

Atmosphere as a Tool for Enhancing Organizational Performance: An Exploratory Study from the Hospitality Industry

Morten Heide¹

Research Professor

University of Stavanger

Kirsti Lærdal

Researcher

University of Stavanger

Kjell Grønhaug

Professor

*Norwegian School of Economics
and Business Administration*

¹ Corresponding author: Norwegian School of Hotel Management, University of Stavanger, N-4036 Stavanger, Norway
Tel: +47 51833751, Fax: +47 51833750, Email: morten.heide@uis.no

Atmosphere as a Tool for Enhancing Organizational Performance: An Exploratory Study from the Hospitality Industry

Abstract

It has been claimed that consumers do not seek products and services as such, but rather the positive experiences these may yield. In the hospitality industry, atmosphere is generally highlighted as a key determinant for guest satisfaction, loyalty and positive word-of-mouth. To enhance the atmosphere and thus increase the performance of their establishments, hospitality managers often engage in atmospheric activities. Such investments are, however, risky – in particular because of the ambiguity involved, which means that the relationship between investments and outcome is highly uncertain. Also, atmosphere is only one of several factors that influence the performance of hospitality companies.

This paper reports findings from an exploratory study, which show that although there can be significant benefits related to investing in atmosphere, the effects of atmosphere are complex and nuanced and there can be substantial risks associated with these types of investments. Managerial and research implications are highlighted.

Keywords: Consumer satisfaction, atmosphere, drivers, benefits and risks, Norway.

Introduction

Atmosphere is considered important both in everyday life and in business. In the hospitality industry, which will be focused here, atmosphere is considered an important – if not the key – determinant for guest satisfaction, loyalty and positive word-of-mouth and consequently for business success.

Because of the assumed importance of atmosphere – and because atmosphere is at least partly created by managers and employees, they often try to improve the atmosphere of their establishments. Thus, atmosphere can be considered as a “controllable” that managers can “manipulate”, as a tool to enhance the organizational performance. Such activities or investments are, however, risky – in particular due to the high degree of “causal ambiguity” involved, i.e. the relationship between various costly atmosphere enhancing activities and the potential contribution to firms’ performance are ex ante to a substantial degree unknown (Thompson, 1967). Also, the performance of companies is dependent on multiple factors – not at least day-to-day operations. Furthermore, the value of trade-off between investments in atmospheric efforts versus other activities believed to influence firms’ performance is uncertain as well. This problem is further escalated because the term itself (atmosphere) is unclear, often used with multiple meanings. Also, as indicated above not only is the concept, i.e. what to subsume under the concept ambiguous, so is also existing insights with regards to “driving factors”, i.e. what factors that may influence atmosphere – as well as how and why so (for detailed overview of relevant literature, see Heide and Grønhaug, 2006).

It should also be emphasized that atmosphere as a “controllable” or organizational tool only has relevance if it generates some reactions within or among the guests of importance for the firm, e.g. guest satisfaction, favorable word-of-mouth, increase in number of visitors etc. For example, it might be that an effort to improve the atmosphere may lead to certain emotions and beliefs, which in turn influence the guest’s experience and/or loyalty.

As noted above, present insights regarding atmosphere and driving factors are limited. At the same time managers and their employees believe in and try to improve the

atmosphere of their establishments. They try to do so within the constraint of their limited cognitive insights guided by their beliefs or “mental models”, i.e. knowledge structures (Johnson-Laird, 1983) that guide and direct their behaviors.

Not only is the phenomenon of atmosphere complex and ambiguous, the challenges need to be handled with constrained and limited insights. Also, activities to improve the atmosphere partly fall outside the domain of the managers’ experiences and expertise. This – of course – may lead to uncertainty. To reduce this uncertainty, managers easily turn to believed experts for help, which is commonly observed in business life.

In this paper we focus on the role of atmosphere as a tool for enhancing organizational performance. We report the findings of an exploratory study conducted to gather insights into how two groups (design experts and hospitality managers) view atmosphere and how they try to make improvements in the atmosphere of their establishments. In the next section, we report our research methodology.

