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HOW TO MARKET FINNISH HOLIDAY RESORTS TO TOURISTS FROM AUSTRALASIA

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I would like to start by stating that the process of writing this thesis has given me an enormous amount of knowledge from the field of empirical customer research and Australasia overall. This process has undoubtedly provided valuable knowledge for my future professional life. I have written this thesis as my final project for my little less than four years of studies on the international study program.

It was a long-term process to find a topic that would not become too difficult compared to my skills and knowledge. Original thought was to keep it simple, since this was my longest research so far. The thesis still proved to be pretty challenging, and there were no similar or previous researches available. At the same time I wanted the research to be useful in a real-life and from the current topic. I believed I full-filled those targets. I would like to thank my supervisor, Ph.D Satu Lautamäki and Andreas Heinrich from Sydney.

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ABSTRACT

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The aim of this thesis is to investigate on how holiday resorts from Finland should market themselves for potential customers or tourists in Australasia. The main method to gain more information is a quantitative, empirical customer research. There are not many, if any, research made from this topic so far.

The theories, upon which the thesis is built, range from destination branding to motivations for tourism. Also, a description of Finland and Holiday Club Resorts Ltd. is made. A market research is conducted on Australasia's countries and finally narrowed to Australia in empirical part, which is based on the analysis of 138 responses.

People are spending more and more time with their computers. This partly explains why sport holidays have suddenly become very popular, and is the fastest growing area in the tourism industry. Sport and health tourism are relatively new businesses and they illustrate our modern society. Sport holidays in Europe are estimated to grow most from all the continents in the world. Finland is a perfect location for these types of holidays, because of our four seasons, a pure nature and the space around us.

Keywords; Holiday Resorts, Australasia, Quantitative Research, A Tourist

VAASAN AMMATTIKORKEAKOULU

Kansainvälisen kaupan koulutusohjelma

TIIVISTELMÄ

Tekijä	Anna Rytönen
Opinnäytetyön nimi	Miten markkinoida suomalaisia lomakeskuksia turisteille Australasiaan
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Opinnäytetyön tarkoitus on tutkia, kuinka isojen suomalaisten lomakohteiden tulisi markkinoida itseään potentiaalisille turisteille Australasian alueella. Tällä hetkellä aiheesta ei tiettävästi ole vastaavaa tutkimusta.

Teoriaosassa analysoidaan matkakohteen brändin rakentamista ja matkailumotiiveja sekä kuvataan Suomen maaprofiilia ja Holiday Club Resorts-yritystä. Päämetodi empiirisen tiedon hankkimiseksi on kvantitatiivinen tutkimusmenetelmä. Markkinointitutkimus on keskitetty Australasian alueeseen, ja empiirisen tutkimuksen tulokset perustuvat 138 vastaajan otokseen.

Ihmiset kuluttavat yhä enemmän aikaa tietokoneiden ääressä niin kotona kuin koulussa. Osittain varmasti tästä syystä urheilulomat ovat jatkuvassa kasvussa. Tällä hetkellä sekä urheilu- että seikkailulomat ovat nopeiten kasvava turismin osa-alue maailmassa. Terveys- ja urheilulomat ovat molemmat verrattain uusia lomailun muotoja, ei ehkä niinkään meille suomalaisille, mutta suurimmalle osalle maapallon ihmisiä kylläkin. Urheilulomien suosion on arvioitu kasvavan eniten juuri Euroopassa. Suomi on täydellinen kohde tämän tyyppiseen lomailuun vuodenaikojen vaihtelun, puhtaan luonnon sekä tilansa ansiosta.

Avainsanat: Lomakeskus, Australasia, Kvantitatiivinen tutkimus, Turisti

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ABSTRACT

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I INTRODUCTION

Chapter one leads the reader into the subject of the thesis; "how to market Finnish holiday resorts to Australasia", by stating the background of the assembly of this study. The reader is introduced to the scope of the thesis by introducing the holiday resorts' background, discussing the research questions, limitations and methodology of the study. The core motive for companies' internationalisation is to take benefits existing in growing markets. The aim of this thesis is to find out what tourists from Australasia would like to gain from their holiday in Finland and how that information could be used in holiday resorts marketing plan, by researching the current and future potential of the markets.

1.1 Background

Tourism is one of the world's fastest-growing businesses. New technology has cut travel times, improved travel safety and comfort and increased the information sources available to consumers. Today, there are several options available to holiday makers. According to several resources the fastest growing areas in the industry are medical -and sport tourism (Dickman 1999, 168, World Sport Expo 2010).

