerable interpretations (Bryman, 2013) and nobody's perception is preferable (Egholm, 2014). And therefore this approach needs to be taken into consideration when analysing the collected primary data in this section.

Regarding the main topic, which is business relationships with suppliers, according to Brian (Appendix 2.1) Abbey Ireland cannot do business without suppliers and if they do not have

good relationships with them, the keeping business going is much more difficult. Because keeping the relationships with suppliers on B2B market is important for the business development (Guercini et. al, 2014). This statement proves the importance of the suppliers for Abbey Ireland and as the suppliers are core for the business, the decision to focus the thesis on the relationship with them is therefore proven to be correct, because also according to Wallace (2010) having good relationships is a secret to success in business. Furthermore, suppliers are one of the three main key relationships at Abbey Ireland and in fact, suppliers are key for the company (Brian, Appendix 2.1). Which puts big emphasis on their importance and good bases for the research in this thesis as suppliers are so important that understanding the relationship between them and Abbey Ireland can be beneficial for the company.

#### **4.1.1 Who are the suppliers**

The most important information at the beginning is to establish, who the suppliers are and what features define them and how do they differ. The answer to this question will be discussed in the following section of the analysis chapter. Gaining an understanding who Abbey Ireland is and who the suppliers are and how to they differ will help to understand the relationships they have with one another. Abbey Ireland was already described in the introduction and in this section, the information will be put into context.

To begin with, some general statistic about Abbey Irelands' suppliers will be given. According to Aisling (Appendix 3), Abbey Ireland is dealing with around 200 regular suppliers monthly and around 3000 suppliers each year. This is statistic based on invoices but, however, this is rather a significant number, especially when she adds that last years they processed around 8000 invoices for the suppliers. The invoices from suppliers are paid 30 from the end of the service (Sheldon, 1986). Most of the invoices from the suppliers would be based on the contracted rate and the contracting is done by year to year basis for the accommodation and for some non-accommodation it can be even 2-year contracts (Paula, Appendix 3), which corresponds with the theory from Dwyer (2007). Nonetheless, Abbey Ireland can be also working with suppliers that they do not have a contract with but if the supplier would be used more often, then the negotiation and the contracting process would be initiated (Paula, Appendix 3).

From the group accommodation perspective is Abbey Ireland dealing mostly with hotels, hostels and bed and breakfast establishments but at the same time allocation hotels are number one (Pauline, Appendix 3). To clarify what allocation hotels are, an explanation from participant observation will be given. Allocation means that there is a contract between Abbey Ireland and several hotels in Dublin, Galway and Kerry at the moment. For each day, there is stated how many rooms can Abbey Ireland use and they are available automatically without calling and checking availability with the hotels. However, if they are not used the allocation is given back to the hotels and subsequently, as the hotel might be giving each day

Abbey Ireland e.g. 25 rooms and therefore nobody else can use them, the relationship must be extra cautious. Because as Pauline and Paula mentioned (Appendix 3), they are the most important and Abbey Ireland must be careful to use them equally. Because also the level of the relationships will determine, if the same allocation will be given next year (Pauline, Appendix 3). And without those allocations, which secure the hotel space for Abbey Ireland, that is very difficult at this very moment (Paulin and Paula, Appendix 3; Brian, Appendix 2.1) the business will be debilitated. As according to Morgan & Hunt (1999), having enough resources, which relates to the hotel space, can create a competitive advantage that will secure that Abbey Ireland will have a business. Because if Abbey Ireland cannot accommodate guests, they will choose another company and therefore Abbey Ireland will not need to suppliers at all. Nonetheless, accommodation suppliers are not the only ones Abbey Ireland is working with. Abbey Ireland has a transportation supplier, guides, food and beverage suppliers, visits, masses etc. as well (Theresa, Appendix 3; Brian, Appendix 2.1) which is the base of tour operator (Hollway, 1998) to provide those services. And gaining competitive advantage is not only essential with accommodation suppliers because accommodation suppliers are only one part of suppliers Abbey Ireland is using and needing. However, the competitiveness in regards to suppliers is in a form that when Abbey Ireland has a good relationship with suppliers they are more prone to their requests rather than requests some other company. This is also confirmed by Graham (2012) and Jørgensen & Freytag(2000).

From the previous paragraph is clear that accommodation suppliers are challenging only because of the limited space. In contrast, the easiest supplier to work with would be according to Brian (Appendix 2.1) and also Theresa (Appendix 3) lunch and dinner venues and coach companies as they are more open to rate negotiation. Which also confirms Paula (Appendix 4), when she says, that you have many opportunities to eat somewhere and when one place is not available another is. However, from the participant observation, it is not that easy with guides either because of the limited number of guides especially language guides that are not guiding in English. It is easy to deal with them but the problem is the same as with the hotels, the limited availability. But in general, unless it is last minute request for 50 people the "food suppliers" are the easiest suppliers to deal with especially because they usually comply with the requirement for a good supplier, which is to deliver quality service (Dulmin & Mininno, 2003). If they fail more times, they will be substituted by another restaurant.

Because Abbey Ireland is a B2B company, suppliers are dealing with the company differently as they are bringing to suppliers much larger volume of business and in return they accommodate more of Abbey Irelands' requests, then if they were small company or the end client (Theresa and Paula, Appendix 3), which is also confirmed by Kotler and Pfoertsch (2006). However, there is also big difference how to deal with each supplier depending on the type of service provided as churches for example would insist on personal contact (Theresa, Appendix 3). But in general it is possible to divide the different treatment into 2



sections based on data collected from the interviews. The first one would be big brands or famous visitors' attractions that are not dependent on business from Abbey Ireland. From experience, it is more difficult to deal with suppliers that are not dependent on Abbey Ireland's business because they are usually booked anyway (Theresa, Appendix 3). However, some big attractions like Jameson Distillery or Titanic Belfast are still very helpful which can be confirmed from participant observation especially with Jameson Distillery. The second part is family runned properties would like to have the partnership with Abbey Ireland (Paula, Appendix 3) and according to Anderson (1995) this is evolving in time but this evolvment is clear as according to Paula and Pauline they have been in business together since the recession in 2008. Nevertheless, the level of the relationship would also be different as those small businesses might be dependent on the business Abbey Ireland is providing (Roper, 2005). Therefore, as they are more dependent they might be more willing to accommodate the requests, which can be confirmed from participant observation.

