

# **Martial arts package holidays in Japan**

A market research

Daniela Schulman

Examensarbete / Degree Thesis

Turism / Tourism

2016

Daniela Schulman

EXAMENSARBETE	
Arcada	
Utbildningsprogram:	Turism
Identifikationsnummer:	5633
Författare:	Daniela Schulman
Arbetets namn:	Martial arts package holidays in Japan: A market research
Handledare (Arcada):	Susanna Fabricius
Uppdragsgivare:	Anonym
<p>Sammandrag:</p> <p>Uppdragsgivaren för detta examensarbete är en privatperson med intresse att endera starta ett företag som organiserar paketresor till Japan med kampsportstema eller samarbeta med ett existerande företag för samma syfte. Examensarbetet är en marknadsundersökning där syftet är att ta reda på om det finns efterfrågan för en sådan här produkt bland finska kampsportsutövare och vad den efterfrågan är m.a.o. vad de potentiella kunderna skulle vilja ha i paketresan. Bisyftet för arbetet är att komma fram med ett produktförslag för uppdragsgivaren. Den teoretiska referensramen består av marknadsföringsteorier och mer specifikt online marknadsföringsteorier av Comley &amp; Beaumont och Evans &amp; Mathur såväl som teorier om produktutveckling inom turismbranschen av bland annat Komppula &amp; Boxberg. Undersökningsmetoden som används är en online enkät med 15 frågor om olika saker relaterade till paketresan så som logi, aktiviteter och resans längd och pris. Antalet respondenter är 223 och av dem är majoriteten män mellan åldrarna 25 och 50. På basen av resultaten finns det ett klart intresse bland finska kampsportsutövare att åka till Japan på en paketresa med kampsportstema. De populäraste aktiviteterna var att träna kampsporter, besöka platser med en anslutning till Samuraj tiden, att pröva olika japanska maträtter, vanlig sightseeing och att besöka platsen med en anslutning till någon specifik kampsportsskola. På basen av resultaten från undersökningen görs två olika produktförslag för uppdragsgivaren av vilka den ena är en resa till staden Nagoya och den andra en rundtur till olika destinationer i Japan med tåg.</p>	
Nyckelord:	Paketresor, marknadsundersökning, Japan, kampsporter, produktutveckling
Sidantal:	60
Språk:	Engelska
Datum för godkännande:	7.12.2016

DEGREE THESIS	
Arcada	
Degree Programme:	Tourism
Identification number:	5633
Author:	Daniela Schulman
Title:	Martial arts package holidays in Japan: A market research
Supervisor (Arcada):	Susanna Fabricius
Commissioned by:	Anonymous
<p><b>Abstract:</b>  The customer for this thesis is a private person interested in either starting a company that organizes martial arts package holidays to Japan or working together with an already existing company for the same purpose. This thesis is a market research with the aim to find out if there is a demand for this type of tourism product among Finnish martial arts practitioners and what type of demand it is i.e. what the potential customers would like to have in such a holiday package. A subsidiary aim for the thesis is to come up with a product suggestion for the customer. The theoretical framework of the thesis consists of market research theories and specifically theories on online market research by Comley &amp; Beaumont and Evans &amp; Mathur as well as theories on product development in the tourism industry by Komppula &amp; Boxberg among others. The research method used is an online survey in the form of a questionnaire with 15 questions about various things related to the package holiday such as accommodation, activities and the length and price of the holiday. The number of respondents is 223 of which the majority are men between the ages 25 and 50. Based on the results there is a clear interest among Finnish martial arts practitioners to travel to Japan on a martial arts themed package holiday. The most popular activities are practicing martial arts, visiting places with a connection to the Samurai era, trying different Japanese foods, regular sightseeing and visiting places with a connection to a specific school of martial arts. Based on the results of the research two product suggestions are made for the customer one of which is a holiday in Nagoya city and the other one a tour around Japan by train.</p>	
Keywords:	Package holidays, market research, Japan, martial arts, product development
Number of pages:	60
Language:	English
Date of acceptance:	7.12.2016

# CONTENTS

<b>1</b>	<b>Introduction.....</b>	<b>7</b>
1.1	Problematization.....	8
1.2	The aim of the thesis and research questions .....	9
1.3	The focus of the research and restrictions .....	10
<b>2</b>	<b>Research method.....</b>	<b>10</b>
2.1	Practical arrangements for the collection of data .....	12
2.2	Ethical reflections .....	13
2.3	Definition of terms.....	13
<b>3</b>	<b>Theoretical framework.....</b>	<b>14</b>
3.1	Market research.....	14
3.1.1	<i>Online market research and surveys.....</i>	16
3.2	Product development in the tourism industry .....	18
3.2.1	<i>The tourism product.....</i>	19
3.2.2	<i>Developing a new product.....</i>	21
<b>4</b>	<b>Results .....</b>	<b>23</b>
<b>5</b>	<b>Discussion .....</b>	<b>39</b>
5.1	Market research.....	39
5.1.1	<i>Online market research .....</i>	40
5.2	Product development in the tourism industry .....	42
5.2.1	<i>The tourism product.....</i>	42
5.2.2	<i>Developing a new product.....</i>	48
5.2.3	<i>Product suggestions .....</i>	49
5.3	Conclusions .....	52
<b>6</b>	<b>Ending .....</b>	<b>53</b>
6.1	Personal reflections .....	54
	<b>References.....</b>	<b>55</b>
	<b>Appendices.....</b>	<b>57</b>
	Appendix 1 - Questionnaire.....	57

## Figures

Figure 1: Smith's generic tourism product (see Komppula & Boxberg, 2002 p. 15) The figure has been slightly modified by the author of the thesis.....	20
Figure 2: Zeithaml and Bitner's model for the development process of a new service product (see Komppula & Boxberg, 2002 p. 98) The model has been modified by the author of the thesis.....	21
Figure 3: Question 1. What martial art do you practice?.....	24
Figure 4: Question 2. How long have you been practicing martial arts? .....	24
Figure 5: Question 3. How old are you?.....	25
Figure 6: Question 5. How interested would you be in traveling to Japan on a martial arts themed package holiday?.....	26
Figure 7: Question 6a. Choose the most interesting activity. ....	27
Figure 8: Question 6b. Choose the second most interesting activity.....	28
Figure 9: Question 6c. Choose the third most interesting activity. ....	29
Figure 10: Question 6d. Choose the fourth most interesting activity.....	30
Figure 11: Question 7. What is your preferred group size for the different activities?..	31
Figure 12: Question 8. What time of the day would you prefer to have the guided activities?.....	31
Figure 13: Question 9. How much free time would you like to have per week? .....	32
Figure 14: Question 11a. How important is having a Finnish translator for all the activities?.....	33
Figure 15: Question 11b. How important is having separate groups for men and women during the martial arts trainings?.....	33
Figure 16: Question 11c. How important is having a small group (less than 10 people) for the different activities?.....	34
Figure 17: Question 11f. How important is having the possibility to have dinner daily together with a guide and others from the travel group?.....	35
Figure 18: Question 12a. I choose my holiday based on the activities offered. ....	35
Figure 19: Question 12b. I choose my holiday based on the price.....	36
Figure 20: Question 12c. I choose my holiday based on the length of stay. ....	36
Figure 21: Question 12d. I choose my holiday based on the accommodation offered...	37
Figure 22: Question 13. What type of accommodation would you prefer? .....	38
Figure 23: Question 14. How long would you like the holiday to be?.....	38

Figure 24: Question 15. How much would you want to pay for this holiday package?  
(the price includes accommodation, activities and direct flights with Finnair)..... 39

# 1 INTRODUCTION

Practicing Japanese martial arts is a popular past time activity in Finland. It is difficult to estimate the exact number of all martial arts practitioners but there are around 12500 members in the Finnish Judo federation (Judoliitto, 2016a) and the Finnish Karate federation had around 13500 members in 2009 (Judoliitto, 2016b). While these are the two largest federations for Japanese martial arts in Finland there are still many practitioners who practice in martial arts clubs that are not members of these federations. Many of the different Japanese martial arts schools have a Finnish or European head instructor in Finland while the main instructor or the head of the entire school is a Japanese master living in Japan. Both the federations and different clubs in Europe organize many martial arts seminars every year all around Europe. At these seminars practitioners have the chance to meet and be taught by the Japanese head instructor. However it might not always be possible for martial arts practitioners to get to these seminars and they are often less than a week long and there might be hundreds of participants. In order to get a more in-deep and personal experience of Japanese martial arts, the history of the Samurai and the Japanese culture more and more martial arts practitioners travel to Japan. Currently these trips must be organized by the practitioners themselves since there are no ready-made holiday packages available in Finland. Within Europe there are many companies that organize martial arts themed holidays for instance to China (Kung-Fu) and Thailand (Thai boxing), but only a few that organize similar holidays to Japan and mostly they only include a visit to one or two martial arts classes and the experience is very superficial. While it is not impossible to organize these trips by yourself there are however a number of different obstacles that might be difficult to overcome such as the language barrier and cultural differences. Therefore it is possible that there would be a market for martial arts package holidays to Japan from Finland.

The subject of the thesis is very interesting to me as I also practice Japanese martial arts and have been to Japan specifically for training and to learn about the history of the Samurai and the martial arts I practice. I have first-hand experience of the difficulties of organizing such a trip and would personally find it very helpful if

there was a company providing ready-made holiday packages with an in-deep martial arts theme.

This thesis and the research in it has been commissioned by a private person who is interested in starting a company or working together with an existing travel agent to start organizing martial arts package holidays to Japan. The person has requested to stay anonymous.

## **1.1 Problematization**

As the introduction mentions there are different issues that a private person faces in organizing a martial arts holiday in Japan which would justify the need of a ready-made holiday package. First of all there is the language barrier. While a tourist may be able to manage with English in the main tourist areas and attractions many of the sights and attractions related to martial arts, such as castles, villages or shrines, are often located well outside these main tourist areas. In these places it is very unlikely that anyone speaks or understands English. Another main reason for the need of some Japanese skills is the fact that many of the Japanese masters only speak Japanese. Even the ones who travel more often to seminars abroad might not have more than the very basic understanding of English if even that.

The culture in Japan is in many ways different than the culture in Finland and this adds to the difficulties in visiting Japan for martial arts. In Japanese culture it is very important that when meeting a new person you are introduced to that person by someone who already knows them. It is not considered polite to simply go and introduce yourself. Because of this it is rarely possible to contact a martial arts teacher, or any other person, by yourself even if you do speak Japanese. Having someone introduce you is a way of showing that you are a trustworthy and respectable person. Having a travel agency that is responsible for the connection between the Finnish martial arts practitioner and the Japanese teacher would enable much easier access to the teachers.



Many locations and attractions that are related to martial arts, such as villages, castles and temples, can be quite far away from main cities like Tokyo, Nagoya and Osaka and therefore require travelling by train and bus. While you might be able to ask for directions in English when leaving from the main cities it is very unlikely in smaller towns where you might need to change trains or switch from the train to the bus. Also this becomes much easier if you have a guide from a travel agency with you who takes care of buying train tickets and finding the best train connections.

Throughout the history of Japan many things that have come from outside the country have been negative. Perhaps the best example of this are the nuclear bombs at the end of the Second World War. Because of this especially the older generations do not always regard foreigners in a positive light whether they are from the USA or not. The Japanese culture is also quite different from many other cultures and they are, rightfully so, rather sensitive to foreigners who do not respect their culture and behave in ways that are considered bad in Japan. Because of the highly collectivistic culture in Japan it is considered that if someone in a group of people behaves badly it means the entire group behaves badly. Having a travel agency organizing the holiday would somewhat limit this problem since the agency can beforehand educate the group about the Japanese culture and how to respect it. Since a guide would be the main contact point for the Japanese martial arts teacher it would also limit the interaction between the group and the teacher to a point where it is less likely that someone in the group does something disrespectful to the teacher. This would help ensure that the martial arts teacher would also in the future want to teach foreigners.

## **1.2 The aim of the thesis and research questions**

Based on the problematization there is a clear reason for why people might be interested in martial arts package holidays to Japan. The aim of this thesis is to research the demand among Finnish martial arts practitioners for this type of product. The demand in this case includes both the amount of potential customers as well as the type of demand i.e. what the potential customers would like to have in the holiday package. A subsidiary aim is to give a concrete suggestion of a potential

package holiday if the results of the research show sufficient demand. The research questions are:

- How big is the demand for martial arts package holidays to Japan?
- What type of activities, attractions and services are martial arts practitioners in Finland interested in?

### **1.3 The focus of the research and restrictions**

This research will focus only on martial arts practitioners in Finland since they are the most likely potential customers. The sample group will be limited to the members of the Finnish Judo and Karate federations since it is a large enough sample group and can be relatively easily reached. However, in the case that the members of the federations cannot be reached for some reason, the sample group will consist of martial arts practitioners that can be reached through Potku.net which is the largest forum for martial arts in Finland.

## **2 RESEARCH METHOD**

When conducting any kind of research it is important to decide on what research method best suits the type of research being made. The research method includes what type of data needs to be collected, how that data is collected and how it will be analyzed. More than one research method can be used within the same research if different types of data is required. The two main research methods are qualitative and quantitative research. (Altinay & Paraskevas, 2008 p. 69-82)

Qualitative research focuses on getting a deeper understanding of the research problem and takes into consideration people's experiences and emotions. The sample sizes in qualitative research are often fairly small which makes the collected data less generalizable. The data is often in the form of words and text and while it gives deep insight into the research problem it is time consuming and difficult to analyze. In qualitative research the researcher is often involved in the phenomenon being researched. Common data collection methods in qualitative research are open-ended and semi-structured interviews. Because of the researchers involvement in the

researched phenomenon qualitative research is considered to be less objective. (Altinay & Paraskevas, 2008 p. 69-82)

Quantitative research aims to provide the researcher with quantifiable facts. The sample sizes are large which makes the results generalizable. In quantitative research the researcher keeps their involvement in the research phenomenon minimal which leads to more objective results than in qualitative research. Commonly used data collection methods in quantitative research are experiments, surveys and observation. (Altinay & Paraskevas, 2008 p. 69-82)

The research in this thesis is the initial market research about the demand for martial arts holiday packages and therefore it is important to gather a large amount of data. Since the main focus is to find out how many people would be interested in these types of package holidays it is better to use quantitative research methods rather than qualitative. As mentioned above quantitative research is also generalizable because of the large samples used whereas qualitative research is not generalizable. In addition quantitative research is more objective since the contact between the researcher and the sample group in many cases is very short (telephone surveys, observations) or almost nonexistent (online surveys, e-mail surveys). For this specific research the best strategy is to use a descriptive survey where a sample group will be selected for answering a standardized questionnaire. (Altinay & Paraskevas, 2008 p. 69-82)

As mentioned above the best method for collecting data for this research is to use a standardized questionnaire. This is a useful technique when the researcher knows exactly what to ask and needs to ask a large number of people. It is also necessary that the researcher can ask standard questions that everyone can understand and respond to. It is important to put a lot of time and effort into making the questionnaire in order to really get the required information. Different types of questions can be used such as closed questions, open questions, open response-option questions and rating and scale questions. Although open questions can provide more detailed and rich data they make coding and analyzing data much

more difficult. Therefore this research will focus on having mostly questions of the other three types. (Altinay & Paraskevas, 2008 p. 120-127)

Since the research conducted in the thesis will be of quantitative nature it is important to have as large a sample group as possible. The intended sample groups for this research are the members of the Finnish Judo and Karate federations. The large number of members should ensure a large amount of respondents even if only a small percentage answer the questionnaire. In the case that the members of the federations cannot be reached, for whatever reason, the backup plan is to also find other martial arts practitioners in Finland for instance through social media. If the percentage however is too small it will affect the credibility of the research. According to Altinay and Paraskevas (2008 p. 99) most researchers consider a response rate of 15 - 20 % and above to be acceptable while a response rate of 10 % is considered the absolute minimum.