Subsequently, the findings from our investigation are presented. This is followed by analysis and interpretations of the reported findings. Finally, theoretical and managerial implications are highlighted. Avenues for further research are pointed at as well.

Methodology

We selected the hospitality industry as our empirical context because this is a sector where atmosphere is frequently emphasized and believed to be highly important. Our study is a first step and therefore restricted to the supply side of the industry.

Because our present knowledge about atmosphere as a “controllable” or tool is limited, we conducted an exploratory, discovery-oriented study to gain insight into how managers and design experts think and cope to improve the atmosphere of hospitality establishments. We did so because factors such as education, training and experience are assumed to influence perceptions and understanding, so are firm specific and often contextual factors. To create variations along these dimensions, we

included two groups that work consciously to improve the atmosphere of the establishment, i.e. hospitality managers and design experts.

The two groups included in our study differ highly in terms of background. While, design experts (architects, interior designers and environmental psychologists) have considerable insights into the design elements that contribute to creating atmosphere, hospitality managers have personal knowledge (Polanyi, 1958) through their operational experience what it takes to maintain a favorable atmosphere and balance the focus on atmosphere with operational considerations such as efficiency, logistics and occupancy rates.

Perceptions and thinking can be captured in several ways. Even though associated with weaknesses it is usually believed that what people say can be appropriate to capture people's perceptions and thinking (Huff, 1990). Also secondary data can be relevant. For example, brochures etc. are the outcome of systematic and costly efforts. Here we had access to extensive secondary data, such as brochures, advertisement, internal reports, and interviews in the business press.

In addition we collected primary data. Because this was an exploratory study, we decided to use semi-structured interviews, which allow for conversational, two-way communication. More precisely, we conducted interviews with persons from the two groups of people assumed to be influential, i.e. design experts and hospitality managers. For practical reasons, only interviewees in Norway were included in the study.

Prior to the interviews, the companies were contacted either by telephone or e-mail to explain the purpose of the study. All interviewees appeared to be open, positive and interested in the topic. Notes were taken and a tape recorder was used (in full agreement with the respondents). After the interviews, responses were transcribed and analyzed. The interviews, which lasted between 60 and 90 minutes, were conducted using a carefully developed interview guide, which included questions about the company (including history, size and main types of clients/guests) and the respondent (such as educational background and experience record). Subsequent sections of the interviews were aimed at tapping specific knowledge about the structure and

significance of atmosphere. In addition, the interviews focused on the antecedents or drivers, i.e. insights – or more correctly - beliefs into how various factors (both design and human elements) can be combined to create the desired product as well as consequences of atmosphere, both in terms of benefits and risks.

A total of 11 design experts from seven architectural firms participated in the study. The firms ranged from one-person companies to some of the leading architectural firms in Norway. The interviewees were architects, interior designers and an environmental psychologist who specializes in the psychological impact of architecture.

The other group consisted of a total of six hospitality managers (general managers and executives in charge of marketing, operations, cuisine and customer relations) from three different companies. The managers had considerable operational experience in tourism and hospitality (hotels, restaurants and tourist resorts).

All of the hospitality companies that were selected for interviews are renowned for having a great deal of atmosphere. While the companies are fairly different with regards to product type, architectural layout and guest segments, all three companies emphasize their particular atmosphere in their advertising, and the design experts generally highlighted these companies as leading examples with regards to atmosphere. A description of the architectural and hospitality companies that participated in the study is given in the appendix.

Findings

Remarkably consistent patterns emerged from the interviews with the hospitality managers. All the respondents rated their establishments as high in atmosphere and they were all convinced that their establishment had more atmosphere than their competitors. Atmosphere was regarded as a key aspect and an integrated part of the operations of the company and nourished by friendly and caring attitude among all their staff members. In assessing atmosphere in their own establishments on a scale from 1 to 10, scores of 8 and 9 were typical. We also asked the respondents to rate the atmosphere in their competitor's hotel, and these were systematically rated lower.