Another difference when dealing with suppliers can be spotted in high and low seasons of the business. Between seasons, the relationship is not pushed to the limits because suppliers are not also limited in what they offer (Pauline, Appendix 3). In additional to this in the high season, everyone is busy and there is little time to find solutions for some booking and there is also less time to cheat (Theresa, Appendix 3).

As for the building the relationships with suppliers, according to Brian (Appendix 2.1.), it is essential, because the company needs very large amounts of various products so that they can meet the requirements of their clients. According to Aisling (Appendix 4), Abbey would have built up a relationship with most of the suppliers and she has both personal and business relationships with them as she is in the department for over 16 years. Having more personal relationship with the suppliers does help according to Aisling (Appendix 4) because they are *"...easy to deal with once they know you personally they know they can trust you."* Which confirms theory from Lichtenberg (2002), where he states that the success in business starts with more personal relationships. Which confirms Pauline (Appendix 3) when she says that there is more to the relationships than picking up phones or hiding behind emails. This, however, contradicts with theory from Candi and Kahn (2016) as they believe B2B companies are more about performance rather than emotional approach. But again personal level to the communication is essential as suppliers are more prone to accommodate requests (Pauline, Appendix 3). Nevertheless, it is not possible to say that neither one of the approaches is 100 % correct as dealing with suppliers is also dependant on the personality of the person who you are dealing with. This corresponds with Halinen (2012) and the theory about being able to explicitly explain the relationships. Because according to Pauline (Appendix 3) some nationalities might be abrupt in the way they talk but they do not mean to be rude. And also according to Paula (Appendix 3), some people prefer flowery talk and some go strictly to business. This refers to the psychology element when dealing with people (Chen at. al, 2012) as mentioned earlier, each person prefers different approach in communication. But then it also depends how person from Abbey Ireland interpret this

behaviour and if the person will take it personally or not, this might change the level of relationship the person has with the supplier. In addition to this, in Ireland it is apparently important to have a chit-chat before going to the business in Ireland (Theresa, Appendix 3)

According to Pauline (Appendix 3) there might be different opinions how suppliers see Abbey Ireland but probably they perceive them as the biggest and relatively cheap in a way that Abbey Ireland is looking for rate at the very bottom. According to Paula (Appendix 3) supplier would see Abbey Ireland as *"...reliable, long-standing, fair and there is human behind the scene"*. But again this is dependant on the supplier as each supplier can have different experience with Abbey Ireland. From participant observation, both good and bad experiences with the company can be detected but this would require going deep into the reasons as what happened. One example of misunderstanding and wrong and unjustly bad perception about Abbey Ireland will be described.

### **Observation Example**

**Supplier:** Gerry Kooley – English speaking guide in Belfast

**Situation:** Group traveling to Ireland had booked half day guide in Belfast. When sending the confirmation and the itinerary with instructions what the group wants to do on the tour, the guide replied that unfortunately she cannot do the tour because her husband broke his arm. She suggested another well-educated guide – Gerry who can do the tour and she gave us the contact. We said that we will take care of this and that we will contact him ourselves. However, in a meanwhile, we managed to secure another guide that we have worked before and had some experience with. Nevertheless, on the day of the tour Gerry called that he is suppose to be doing the tour but another guide is there instead of him. He said that Brin (the original guide) book him for the tour. Anyway, Abbey Ireland is doing all the confirmation and booking through the booking system and all are confirmed in writing to be sure every confirmation can be traced back.

**Conclusion:** Gerry was very angry and was asking for a satisfaction that he lost half of the day and that he refused some other booking for this. But nobody booked him, nobody was in contact with him and no confirmation has been sending. Apparently Brin has booked him on our behalf even when we did not ask her to do this. It is difficult to say if it was miscommunication between the company and Brin or if Brin just wanted to do a good deed but doing so, she caused a problem and made one supplier very angry and unhappy. From the other perspective, nobody has any information what actually happened in Belfast. As the replacement guide Virginia was with the group already and now Gerry called saying that he should be the guide. This could potentially make Virginia angry as well as she might think that we were looking for another guide instead of her. Gerry has, however, very bad perception and opinion about Abbey Ireland even there was nothing we could do for him and the company could definitely not pay something that was not booked and confirmed by Abbey Ireland. This is an example how difficult the relationship with a supplier can be. And

many times the relationships, even before they can develop, they can be ruined for good. It could happen one day that the only available guide in Belfast is Gerry, but because he has this bad experience, he might not accept the booking.

Another example is given in regards to cancellation policy with the hotels and how different people can change the whole situation.

### **Observation Example**

**Supplier:** Maldron Hotel Belfast

**Situation:** Each hotel has different cancellation policies (Sheldon, 1986) regarding cancelling booked rooms. Usually, the time when a room can be cancelled free of charge is one month before the group is travelling. However, I have noticed that I forgot to cancel one room for one group and the group was travelling in 3 weeks, which is beyond the cancellation policy. As contact per phone is more personal I called to the hotel, explained the situation and I got an answer no. We will be charged for this room. Next day, I was willing to give it another try as I would be losing money on behalf of the company. My call was transferred to the reservation manager, I explained the situation again and I received answer – Sure, no problem.

**Conclusion:** One person says no, but the different person says yes regarding the same situation at the same hotel. This refers to the 2 different interactions within the company (Guercini et. al, 2014). Even when the employees of the hotel should respect the same hotel policy it is clear from the example, that is more dependent on the personality or the person with who you are dealing with rather than the actual supplier, which is, in fact, the hotel. This refers to the situation described by Pauline (Appendix 3) *"...we are all humans and mistakes can be made, ..., certain hotels would charge us if we would cancelled beyond a cancellation deadline that was set whereas other hotels would never charge us regardless when you cancelled."* Although, it is difficult to say whether the personality or the relationship has a bigger influence on this matter. Perhaps it is mixture of both, because without any previous relationship or experience, the hotel could be making money on the cancellation as it is clearly stated in the contract. Which also confirms Pauline when she said that *"...any opportunity to make money, certain hotels will jump on that and there are other that would obviously value the relationship, ..., that damages relationships like when something like that happens, we don't forget."* On the other hand, I had a bad perception about the hotel when I heard no, but because they did not charge us at the end, the company will not forget either, but positively. But also there can be some element other the business one. The good or bad mood of the person, with who you happened to talk over the phone or the email, can have an influence on the answer as *"...it obviously depends on who are you dealing with"* (Pauline, Appendix 3).