Tourism is the world's largest industry and it *appears* that everyone can be either a tourist or a potential tourist also for Finnish holiday resorts. Everywhere is someone's destination and no human activity is immune from the fleeting glimpses of transient eyes. Due to the globalisation phenomenon, the business environment is progressively fiercer and more competitive. Businesses and corporations of different size are increasingly expanding their operations in international activities (Robinson, Evans, Long, Sharpley and Swarbrooke 2000, 1).

Holidays are part of the Finnish culture. Finns prefer to choose leisure time over extra work (money). You could say Finns live for holidays. Overseas travels are

common especially during the winter time as well as ski holidays in Lapland. In Finland and in Western culture people usually travel most *before* they turn 50-60 years. In most of the Asian-Pacific countries including a big immigrant population in Australasia this is the other way around. People over there save money so that they can start to travel when “they get old”. In 2009, the amount of foreign tourists has decreased. The amount of stayed nights made by overseas travellers decreased by 9 per cent in August 2009 compared to August 2008 (Suomen Tilastotieteen Keskus 2009).

It is always good to consider whether there is something we could have done better for instance, when the business goes to bankrupt. Understanding customer’s demand and need is a good way of doing this. Researching them and combining the knowledge into marketing plan should create “a living document” which is very efficient to use.

1.2 Purpose of the study

This thesis is centred on investigating potential visitors from the Australasian region, their demands and expectations towards Finnish holiday resorts and naturally Finland as a country itself. It will also reveal the importance of these expectations in their business. *The main purpose of this study is to investigate how to market Finnish tourist resorts to Australasia.* In order to reach this purpose, the following objectives are set.

The first objective is to theoretically describe the meaning of branding in tourism and the basic tourist motivations. The second objective is to make a brief business analysis of holiday resorts in Finland. The third objective is to empirically study the motivations or reasons why Australasian tourists would choose to visit Finland. In the empirical study, the following research questions are set: What are the customer’s expectations? What are the main channels and partners which should be used in marketing? What kind of services (or packages) the tourists prefer?

After analysing the empirical results, the fourth objective is to think further on how these results/ new knowledge could also be used in the resorts future marketing plan. The goal is to know which main channels and services should be used when marketing resorts for tourists from the Australasia.

Currently resorts do not have an existing marketing plan for tourists from Australasia, as the area is considered to be niche markets for the companies. However, based on the fact that tourists from Asian countries already play a big part in the Lapland winter season, it can be claimed that there is an existing potential and possible growth in both of these segments. Combining this knowledge to growth of the economy in emerging countries, such as China (Chinese are a major inhabitants group in Australasia), and Finland's geographical location between East and West, it creates an assumption that there is a great need of some sort of marketing plan and research for the future.

A growing number of companies around the world are looking at their business in a global context. For some this means considering the company's markets and operations together within and integrated framework. For others it means standardising products and marketing programs, and rationalising research, development and production to create global economies of scale with tactical product/ service marketing done on a country-by-country basis. For a growing number of firms and companies it means transformation from domestic or multinational players to a single global entity operating seamlessly anywhere in the world (Brown and Fletcher 2005, 397).

A global strategy means that a company competes on the basis of its entire combination of competencies, infrastructure and products in all its markets, rather than on a country-by-country basis. To do this efficiently requires integration of activities and communication between managers in different countries. Implementing the company's global strategy requires less bureaucracy, effective and quick communication and a clear understanding of in each market area of the corporate vision (Brown and Fletcher 2005, 397).

The research will add value for all sectors where it is possible. The value adding activities will be introduced in the last part of the thesis called a small marketing plan proposal. It is an opportunity strategy, which is divided into general strategy (3 entering steps) and detailed strategy (four P's). It will involve resorts opportunities to increase their competitive advantages in areas that are of prime interest to the target markets. Develop service offerings for example: offering different holiday packages designed for the customers from Australasia to emphasise their strengths, which should normally relate to business objectives, in turn being influenced by corporate aims and market research.

No study will research its aim unless the research problem is clearly defined. In order for the researcher to collect data or quality he/ she needs to understand what information will aid the study. A connection between the available materials combined with the data collected in the research will create an effective marketing plan (Birn 2002, 3-5).

Quantitative research methodology is used during the course of this research, which means that questionnaires are sent to a number of respondents in Australasia. A quantitative approach will be the main method used in order to reach the aim of the thesis. Quantitative statistical sources are used as indicators for estimating the potential demands on the respective markets.