Thus, all respondents gave their establishment high ratings and appeared to be convinced that their establishments had more atmosphere than their competitors, as reflected by the following quotes: *“Our main competitors have standard business hotels. They lack personality and local character. Interaction between staff and guests is formal and stiff. You hear much more laughter in our hotel”* (Manager, Company A). *“We are different, we offer the best experience. All activities are rooted in our brickworks concept... the heat and fire... the coffee roasting and traditional bakery... a total experience, this is extremely important”* (Manager, Company B). *“Our mission is not to run a hotel. We are here to care for our guests. They appreciate our personal attention and the tranquil and relaxed atmosphere, which they cannot find in bigger hotels. The feedback we get from our guests concerning our atmosphere and location is entirely positive”* (Manager, Company C).

The atmosphere was described both in amount (little vs. a great deal of atmosphere) and type. Analysis of the interviews showed that a pattern emerged, reflecting a limited set of prototypes or factors, which we have labeled exclusiveness, tranquility and functionality. Exclusiveness applies to up-scale hotels. Exclusive hotels were typically described as deluxe, extravagant or sumptuous. When the respondents were asked to give examples of this type of atmosphere, some also included trendy hotels, which were described as stylish, seductive and fashionable. Exclusiveness was also said to be uniqueness or one-of-a-kind, as claimed below: *“Our location is unique and our architecture too. The atmosphere, however, depends on our staff and their attitude toward guests. The people make the difference. It is important, I would say crucial that the employees feel our product as “little bit me”. We stress this. That is our policy”* (Manager, Company A). Tranquility is characterized by stress free and restful elements. Hospitality establishments that cultivate this type of atmosphere emphasize serene and laid back elements, as illustrated in the following quote: *“Our conference participants normally stay overnight. We try to persuade all of them to do so. This is important in order to experience our total product. They take a relaxed walk in our park and enjoy our local food”* (Manager, Company B). Functionality is characteristic for establishments that emphasize a corporate, trustworthy, smoke-free and clean image and is consequently particularly important for business hotels. The following quote exemplifies this: *“We collaborate with 20 of the city’s most popular restaurants. They hold the same level of quality as we do, and they are located close*

to our hotel. Our business hotel depends on a functional atmosphere, easy access to urban facilities of all kind" (Manager, Company A).

Drivers of atmosphere

There was a substantial degree of consensus regarding which factors that create atmosphere in hospitality settings. Atmosphere is created by a combination of physical factors (tangibles) and social factors (intangibles). The physical factors include permanent features such as location, architecture and design as well as temporary features, which can be termed as atmospherics, i.e. various types of additional elements used to reinforce the intended atmosphere such as a bonfire on barbeque evenings, fresh flower arrangements, particular staff-costumes and table-settings. The social factors believed to be relevant for atmosphere are interaction between staff-members (staff-staff) between staff and guests (staff-guest), and between guests (guest-guest).

Inspection of the design experts' answers revealed that they employ six tools to create the desired atmosphere: 1) shape, 2) proportion, 3) texture/materials, 4) color, 5) lighting and 6) furnishing. Shape and proportion are tools to change and transform the open space into a different setting, as well as to create specific settings. Texture and color define the character and qualities of the material. Lighting is used to reinforce the desired daylight or evening atmosphere and can for example be utilized to alter the informal breakfast atmosphere of the room into a formal evening setting. Choice of furnishing is used to complete the impression created by the other elements combined.

Furthermore, the design expert also highlighted that they combine the architectural tools to create a personal expression. It was evident that this personal expression changes over time through socialization, and educational institutions and training which are particularly essential for influencing the experts' perspectives, thinking and behaviors. *"The schools and institutions where we train and learn mean a lot to us. We make things using our hands. But through our thoughts and minds, through philosophy, we create values"* (Company 5).