To sum up, there is a clear difference between big brands and small family owned businesses as for big brands the business Abbey Ireland is bringing is not that essential. However, this is

not changing anything the fact that some big suppliers do appreciate the relationship with Abbey and are willing to help with requests. Nevertheless, the relationship is not just strictly business but also personal matter especially in Ireland and the person with who you are dealing with influences the whole communication and the outcome of it. There is no special guiding in how to deal with suppliers. You get some introduction about how to deal with them but many times it is learning by mistakes (Theresa, Appendix 3) and even after 23 years in business you are still learning something new (Paula, Appendix 3). Anyway, it is not possible to establish one policy towards suppliers as it depends not only on what type of supplier it is (what type of service the supplier is providing) but on the personality as well. And therefore it is truly about learning by mistakes to see which approach is the right one towards which person.

As a final note, according to Paula (Appendix 3) business in Ireland is growing again after the recession in 2008 and therefore it is time to start rebuilding previous relationships. Therefore, in the future, the number of suppliers and the relationships with them might grow significantly as the company grows as well as according to De Boer et al. (2001) preferences are changing and new relationships might be built.

#### **4.1.2 Benefits**

In this part of analysis, the benefits of being involved in a business relationship for Abbey Ireland and suppliers will be analysed by using collected primary data and secondary data. Having those two sources of data will enable to compare the theory with the real life experience from the company and therefore it will help to give an answer to sub-question of the research question, that deals with the question, why is it good to be engaged in relationship with suppliers for Abbey Ireland and vice versa, therefore what are the benefits.

As mentioned in the previous chapter, it is possible to say that being B2B company brings benefits to Abbey Ireland as suppliers are perceiving Abbey Ireland differently and the it is possible to get to different commission levels, in other words, cheaper rates (Paula and Theresa, Appendix 3) which is done by negotiating those cheaper rates on contracting level (Rodgers, 2001). And again Abbey Ireland can have access to cheaper rate because of being a B2B company (Dwyer, 2007) and bringing a large volume of business to suppliers (Kalwani and Narayandas, 1995). On the other hand, there is a question, whether working with Abbey is beneficial for the suppliers as the rates provided to the company is lower than provided to the direct customer. According to Pauline (Appendix 3) *"...the reason, why we can buy for such a cheaper rate, is because of the volume we give to the hotel, I mean the rate they agree to is based on the volume business."* And the exactly the large volume of business given to suppliers is the base of B2B (Kotler and Pfoertsch, 2006). And also according to Paula (Appendix 3) you have better relationships with supplier being a B2B

company because they know they can trust you because they most likely worked with you before and have experience working with the company (Sheth and Sinha,2015).

To continue, in general, the benefit is when according to Pauline (Appendix 3) *"...in my opinion the job that we do, relationships is key" because "...better relationship you have with the supplier, the more they are willing to give you and more they are willing to help you."* In addition to this reputation is also very important aspect as Pauline (Appendix 3) explained that when one supplier puts a good word about Abbey Ireland and it can influence and convinced another supplier to keep working with Abbey Ireland and provide it with space in their hotel for the following year. But not only accommodation is the core for the business as visitor attractions are a big part of the Abbey Ireland's business as well and having good relationships with those suppliers is very beneficial too. This is proven by Theresa (Appendix 3) when she explained that if you have a good relationship with suppliers they could actually ask other companies to move their time for Abbey Ireland. Because if you have a good relationship with suppliers they might find solutions and they will find them more willingly for the company (Theresa, Appendix 3). Furthermore, because of the good relationship with suppliers and the way Abbey Ireland was treating the suppliers Abbey Ireland and only Abbey Ireland got space in hotels in 2017 and other companies were declined because suppliers did not like the way they were treated (Paula, Appendix 3). Not only this is a benefit of a good relationship. According to Paula (Appendix 3), it is *"...beneficial to everyone' stress level because you know who you can phone if you are in trouble."* And having that opportunity saves time and also some nerves as mentioned. It is important for Abbey Ireland to be a good partner to suppliers so that they will select them ver the competitor. Good relationships with suppliers have therefore a direct impact on the competitiveness, which confirms the theory from Mitrega et. Al (2012) and Graham (2012). Better relationship ensures more room at hotels, lower prices or more favours. And from those examples, it is clear how having good relationship with suppliers can affect business for Abbey Ireland and how the company can benefit from it.

On the other hand, there are of course benefits for a supplier to be working with Abbey Ireland as well. For a start, what is beneficial for them is a fact that Abbey Ireland is giving suppliers large volume of business. Because Abbey Ireland is B2B company and tour operator and not an agent according to Pauline (Appendix 3) *"...Abbey has been around as long as it has been, a lot of suppliers would be familiar with us, they would worked with us for years and we are not just one track pony, we are not an agent, you know we are not one person who brings one group, we can bring lot more to the table then hotel go directly to one agent and we can bring so much to them"*. This as an example of a benefit for the supplier from Abbey Ireland being tour operator and B2B company. To follow up on the volume of business, this is done, however, not just in July and August but throughout the whole year regardless of the seasons (Pauline, Paula and Theresa, Appendix 3). Another reason, why it is beneficial to work with Abbey Ireland is because they respect the suppliers and treat them as a partner and the trust is very important (Baker et.al, 1999). Furthermore

the bills or more precisely the invoices are paid very promptly on time (Brian, Appendix 2.1). Because paying on time actually affects the whole business for Abbey (Aisling, Appendix 3). When the invoices are paid on time, it is then easier for contracting department to negotiate contract rates (Rodgers, 2001) and from the accommodation perspective to get the space and allocation in hotels. Therefore, it is a much-interconnected cycle and it is not possible to say where the relationship starts and when does it end. Theoretically, it should start with contracting the suppliers, but as previously mentioned working with them before and proving to be good partner regarding making payments makes this step easier for the future reference. Furthermore, they are trying to meet the suppliers to build the human relationship, but this can be challenging because they are often dealing with different personalities (Brian, Appendix 2.1). According to Brian (Appendix 2.1) Abbey Ireland has a strategy, when they respect the suppliers and we see them as partners, not the supplier. This refers to the fact, that you are most likely to do business with somebody you know rather than with somebody you never met (Graham, 2012). Abbey Ireland is dealing with different personalities but when communicating with suppliers Abbey Ireland is very open (Brian, Appendix 2.1). Nevertheless, probably the biggest benefit of being in relationship with Abbey Ireland is for small family owned business as they can trust Abbey Ireland because they have delivered for so long (Pauline, Appendix 3).