1.3 Holiday resorts in Finland

According to **Holiday Club Resorts Ltd (HCR)** web pages “the company is one of Europe’s largest vacation ownership enterprises. It was established in 1986 and in the beginning it focused primarily on the vacation ownership business”. (Holiday Resort 2009) Since 1998, the company has operated under the name Holiday Club Finland Ltd. In 2007, the Group’s turnover was EUR 60.5 million. As of 1 April 2006 Holiday Club Finland Ltd. began operating under the name Holiday Club Resorts Ltd. Holiday Club vacation is stylishly and spaciouly because holiday apartments have room for 2–8 people. Holiday Club Resorts

mainly provide family size holidays and time-shares. They offer a normal hotel accommodation too (Holiday Club Resorts 2009).

Based on Holiday Club Resort's inspection –tour and information, the company offers different types of ownerships. The idea behind holiday vacation ownership lies in quality holiday destinations and flexible holiday exchanges. As a timeshare owner, you are entitled to one holiday week in your own holiday home each year. If you wish, you can exchange your holiday for one other destination and enjoy your holiday anywhere in the world. Most of the timeshare are company clients. Timeshare owners are key customers (see e.g. Holiday Club Resorts 2009).

HCR Katinkulta, which is part of the Holiday Club Resorts Ltd. for example; is a paradise for the active traveler who wishes to stay in high-quality holiday cottages. *As the most diverse holiday destination in Northern Europe*, it offers everything from fitness exercise to bowling. In winter, Vuokatti's is magnificent cross-country skiing trails and down-hill skiing slopes. In summer, Katinkulta offers golfers an 18-hole championship-level golf course in a beautiful lakeside landscape.

Another huge hotel group in Finland is **Restel** where **Rantasipi** is a part of the group. Rantasipi mainly provides hotel + spa type of accommodation and it concentrates on South part of Finland. However Rantasipi does have one resort type of accommodation called Rukahovi at Ruka (see e.g. Rantasipi 2010, Restel 2010).

A big group which co-operates with Finnish holiday resorts is **Group RCI** is a division of the firm Wyndham Worldwide. Founded in 1974 by Jon and Christel DeHaan, it has grown to become one of the larger brokers of timeshare trades. RCI has over 5,851 affiliated resorts in over 100 countries around the world. Its membership base is approximately 3.6 million members worldwide. RCI operates two main exchange programs - RCI Weeks and RCI Points (RCI 2010).

Timeshare exchange is often confused with timeshare sales. RCI is in the business of timeshare exchanges. It does not develop or sell timeshares. Customers who

buy a timeshare with an RCI-affiliated developer (for example: from Finland) have the option to become a paid member of RCI (current fee is 100€ yearly). Such membership entitles them to exchange (swap) their timeshare with other members. RCI facilitates and fulfills the exchange (RCI 2010).

RCI Finland Regional Director Riitta Apiola states in Invest Finland web pages the following; “RCI’s market share is close to 70%, which means that RCI handles eight out of every ten vacation exchanges. At the same time, seven of each ten resorts are affiliated to RCI” (Invest in Finland RCI 2010).

According to Jeff Cummings, Vice President Operations RCI EME, Finland is one of RCI’s fastest growing markets, and the local resort developer, Holiday Club Resorts, is one of the single biggest providers of new RCI members. “When I came to Europe six years ago and began working at RCI’s call center in Cork, we had only a few agents serving Finland. Today it is one of our largest departments,” says Jeff Cummings (Invest in Finland RCI 2010).

Finns were actively buying timeshare accommodations already in the early 1990s, when RCI Finland set up a local office to provide services in Finnish. It was also possible to buy timeshares quite cheaply during that time and it gave you an opportunity to make better profit than nowadays. At that time, the timeshare business had a bad reputation due to unfortunate cases of fraud. Today, the climate is a lot better. For example, RCI Finland receives no or very few sales-related complaints in Finland (see e.g. Invest in Finland RCI 2010).

One explanation for this positive change is the active work of Finland’s National Chapter of RDO (Resort Development Organisation), which monitors the timeshare business and promotes consumer awareness. “In Finland, the public is very educated on what timeshare is and are consequently making more purchases”, according to Jeff Cummins in Invest Finland (Invest in Finland RCI 2010).