Schools of architecture differ in their emphasis on originality and practical functionality, and personal expression is further molded through experience. An

interesting finding is that architects already as students tend to determine the architectural direction they want to take and if they do not succeed in this, they prefer to establish one-person companies, as reflected in this quote: *“After graduation, it was vital for me to start working in a reputable international firm. My dream employer was Frank Gehry (Guggenheim Museum in Bilbao and other legendary buildings) because the global trends interest me and stimulate my creativity. When this did not materialize, I started my own company in order to keep my creative freedom and avoid being influenced by a larger and less creative working environment”* (Company 5).

The hospitality managers were generally more concerned than the design experts with social factors and their impact as drivers of atmosphere, as reflected by the following statement: *“Our employees’ friendly welcome to our guests is easy to reveal as honest or fake. If the employees have a bad day, we demand full control over personal feelings or they should not interact with our guests”* (Manager, Company A).

Emphasis was also placed on managing guest-guest interactions: *“We have to set the arrangement differently and show more care in weddings and family anniversaries. These are events where private people use a lot of money and they want a unique arrangement in return. The nerves of the family members are highly strung and we often have to act as counselors when latent conflicts or ‘life crises’ surface”* (Manager, Company B).

All managers emphasized that it is the atmospheric drivers combined that create the atmosphere. Most interviewees stressed the dynamic nature of atmosphere. One of the managers talked about the atmosphere as evolving in circles. Good circles arise when the hospitality of the staff make the guests friendlier, which again further reinforces the sociability of the staff and so on. In less favorable instances, bad handling of a guest could trigger a negative response from the guest or other guests, which could spiral into a negative circle.

Most of the companies in the study reported that they have a repertoire of set configurations, which all contribute to their special atmosphere. For the conference hotel, lunch could be served in a formal or informal setting inside. If the weather was nice, lunch was prepared outside. While design elements and the staff are the same for

all settings, specific atmospherics are used to create variations in the atmosphere. If the occasion was a formal evening dinner, the staff would wear a particular outfit and the flower decorations, china, cutlery and lighting would be totally different from for instance an informal lunch or a summer barbeque dinner. The companies also reported that these configurations are adjusted gradually through incremental innovations. By chance a staff member might change the configuration marginally or a guest may suggest that for instance a specific type of candles should be used. If successful, these changes would then be incorporated into the configuration.

An interesting observation emerging from the interviews was the role of genuineness and distinctiveness for creating the desired atmosphere. Genuineness underlines the importance of avoiding “fake” atmospheric drivers. For the tangible drivers, this means consistently high quality material and flawless design. For intangible elements genuineness requires that the host and staff sincerely care about their guests, and not only greet them or communicate in a drilled manner. Distinctiveness implies that the hospitality establishment must be different from what the competitors offer.

All the hospitality companies reported that there had been conflicts with their architects/designers with regard to genuineness and distinctiveness. The conflict was always the same. The hospitality manager/owner emphasized that the genuineness of the establishment should be given priority to preserve the identity of the place, while the architects/designers suggested introducing new elements that would give the place originality and add to its distinctiveness. In addition, the managers complained that architects generally give priority to aesthetic elements, which frequently come at the expense of operational considerations.

Outcomes

Intuitively there is a clear need to assess both benefits and risks that are associated with investing in atmosphere. Our findings reveal that architects and designers perceive atmosphere as a clear competitive advantage, which yields popular establishments. The following quote from one of the architects is relevant in this regard: “*Yes, atmosphere is important and of great value. It is directly linked to ‘the bottom line’*” (Company 1). If the environment is carefully designed for the particular purpose and setting, the consensus was that well-being would grow and prosper in

terms of satisfaction and contentment among users, as expressed in the following quotes: *“The architect needs to be 100% socio-culturally involved. Architecture is not an autonomic art but a tool for investigating social relations”* (Company 7). *“We are very much involved with the term ‘intermingling architectural’ and environmental elements. This is important to give people the feeling of a harmonically safe design, space and place”* (Company 6).