Below are some examples how good relationship can in fact influence the business for Abbey Ireland, which basically gives and answer to the research question.

### **Observation Example:**

**Supplier:** The Church Café – Dublin

**Situation:** The Church Café is a restaurant used for lunches and dinner very often by the company in general as it is located in the centre of Dublin and therefore it is a good location and in additional to this, the restaurant used to be a church and the interior still resembles a church. One day, the company got an email from the manager. In the email, it was stated that because Abbey Ireland is a regular client that brings a lot of business, they are aware of the struggle with rates and therefore, they would like to repay and offer something in return. They offered reduced rate for group lunches and dinner of €2.00 - €6 per person from Monday to Thursday and this one applied to a booking already made as well retrospectively. But basically, rates from 2015 would apply for Monday-Thursday,

**Conclusion:** This is small gesture does not change much for the actual price but is in fact nice gesture and it shows, that the supplier appreciates the relationship it has with Abbey Ireland. As businesses need to work together to do business together (Wallace, 2010). Having a good relationship with suppliers can definitely create benefits for the business. If Abbey Ireland was not a good partner to work with and there would not be good relationship maintained, the chances are this offer would not have been sent. This is confirmed by Theresa (Appendix 3) when she says that if you have good relationships with

restaurants they might drop rates by few euros which is exactly the case in this observation. In business, every euro counts and reduction of 3 € for a group of 30 people creates additional 90€ profit for Abbey Ireland. This is only possible due to the fact that Abbey Ireland is a tour operator, which corresponds with the email sent to Abbey Ireland (Appendix 4) as well as theory about tour operators having access to lower prices (Dwyer, 2007). This is also a very good example of having a good relationship with suppliers has a major effect on the profit and the clients as well. When Abbey Ireland is able to offer a service at discounted prices, clients will truly appreciate this price reduction and this will create added value and competitive advantage. However, Abbey Ireland might not let the client know about the reduction and can, therefore, make an even bigger profit out of it. But that is a completely different topic for discussion. The main point is that even without the reduction, Abbey Ireland would most probably be still working with the partner but know there is added value to the partnership.

The email with the offer can be found in Appendix 4.

#### **Observation Example:**

**Supplier:** Ashling Hotel – Dublin

**Situation:** One of the groups travelling had last minute request to add one additional 1 single room 3 days prior the arrival date. To make this possible, the hotel had to be contacted and asked for availability. After picking up the phone the reservation person said, that sadly they do not have anything available but they asked again from where is the call. After saying I was calling from Abbey Ireland, I was put on hold for few seconds. After a while, the person came saying that I can have the one additional room.

**Conclusion:** From the situation is obvious one thing, it clearly does matter who or which company is having the request. At first, there was no availability, but when mentioning the name of the company all the sudden there was availability. Therefore, it is possible to deduce, that the hotel has some experience with Abbey Ireland and is willing to find solutions for the company when needed. This corresponds with a theory from Handfield (1999) as a good relationship can contribute to performance of the company. For this case the performance is the possibility to offer to the client what requested, which means the client is happy, Abbey Ireland can make some money out of it and possible have another business with the happy client, hypothetically. However, according to Pauline and Paula (Appendix 3).

#### **Observation Exmple:**

**Supplier:** Killarney Court Hotel– Killarney

**Situation:** One of the groups travelling in May was accommodated in Killarney Court Hotel but the number of people dropped dramatically and at the end only 9 people were travelling. Killarney Hotel reconfirms the booking for this small group but only for FIT rates, which are the rate for individual travellers and the rates are higher than group rate. I got in contact with the person who confirm this booking, asking if by any chance they can charge for the booking group rates, which are as mentioned lower and therefore the company would make less money out of it. The person at the hotel, Rebecca said she can do this favour but she would ask one in return. She had an out booking situation that she was hoping I can help with. The out booking means that the hotel accepted too many booking and they do not have space for all the confirmed bookings. Rebecca gave me the reference number of the group she needed to out book from the hotel and I told her I will try to see what I can do with this situation.

**Conclusion:** Suppliers are willing to help the company but they expect the same treatment in return, as the relationship between the hotel and Abbey Ireland is an equal partnership, which is also confirmed by theory from Handfield (1999). At the end, as the out booking for a group handled by a different person, I could not promise Rebecca anything, only that I will try to find some information for her. Therefore, the outcome was not a conclusive element but the willingness to help and show that favour asked will be returned was. I have provided her with a contact for the person who is handling the group and she promised to charge the group rate. From this perspective it is win-win situation (Gummerson, 2011), even when the win is more on Abbey Ireland side as the company is making more money by paing less to the supplier, than it would if this particular supplier and this particular person would not help. But also Pauline (Appendix 3) says that *"...so it works both ways the relationship"* because once you help the supplier and 2 months from know Abbey Ireland can be asking for favour, which refers to investments to the relationship (Henning-Thurau, 2000).

The email conversation can be found in Appendix 4.

To sum up, there are benefits for suppliers as well as for Abbey Ireland to have good relationships with one another. As the good relationship ensures fair treatment and the flow of business for suppliers and better accommodation of request for Abbey Ireland. As a final note, some suppliers appreciate the business Abbey Ireland is bringing to Ireland (Pauline, Appendix 3) as this does not benefit only their own company but also the whole country, which is very important for proud Irish people. As Abbey Ireland as a tour operator uses logistic of the home country (Talwar, 2006) and therefore many businesses instead of just one benefits from the business Abbey Ireland is providing to the country.



### 4.1.3 Challenges

In this part of the analysis, the challenges of being involved in the relationship with suppliers for Abbey Ireland and vice versa will be discussed. For the analysis will be used the primary data collected and the secondary data from the theory chapter. This will make it possible to compare theory with a real life experience and answer the research question.