In addition to the empirical research a literary review has been conducted to find the best theories for the theoretical framework of the thesis.

## **2.1 Practical arrangements for the collection of data**

Because of the large size of the sample group the only way to reach everyone is by conducting an online survey. The best way to do this is to contact both federations and ask them to send the link to the questionnaire by e-mail to their members. In order to find other martial arts practitioners the link to the survey will be shared on Facebook in the potku.net group as well as on the Potku.net website as its own discussion subject on the forums. Potku.net is the largest and most used forum for martial arts in Finland and it has around 6500 registered members. Their Facebook group has about 1800 members and the community page is liked by around 3400 people, of which many are most likely the same people that are in the group. Since the sample group is very large there must be enough time for as many as possible to answer the questionnaire. Therefore the questionnaire should be open for at least two weeks from when the link has been sent to the federations. After two weeks the

questionnaire can be closed if there are enough respondents. Otherwise it should be open for a maximum of one month.

## **2.2 Ethical reflections**

Since the research is conducted with an online survey it is important that there is an introduction to the survey that tells the respondent what it is for and where it will be published. The same information should also be included already in the e-mail with the link to the survey. Each member of the federations that receives the link to the survey has full control of whether or not they want to take part in it. By conducting the survey online the researcher will not at any point have any personal contact with the respondents guaranteeing full anonymity. The personal information that will be gathered through the survey is kept to degree that ensures that the respondent cannot be identified neither by the researcher nor by anyone reading the finalized thesis. Some personal information such as age, gender, what martial art the respondent practices and perhaps home town will be asked in order to better reach the aim of the research. The large size of the sample group will also help in maintaining the anonymity of the respondents. On social media and in online forums it is of course possible for people to comment on the post with the link to the survey which results in that person losing their anonymity. This is completely the respondents own choice and cannot be controlled by the researcher. However it is then the responsibility of the researcher not to look at the profile of the respondent as well as avoiding any such conversation that might affect the researchers objectivity.

## **2.3 Definition of terms**

In this thesis the term martial arts covers all different types of Japanese martial arts and the different schools of those arts.

The World Tourism Organization defines the term package holiday (or package tour) as a trip that combines transportation services together with an accommodation. If the consumer needs to find services for themselves from different sources it is not a package holiday. According to the European Union a

package tour is a combination of two or more services sold as a whole at one price. These services can be transportation, accommodation, guiding services, activities or food. (see Waligóra, 2014)

### **3 THEORETICAL FRAMEWORK**

The research in this thesis is essentially a market research. Therefore the theoretical framework will introduce theories on market research and more specifically online market research since the chosen data collection method is an online questionnaire. Since the subsidiary aim for the thesis is the development of a tourism product the theoretical framework will also provide insight into product development within the tourism industry. The theoretical knowledge of product development will also introduce the characteristics of the tourism product and provide information on the components which will be vital for the construction of the online questionnaire.

#### **3.1 Market research**

According to Brunt (1997 p. 3) research in marketing is studying a specific market condition with methods that go beyond using the information that an organization gets from its daily operation. This means that it is a preplanned research that takes into account the way the data is collected, analyzed and presented. The results of market research are then used by the management for making important decisions. Brunt points out that there is some debate over the differences between market research and marketing research. He notes that Holloway and Plant (1988) consider that marketing research includes a wide variety of aspects such as new products, price, distribution channels, publicity and consumers whereas market research is only the research of consumers and their behavioral patterns. According to Brunt however whether the research project is called market research or marketing research should not be the main concern of the researcher. In his book Brunt uses the term market research and therefore it will be the term used in this thesis when referring to his theories. (Brunt, 1997 p. 3)

Market research can be done in a multitude of different ways varying from simply talking with colleagues or customers to conducting extensive and complex research with surveys, computer analysis and mathematical models. (Brunt, 1997 p. 3)

McDonald (2007 p. 364) also goes into the different definitions of market research and marketing research stating that market research is research about markets only while marketing research is research into marketing processes. He writes that the American Marketing Association defines marketing research as the “*systematic gathering, recording and analysis of data about problems relating to the marketing of goods and services*”. (McDonald, 2007 p. 264)

McDonald classifies marketing research into internal and external research and further into reactive and non-reactive marketing research. Non-reactive marketing research is the analysis of existing data while reactive marketing research uses proactive assessments in the marketplace. Reactive marketing research relies on data received directly from respondents while non-reactive marketing research does not. Within reactive marketing research the most commonly used method is the questionnaire survey. It is very flexible and can be administered in a number of different ways for instance by telephone, mail or through the internet. The main issues with using a questionnaire is its design. Some questions might be ‘loaded’ questions or the questionnaire can become ambiguous if not designed well. Even such a small and inconspicuous thing as the order of the questions can have an unwanted effect on the results. In order to avoid these problems it is always good to test the questionnaire with a few people from the sample group before distributing it to the full sample group. In addition to the questionnaire other reactive research methods are depth interviews and experimentation. (McDonald, 2007 p. 366-367)

In this thesis the terms market research and marketing research will be used as synonyms rather than two different terms and they will include all the different aspects presented by Brunt and McDonald. This is to avoid the need to define the term each time it is used since different authors appear to be using the terms based more on personal preference than specific definitions. The term market research will

be predominant and will be used whenever the author of a specific theory or article has not clearly chosen a different term for specific purposes.

### **3.1.1 Online market research and surveys**

Online research is nowadays replacing many traditional research methods such as face-to-face or telephone interviewing and is currently the de facto research method for many organizations. The majority of online research is done with surveys but recently also qualitative methods have become more popular. Back in 2002 the USA was ahead of Europe in using online surveys and the European market research industry was very sceptic about the validity of online surveys. In 2011 however Europe was already catching up with the USA and online surveys had been widely accepted. Between the years 2007 - 2011 the amount of quantitative online market research doubled and it became the most widespread data collection method in the world making up almost one third of all market research by value. (Comley & Beaumont, 2011)

While online surveys are a good tool for collecting research data they also have their issues and there are many long and poorly designed surveys on the internet. Long and poorly designed surveys lead to lower response rates that further lead to biased results that cannot be generalized. They also negatively affect the respondents' engagement with the survey questions and therefore lower the quality of the answers as well as the results. A good survey engages its respondents, encourages honest answers and ensures that the respondent completes the full survey. A good survey should be between 5 - 15 minutes long and the questions should not be repetitive or too complicated. A study of survey respondents using eye tracking revealed that people often look at the answers first and then read the question either in detail or not based on the answers. Based on the results the researchers suggested that a question should not be longer than 140 characters to make sure that it gets read fully. (Comley & Beaumont, 2011)

Online surveys have a large number of major strengths compared to other survey formats. First of all the online surveys have a global reach. Already in 2005 there



were around 1.1 billion internet users globally. The majority of internet users are in industrialized countries whereas the less developed countries have a much lower internet penetration. In countries where most people have internet access it becomes simple and cheap to gain information from respondents in different parts of the country or even the world. (Evans & Mathur, 2005)

Online surveys are also fairly flexible. An online survey can be embedded to an email or the email can contain the link to the survey's URL. The survey can also be triggered when a person visits a specific web site. An online survey can be either in text format or as html and it can have multiple versions based for example on the respondent's language or purchase behavior. This way each respondent will only see the questions relevant to them. (Evans & Mathur, 2005)

Doing surveys online is also fast and it enables the researcher to get the survey to the respondents immediately after it is made. The use of the internet also gives the possibility of real-time interaction with respondent groups from all around the world. In addition the possibility to easily transmit multimedia through the internet has enhanced the scope and richness of online surveys. (Evans & Mathur, 2005)

A major strength of online surveys is the convenience. The respondents can choose the time of day that best suits them for answering the survey as well as spend as much time as needed for it. To add to the convenience some surveys give the respondent the possibility to fill in a part of the survey and return to fill in the rest at a later time. It is also easy for the respondent to enter the data into the survey. Online surveys are not only convenient for the respondents. The researcher conducting the survey saves a lot of time and work by not having to send and receive questionnaires and often the tabulation and analysis of the data is easier. (Evans & Mathur, 2005)

When it comes to answering the different questions in a survey there are two important benefits with online surveys. Firstly it is possible to control the order in which the questions are answered. This prevents the respondent from looking at later questions in the survey and reduces survey bias. In this case it is however

important to show the respondent the number of remaining questions so that they do not give up on the survey because they cannot tell how long it is. The second benefit regarding the answering is the possibility to prevent the respondent from going to the next question without answering the previous one or to prevent the completion of the survey until all questions have been answered according to instructions. This way there will be no unanswered questions and in multiple choice questions the respondent cannot choose more than the required number of answers. (Evans & Mathur, 2005)

Some main potential weaknesses of online surveys are the risk of the email being considered spam, the technological variations such as different types of monitors, operation systems and browsers, and unclear answering instructions. To prevent the email from being regarded as spam it is good to make sure that the respondent has agreed to being contacted by email by the company or organization conducting the research. By testing the survey in the most commonly used monitors, operation systems and browser the researcher can minimize the problem of technological variations. The absolutely best way to tackle the issue of unclear answering instructions is to pre-test the survey with a group of different respondents to get feedback on how easy or difficult it is to understand the questions. (Evans & Mathur, 2005)

### **3.2 Product development in the tourism industry**

Product development is vital for any company for multiple reasons. Developing existing products makes them better and more interesting to the consumer and the development of new products can attract new customers as well as help keep the old ones. This in turn ensures that the company maintains or improves its place in the market and maintains or increases its profitability. Product development can also increase consumer consumption and give the company a leading position in the market. While it is important to develop the products themselves the company should not forget the importance of developing the skills of its personnel as well. (Aronsson et al. 1998 p. 206-208)

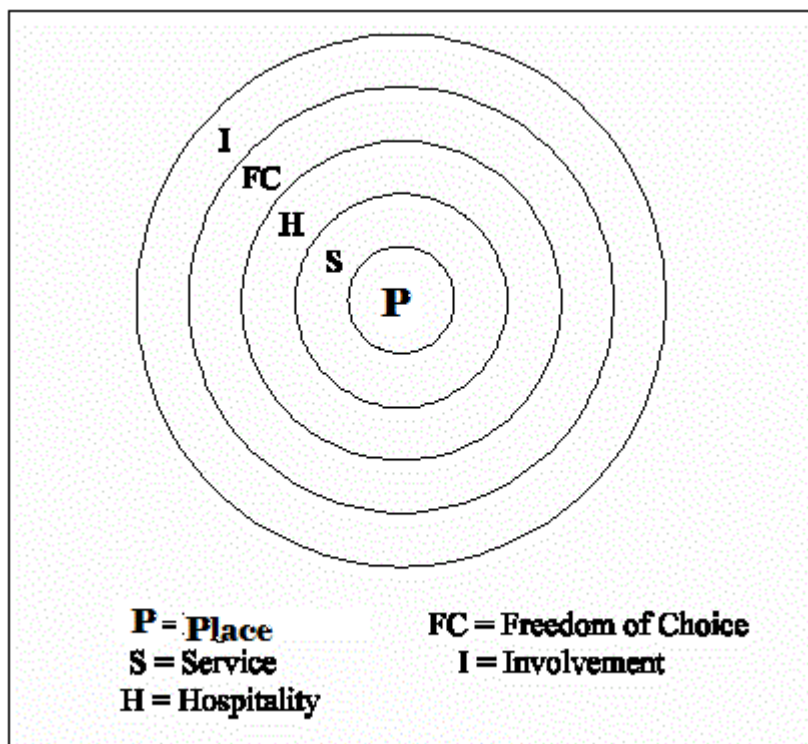
### **3.2.1 The tourism product**

The tourism product differs from many other products in that it is essentially a service or a combination of services and is therefore intangible and cannot be tested beforehand by the customer. Another main characteristic of any service is that it is produced and consumed simultaneously. A tourism product has further characteristics in that the same product with the same price can be different at different times for instance if the weather changes. While the service itself is intangible it can contain tangible products such as food or souvenirs, but even these cannot be evaluated or tried by the customer before the actual trip. (Aronsson et al. 1998 p. 140; Komppula & Boxberg, 2002 p. 10)

Since the service is produced and consumed simultaneously the customer experience is affected both by the personnel of the company providing the service as well as by the other customers using the same service. As a result different customers can have very different experiences of the same service. The fact that the tourism product is a service and therefore intangible makes it impossible for the customer to return the product if they are not satisfied with it and it is thus much more difficult to compensate for an unsatisfactory experience than for example for a broken pair of jeans. (Komppula & Boxberg, 2002 p. 11)

For the customer the trip is a whole and it can be organized by the customer themselves or be a ready-made package holiday that includes transportation, accommodation, meals and program. The trip can be made to one specific destination or be a tour where the tourist visits many different locations. For the tourist the trip is one large experience consisting of tangible and intangible components and it starts when the tourist starts planning their trip and ends when they are back home. This concept fits well the ready-made package holidays. Since the tourist sees the trip as one single experience a bad experience or problems with only one single component can cause the entire trip to feel disappointing or unsuccessful. (Komppula & Boxberg, 2002 p. 12)

The base element of tourism is travelling to a specific place outside the person's normal living environment. According to Smith's (1994) definition of the generic tourism product (see figure 1) the core of the product is the place that the tourist travels to. The place refers to all the physical elements in the destination. The second component of the tourism product according to Smith's model are the services such as accommodation, food services, transportation and program services. The third component, hospitality, refers to the service-mindedness and attitude of the service personnel in the destination. Freedom of choice is the fourth component and it means that the tourist must have the possibility to choose between different possibilities based on the circumstances during the trip. Freedom of choice can differ a lot depending on the type of trip. The last component in Smith's model is involvement. This refers to the tourists own involvement in the production of the tourism product i.e. the trip. The involvement of the tourists depends on the willingness and abilities of the tourist to be involved in creating the experience. (Komppula & Boxberg, 2002 p. 15-16)



*Figure 1: Smith's generic tourism product (see Komppula & Boxberg, 2002 p. 15) The figure has been slightly modified by the author of the thesis.*

### 3.2.2 Developing a new product

Product development is a long process consisting of many different phases. Product development should always be based on the current or future needs of the customers that have been properly researched and are therefore based on knowledge. The customer should play an important part in the development of a product. The starting-point for the product development is the business concept of the company i.e. what the company wants to offer, how the product is offered and to whom. The business concept of the company defines the products it offers to its customers. (Komppula & Boxberg, 2002 p. 97; Pesonen et al. 2000 p. 35)

Zeithaml and Bitner (2000) have created a model for the development process of a new service product (figure 2). The model divides the process into front end planning and implementation which are further divided into smaller processes.