Finns mainly purchase timeshare in Finland. The main reason for this is that a customer can receive all purchase documents and legal papers in Finnish, and

there is no need for a local lawyer. Spain and Portugal are also regions, where Finns own timeshare in high quality resorts especially in Costa Del Sol like Marbella or Fuengirola. (One of the reasons for this is that Finnish schools from primary schools all the way up to secondary education are located in the area). Of course, the standard of the resort is very important. If the resort does not meet the strict quality standards, RCI will remove it from their system (see e.g. Uusi Fuengirola 2010).

RCI's future in Finland is looking good. Sales continue to grow and Holiday Club Resorts and other Finnish affiliates are bringing in new members. "I can definitely see us expanding our operations in Finland," says Jeff Cummings. He also expects the bigger market in Northern Europe – especially Sweden – to grow significantly in the coming years (Invest in Finland RCI 2010).

For Riitta Apiola, RCI's decision to move back is proof that Finland can deliver results. "Finns are effective when it comes to getting things done. Our staff is competent and highly educated. In fact, we can handle calls from other centres, because we always have someone online who can speak French or German, in addition to English and Swedish. Now that's what I call good service" (Invest in Finland RCI 2010).

1.4 Definition of key terms

There are some main terms that are used throughout the thesis. These key terms are shortly described.

Asia The largest continent on Earth. Asia covers nearly one-third of the earth's land surface. It is bounded by the Arctic, Pacific, and Indian oceans. The western boundary, with Europe, runs roughly north-south along the eastern Ural Mountains; the Caspian, Black, Aegean, and Mediterranean seas; the Suez Canal; and the Red Sea. The islands of Sri Lanka and Taiwan and the archipelagoes of Indonesia (excluding New Guinea), the Philippines, and Japan also form part of

Asia. Area: 17,226,000 sq mi (44,614,000 sq km). Population (2004 est.): 3.9 billion (Britannica Concise Encyclopedia 2009).

Asia-Pacific or Apac That part of the world in or near the Western Pacific Ocean. The area includes much of East Asia, Southeast Asia, Australasia and Oceania. Sometimes the term Asia-Pacific includes South Asia, though India and its neighbours are on or near the Indian Ocean rather than the Pacific Ocean. The term may also include Russia (on the North Pacific) and countries in North and South America which are on the coast of the Eastern Pacific Ocean (National Geographic 1999, 90).

Australasia Often referred to as Oceania, is comprised of Australia, New Zealand and the islands of the Pacific East of Indonesia and the Philippines. In contrast to the rest of Asia, the population in Australasia is lower (see e.g. Oceania 2005, Go and Jenkins 1998, 1).

Geopolitically, *Australasia is sometimes used as a term for Australia and New Zealand together*, in the absence of another word limited to those two countries. There are also many organizations whose names are prefixed with "Royal Australasian Society" that are limited to just Australia and New Zealand. In 2009 Australasia countries were safest gap year destinations, according to gap force (Gap force 2010).

Australia and New Zealand do not differ culturally from the UK too much. Travel sources classifies Australasian as; American Samoa, Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Salomon Islands, Tahiti and French Polynesia (including e.g. New Caledonia which is only three hours flight from Sydney, and is one of the biggest islands in the world. The islands belong to France and the official currency is Euro.), Tonga, Tuvalu and Vanuatu. Official language in Australasian countries is English except in French Polynesia the official language is French. Based on this, *probably the easiest way to recognize Australasian country is from the spoken language.*

Marketing plan Planning is a systematic methodology for charting the “big issue” future of an organisation (Brown 2005, 587).

A market plan begins with the identification (through market research) of specific customer needs and how the firm intends to fulfil them while generating an acceptable level of return. It generally includes analysis of the current market situation (opportunities and trends) and detailed action programs, budgets, sales forecasts, strategies, and projected (proforma) financial statements (Business dictionary 2009).

Marketing plans vary in depth and breadth, depending usually on the importance to the firm of the product or service the plan is being prepared for, and the time period the plan is to intend to cover.

The plan also varies according to the type of industry, product and even the preferences of an organisation’s management. Some organisations require extensive planning to be completed, while others take more flexible approach. Planning should never be an alternative to action. It should increase the change of success by reducing uncertainty. The modern world changes quickly –marketing planning must have flexibility built-in (McCoffery 2007).

Tourism Marketing of the enjoyable and other features of a travel destination and provision of facilities and services for the pleasure travelers or tourists (Business dictionary 2009).

Tourist is a visitor who spends at least one night in the country visited (Cooper, Fletcher, Fyal, Gilbert and Wanhill 2005, 85).