To begin with, it is important to emphasise that Abbey Ireland is communicating and dealing with suppliers on behalf of Abbey Irelands' clients, which is the base for B2B company (Pomirleanu et, al., 2015; Sheth & Sinha, 2015). To also give a felitous start to this section of the analysis chapter, according to Pauline (Appendix 3) the most challenging part when dealing with suppliers is everything because there is a challenge everywhere at the moment. This statement is in accordance with Hadjikhani & LaPlaca (2013) as there are so many factors that can influence the business relationships. But in general challenges from accommodation perspective is to *"...get space that is required..."* (Pauline and Paula, Appendix 3). This is particularly an issue when another company can get the required space and therefore offer to the client something that Abbey Ireland cannot, because the supplier would not provide that. And again relationship with suppliers can possibly help with this as according to Morgan & Hunt (1999) competitive advantage can be achieved only with sufficient resources and one of the resources are as mentioned is the space at the hotels. However, not only the accommodation is limited in spaces but guiding is and some visitors' attractions as well. This issue is referring to the resource dependence that tour operators are dependent on what is provided for them (De Boer et. al, 2001). Obviously, smaller groups are easier to accommodate because finding slot with the supplier for 7 people is less challenging than finding a slot for 50 people with limited time alternatives. This refers to the situation when according to Theresa (Appendix 3) the biggest challenges with the rest of the suppliers is to find a solution that fits both sided, Abbey Ireland and suppliers. This solution must be mutually beneficial to keep the relationship in a good place to ensure the benefits mentioned in the previous analysis chapter. And this is the essence of relationships, to have benefits which would not be possible to achieve when working alone (Andereson, 1995).

However, it is important to acknowledge that in the current situation on that market especially in Dublin, it is important to realize that Abbey Ireland needs the suppliers more then they need them (Paula, Appendix 3) as supplier as very important resource (Handfield, 1999). Because if Abbey Ireland does not have relationship with suppliers, they have no resoures and they have nothing to offer (Paula, Appendix 3). And that is why business is for tour operators according to Dwyer (2007) highly risky. Therefore the relationships need to be properly maintained and also there is a need to avoid some situations. As for example a challenge could be created by constantly asking for favors (Paula, Appendix 3), which obviously will not be beeficial for the supplier. But most likely the favors will still be asked but the challenge is to do it in that way so that the suppliers feel, that they are getting something in return as being partners should be win-win situation for both sides (Nour,

2011). But suppliers are also the ones who can dictate the terms (Gabbot and Hogg, 1998) because they have the power to do it as they have something that Abbey Ireland needs, resources. This of course influences the relationship as well, because that only makes Abbey Ireland even more dependant on them. Furthermore, there is simple answer to the question by Schuh (2002), whether tour operator industry is situation specific. From participant observation and taking into account the dependance and dictation of terms previously mentioned some hotels, when there is big event (concert, conference, bank holiday, etc.) refuse to give space in hotels for Abbey Ireland, because Abbey Ireland has the contracted rates which are low. Other option is that they offer the space but on very high rate that is of course unfavourable. On the other hand, because of this big event the hotels are expecting many people and they can charge them much more because those people need to sleep somewhere and as mentioned earlier, there is a problem with capacity in the biggest touristic places. This is clear example of doing business strictly for profit without honoring the relationship which is in accordance with Geehan (2011). This is not significant in many places but in the main areas like Dublin, Belfast or Galway this is a real challenge not only for the business but for the relationship with the hotels as well.

As mentioned earlier, the benefit of working with Abbey Ireland is that they deliver a large volume of business, but on the other hand that creates a challenge as well. Because if they would not deliver, then the accommodation suppliers would not want to do business with them the following year (Pauline, Appendix 3) and in many cases the services, especially the accommodation is secured several months ahead. Therefore it is important to secure the accommodation in advance. Which is clearly a challenging factor in a business and applies to the fact that supplier does not want long-lasting relationships if it does not bring any benefit to the suppliers. As mentioned at the beginning of the analysis chapter, the invoices to suppliers are paid 30 days after the end of service once Abbey Ireland receives the money from the client (Aisling, Appendix 3). However, this is not the case always as some suppliers require pre-payments or deposits, which is according to Aisling (Appendix 3) very challenging as it stops the normal process with proceeding the regular invoices. But from that perspective, those invoices need to be done and proceeded as if the service is not paid for the supplier will not provide it. And when the supplier does not receive the money in the correct or promised time it can cause an issue with the relationships because anything related to the money is a sensitive topic. And again, if the invoice is not paid on time, it can influence the future rate negotiating (Aisling Appendix 3).

According to both Pauline and Paula (Appendix 3), one of the big challenges is that suppliers have a short memory and they do not want to remember that Abbey Ireland was providing business to them even in recession times. Family owned business honor this business that was provided for them in hard times, but some of the big brand do not and according to Halinen (2012) the continuity of business, that is not provided from some of the hotels, is essential for the business relationship. From this perspective, some of the hotels are damaging the relationship they have with Abbey Ireland which is a negative aspect for them

and for Abbey Ireland as well. However, as they do not appreciate the volume of business given to them even in hard times when they needed the more. And if they are not providing enough space for Abbey Ireland now, it creates an obvious problem for Abbey Ireland. But on the other hand, this creates a negative perception about those hotels that can project it in the future and Abbey Ireland might not want to continue with the relationship as it is not mutually beneficial. Because as it was mentioned in the previous chapter, Abbey Ireland is re-discovering old relationships with suppliers and therefore the hotel that is not being a good partner for Abbey Ireland might lose business for good from them. Furthermore, as was mentioned by Eggert et. al. (2005) there is the difference in relationships depending on what point in time is the relationship examined. As previously mentioned suppliers needed Abbey because of the recession and today the suppliers or more precisely hotels have enough business (Pauline, Appendix 3) and therefore they do not need Abbey so much and therefore the base of the relationships is different. However, family owned businesses do remember and they appreciate the relationships (Pauline, Appendix 3) as mentioned previously, but on the other hand those properties are small and they might not accommodate as many requests as the big brand. So one one hand, there is a benefit of the better business relationships. But on the other hand, the question is whether this can be truly considered as a benefit when most likely those properties are not even in the main touristic areas in Ireland. Nevertheless, the opportunity is there, it is just challenging to use it to its maximum.