However, our findings show that to “overkill” with atmosphere is a potential risk, which may also involve losing focus on the main product. One manager stated that: *“We have enough waitresses to take care of our many guests, but too few in the kitchen. Unfortunately, when the food orders are cueing up, our guests have to wait an hour to be served. This is problem we need to solve quickly”*. Another manager admitted that his interest was in improving the authentic design of the hotel not the daily hotel operations: *“I must admit that the occupancy rates have suffered. My heart lies in the atmosphere and the unique brickwork concept”*.

Investments in atmosphere may also have negative financial implications, for example as articulated by the manager of a cozy and intimate hotel: *“Some of our frequent guests feel at home here to the extent that they help themselves to drinks and snacks. They take this for granted and refuse to pay as “a good friend” of the house. We go extremely far for our guests, but it is a matter of balance”*. To improve the financial results, the owner of this hotel considered doubling the number of rooms by constructing a new wing. However, key customers strongly advised against this expansion because it would ruin the atmosphere of the hotel. The hotel followed this advice, even if it meant lower scale advantages and poorer financial results.

Discussion

The hospitality managers had no problem in rating and characterizing the atmosphere of their own establishment as well as the perceived atmosphere of their competitors. This observation reflects that for these actors atmosphere is something “real”, something that is considered important.

An interesting observation is that all companies (i.e. the managers in the companies) reported the atmosphere of their establishment as very good, and also better than the atmosphere achieved by their competitors. Can this be explained? The managers are actors, trying to do their best, and they are convinced that they succeed. They observe their competitors. Being an actor is different from being an observer. As reflected in the literature of actor vs. observer, individuals perceive things dramatically different in these two roles (for excellent discussion, see Fiske and Taylor, 1991).

Our findings indicate that the atmosphere that characterizes hospitality establishment appears to be variants of a limited set of factors, of which the following are considered essential: Exclusiveness, tranquility and functionality. The subjects' use of words in the classification of atmosphere indicates some common "language" and understanding regarding this phenomenon (atmosphere) in the industry. The language and understanding is, however, industry specific, as reflected in the literature on "industry recipes", i.e. understanding on how to operate in an industry (see Spender, 1989). The reported findings also reflect that the actors involved hold strong views of what are the important and influencing factors affecting their behaviors. Thus, the reported findings reveal that the actors hold mental models, that these mental models reflect their reality constructions - and also influence their actual behaviors.

The subjects do not only hold meanings - or mental models including opinions about "driving factors". They also hold rather common opinions about what is important and how to behave. Thus, the reported findings reflect a general understanding shared among actors embedded in the industry. In other words, the findings indicate some common industry socialization, influenced by observations, interactions and imitations. Or stated differently, thinking and behaviors are "standardized", or maybe more correctly, institutionalized as reflected in the extensive literature on institutionalization, which can be exemplified by the recognized contribution of DiMaggio and Powell (1983).

The findings demonstrate the importance of education and training to instill industry-specific terms and opinions, which become part of the actors' reality (Berger and Luckman, 1966). As noted above, our findings revealed a number of important differences between hospitality managers and design experts. This indicates that

education and training may influence thinking and mental models, which might create differences in priorities and cause conflicts.

In general, the respondents agreed that the atmosphere in a hospitality setting is determined by the total configuration of atmospheric drivers. The desired atmosphere can never be created by a single factor, but it may only require one inconsistent element to ruin an otherwise favorable atmosphere. For example, using inexpensive wallpaper may ruin the atmosphere of an otherwise exclusive hotel, while a rude waiter or waitress may have damaging effect in a restaurant with a friendly atmosphere.