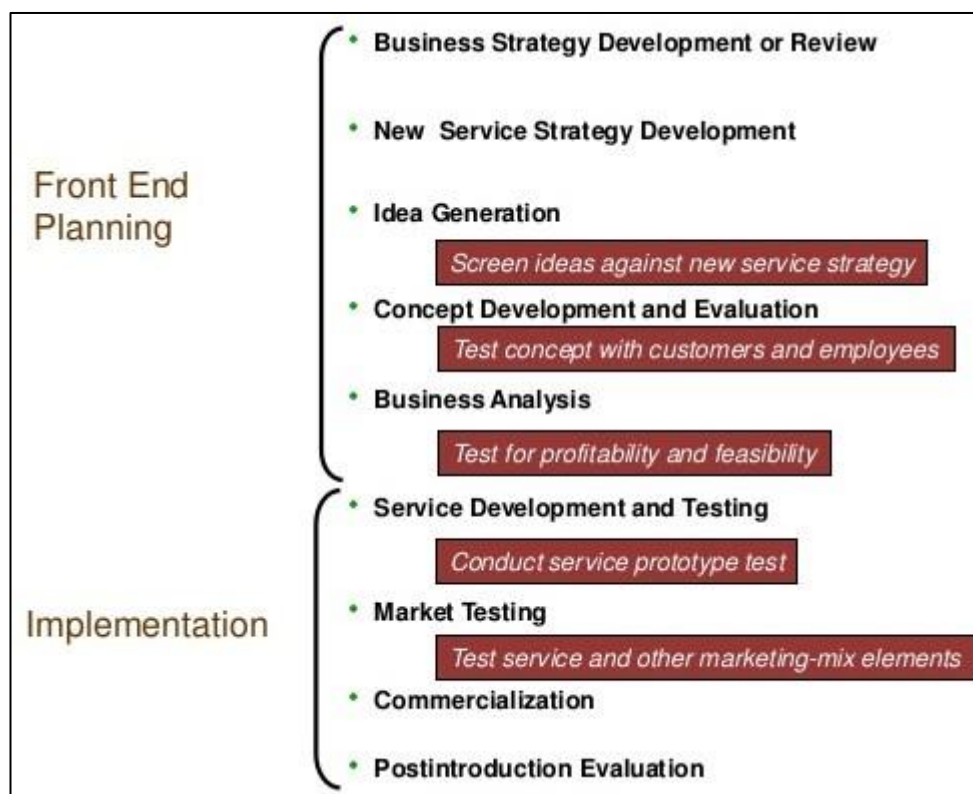


Figure 2: Zeithaml and Bitner's model for the development process of a new service product (see Komppula & Boxberg, 2002 p. 98) The model has been modified by the author of the thesis.

The front end planning phase emphasizes the importance of product development as a part of the company's business strategy and the systematic search for new ideas.

The implementation phase emphasizes the actual service development and the market testing. While Zeithaml and Bitner's model can be used as a guideline for service development it is important to keep in mind that it was originally made for the development of tangible products and not services and can therefore be too strict and formal for the development of services. It is in fact rather difficult to create a universal process model for service development since services can be very different from each other. (Komppula & Boxberg, 2002 p. 97-98)

In developing a new product the first step is to come up with the concept of the product based on the value and experience that the customer is expecting to get from the product. In order to do this it is of course necessary to find out what are the needs and expectations of the customer. It is vital to remember to have a specific target customer and purpose for the product before starting the development process. In addition to the value that the customer gets from the product it is also key to think of the customer's interest and willingness for getting involved in the production of the service. Factors that affect this are the customer's time, money and physical and mental assets. Based on these factors the customer will either be very passively or actively involved. An example of passive involvement is observing nature while active involvement is any kind of activity where the customer moves or produces something like for instance food. The next step in the development process is to analyze what resources the company itself has. These are the know-how of the personnel, the tools and equipment, the place and the company's partners and their resources. It is easy to focus only on the resources of one's own company and forget the resources of the partners but working together with other companies can often give better results than working alone. After these two steps it is time to add specific content to the service concept. At this stage it is important to come up with as many ideas as possible that can then be combined into different product packages all following the same main concept. The content of the product packages depends on the level of involvement of the customer as well as the customer's resources. The place of the activity will also affect the content of a product package. The main content of the experience can be the main product of the company. In the case of this thesis for instance it could be the training of martial arts. Based on the circumstances this main product will then be complemented by other service

components such as other activities, different ways to implement the meals and different levels of accommodation. (Komppula & Boxberg, 2002 p. 99-102)

## **4 RESULTS**

The author of the thesis was able to contact the Finnish Karate federation by phone and the federation agreed to send the link to the survey to their members by email. However for unknown reasons the link was never forwarded by the federation despite the author trying to confirm that the federation received the email with the link to the survey. The Judo federation did not respond to any communication attempts, neither by phone nor by email. Therefore all the answers to the questionnaire have been received through the potku.net Facebook groups and website. The questionnaire was open for just over three weeks and within this time there were 223 respondents. All the questions in the questionnaire were mandatory and therefore each respondent has answered each question. Below are the results for each question.

The first question in the questionnaire was about what martial art the respondents practice (see figure 3). 35 % of the respondents practiced karate, 11 % practiced judo, 5 % practiced iaido and 4 % practiced kendo. 58 % practiced some other martial art and when asked to specify the most common answers were jujutsu, Brazilian jujutsu and Bujinkan (a widely spread school of Japanese martial arts). Other Japanese martial arts that the respondents practiced included aikido, taicho and kenpo. Some of the respondents also practiced other martial arts than the Japanese ones but they are not relevant to this research and will therefore not be specified here. 13 % of the respondents practiced more than one martial art.

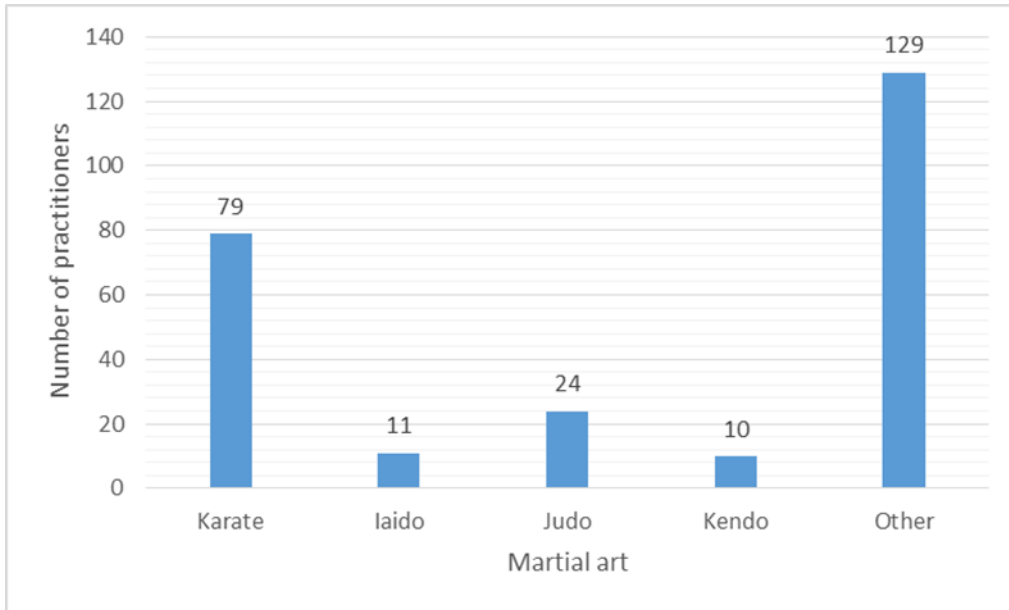


Figure 3: Question 1. What martial art do you practice?

Next the respondents were asked how long they have been practicing (figure 4). 63 % have practiced martial arts for over 10 years, 22 % have practiced between 5 to 10 years, 13 % between 1 to 5 years and only 3 % have practiced less than 1 year.

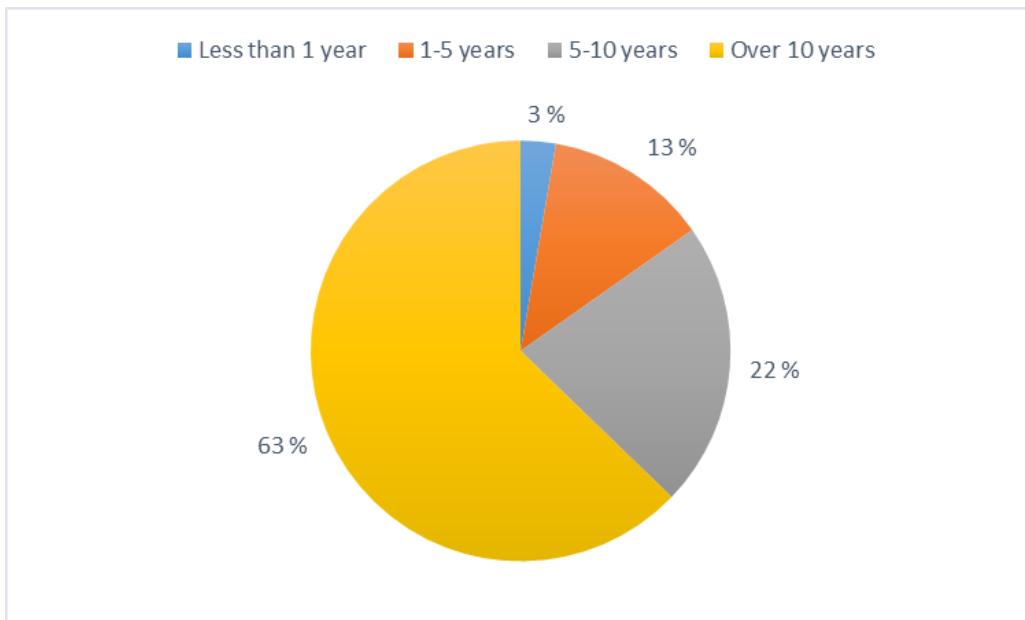


Figure 4: Question 2. How long have you been practicing martial arts?



The majority, 84 %, of the respondents were between the ages 25 and 50 (figure 5). The next biggest age group was the over 50-year-olds with 8 % and then the group aged 18-25 with 7 %. There was only 1 respondent that was under 18 years old. Men represented the clear majority with 87 % while only 13 % of the respondents were women.

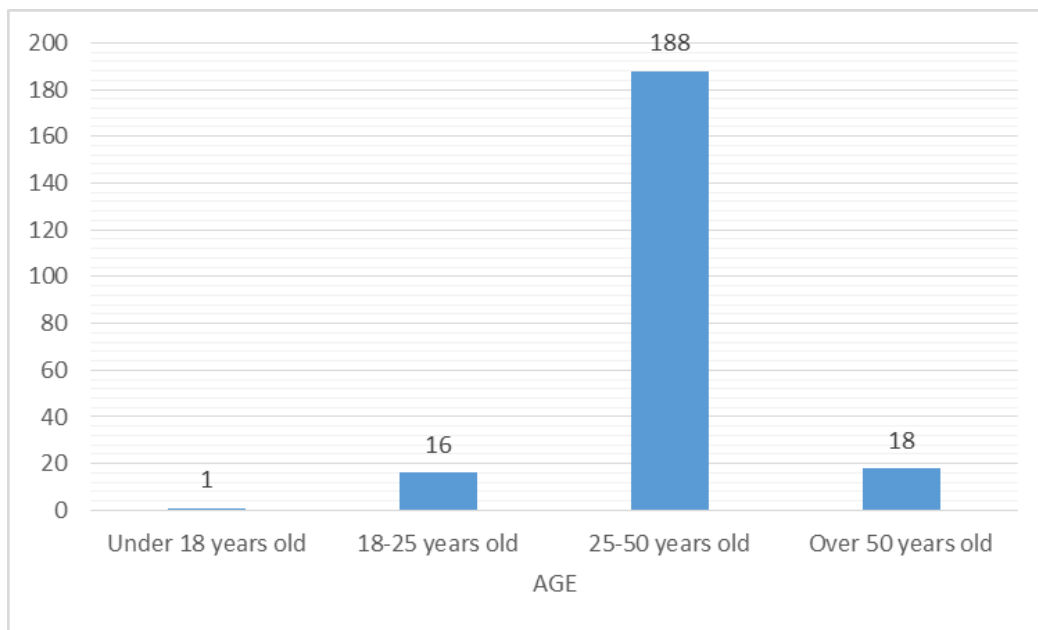
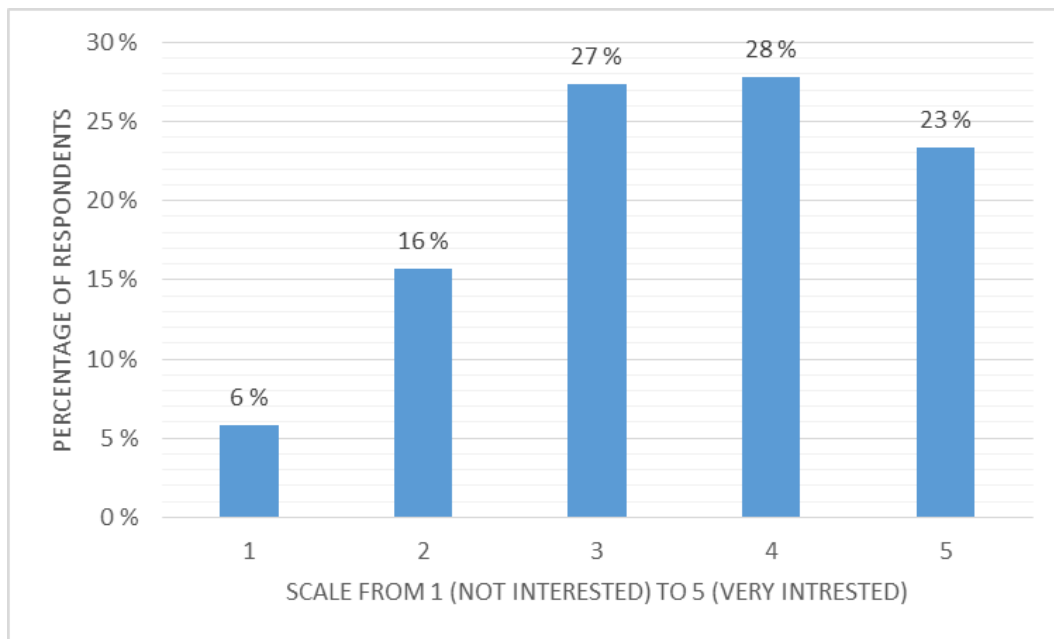


Figure 5: Question 3. How old are you?

When asked in question 5 (see appendix 1 for the full questionnaire) how interested the respondent is in a package holiday to Japan with a martial arts theme the average value on a scale of 1 (not interested) to 5 (very interested) was 3.47. The top 3 answers were 4 (28 %), 3 (27 %) and 5 (23 %). 16 % of the respondents chose answer 2 and only 6 % were not interested (answer 1) (figure 6).



*Figure 6: Question 5. How interested would you be in traveling to Japan on a martial arts themed package holiday?*

Of the karate practitioners 54 % chose either answer 4 or 5. Among the judo practitioners the corresponding number was 46 %, among the kendo practitioners it was 60 % and among the iaido practitioners it was 45 %. 53 % of the respondents practicing other martial arts chose answer 4 or 5.

Next the respondents were asked to choose the four most interesting options from a list of activities starting with the activity they were most interested in. By far the most interesting activity was to practice one's own martial art (figure 7). 62 % of the respondents chose this option first. It should be noted that some of the respondents who practice other martial arts than Japanese ones also chose this activity as their top choice. 17 % of the respondents thought the most interesting activity would be to visit places with a connection to the Samurai era and 11 % found practicing some other martial art than their own the most interesting. The remaining 10 % of the respondents chose various different activities as the most interesting.