One of the most obvious challenges in the business relationships can be bad communication *"...because if the communication is bad everything follows negatively after that "* (Paula, Appendix 3). The same example from observation with the misunderstanding with the guide Gerry Kooler could be given here as well. Because this illustrates perfectly how bad communication can damage or influence the relationship in a bad way. But this relationship can be also damaged in a more broad scale which is explained in the following participant observation, which illustrated how proper communication is essential.

### **Observation Example :**

**Supplier:** Vision Travel - coach company in Edinburgh

**Situation:** Abbey Ireland needed to book last minute coaching at Edinburgh. But every booking needs to be confirmed in writing. The coach company was contacted by phone and email several times to confirm the booking but at the end of the day ,nobody was picking up the phone. Therefore, the new coach company had to be found. The next day, when the tour should take place the Vision Travel called and was very angry that there was already another coach company and that they lost half day coaching. After all, day figuring out what went wrong and after several angry phone calls from the coach company we figured out what happened. Abbey Ireland has another company in Scotland called Abbey Scotland and Vision Travel sent confirmation and invoice to them. But Abbey Scotland did not resend this to Abbey Ireland as they did not know it belonged to our booking. Even when all the email and

confirmations were sent from Abbey Ireland's email, the coach company replied to completely different email address.

**Conclusion:** The Vision Travel is a partner for Abbey Scotland and because of this misunderstanding with Abbey Ireland it can damage the relationship they have with Abbey Scotland. This could have significant consequences as Abbey Scotland are using this company as a regular supplier and the supplier because of this misunderstanding might not wish to continue the relationships with Abbey Scotland, because of what happened with Abbey Ireland even when those two companies have theoretically not much in common. From this perspective there is a challenge with how to treat this supplier, as not all of them can be given the same level of importance (Nour, 2011). It might be important supplier for Abbey Scotland but not for Abbey Ireland, but even when they are two different companies, it is still one brand and the need of profit is common. However, this is a great example of miscommunication and how it can negatively affect the relationship and how attention to detail is essential.

Following example introduces challenge from the supplier point of view, as the Abbey Ireland is not the only entity that is influenced by the relationships.

#### **Observation Example :**

**Supplier:** Travelodge Hotel Dublin Airport Swords – Lukas Ochonski

**Situation:** Lukas is a contact person at Travelodge Hotel in Swords, which is considered as a part of Dublin but the rates are much lower than in the city centre. One of the group travelling had also coach company booked and because the driver was not local he need accommodation but the price for the accommodation was calculated already and Abbey Ireland had a budget for this that could not be exceeded in order to not lose money on this booking. The budget for the accommodation for a driver was €88.00 per night on B&B – bed and breakfast basis. Lukas confirmed the availability at the hotel but he provided rate €89.00, which is over the stated budget. When replying to Lukas, he was informed that unfortunately the rate is over the company budget. In his reply asked whether the rate €85.00 would be suitable, which is, in fact, €4.00 cheaper than the original price provided.

**Conclusion:** Lukas himself, on behalf of the hotel, offered a lower rate, even without me asking for any reduction as I did not think this would be actually provided to me. He acted from his own initiative which is according to de Tormes Eby (2012) the essence of relationships. But theoretically, the price for a room should be stable, but it turned out to be flexible. There are 2 possible explanations for this situation. Either Lukas needed business and was willing to win the business even with a lower rate, which corresponds with theory from Grönroos (1997) about making sacrifices to do business. Or because of the relationship with Abbey Ireland as this hotel is used quite often, he was willing to make a special price for the company. This is, however, only half the case when Pauline (Appendix 3) said that hotels want to charge as much as they can and Abbey Ireland's wants to pay as little as they can.

Obviously, Abbey Irelands wants to pay as little as possible but the hotel did not charge as much as they could. But to sum up, because of this kind gesture the relationship with Lukas became much stronger and for the future I will know I can come to him when I have some problem or need a room. This, of course, does not mean that next time he will be able to say yes, but I will remember even this one small favour provided to Abbey Ireland. And those little sacrifices even when they present challenge can turn out to be good for the relationship with the supplier.

The email correspondence can be found in Appendix 4.

### **Observation Example:**

**Supplier:** Belhaven Hotel – Belfast

**Situation:** Combined group travelling to Ireland and Scotland was handled by Abbey Ireland. The group had booked a coach for the whole tour and therefore the driver needed accommodation for all days. But because of the high prices at the hotels the group was staying, the company decided to outbook the driver to a cheaper accommodation close to the hotel. A nice, close hotel after a week of searching was found that even was below the budget. After confirming the accommodation, the hotel asked for credit card payment to settle the bill and to secure the booking, however, Abbey Ireland is only paying suppliers by invoices. The hotel was asked whether can the payment be done by invoice but according to the hotel as this would be the 1<sup>st</sup> time they are working with Abbey Ireland, they require the payment by credit card.

**Conclusion:** Because Abbey Ireland did not know the supplier, credit card payment was not acceptable. Because the hotel did not know Abbey Ireland, they did not accept invoice payment. No previous relationship no booking. Because Abbey Ireland and the Belhaven had no previous experience together and there was no relationship between those two companies the favourable booking could not be made. But also according to Aisling (Appendix 4) starting to work with new supplier could be challenging as the supplier does not know the company. However, without the relationship, both companies were cautious and distrustful. Having the relationship with the hotel would make the job much easier as one accommodation for the driver for a good price which would allow Abbey Ireland to make money could not be made.

The email conversation can be found in Appendix 4.

To sum up, there are challenges both for Abbey Ireland and for the supplier to maintain the level of business relationship on a good level so that both can benefit from this involvement. However, some of those challenges are a good training material for the future or they can even evolve in a positive aspect as it did in the situation with the Travelodge Swords.