There can be significant benefits associated with investing in atmosphere. The respondents agreed that a pleasant atmosphere tends to lead to positive attributions, which again are important for guest satisfaction, repeat visits and positive word-of-mouth. When it is not possible to give customers “the full package”, the atmospheric aspects of the hospitality establishment can be communicated in mini-deliveries. For example, Company B (which specializes in arranging courses and conferences) offers Sunday lunches for people in the surrounding area, even though this is not particularly profitable. The philosophy is that on Sundays people have time to examine and experience the atmosphere and hopefully return as business customers, recommend the place to their companies or book for another occasion.

Establishments that emphasize tranquility and laid back elements require time for their guests to absorb the atmosphere. For conference establishments of this type, it may be a risk if the participants leave the establishment for a couple of hours to take care of urgent business in their offices or depart to spend the night in their homes. Consequently, the location should be close enough to their core clients to enable easy access but sufficiently remote to ensure that distractors are avoided.

Other types of establishments require complementary offerings. The central business hotel (Company A) reported that the proximity to the city’s most popular restaurants added value to the product. The manager of another establishment explained that although his restaurant guests appreciated the small town setting, they also complained about the lack of nightlife and opportunities to continue the evening after

dinner. Expanding the focus from the atmosphere of the individual establishment may give new insights and opportunities. When there are complementary offerings that match the atmosphere of the hospitality company, important synergies can materialize. This may in turn lead to destination atmosphere, which is presumably an important tourism destination attribute.

The design experts were not likely to perceive the risks of investing in atmosphere. Their consensus was that atmosphere is important and directly linked to the financial bottom line. Among the hospitality managers, a more nuanced view was prevalent. To overkill with atmosphere and thereby lose attention to the main product was a recognized risk. There is a clear conflict between operational requirements and focus on atmosphere. One of the hotels in our sample, which had received several design awards, reported significant financial difficulties and was eventually taken over by the bank. While the interior design of another hotel's restaurant had received international recognition, the lack of practical solutions (for instance no place for empty bottles) led to constant friction between waiters and chefs. Focusing on a serene/tranquil atmosphere (as the cozy and intimate hotel did) might impose restrictions with regard to saving labor costs and expanding the scale of operations. Consequently, in our opinion, the link between atmosphere and profitability appears to be complex and depends on a number of factors.

Our findings reflect that atmosphere is believed to really count in the hospitality industry. Specifically for those in the industry, it is something "real", and meant to be taken seriously. Furthermore, our observations point to industry-specific knowledge about atmosphere and influencing factors. This knowledge is partly personal and tacit, i.e. uncoded (Polanyi, 1958). The personal aspect of the knowledge indicates that variations exist between individuals and groups. As indicated, the knowledge is partly subjective and probably biased as well.

There is little doubt that the personal knowledge as reflected in the actors' thinking and behavior is valuable and complements - and maybe goes beyond "scientific" research-based knowledge, i.e. knowledge that has passed some test in order to be accepted. Because the knowledge is personal and tacit, it is also rather rigid and easily taken as the "truth". Also, various segments may hold different perspectives and

views. This may cause conflicts as emphasized above. Moreover, it may work as a barrier to new insights and progress.

One swallow does not a summer make; nor does one exploratory study yield the whole truth. More research is needed. In our opinion, further research should move in two directions: (1) Conduct further studies among practitioners, by including more actors and firms, also from other industries, geographic regions as well as other cultures, to examine to what extent the personal-based knowledge is local or universal. (2) Another stream of research should be empirically based testing of the assumptions or beliefs to establish a solid foundation of what we really know about atmosphere, its influencing factors and consequences of importance.

The focus of the current study is on management and contracted partners that consciously work to create and maintain the atmosphere of their establishments. In the future, additional studies should also include customers to map their perceptions of and reactions to atmosphere. This is important to ensure that these time-consuming and costly efforts really enhance the value of the offering and influence consumer satisfaction and their loyalty.

References

Berger, P. L. and Luckman, T. (1966), *The Social Construction of Reality*. London: Allen Lane.

DiMaggio, P.J. and Powell, W.W. (1983), "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields," *American Sociological Review*, 48, 147–160.