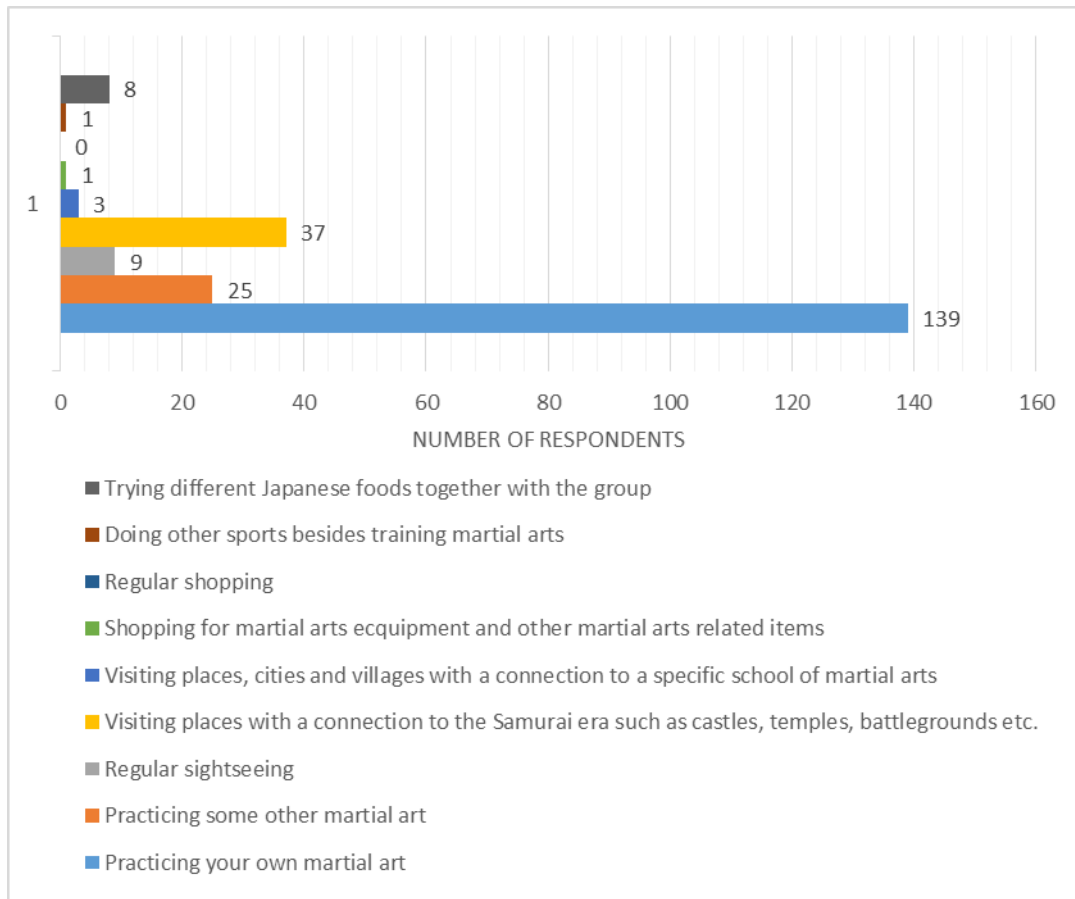


Figure 7: Question 6a. Choose the most interesting activity.

In choosing the second most interesting activity the respondents were more divided (figure 8). The top two options were practicing some other martial art than one's own (26 %) and visiting places with a connection to the Samurai era (24 %). For 13 % practicing one's own martial art was their second most interesting activity. All together 75 % of the respondents chose this activity as their most or second most interesting option. The option to visit places with a connection to a specific school of martial arts was the second most interesting activity for 12 % of the respondents, followed by trying different Japanese foods together with the group (11 %) and regular sightseeing (10 %).

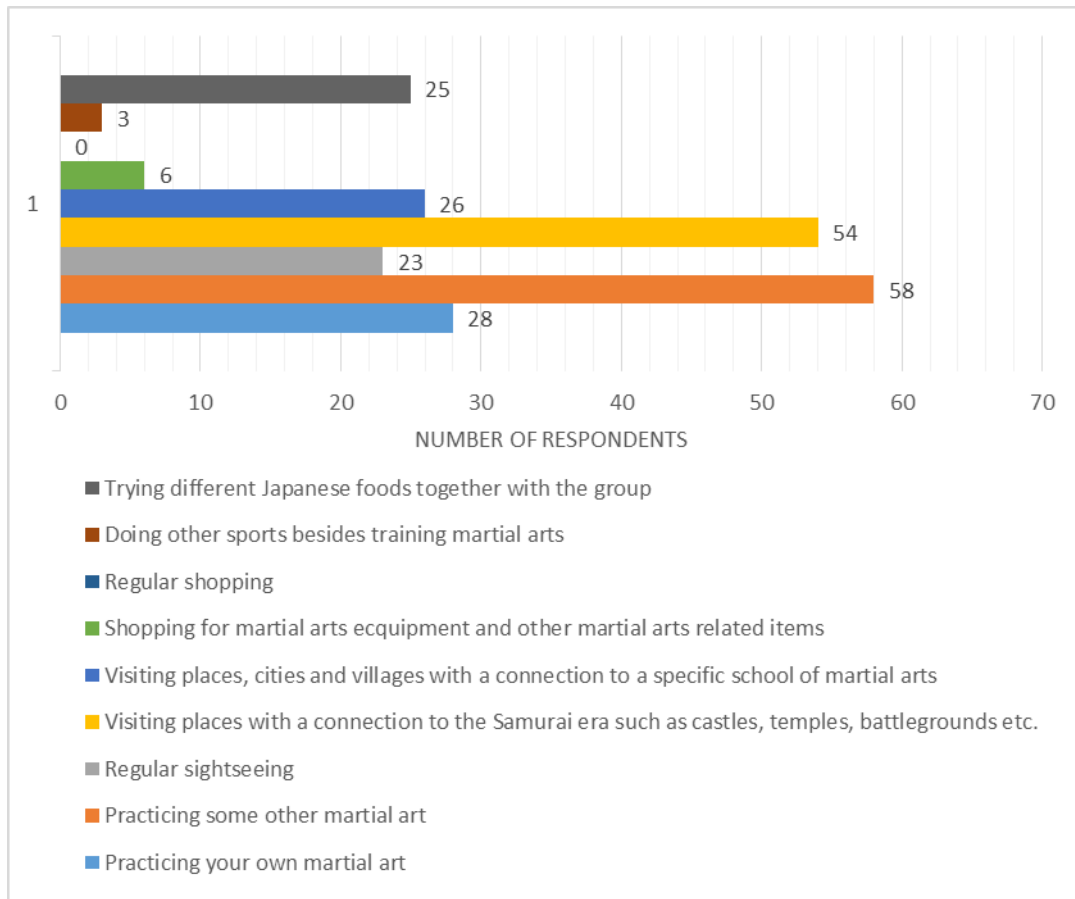


Figure 8: Question 6b. Choose the second most interesting activity.

For 23 % of the respondents the third most interesting activity was visiting places with a connection to the Samurai era (figure 9). 18 % chose visiting places with a connection to a specific school of martial arts, 17 % chose trying Japanese foods, 13 % chose regular sightseeing and 10 % chose practicing some other martial art. The rest of the respondents were divided between the remaining options.

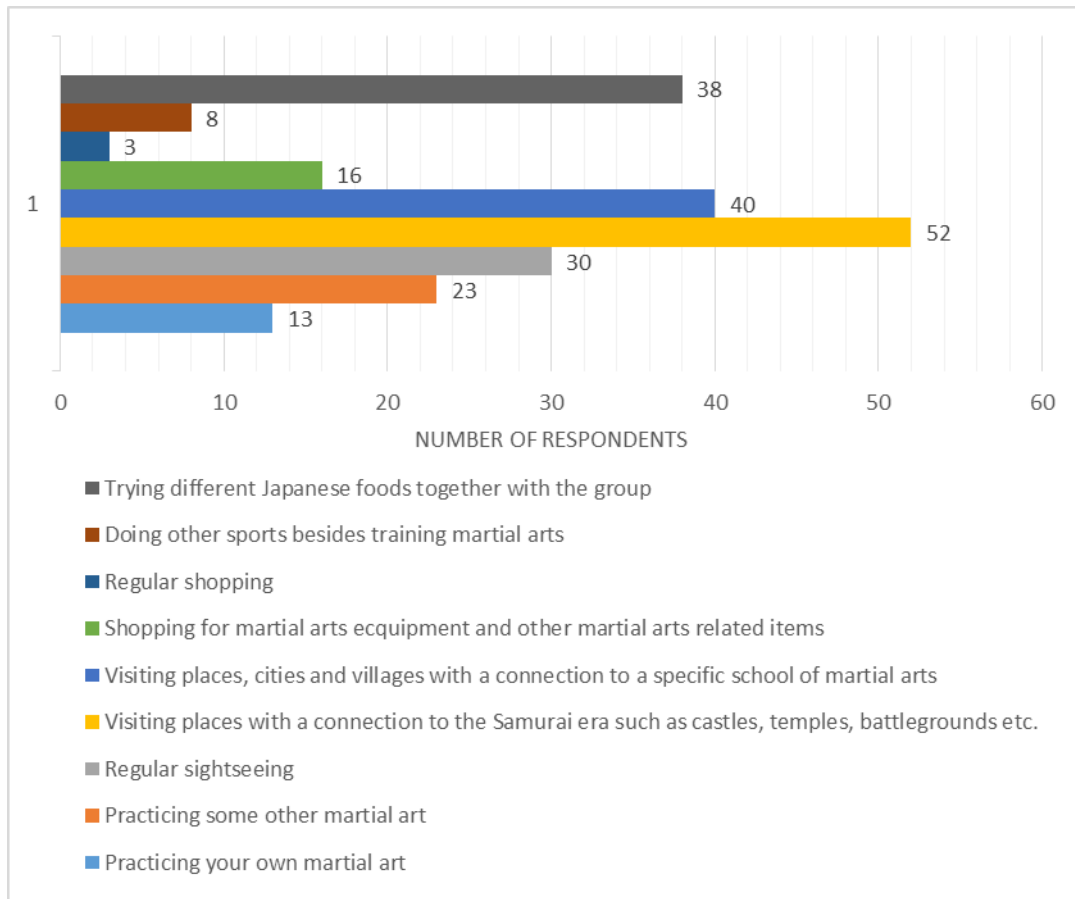


Figure 9: Question 6c. Choose the third most interesting activity.

As the fourth most interesting activity the top three choices were regular sightseeing (20 %), trying Japanese foods (18 %) and visiting places with a connection to the Samurai era (15 %) (figure 10). The top three options were followed by visiting places with a connection to a specific school of martial arts (13 %), shopping for martial arts equipment etc. (10 %) and practicing some other martial art (8 %).

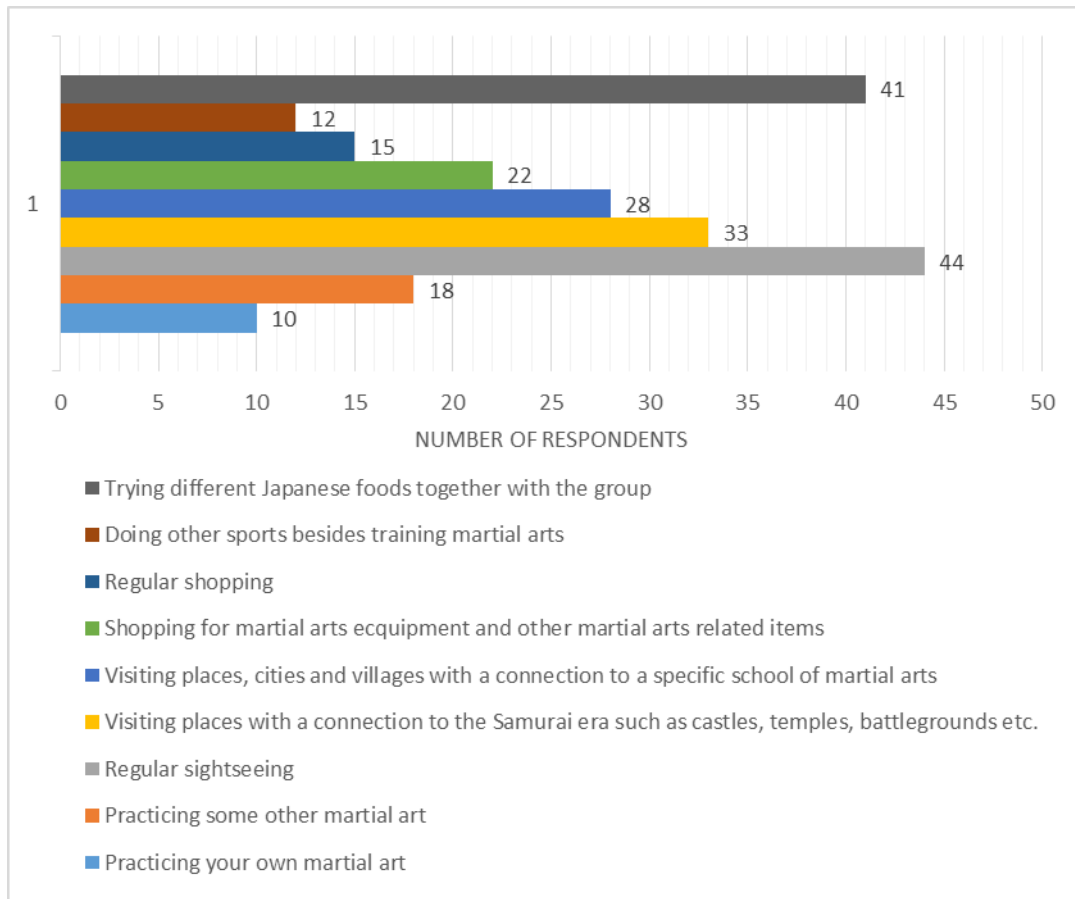


Figure 10: Question 6d. Choose the fourth most interesting activity.

Of the different activities offered practicing one's own martial art was chosen as one of the four most interesting activities by 85 % of the respondents. 79 % chose visiting places with a connection to the Samurai era in their top four. Practicing some other martial art was in the top four list of 55 % of the respondents. Other activities that were chosen by many respondents as one of their four most interesting activities were trying Japanese foods (50 %), regular sightseeing (47 %) and visiting places with a connection to a specific school of martial arts (44 %).

In question 7 the respondents were asked to choose their preferred group size for the activities (figure 11). 53 % wanted a group size of 10-15 people while 40 % preferred a group of less than 10 people. Only 7 % wanted to have a larger group of 15-25 people.