Therefore it is not possible to take it only as a challenge but as an opportunity to do better and learn from those situations when they occur. Therefore, those challenges in business relationship does not affect the business automatically negatively, because it is not about the challenge but about how you face it and deal with it (Brian, Appendix 2.1)

#### **4.1.4 Relationship Marketing**

To begin with, relationship marketing is a suggesting for a possible marketing approach for Abbey Ireland, taking into consideration that according to Morgan & Hunt (1999) relationship marketing should only be adopted when it contributes to company's sustainable competitive advantage. In this section of the analysis, the collected data will be analysed in regards to the presented theories about relationship marketing as well as B2B and tour operator. In this analysis, it will show whether Abbey Ireland has the right conditions to implement the relationship marketing or if perhaps the relationship marketing is already a strategy that they are pursuing as it is considered to be a strategic tool (Wang et. al., 2014).

Regarding the relationship marketing, and whether the suppliers are promoting themselves to Abbey Ireland, Brian (Appendix 2.1) confirmed that they absolutely promoting themselves in 2 ways – they come to Abbey Ireland's office and present their product in the company and they have each year annual discussions with suppliers which are the most important meeting of the year, the various workshops. Going back to the presentations in the company, according to Pauline and Paula (Appendix 3) those who are looking for business or re-contract are promoting themselves to Abbey Ireland. According to Theresa (Appendix 3) especially in winter, there is a lot of product presentations from the suppliers and also many invitations for after working hours for a new product or a simple update on the product. This is a benefit for both Abbey Ireland and the suppliers. In order to prosper and have the mutually beneficial relationship they need to understand each other (Anderson, 1995).

#### **Observation Example:**

**Supplier:** J. W. Sweetman – restaurant in Dublin

**Situation:** J.W. Sweetman is a restaurant and private brewery located in the centre of Dublin. Many group is having a lunch or dinner there because of the location and live music each evening. The person at the reception is called Caitriona if there is new request or amendment to be made, she is the person to contact. After confirming table booking for one group she mentioned, if we are familiar with their new brewery menu, which she also attached to the email as a good option for a group.

**Conclusion:** When confirming a booking it was easy to market and promote a new product for Caitriona (the reservation person) as this menu, after I have received it, I forwarded it my colleagues and therefore the whole company can start offering this 3-course menu for €26.00 to their clients. It only takes one person to spread the word about the new product, which then will be spread around the world to the clients. From this perspective, the promotion of the product had zero cost for the restaurant but can create new profit. This is one of the benefits of working with tour operators as it reduce the costs for promotion for suppliers (Sheldon, 1986). In addition, this exactly the same when according to Kotler and Keller (2012) getting new client is much more expensive then retaining existing client and the same can apply not only to retaining Abbey Ireland as a client but for spreading and therefore promoting the new product across the company.

On the other hand, Abbey Ireland is promoting itself to suppliers as well, because it is very important to tell to the new suppliers who do not know them what type of people they are, how they work, what is their culture, what they require and why it would be good to work with Abbey (Brian, Appendix 2.1). This clearly supports the theory from Harker (1996) about proactively maintaining the relationship with partners. According to Theresa (Appendix 3) Abbey Ireland is not the only company the suppliers are working with and therefore it is important to introduce the company so that they see who is booking them.

There are fam trips and workshops that Abbey goes to meet suppliers as this way the company gets good understanding of the product and how they work and therefore it is very beneficial even after many years in business (Paula, Appendix 3). Also according to Theresa (Appendix 3) *"... there are trade fares where usually the directors go or the bussiness development would go and meet with suppliers in person as well here to it is more relationship point to have a good relationship with the supplier in personal level it usually work out in the bussiness level as well"*. This is confirmed by Isaacs (2010) as well as people feel more relaxed when they know each other. So there are several benefits of meeting with suppliers directly. They will learn who Abbey Ireland is and Abbey Ireland learns who they are and therefore new information is gained. In addition to this it can help to maintain the relationships which is clearly important for the business. But in general meeting with suppliers is done only when it is needed to introduce or re-introduce Abbey Ireland to suppliers (Paula, Appendix 3).

To sum up relationship marketing as mentioned by Gummesson (2011) should be mutual win for both parties involved. From that point of view, if supplier comes to Abbey Ireland with a presentation suppliers gets to promote the product and Abbey Ireland learns more information. Also if Abbey Ireland goes out to meet the suppliers at fam trips or workshops the same applies. The fam trips are visits to suppliers by Abbey Ireland staff members. No matter who makes the first step, both benefit from it and those who do. Those presentations support the main aspects of relationships marketing which is long-lasting

mutually beneficial relationship because Abbey Ireland learns new information and supplier promotes new or existing product and therefore it is as mentioned earlier win-win situation.

## 5 Conclusion

To begin with, the purpose of this research was to answer the research question how do relationships with suppliers affect business for Abbey Ireland. It is possible to say that in this thesis the research question and the subquestions were fruitfully answered. For a start, taking the social constructivism paradigm into account and the question raised by Kukla (2010) whether the reality is created by own activities it is possible to acknowledge that in this case it is confirmed. The reality, which can be adjusted to the business, is created by what Abbey Ireland staff and suppliers say or do as they by their acts influence the relationship and subsequently the business for both.

The relationships with suppliers affect business for Abbey Ireland significantly as without the suppliers Abbey Ireland could not be in the business. As they are the key or it is possible to say, the only resource for Abbey Ireland which is clear from the fact, that they are considered to by the supply side of Abbey Ireland's business. Nonetheless, the relationship with suppliers affect the business negatively and positively, therefore, the thesis looked at both, benefits and challenges of being involved in the relationship for both sides and how does it affect the business. Nevertheless, there are benefits both for Abbey Ireland and suppliers to work with each other. Abbey Ireland is a fair and long-standing company who treats the suppliers in a decent way, pays the bills on time and in return the suppliers are more willing to help with request. But it is essential to acknowledge that the situation with suppliers is very interconnected. Because at first all is based on what is contracted and agreed with the supplier in the contracting department and then the accommodation and operation department is again dependent on the accounts payable to pay on time. This is one of the challenges of relationships but in general, the biggest challenge is the lack of space in the accommodation section at this moment. But in general, it is possible to say that the challenge in relationships between Abbey Ireland and the suppliers is the communication. However, the good think about the challenges is that they can be transformed into positive aspects with an effort. Challenges are, however, not disadvantages but opportunities for the company how to do business more effectively. Furthermore, as for the relationships marketing, where the main focus is put on long-lasting and mutually beneficial relationships, it is possible to say that Abbey Ireland according to the theory and data collected is performing the relationship marketing. Because the long-lasting relationships with suppliers create more benefits and the aim is that both Abbey Ireland and the suppliers benefit from being involved in the relationship with each other. From the practical perspective, if the relationship would not be beneficial, neither Abbey Ireland or