Fiske, S.T. and Taylor, S.E. (1991), *Social Cognition*. New York: McGraw-Hill.

Heide, M. and Grønhaug, K. (2006), "Atmosphere: Conceptual issues and implications for hospitality management," *Scandinavian Journal of Hospitality and Tourism*, 6, 4, 271-286.

Huff, A.S. (1990), *Mapping Strategic Thought*. Chichester: Wiley.

Johnson-Laird, P.N. (1983), *Mental Models: Towards a Cognitive Science of Language, Inference and Consciousness*. Cambridge: Cambridge University Press.

Polanyi, M. (1958), *Personal Knowledge*. Chicago: University of Chicago Press.

Spender, J.-C. (1989), *Industry Recipes: An Enquiry into the Nature and Sources of Managerial Judgement*. Oxford: Basil Blackwell.

Thompson, J.D. (1967), *Organizations in Action: Social Science Bases of Administrative Theory*. New York: McGraw-Hill.

APPENDIX - COMPANIES INCLUDED IN THE STUDY

A. Design Experts

Company 1: This firm was established in 1995 and currently employs nine professionals (architects, designers and an environmental psychologist). Their main concept is aimed towards the needs of the users, with less focus on aesthetics.

Company 2: Established as a family owned architectural firm in 1937 and taken over by the next generation in 1977. The company has a long merit list from all branches of architecture and extensive expertise from tourism and hotels.

Company 3: After its establishment in 1996, the company has grown gradually and currently employs 10 professionals. Their working field covers a broad range of architecture, including hospitality establishments and restaurants. The company has won two national awards and international architectural magazines have described their work as free and easy with focus on cross-cultural collaboration.

Company 4: This company was established in 1958 and has currently 16 staff members. The company is regarded as a leading architectural firm both in Norway and internationally and has received several awards. The firm is responsible for a number of landmark buildings, which have received extensive recognition in architectural articles and books.

Company 5: This is a one-person company, where the owner divides his time between architectural work and teaching.

Company 6: This is another one-person company, established six years ago. The owner has extensive experience as an architect and a strong interest in art and culture.

Company 7: The owner of this small architectural firm is currently chairwoman of the local architectural society. Her interest goes beyond the buildings and more into the socio-cultural directions and environmental coexistence of architecture. She has extensive national and international experience.

B. Hospitality Companies²

Company A: This is a trendy business hotel centrally located in the main city in South-western Norway. The hotel offers a splendid view over the harbor and the old section of the city on the one side and the city's pulsating shops, restaurants and bars on the other. During summertime, the hotel mainly caters for tourists and visitors to the city's numerous festivals. The hotel's restaurant is trendy, with upper range prices. The hotel bar is a popular meeting place for hotel guests and the city's residents. The director of the hotel is also founder (and co-owner) of a nearby outside café at the quay promenade, which is among the city's favorites.

Company B: This company owns and operates a cozy and intimate full-service hotel in a rural setting. The hotel building was built as a farmhouse in 1898 and later used as summerhouse by a wealthy timber merchant for many years. It was converted to a hotel in 1985. The hotel has a high quality restaurant, which specializes in game meat and other types of local delicacies. Company B specializes in arranging all types of courses and conferences. The establishment also caters for tourists (with focus on families and extended stays), local visitors and weddings/anniversaries.

Company C: This is a romantic hotel located in a small town setting. It was originally built as 18th century brick factory and the owners have put a great deal of work in converting it to a hotel, in several stages over a 12-year period. Due to the high standard of the rooms, the hotel has a special appeal for the upper-range tourist segment. The hotel also has an up-scale restaurant, a high-quality bakery and a specialty coffee shop.

² The heterogeneity of the three hospitality companies is reflected both in terms of products (hotels, restaurants, premises for weddings/anniversaries, coffee specialty shop, bakery, bars and cafés) and type of establishments (trendy business hotel, rural conference hotel and romantic small town hotel).