Tourist demand varies according to the subject perspective of the author. For example, *economists* consider demand to be the schedule of the amount of any product or service that people are willing and able to buy at each specific price in a set of possible prices during a specified period of time. *Geographers*, on the other hand, define tourist demand as: “the total number of persons who travel, or wish to travel, to use tourist facilities and services at places away from their places of work and residence”, according to Mathieson and Wall 1982. Each

approach is useful. The economic approach introduces the idea of elasticity – which describes the relationship between demand and price, or other variables (Cooper et al. 2005, 38).

Some individuals may harbor a demand for tourism but are unable to realize that demand suggests that demand for tourism consist of a number of components. We can identify three basic components that make up the total demand for tourism:

- 1) **Effective or actual demand** is the actual number of participants in tourism of those who are travelling. This demand is most commonly and easily measured.
- 2) **Suppressed demand** is made up of that section of the population who do not travel for some reason. Two elements of suppressed demand can be distinguished.
 - First potential demand refers to those who will travel at some future date if they experience a change in their circumstances.
 - Second, deferred demand is a demand postponed because of a problem in the supply environment, such as a lack of capacity in accommodation.
- 3) Finally there will be always be those who simply do not wish to travel or are unable to travel, constituting a category of **no demand** (Cooper et al. 2005, 39).

Tourist destination is a place to which people go with the intention of visiting that specific area. This is in contrast to a stopover, which is a place visited while going to or from some other area. Although national tourism authorities would like to believe they have a major impact in the development of an image for a destination, this is not always the case. Destination marketing requires an understanding of what makes a country, region (in this case Finnish resorts) and interesting to potential visitors (Dickman 1999, 181).

There are six types of destinations. *Great international destinations* which are almost always on ‘must see’ lists, such as Paris. , *Significant international destinations* which have mass appeal to large numbers of international travelers for example; Sydney or Hong Kong. *Developing international destinations* are

still in their growth phases but they have the potential to become significant on the world scale, such as China. *Emerging international destinations* which although they presently attract relatively minor international recognition, are gaining increasing popularity such as Korea. *Undiscovered destinations* are places known to only a minority of innovators or explorer, such as Central America or smaller Pacific Islands. *Undesirable destinations* are known about, but which for reasons of security, political problems or environmental concerns, appeal only to the most determined, such as Cambodia or Rwanda. Finnish holiday resorts still belong into undiscovered destinations for tourists from Australasia (Dickman 1999, 181).

Travel motivators explain why people want to travel and they are the inner urges than initiate travel demand (Cooper et al. 2005, 52).

1.5 Limitations of the study

This study is aimed at investigating why people from Australasia visit or would like to visit the largest Finnish holiday resorts. The study is narrowed down to resorts which are located in the North-East and Northern parts of Finland. The research concentrates on the resorts current services.

The empirical research is limited to Sydney. Sydney is often called "the Harbour City". It is one of the most multicultural cities in the world, reflecting its role as a major destination for immigrants to Australia. Most of the immigrants also come largely from the other Australasian countries, so Sydney is the fastest and the easiest place on earth to get the information from such a large area. More reasons are given in the fourth chapter, general market filter 4.3.3 (Australian Government Department of Immigration and Citizenship 2010).

There has been a substantial amount of research done on how to create visual marketing for the Asian market, for example; colours used in brochures. But, presently there is no similar thesis done in Finland which concentrates on the Australasian region and marketing holiday resorts there. When asked by email, the resorts do not have the research results on this yet.

2. DESTINATION BRANDING

The second chapter will outline the meaning of branding and the basic tourist motivations. The study of motivation has been derived from a range of disciplinary areas which has led to a diversity of approach in tourism. Demand for tourism at the individual level can be treated as a consumption process that is influenced by a number of factors. For tourism models have been adapted from more general approaches in the consumer marketing literature. This creates some issues in terms of the practical use of these models and their ability to capture the particular nature of the tourism purchasing decision.

Most of the holiday resorts in Finland are located in the small cities. Destination branding for small cities is important. The prospect of developing a brand strategy for the city may at first seem like a daunting challenge. Most small cities rely very heavily on hard-working people who may not have a degree in marketing. First and foremost, every community is a place where residents may have lived all of their lives. This can have a profound influence on the branding and marketing of the place (Baker 2007, 7-13).