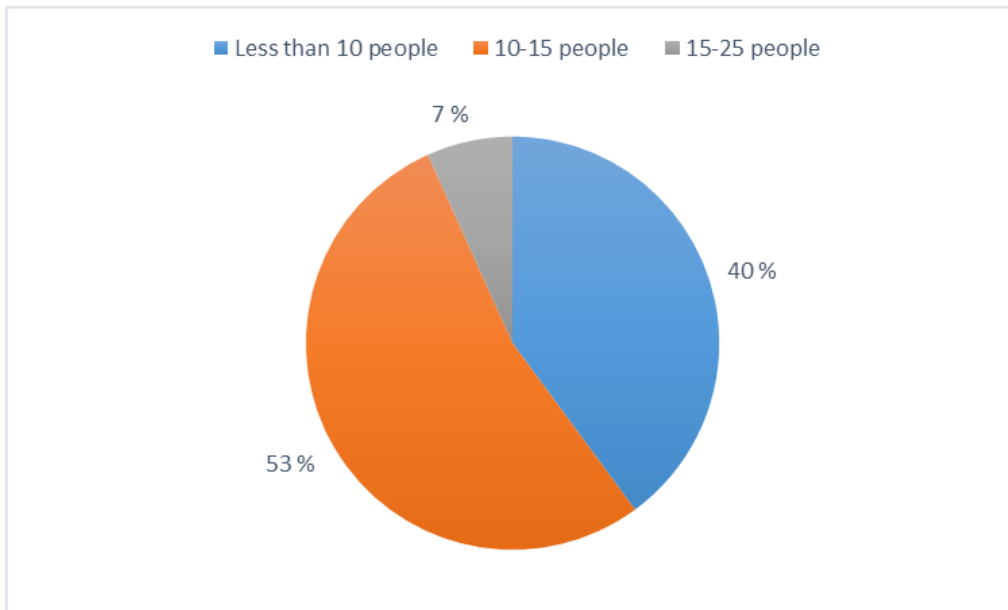


Figure 11: Question 7. What is your preferred group size for the different activities?

When asked about the time of day that the respondents would want to have the activities the top choice was between 12 and 17 o'clock (63 %) (figure 12). 31 % wanted to have the activities in the morning and only 5 % wanted to have them in the evening.

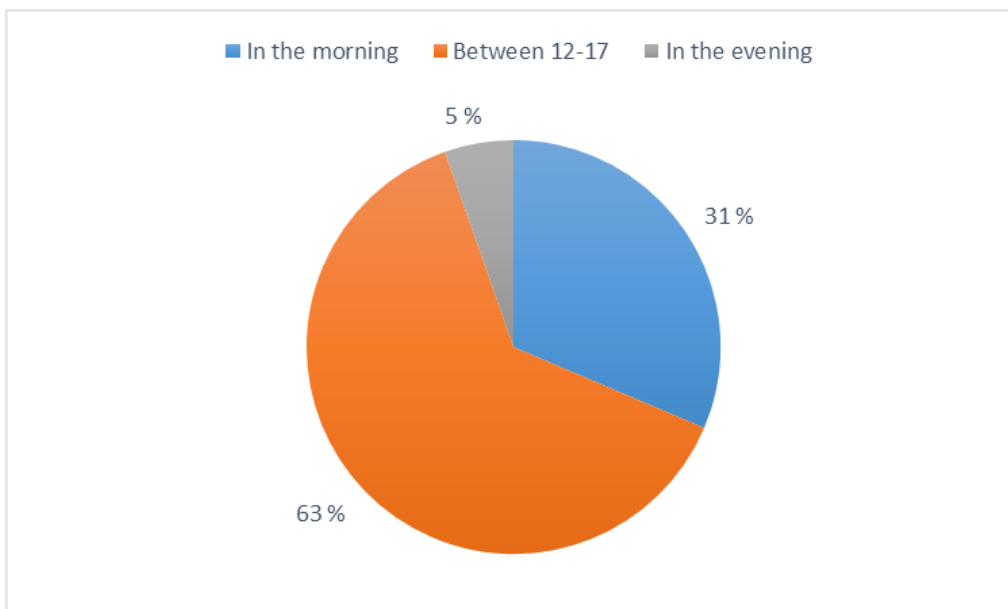


Figure 12: Question 8. What time of the day would you prefer to have the guided activities?

Question 9 asked how much free time the respondents prefer to have each week (figure 13). Most of them (73 %) wanted to have 1-2 days free while 20 % would like to have 3-4 free days. Only 7 % wanted to have as little free time as possible.

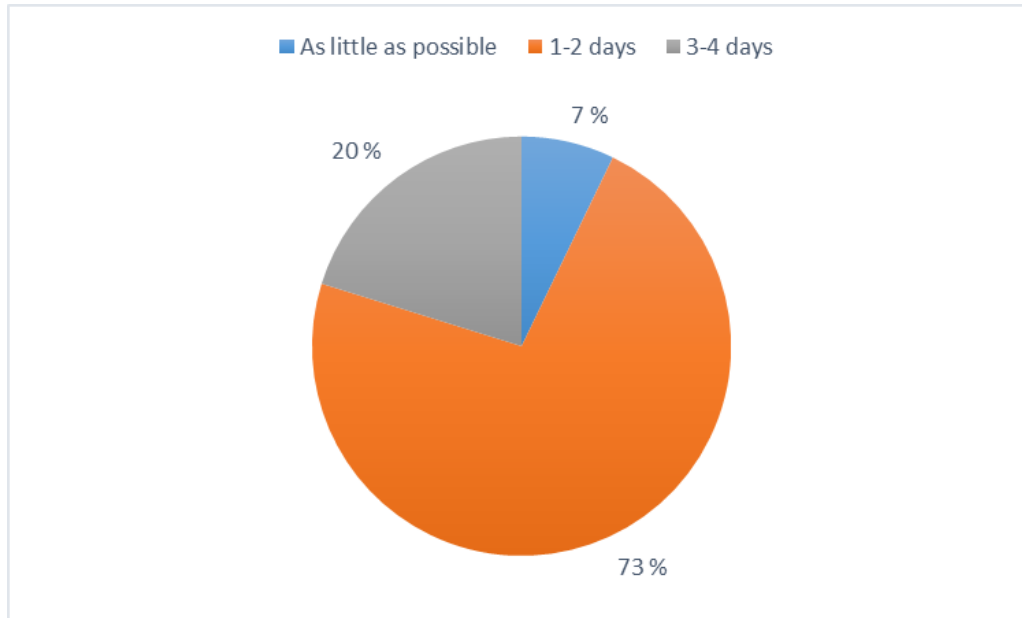


Figure 13: Question 9. How much free time would you like to have per week?

In the following question the respondents were to choose between staying in one area of Japan and traveling around Japan by train. The option to travel around Japan was slightly more popular with 59 % but the respondents were quite clearly divided in this with 41 % wanting to stay in one area of Japan.

In the next set of questions the respondents were asked how important certain things are for them on a scale of 1 (not important) to 5 (very important). The first thing was to have a Finnish translator for all the activities. The average value of importance for this was 1.86. 54 % considered it not important (1) while only 4 % found it very important (5) (figure 14).



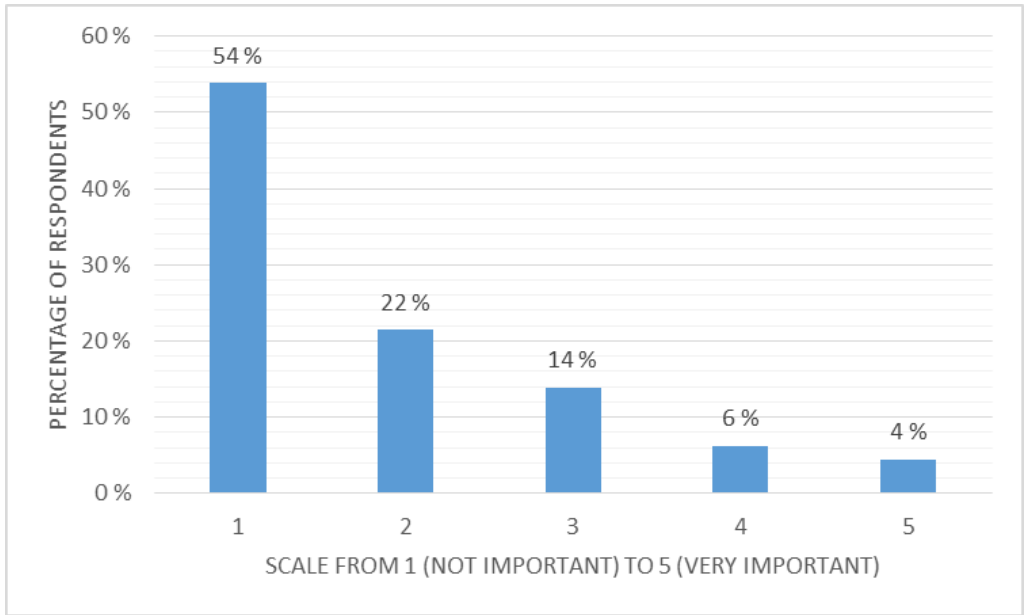


Figure 14: Question 11a. How important is having a Finnish translator for all the activities?

Having separate groups for men and women during the martial arts trainings was not important (answer 1) for 86 % of the respondents and the average value was 1.2 (figure 15). All the female respondents chose either answer 1 or 2 in this question.

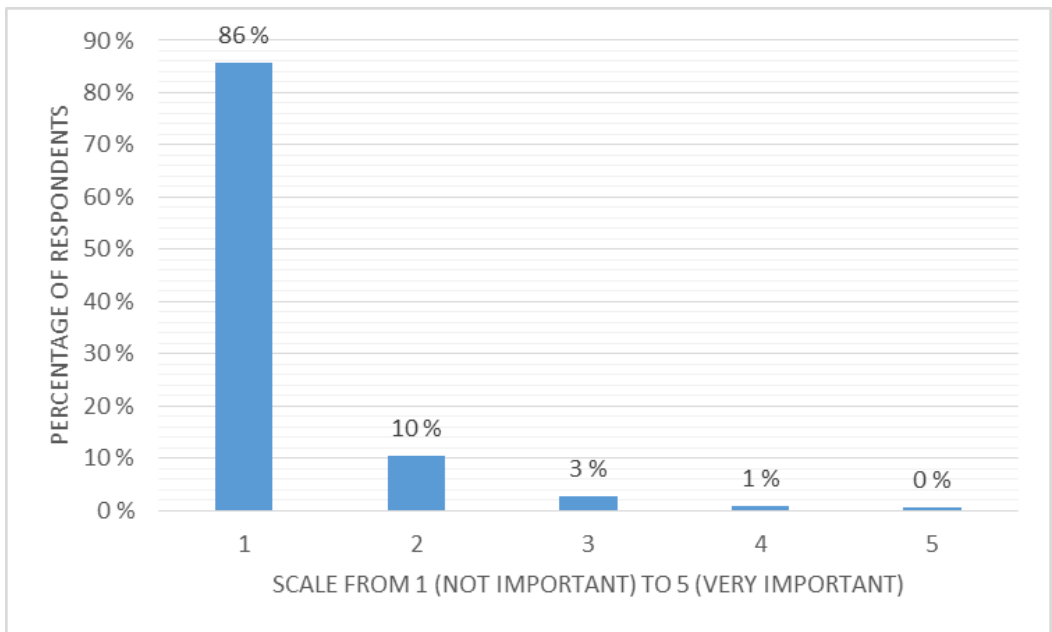
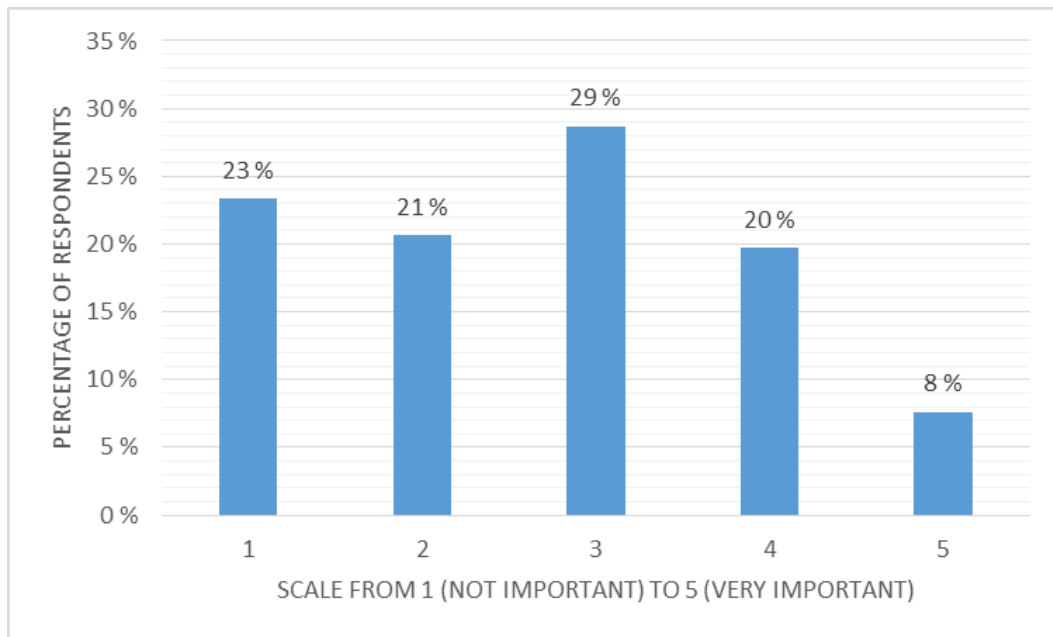


Figure 15: Question 11b. How important is having separate groups for men and women during the martial arts trainings?

When asked about the importance of having a small group (less than 10 people) for the different activities there was more variation among the respondents than in the previous two questions (figure 16). The average value was 2.68. For 23 % of the respondents it was not important at all while for 8 % it was very important. The remaining 69 % of the respondents were rather evenly divided between answers 2-4.



*Figure 16: Question 11c. How important is having a small group (less than 10 people) for the different activities?*

The following two questions were about the age of the members of the travel group. It was not very important for the respondents that the people in the group are of the same age (average value 1.94) and slightly more important that they are of different ages (average value 2.69).

The last question in the set was about having the possibility to have dinner daily with a guide and other members of the group. This question got an average value of 2.76 with the majority (79 %) of the respondents having chosen answers 2-4 (figure 17). 5 % of the respondents considered this very important (5) and 16 % did not find it important at all (1).

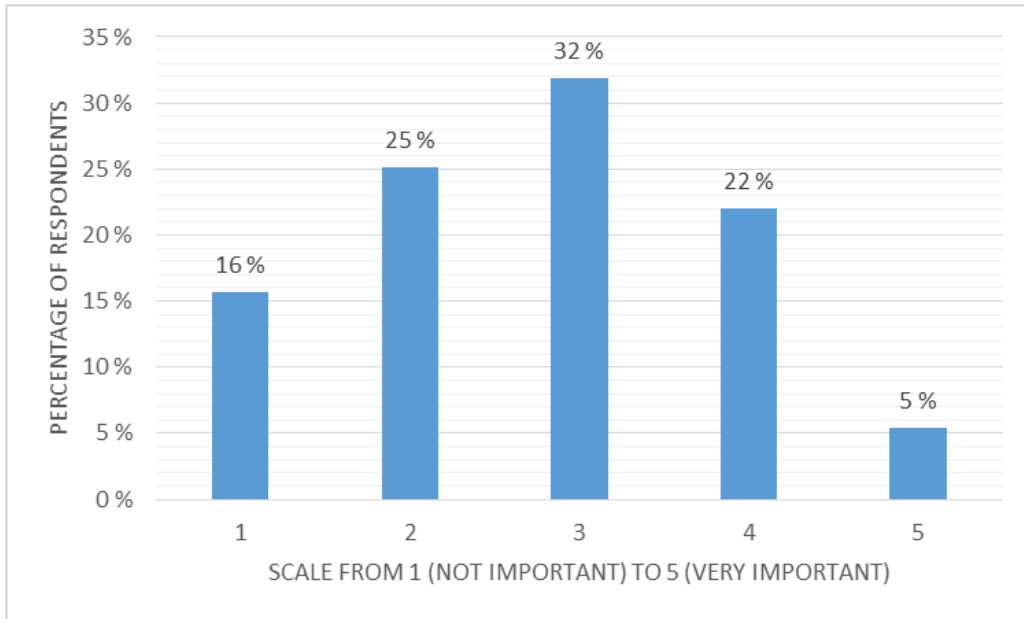


Figure 17: Question 11f. How important is having the possibility to have dinner daily together with a guide and others from the travel group?