he supplier would be in the relationship or would not be working with each other. Last but not least, the whole relationship topic for Abbey Ireland is influenced by the fact that the company is B2B tour operator as suppliers are dealing with the company differently because of that. However, it is not that easy to strictly divide the topic into sections and say that one thing is a benefit and the other one is a challenge as this is very interconnected. It is not possible to fully separate those two aspects of business and even the relationship marketing is very connected because of the mutual benefits of the long-lasting relationship. One example that illustrates the mixture of both benefits and challenges are the allocation hotels. As for one, it could be a benefit to having the allocation hotels as it makes the accommodation perspective of the business much easier. But on the other hand, keeping a relationship with those allocation hotels are challenging as there are many factors influencing this relationship. Furthermore, as mentioned in the analysis in one of the observation example, the lower price was given for a single room in a hotel, which is an obvious benefit for Abbey Ireland but it could be less beneficial for the hotel. Therefore, it is always necessary to look at the situation from both perspectives because as it was mentioned the relationship should be about mutual benefits.

As a final reflection to the whole thesis, it is not possible to ignore the fact that being present at the company was at one point significant easement but on the other hand, it might have created unwanted biases and could influence the research either way. However, as the research is social constructivist regardless if her own perception was created by experience or by simple feeling, primarily presumption about the topic was already there in the mind of the researcher, which basically was one of the motives to focus on the topic this thesis was dealing with. One way or another, there is one important fact to be emphasised. From a personal perspective, the puzzlement and interest in how the company is working and how the relationship with suppliers are handled are accommodated and this acquired knowledge will stay with the researcher no matter what. Furthermore, the gained knowledge will be further used for the daily work in the company and learning more about the suppliers changed the perception about them slightly. The personal touch is definitely a benefit when dealing with the suppliers as it adds something extra and the person feels less under pressure.

It is not possible to sum up the thesis while thinking this is where the job is over. As being part of the company as a member of staff and having to deal with all of the issues, challenges but also benefits mentioned in this thesis, this is only the beginning. From a personal level, the outcome of this thesis helped to understand the company more and hopefully it will allow to perform the job more efficiently without being afraid that too personal contact or a smiley face in an email with the supplier will cause an earthquake. Also, it is not possible to take everything too personally as the suppliers can have a bad day as they are only people or they are only acting on behalf of somebody else and therefore they cannot say automatically yes to all requests. More important is to work together and help each other on different occasions as this should be the base of the business relationship

and the main benefit. However, having this relationship and having worked with the suppliers previously definitely helps with the job. The researcher's job is to try keep this relationship going and make it even better whenever possible. As a final note, the most important finding in this thesis is the fact, that no matter what relationship with suppliers Abbey Ireland is having, the relationship can always go either way (Rao & Perry, 2002).

## **5.1 Further researcher**

In this last part of the thesis, further research that could be done to accompany the research described in this thesis is suggested. Because the topic business relationship is very broad and important as it became clear from the research and therefore further research would be suggested to cover other aspects of this topic.

Not only Abbey Ireland but tourism in general is very complex issue. The current research in this thesis focused only on one small segment of the Abbey Ireland's business, which is relationships with suppliers and more precisely, from the Abbey Ireland's perspective. There is a very sceptical article, where Jørgensen & Freytag(2000) are sceptic about relationship-oriented companies as their focus on the relationship is only their self-perception. Therefore, the most obvious further research would be more in-depth research with suppliers and how to they perceive Abby Ireland and whether the good relationship is a goal they want to achieve with Abbey Ireland and with other partners as well. This, however, would be very challenging, as Abbey Ireland, as mentioned before is dealing with many types of suppliers, offering different services. The research would have to be conducted separately with specific suppliers providing the same type of service all across the country. The research, in this case, would most likely be comparative research, which would uncover different approaches in dealing with Abbey Ireland, depending on the type of service provided (accommodation, coaching, guiding, food and beverage, visits, etc.).

Furthermore, Abbey Ireland is only one part of a big company called Abbey Group. Researching another element of the Abbey Group brand, especially Conferences and Events and Moloney and Kelly, who focuses on incentive, more luxurious travel would bring another point of view to the supplier problematic. Subsequently, as this thesis was dealing only with the supply side, further research could be concentrated on the demand side, thus the relationship between Abbey Ireland or the whole Abbey Group and its clients. But to go truly in depth with the relationship topic in Abbey Ireland, the relationship between Abbey Ireland's clients, who are travel agents and their clients, therefore, the end-clients would have to be done.

Last but not least, as mentioned by Brian (Appendix 3), three main relationship Abbey Ireland is keeping are with suppliers, clients and its own employees. Therefore to cover up all the main relationships, further research among the company with the employees, focusing on how do they deal with suppliers and clients and moreover, the difference

between dealing with those 2 elements would be beneficial to research. Starting point for this could be a theory, where according to Gallup (2013) a large amount of service employees exhibit very low customer care engagement and they do not understand what the company they work for stands for. Therefore, the researcher could be carried out on a more personal level and as Abbey Group, in general, has employees from all over the world, it could be interesting researched focus on how different cultures are different when dealing with people. Another angle for this could be fact, that American clients prefer to be dealing with Irish people. Therefore, this culture-focus could go many directions as well. It could focus solely on the employees or it could be a broad topic as how different cultures influence relationships at Abbey Ireland in general.

Those further researchers would again be beneficial for the company, because it would help to understand the relationships between all the main partners and could be used as a guideline for dealing with specific partners. This is, however, not to be discovered at the moment and it is a job or perhaps good motivation for another researcher. However, this research still managed to find out valuable outcome in regards the relationship with suppliers.

## **6 Appendix**

Available on USB-drive attached to this thesis.

### **6.1 Interview questions**

1. Brian
2. Pauline
3. Aisling
4. Theresa
5. Paula

### **6.2 Audiofiles**

1. Brian
2. Pauline
3. Aisling
4. Theresa
5. Paula

## 6.3 Transcription of Interviews

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