Next the respondents were asked to what degree they agree to certain statements. They chose their answer on a scale of 1 (completely disagree) to 5 (fully agree). All the statements were about what the respondents base their choice on when choosing their holiday trips. Choosing the holiday based on the activities offered received an average value of 3.09 with the majority of the respondents (82 %) being between the answers 2-4 (figure 18).

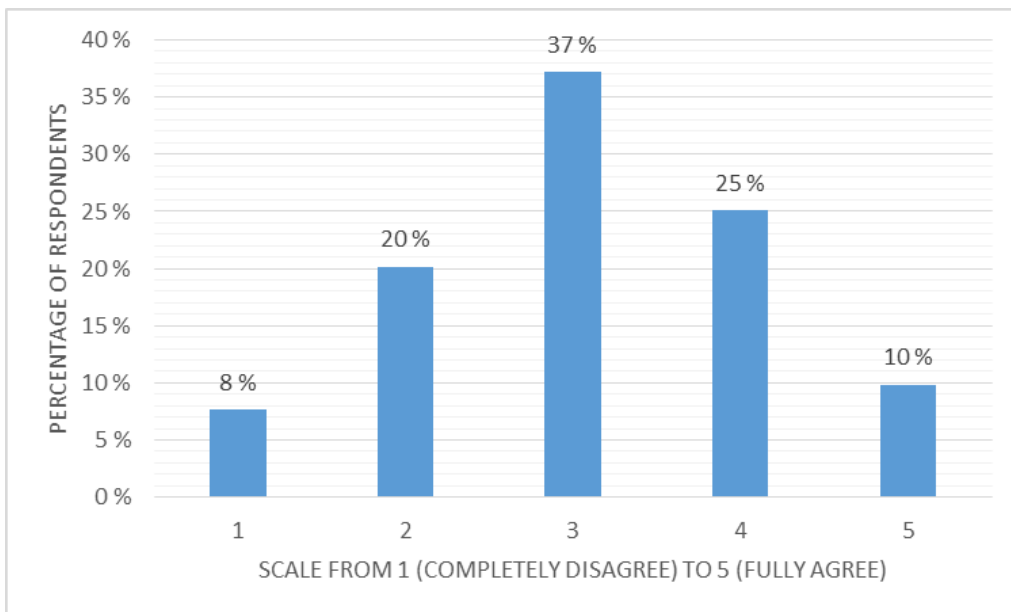


Figure 18: Question 12a. I choose my holiday based on the activities offered.

Price was more important receiving an average of 3.74 with 67 % of the respondents choosing answer 4 or 5 (figure 19).

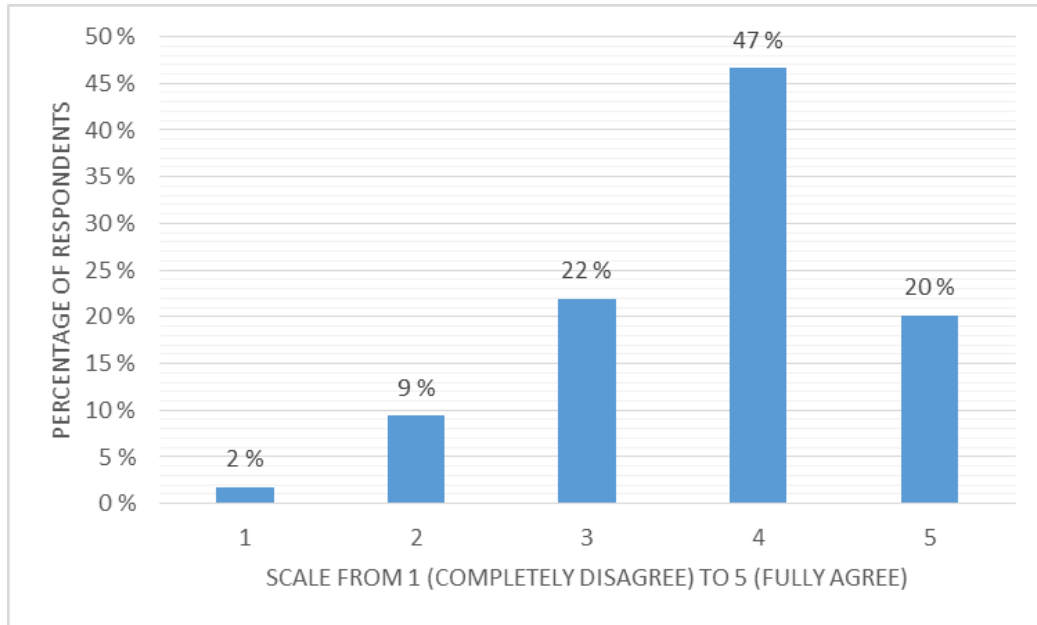


Figure 19: Question 12b. I choose my holiday based on the price.

The average value for choosing the holiday based on the length of stay was 3.28. 72 % of the respondents chose answer 3 or 4 for this statement (figure 20).

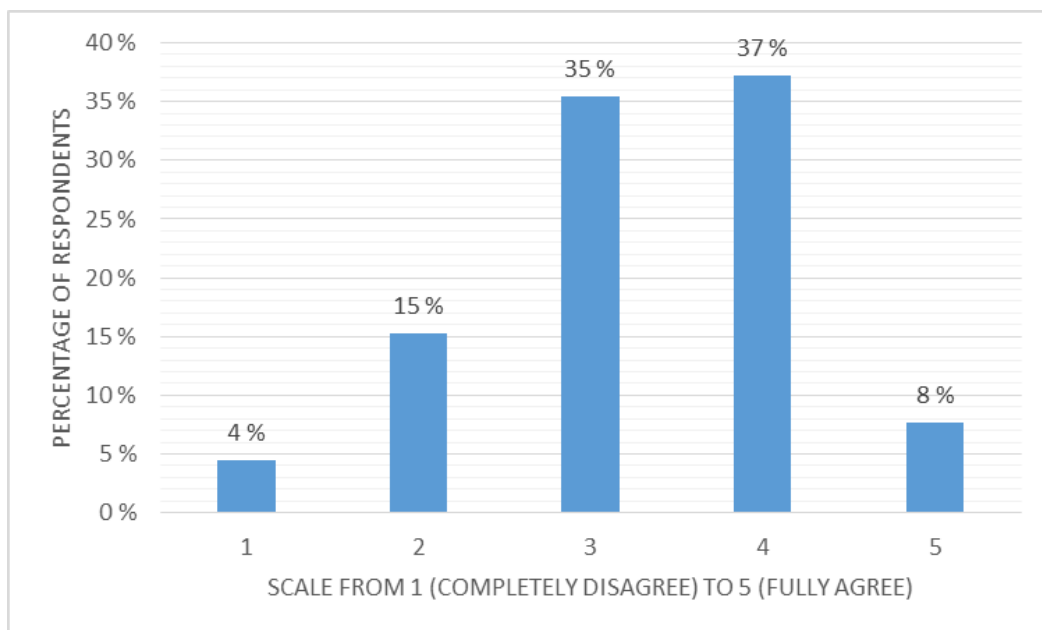


Figure 20: Question 12c. I choose my holiday based on the length of stay.

The last statement was about choosing the holiday based on accommodation. This was the least important factor among the respondents in choosing a holiday with an average value of 2.86. 65 % chose answer 2 or 3 and 24 % chose answer 4 (figure 21).

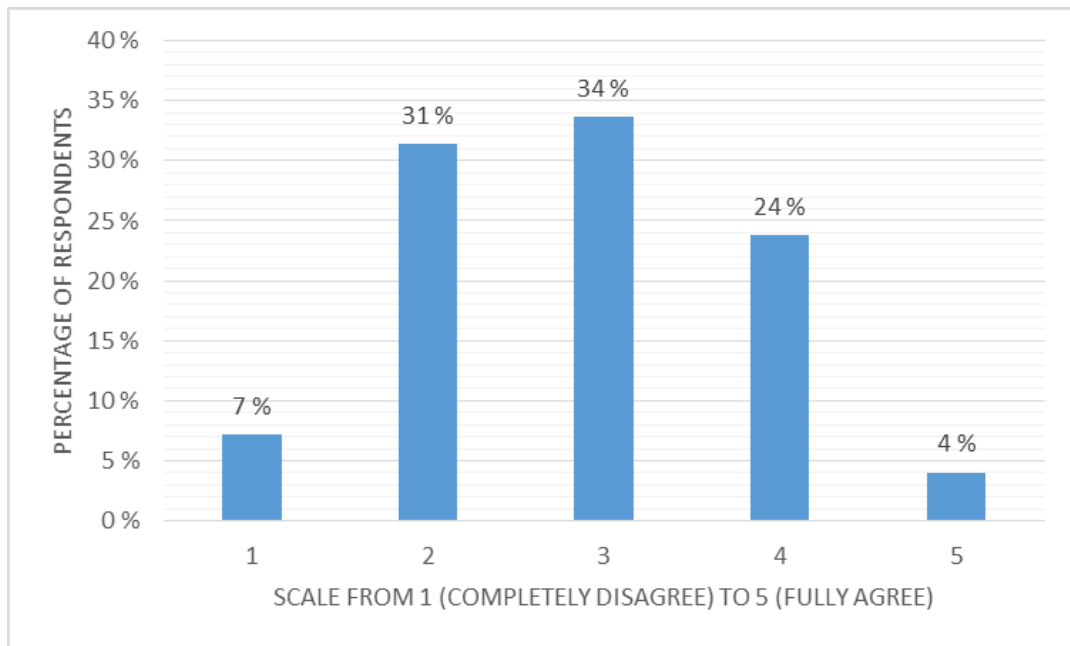


Figure 21: Question 12d. I choose my holiday based on the accommodation offered.

In question 13 the respondents were asked to choose what type of accommodation they prefer. The majority (55 %) preferred to stay in a hotel while 35 % would like to have their own room in a hostel with the possibility to cook their own meals (figure 22). Only 10 % would prefer to have a shared room in a hostel.

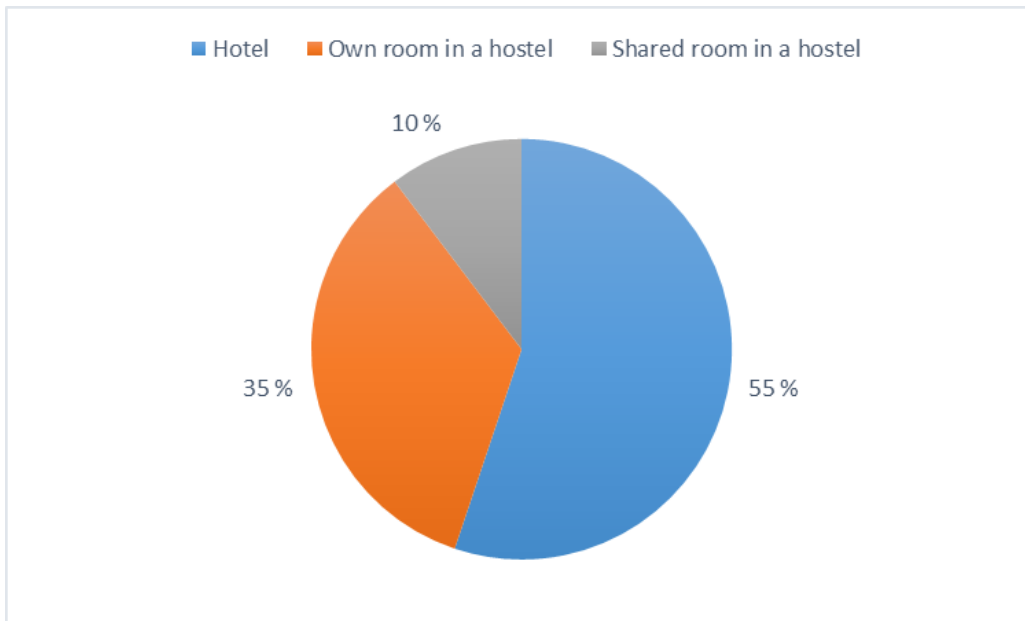


Figure 22: Question 13. What type of accommodation would you prefer?

When asked about the length of the holiday in question 14 the option of 1.5-2 weeks was clearly the most popular with 74 % (figure 23). 17 % of the respondents would prefer to stay only 1 week and 10 % would like the holiday to be 2.5-4 weeks long.

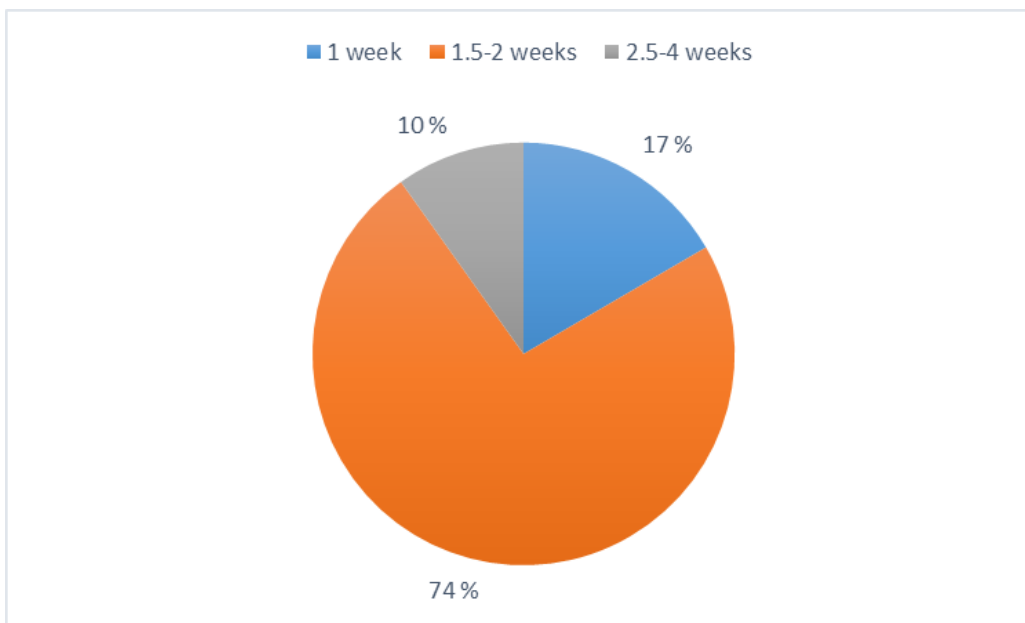


Figure 23: Question 14. How long would you like the holiday to be?

The last question was about the price of the holiday. The majority (73 %) chose the cheapest option at 1500€/week while basically all the rest (26 %) chose the middle option of 2000€/week (figure 24).

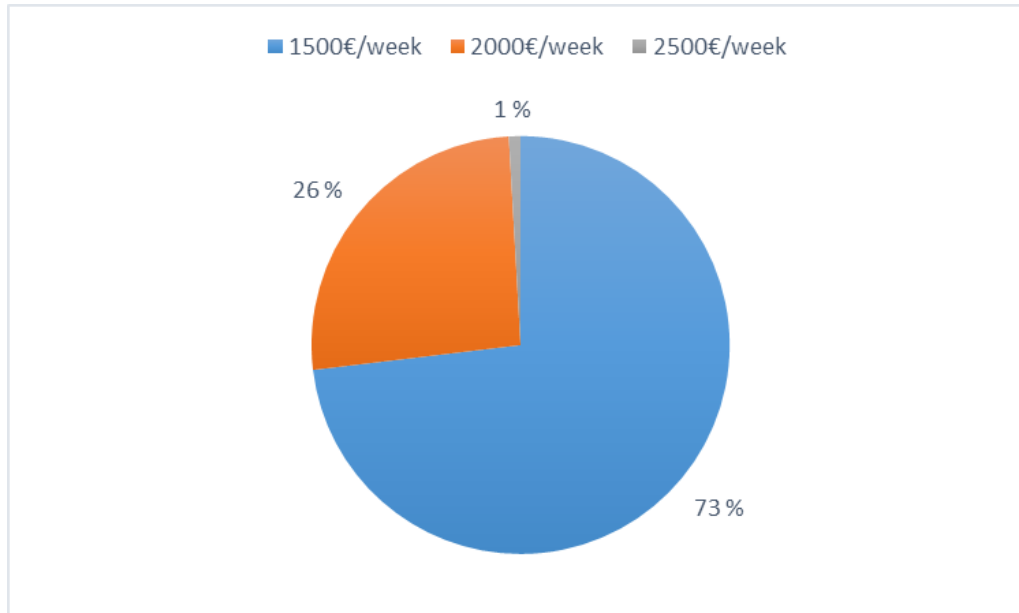


Figure 24: Question 15. How much would you want to pay for this holiday package? (the price includes accommodation, activities and direct flights with Finnair)

## 5 DISCUSSION

In this part of the thesis the results from the empirical research, the questionnaire in this case, will be summarized and analyzed based on the theoretical framework. It can already be noted that there was clear interest in a martial arts package holiday to Japan based on the results. Therefore at the end of the discussion the analysis of the results will be used to provide the customer of this thesis with suggestions for a martial arts package holiday to Japan.

### 5.1 Market research

McDonald divides marketing research into reactive and non-reactive research. The research in this thesis was a questionnaire survey which is the most commonly used method of reactive marketing research. As in McDonald's definition the research in

this thesis relies on data received directly from respondents. According to McDonald some main issues with questionnaires are that some questions might be “loaded” questions and that the questionnaire can become ambiguous if it is not designed well. In the case of this thesis there were not any “loaded” questions in the questionnaire and based on the results as well as some feedback from the respondents the questionnaire was not ambiguous. The few respondents that gave feedback on the questionnaire found it fast and easy to complete and they also thought it was interesting.

### **5.1.1 Online market research**

Comley and Beaumont also discuss the importance of the design of the survey when it comes to online surveys saying that a good survey ensures that the respondent completes the full survey. According to them a good survey is 5-15 minutes long. In the survey of this thesis the completion rate was 58 % which can be considered rather good. The average completion time was 5.25 minutes which falls perfectly into the range of Comley and Beaumont.

According to Evans and Mathur one of the strengths of an online survey is enabling the researcher to get the survey to the respondents immediately after it is made. This was also the case for the survey in this thesis. As soon as it had been made and tested it was posted in the Facebook group of Potku.net and posted on their forum as soon as the administrators gave their permission. Around 1/3 of all the responses came within only a few hours of publishing the questionnaire. Evans and Mathur also point out the possibility of real-time interaction with respondent groups from all over the world as one of the strengths of online surveys. This became very clear for the author of the thesis since she was in Japan for three weeks while the questionnaire was open. Despite being on the other side of the world it was still possible to follow the activity of the respondents. Real-time communication also enabled the author to update the members of the sample group on the response time for the questionnaire as well as remind them to reply to the survey. It could clearly be seen that these small updates and reminders encouraged people to answer the questionnaire since the response rate went up each time this was done.



Another strength of online surveys according to Evans and Mathur is that they are very convenient both for the respondents, since they can choose when and where they answer the survey, as well as for the researcher, since the tabulation and analysis of the data is easier than in non-online surveys. The convenience for the respondents became evident in that 50 % of the responses were made through smartphones and tablets, which people often carry with them. This also shows that the questionnaire worked well on different platforms and browsers which according to Evans and Mathur can be a potential weakness of online surveys. The convenience for the researcher was also clear. The questionnaire was made using the Typeform.com survey tool which allows you to directly download all the results to Excel and it also makes a general report of all the results automatically. This makes handling the data much easier for the researcher.

Further benefits of using online surveys that Evans and Mathur discuss are the possibility to control the order in which questions are answered and to prevent the completion of the survey until all questions have been answered. Both these points were taken into account in the survey in this thesis. The questionnaire was made in a way that the other questions than the one the respondent was looking at were faded out so as not to distract the respondent. All the questions were also made to be mandatory which ensured that every respondent answered each question.

There was one main weakness that possibly had an effect on the research in this thesis. Evans and Mathur say that in the case a survey is sent by email there is the risk that it will be considered spam. When the number of responses didn't go up as could have been expected the author contacted the Karate federation to ask if they had received the email with the link to the survey and according to them they had not. It is possible that the email went to the spam folder because it contained a link to a website. The author sent the email again asking the federation to also check their spam folder in case it went there. There was never any further contact from the federation and therefore it cannot be said for certain whether or not the email ended up as spam.

## **5.2 Product development in the tourism industry**

Product development is vital for any company as Aronsson et al. point out. In the case of this thesis the development of a new product is done on a theoretical level in order to find out if the new product would have enough potential to build a company around it. The other option is for the customer of this thesis to present this potential new product to an already existing company and work together with them.

### **5.2.1 The tourism product**

Both Komppula and Boxberg and Aronsson et al. note that the tourism product is different from other products by being intangible and therefore cannot be tested beforehand by the customer. Because of this it is perhaps even more important to do extensive market research when developing a tourism product compared to developing a tangible product.

Komppula and Boxberg point out that since the service, the tourism product, is produced and consumed simultaneously the customer experience is affected by other customers using the same service. This is especially true for package holidays where you often travel together and do activities with a certain group of other tourists. The composition of the group can play a very big part in the overall experience of each tourist. In this research the majority of the respondents were men. This is most likely due to the fact that martial arts are more popular among men and while women also practice martial arts many of them are perhaps not enthusiastic enough to actually travel somewhere outside Finland to practice. The sample group for the research in this thesis were asked a number of questions related to the group they would be travelling with. When it comes to the size of the group it was clear from the results that the respondents preferred a group of either 10-15 people or an even smaller group of less than 10 people. This was despite the fact that they were told that the number of guides would be adjusted to the group size. In a smaller group it is easier for people to get to know everyone and the group will less likely become divided into cliques. However when asked how important it is to have a smaller group (less

than 10 people) most respondents found it not very important. Therefore a good group size for the martial arts package holiday would most likely be 10-15 people.

Based on the results it would be more important to have a group consisting of people of different ages than people of the same age. Evidently the respondents prefer to have some variation in their travel group when it comes to age. The majority of the respondents were in the age group 25-50 and most likely the difference in age within a travel group for the martial arts package holiday would fit into the 25-50 range.

When asked if it is important to have separate groups for men and women during the martial arts trainings the vast majority found it not important at all. Surprisingly the three respondents who thought it was important (answer 4) or very important (answer 5) were men. Normally in martial arts men and women do not have separate trainings although they of course compete in separate groups. It was therefore expected that having separate groups should not be important. Had this been important it could have caused problems in organizing martial arts trainings since it would require more time from the Japanese master and the training groups could end up being rather small which also would increase the cost per person. Also in Japan men and women train together.

Considering the travel group for the martial arts holiday the main issue that could arise based on the results of the questionnaire would be the ratio of men to women. If in a group of 15 tourists only 1-2 are women they might find it uncomfortable or feel left out. Since there are more men practicing martial arts than women it is also possible that these women would be used to being the minority and would get along just fine with the men. Furthermore the women who would want to go on this type of holiday would most likely be quite passionate about martial arts just like the men in the group and therefore have a strong common interest. The majority of the respondents had practiced martial arts either for 5-10 years or over 10 years which shows a strong interest and dedication and further confirms the assumption that the people interested in this type of holiday are all very passionate about martial arts. In any case this is an important aspect to consider in regards to this tourism product.

Komppula and Boxberg remind us that the holiday trip can be made to one specific destination or it can be a tour where the tourist visits many different locations. Japan is a country with many interesting locations and it is common for both foreign tourists as well as Japanese people to travel around Japan using the extensive train network. From the results of the research in this thesis we can see that a slight majority of the respondents would prefer to travel around Japan while there are many who would rather stay in one location. Since there is quite an even divide it would most likely be good to offer two different holiday packages. For the ones who would like to travel around Japan the best option would be to offer the Japan Rail Pass which allows unlimited free usage of most of the trains of the JR railway company for a certain time period, for instance one week (Japaninspesialisti, 2016).

When considering Smith's model for the generic tourism product the core in this case is Japan and was predetermined for the respondents of the questionnaire. On a smaller scale the core can also be a specific city in Japan and in the case of a tour around Japan each location is its own core.

The second component in the model are all the services from accommodation to activities. Considering the accommodation it would most likely be a hotel in this case based on the results of the research. A hostel where everyone has their own room could also be a possibility since there were quite a few respondents who chose this option. In the tour package the accommodation could be a mix of both these options depending on the prices and the length of stay in each location. However in choosing their holiday the type of accommodation was the least important factor for the respondents compared to price, activities and the length of the holiday. Staying in a hotel is of course a more expensive option both since the accommodation itself costs more and since in the hostel there would be the possibility to cook meals which would further lower the costs of the holiday. It is however good to note that when eating out in Japan it is possible to have a good healthy meal for only around 4-7€.

When it comes to food services there was clear interest among the respondents in trying different Japanese foods together with the travel group. However the possibility to have dinner each day together with a guide and the group was not particularly important to many of the respondents although there were a few that considered it very important. Most likely it would be enough to have a welcoming dinner as well as one or two group dinners per week. Trying different Japanese foods was in this research considered its own activity and could for instance be done as part of a one day tour.

Which leads us to the program services i.e. the activities. In a package holiday one main component are the activities offered. Therefore it was important to find out what type of activities the sample group would be interested in. As expected the training of martial arts was the most popular activity and specifically to practice one's own martial art. Practicing some other martial art was also a popular activity. The biggest group of practitioners of a specific martial art were the karate practitioners. The second biggest group, besides the "other" group, were the judo practitioners. Considering the amount of practitioners of these two martial arts in the federations it can be assumed that a big number of people who would go on a martial arts package holiday would be karate and judo practitioners. Therefore offering karate and judo trainings as activities should be the main focus and there could be two different holiday packages, one for each martial art. A third holiday package could include trainings of a few different martial arts such as kendo, jujutsu and iaido where practitioners of these arts could practice their own art as well as try other martial arts. One issue with practicing one's own martial art is that within each type of martial art there are many different schools and styles so there would be the need of some flexibility and open-mindedness among the tourists since it would be impossible for every each person to practice their own specific school or style.

The second most popular activity was visiting places with a connection to the Samurai era. This was also rather expected since martial arts and the Samurai are strongly connected. The Samurai in general are a very popular reason for people to visit Japan and there are a huge number of attractions related to them. The possibilities are virtually unlimited when it comes to visiting places with a

connection to the Samurai era and this can be done both as a full day trip by going somewhere further away as well as shorter excursions of half a day or only a few hours.

Another popular activity was regular sightseeing which is commonly offered in many holiday packages. Depending on the location there are often a number of famous attractions that most tourists want to visit. In Japan many of these attractions are related to the Samurai and thus overlap with the previous activity. Therefore in planning the holiday package it is important to find attractions not related to the Samurai to differentiate between these two activities. The sightseeing could be paired with trying different Japanese foods for instance by having lunch as part of the sightseeing tour.

One more activity that received a significant amount of interest in the questionnaire was visiting places with a connection to a specific school of martial arts. Many martial arts schools in Japan have a long history and originate from a specific village or area of Japan. A good example is the swordsmanship school of Yagyu Shinkage Ryu which was the official school of the Shogun, the leader of Japan, and is therefore very famous. In Nara prefecture there is the village, Yagyu-mura (mura meaning village in Japanese), where the Yagyu family lived and it has many attractions related to the martial arts school.

As mentioned earlier trying different Japanese foods was also a very popular activity. Some of the other activities offered received some interest but not nearly as much as the six listed above. Therefore it is these six activities that should in some way be included in the holiday package. The time of day that the activities mostly should be organized based on the results is either between 12 and 17 o'clock or in the morning. It was very evident that the respondents prefer to not have activities in the evening. In Japan many attractions close around 16-17 o'clock so the selection of possible activities in the evening is much more limited than during the day. Naturally the time of the martial arts trainings must be adjusted to the availability of the Japanese masters. Activities offered was the third most important factor for the respondents in choosing their holiday.

The third component in Smith's model is hospitality. There were not any questions in the questionnaire regarding this component besides the question about having a Finnish translator for the activities. This was not important for most of the respondents. 10 % found it important or very important which is not a big enough percentage to justify hiring a Finnish translator. It is however important that in marketing the martial arts package holiday it is clearly informed that activities are in English to avoid misunderstandings and disappointments. For those who are not very proficient in English there are surely other group members who can help translate things into Finnish if needed. When it comes to hospitality the customer service in Japan is almost always excellent. Often the only issue is the language barrier but on a package holiday this issue is solved since most things will be organized in advance by the travel agency and there will be a guide who can assist the tourists.

The fourth component in the model is freedom of choice. The tourism product in this case is a package holiday which naturally offers less freedom of choice than a self-organized holiday. The respondents were however asked how much free time they would like to have each week which would then allow them to do whatever they want outside the prearranged activities. The majority wanted to have 1-2 days free which would suggest that they expect to have quite a lot of activities during their trip. There were some that wanted to have more freedom in having 3-4 days free. Giving people the option to choose whether or not they want to take part in the prearranged activities allows them to have more freedom of choice. In this case there is however the risk that there would not be a large enough group for some activities and they would have to be cancelled which would disappoint the ones that wanted to do the activity. Of the different activities especially the martial arts trainings should not be cancelled if they have already been agreed on with the Japanese master. This would in most cases not be taken well by the Japanese master and could in the worst case cause them to quit their cooperation with the travel agency. Finding a balance with how much freedom of choice the tourist is given is important for having a successful package holiday.

The last component in Smith's model is the involvement of the tourist. Considering that the most popular activity for the martial arts holiday package would be practicing martial arts it shows that the respondents want to be highly involved. Also trying different Japanese foods together is quite involving for the tourist especially if there is some discussion and exchange of thoughts about the food. Sightseeing and visiting places connected to the Samurai era or to martial arts schools on the other hand are activities that require less involvement from the tourist. Combining these activities in the holiday package gives a rather nice balance of involvement for the tourist.

By considering all the components of Smith's model and applying the theory to the research it will help in creating a successful and well balanced tourism product.

### **5.2.2 Developing a new product**

As mentioned earlier this research was done in order to make the initial suggestion for a new product on a theoretical level. Komppula and Boxberg as well as Pesonen et al. all point out that the development of a new product should be based on the current and future needs of the customer as well as the value and experience that the customer expects to get from the product. These should all be based on knowledge gained from proper research. Therefore the research done in this thesis is vital in the creation of the martial arts package holiday to Japan.

Komppula and Boxberg and Pesonen et al. write that the starting point for the product development is the business concept of the company i.e. what the company offers, how it is offered and to whom. In this case there is not an existing company but there is a concept around which a company or a part of a company could be built. What the customer of this thesis wants to offer is a martial arts holiday in Japan. The idea is to offer the holiday as a package including transportation, accommodation and activities. The target customers for this product would be martial arts practitioners in Finland.



Since this is not the product development of an existing company Zeithaml and Bitner's model cannot be fully applied. In considering the model this thesis could be seen as a part of idea generation and concept development and evaluation which are phases of front end planning. In the model the next step would be the business analysis but before that some more in-deep research might be necessary in order to have a more complete product where all components are fully finalized.

Like Smith, Komppula and Boxberg also discuss the importance to know the customers interest and willingness for getting involved in the production of the service. They point out some factors that affect this which are the customer's time, money and physical and mental assets. Already in the previous chapter it was determined that the potential customers for the martial arts package holiday are both interested and willing to be quite highly involved in the production of the holiday. What was not discussed was the time and money that they would be willing to use for such a product. The length of the holiday was the second most important factor for the respondents in choosing their holiday while price, as expected, was the most important factor. The majority of the respondents would like to stay in Japan for 1.5-2 weeks and pay 1500€ per week. The price can be used as a good reference when planning the holiday package however it should be taken into account that people easily choose the cheapest option without considering that it might for instance affect the type of accommodation or the activities offered.

### **5.2.3 Product suggestions**

Based on the above summary and analysis of the results of the research the author of this thesis has put together the following product suggestions. The suggestions can be used as a guideline in further developing this tourism product, but are not complete packages that can be implemented as they are. Some of the choices for locations, accommodation and attractions are based on the authors own experience of traveling to Japan for practicing martial arts. The author has been to Japan for this purpose four years in a row for a combined duration of 10 weeks and can therefore be expected to have enough experience to make these suggestions. In the training of martial arts there are no specific suggestions of Japanese masters or training places

since it is the expertise of the customer of this thesis and requires their knowledge and contacts. These things are not written down here since they can be considered a business secret and an advantage that the customer of the thesis has compared to others who might want to create a similar product.

Both suggestions include direct flights with Finnair which are very often in offer for a price of around 600€. The length of the holidays is calculated from the day of arrival which, when flying with Finnair, is the next day from the day of departure from Finland.

### *Suggestion 1*

The location for this suggestion is Nagoya. The size of the travel group would be 15 people. The length of the holiday is 10 days and the tourists will be staying in Nagoya for the full holiday with the exception of one day excursions outside Nagoya. Hotel accommodation could be for instance in UNIZO INN Nagoya Sakae or in APA hotel Nagoya Sakae which are both three star hotels in the Sakae ward in Nagoya. Sakae is an area with many restaurants and shops and is only two subway stops away from Nagoya central railway station. The price of the hotels is around 700€ on Booking.com which, together with the price of the flight, on a 1500€/week budget leaves 950€ for the 10 days for food, activities, transportation and shopping. Based on the experience of the author about 100€/day is a very good budget and should cover the cost of transportation, meals, activities and training more than well. Of the 10 days 3 should be left free for the tourists to do their own activities. 3-4 days would be served for martial arts trainings however they should not all be one after the other since people most likely would need some time to recover from the trainings. On the first evening there would be a welcoming dinner either in Sakae or at Nagoya central railway station. A second dinner together with the group would be organized on the first day of martial arts trainings which would give the group a good chance to talk about the trainings. Another activity during this holiday would be a visit to Nagoya castle which takes about half a day combined with a visit to the Atsuta shrine which is one of the most visited shrines in Japan (Atsuta Jingu, 2009). The trip would also include a visit to the Tokugawa art museum and the garden next

to the museum. There would be one full day excursion to the city of Kyoto which is the former capital of Japan and has an enormous number of attractions many of which are UNESCO World Heritage Sites. In Kyoto there would also be the chance to try some Japanese food unique to the area during lunch. There could be the option to have lunch together with the guide on one of the free days in one of the restaurants at Nagoya central railway station.

### *Suggestion 2*

The second suggestion is a two week holiday starting in Tokyo and traveling around Japan from there. The group size would be 10-15 people. The tourists would have a two week rail pass costing 430€ through Japaninspesialisti. The remaining budget for the two weeks would be either 1970€ with a 1500€/week budget or 2970€ with a 2000€/week budget. The tourists would be staying the first three days in Tokyo for example in one of the many APA hotels in central Tokyo which all cost just over 200€ for three nights through Booking.com. In Tokyo there would be one free day for the tourists, one training day, and one day for visiting Tsukiji market which is one of the world's largest fish markets and a great place for trying different Japanese foods (japan-guide, 2016a). From Tokyo the trip would continue to Nagoya where the tourists would be staying for two days of which one day would be free and the other one would be a training day. The same hotels that were used in the previous suggestion could be used here as well. On the day of the trainings there would also be a common dinner in an izakaya which is like a combination of a bar and a restaurant and offers small dishes of Japanese food that go well together with beer and other drinks (Essential Japan guide, 2013). After Nagoya the tourists would travel to Kyoto and stay there for four days. Also in Kyoto there are a couple of APA hotels in the city center that would cost around 250-300€ for four nights. In Kyoto there would be no free days since there are so many attractions to visit. In Kyoto there would be no martial arts trainings. Attractions to visit would be Nijo castle, which is the former residence of the shogun, Nishiki fresh food market, Kinkakuji temple that is covered in gold, the Gion geisha district, the Fushimi Inari shrine and the preserved historic district of Higashiyama (japan-guide, 2016b). If the trip is organized in July the main attraction in Kyoto would be the Gion Matsuri

which is the most famous festival in Japan (japan-guide, 2016c). After Kyoto the holiday would continue in Osaka for three days. Again the accommodation could be in an APA hotel which cost around 200€ for three nights. In Osaka there would be two days of martial arts trainings and one free day. From Osaka the tourists would go back to Nagoya for the remaining two days of which one would again be a training day and the last day would be a free day.

### **5.3 Conclusions**

Based on the research and the analysis of the results there is a clear interest among Finnish martial arts practitioners to go to Japan on a martial arts themed package holiday. As expected the activity that received the most interest and therefore the core of the tourism product was the practicing of martial arts. The other activities that Finnish martial arts practitioners found interesting were visiting places with a connection to the Samurai era, trying different Japanese foods, regular sightseeing and visiting places with a connection to a specific school of martial arts. These activities were therefore used for the product suggestions. Price was an important factor in choosing the holiday which also could be expected. According to the sample group the length of the holiday should be 1.5-2 weeks, the price 1500€/week and accommodation preferably in a hotel. The travel group should not be bigger than 15 people and should consist of people of different ages. The main issue with the travel group is a possible uneven ratio of men to women since there are more male martial arts practitioners in Finland. About half of the respondents wanted to stay in one area of Japan while the other half wanted to travel around Japan which led to the need of two different product suggestions.

By following Smith's model for the generic tourism product it is easier to create a successful and well balanced tourism product. While Zeithaml and Bitner's model cannot directly be used in the development of a tourism product it can be a good guideline with which to get started. The most important thing in developing a new product is to properly research the needs of the target customer and to then use that research to build the product. As a result of the research done in this thesis the

author was able to make two viable product suggestions for the customer of the thesis.

## **6 ENDING**

This thesis has achieved both its main aim in finding out the demand for a martial arts package holiday as well as its subsidiary aim in providing the customer with two product suggestions. While the originally intended sample group was not reached the number of responses received from the other sample group was quite satisfactory. Since most responses came through the two Facebook groups the amount of people in these groups can be considered the full sample group. Considering that many of the people in the groups are the same we can assume the sample group to be at the most the size of the bigger group, 3400 people, in which case the response rate would be at least 6.5 %. It is perhaps a bit low if we want to fully generalize the results to all martial arts practitioners in Finland but still high enough for the results of the research to be used as guidelines.

Since this was only the initial market research for a martial arts package holiday to Japan there is still the need for further studies before it can be made into a complete product ready to be sold to customers. The next study could for instance be a qualitative research to further investigate the needs and interests of the potential customers. Since the questionnaire and the basis for a quantitative research have already been made it is also possible to try to extend the quantitative research to a larger sample group to get a more complete understanding of the demand for this product. This further research could be done together with a travel agency that might be interested in this product now that the initial market research for it has been done. A travel agency might also have better access to larger sample groups than a private individual does.

## **6.1 Personal reflections**

This thesis has been a very interesting project for me and it is exciting to see that there are many martial arts practitioners in Finland with an interest in Japan like I have. Based on this research alone it is maybe not yet possible to say if it would actually be profitable to organize martial arts package holidays to Japan. However I hope that this thesis could generate enough interest in some travel agency to do further studies on the subject. In the meanwhile I will continue to organize my own martial arts holidays to Japan and hopefully I can help others in doing so too.

## REFERENCES

- Altinay, L. & Paraskevas, A. 2008, *Planning research in hospitality and tourism*, Oxford UK: Butterworth-Heinemann, pp. 241.
- Aronsson, L.; Tengling, M. & Aronsson, J. 1998, *Turism – världens största näring*, 2<sup>nd</sup> edition, Malmö: Liber Ekonomi, pp. 240.
- Atsuta Jingu. 2009, *Introduction*. Available: <https://www.atsutajingu.or.jp/en/intro/>  
Accessed: 2.12.2016
- Comley, P. & Beaumont, J. 2011, "Online market research: Methods, benefits and issues -- Part 1", *Journal of Direct, Data and Digital Marketing Practice*, vol. 12, no. 4, pp. 315-327.
- Essential Japan guide. 2013, *Japanese izakaya guide*. Available: <http://www.essential-japan-guide.com/japanese-izakaya/> Accessed: 2.12.2016
- Evans, J.R. & Mathur, A. 2005, "The value of online surveys", *Internet Research*, vol. 15, no. 2, pp. 195-219.
- Japan-guide. 2016a, *Tsukiji fish market*. Available: <http://www.japan-guide.com/e/e3021.html> Accessed: 2.12.2016
- Japan-guide. 2016b, *Kyoto*. Available: <http://www.japan-guide.com/e/e2158.html>  
Accessed: 2.12.2016
- Japan-guide. 2016c, *Gion Matsuri*. Available: <http://www.japan-guide.com/e/e3942.html> Accessed: 2.12.2016
- Japaninspesialisti. 2016, *Japan Rail Pass*. Available: [http://www.japaninspesialisti.fi/japan-rail-pass/?gclid=CPj2d\\_T2tACFen0cgodDj4I2w](http://www.japaninspesialisti.fi/japan-rail-pass/?gclid=CPj2d_T2tACFen0cgodDj4I2w) Accessed: 2.12.2016
- Judoliitto. 2016a, *Historia*. Available: <http://www.judoliitto.fi/judo/alasivu/> Accessed: 11.2.2016
- Judoliitto. 2016b, *Uutiset*. Available: <http://www.judoliitto.fi/uutiset/judoliitto-jakarateliitto-tavoittelevat-mitaleita-matsurun-kanssa/> Accessed: 11.2.2016
- Komppula, R. & Boxberg, M. 2002, *Matkailuyrityksen tuotekehitys*, Helsinki: Edita publishing Oy, pp. 174.
- McDonald, M. 2007, *Marketing Plans: How to prepare them, how to use them*, 6<sup>th</sup> edition, Oxford UK: Elsevier Ltd., pp. 675.

Pesonen, I.; Mönkkönen, T. & Hokkanen, T. 2000, *Menestyvä matkailuyritys*, Helsinki: Oy Edita Ab, pp. 150.

Waligóra, A. 2014, *Differences in customers' purchase decision motivations between early and late bookings of package holiday*, Thesis, Degree program in Tourism, Vaasan ammattikorkeakoulu. Available: [http://www.theseus.fi/bitstream/handle/10024/70028/Waligora\\_Anna.pdf?sequence=1](http://www.theseus.fi/bitstream/handle/10024/70028/Waligora_Anna.pdf?sequence=1) Accessed: 11.2.2016



# APPENDICES

## Appendix 1 - Questionnaire

**The questionnaire is in English here but was translated into Finnish for the online version**

Welcome to the questionnaire!

This questionnaire is a part of the thesis research by a student of Hospitality Management. The purpose of the questionnaire is to find out if Finnish practitioners of Japanese martial arts would be interested in a package holiday to Japan with a martial arts theme.

Participation to this questionnaire is completely voluntary and anonymous. The results will be presented in the thesis that may be published on theseus.fi. No information will be given to any third parties.

Thank you for your interest!

### **1. What martial art do you practice?**

- a. Karate
- b. Judo
- c. Kendo
- d. Iaido
- e. Something else, what?

### **2. How long have you been practicing martial arts?**

- a. Less than 1 year
- b. 1-5 years
- c. 5-10 years
- d. Over 10 years

**3. How old are you?**

- a. Under 18 years old
- b. 18-25 years old
- c. 25-50 years old
- d. Over 50 years old

**4. Gender?**

- a. Male
- b. Female

**5. How interested would you be in traveling to Japan on a martial arts themed package holiday?**

(not interested) 1      2      3      4      5 (very interested)

**6. Choose the four (4) activities that you are most interested in. Choose the most interesting activity first. (The options were in a drop down menu in the online questionnaire)**

- a. Most interesting activity
- b. Second most interesting activity
- c. Third most interesting activity
- d. Fourth most interesting activity

**Options:**

- 1. Practicing your own martial art
- 2. Practicing some other martial art
- 3. Regular sightseeing
- 4. Visiting places with a connection to the Samurai era such as castles, temples, battlegrounds etc.
- 5. Visiting places, cities and villages with a connection to a specific martial art
- 6. Shopping for martial arts equipment and other martial arts related items
- 7. Regular shopping
- 8. Doing other sports besides training martial arts
- 9. Trying different Japanese foods together with the group

**7. What is your preferred group size for the different activities? (Note that the number of guides will be adjusted to the group size)**

- a. Less than 10 people
- b. 10-15 people
- c. 15-25 people

**8. What time of the day would you prefer to have the guided activities?**

- a. In the morning
- b. Between 12-17
- c. In the evening

**9. How much free time would you like to have per week?**

- a. As little as possible
- b. 1-2 days
- c. 3-4 days

**10. Would you prefer to stay mostly in one area of Japan or to travel around Japan by train?**

- a. Stay in one area
- b. Travel around Japan

**11. How important are the following things for you?**

**(not important) 1    2    3    4    5 (very important)**

- a. Having a Finnish translator for all the activities (activities will otherwise be in English)
- b. Having separate groups for men and women during the martial arts trainings
- c. Having a small group (less than 10 people) for the different activities
- d. Having people of the same age in the travel group
- e. Having people of different ages in the travel group
- f. Having the possibility to have dinner daily together with a guide and others from the travel group

**12. Do you agree with the following statements?**

**(completely disagree) 1      2      3      4      5 (fully agree)**

- a. I choose my holiday based on the activities offered
- b. I choose my holiday based on the price
- c. I choose my holiday based on the length of stay
- d. I choose my holiday based on the accommodation offered

**13. What type of accommodation would you prefer?**

- a. Hotel
- b. Own room in a hostel with possibility to cook own meals
- c. Shared room in a hostel with possibility to cook own meals

**14. How long would you like the holiday to be?**

- a. 1 Week
- b. 1,5-2 weeks
- c. 2,5-4 weeks

**15. How much would you want to pay for this holiday package? (the price includes accommodation, activities and direct flights with Finnair)**

- a. 1500€/week
- b. 2000€/week
- c. 2500€/week