Those ambitious places wanting to increase their well-being and reputation through tourism and economic development need to first answer some basic questions. What do we want to known for? How can we stand out from the crowd? What thoughts and feelings do we want to come to mind when people are exposed to our city's name? These questions are the heart of branding. To successfully answer them the community needs to have for example; a strategy, to think about why it is interesting, and why it should matter to specific audiences (or target market). Brands are very much like people, and this becomes valuable metaphor for studying how we can apply branding concepts. The concepts of destinations formulating brand strategies only began to appear during the 1990's. It is a relatively new thing. The nations of Australia, Hong Kong and Spain were

amongst the first to truly embrace the practice. It was then embraced by major cities such as Las Vegas who were among the early adopter (Baker 2007, 14).

2.1 Nation-brands and the value of it

Product is quite often strongly linked with brand image. *A place brand can behave just like a manufacturer's brand*, providing an umbrella of trust, a guarantee of quality, which kick-start the entry of its new 'dub-brands' on the market place. For a brand's home town or home country to add helpful dose of free additional equity, the only requirement is that the product should 'chime' with its place of the origin in the consumer's mind, and that some kind of logic links the two. The logic maybe simple or creative. In exactly the same way, brands from countries can range from simple national produce – pizza from Italy –to more unexpected but equally attractive pairing, such as skis from Slovenia, brand Elan, or phone from Finland, Nokia (Morgan, Pritchard and Pride 2004, 26-27).

2.1.1 The importance of nation-brands beyond branding

The idea that countries behave rather like brands is now fairly familiar to most marketers and to many economists and politicians too. Originally a recondite academic curiosity, the notion is gaining broader acceptance, and its value as a metaphor for how countries can position themselves in the global market place in order to boost exports, inward investment, tourism and much more besides, is pretty well understood. A country's brand image can profoundly shape its economic, cultural and political destiny, or for example the brand image of European Union itself. A positive place brand encourages inward investments, and tourism is a magnet for talent, and if properly managed can create a renewed sense of purpose and identity for the inhabitants of the country, region and city. After all, one of the best known functions of brand is to act as convenient, everyday shorthand for what a product or company stands for: why not for a city or country too?

A handful megabrand countries, such as America, Japan, Italy and France, whose public image seems so powerful, positive and all-pervasive that one may think they hardly need to bother managing it. (France for chic and quality of living, Italy for style and sexiness, America for technology, wealth, power and much more besides.) Each time a new brand emerges from one of these countries, it seems to have a head start over all its competitors in the global market place. Tourism in Finland is a market niche on the commercial and cultural map of the world (Morgan et al. 2004, 28-29).

2.1.2 What it takes to create destination branding

Launching a global brand requires flair, confidence and chutzpah. Finland belongs to Scandinavia which is classified to belong into top ten place brands. Constant investing in the brand itself, collaborating and effective synergy among the main communicators of the country's image in the global media: usually the tourist board, the airline and the major food producers, because these are the routes by which the national brand most commonly is created and exported (Morgan et al. 2004, 27-31).

A very common problem for smaller places is the fact that place branding is an international exercise by default, yet because they are not big consumer corporations. A few destinations such as Finland and Katinkulta or small countries have the advertising dollars (means capital) of the big marketers, major airlines like Finnair, car hire companies Europcar, Avis and Hertz, hotel chains and several tour operators (Morgan et al. 2004, 31-32).

It should be remembered that there are not any brands without customers. Brands are built in customers' minds. Therefore, all brand efforts should be based on understanding who the customers are and how they behave. Next, we will shortly analyze the main motivations that make people travel.

2.2 Motivations for tourism

There seems to be many studies and classifications which motivate the tourists. An understanding of motivation is the key to understanding tourist behavior, and answering the question of why people travel. The dictionary definition of motivation is derived from the word 'motive' which is to cause a person to act in a certain way, or to stimulate interest. Word motive can concerned with initiating movement or inducing a person to act (Cooper et al. 2005, 54).

McIntosh, Goeldner and Ritchie (1995) utilize four categories of motivation.

- 1) **Physical motivators:** those related to refreshment of body and mind, health purposes, sport and pleasure. This group of motivators is seen to be linked to those activities which will reduce tension.
- 2) **Cultural motivators:** those identified by the desire to see and know more about other cultures, to find out about the natives of a country, their lifestyle, music, art, folklore, dance etc.
- 3) **Interpersonal motivators:** this group includes a desire to meet new people, visit friends or relatives, and to seek new and different experiences. Travel is an escape from routine relationships with friends or neighbours or the home environment or it is used for spiritual reasons.
- 4) **Status and prestige motivators:** these include a desire for continuation of education (i.e. personal development, ego enhancement and sensual indulgence.) Such motivators are seen to be concerned with the desire for recognition and attention from others, in order to boost the personal ego. This category also includes personal development in relation to the pursuit of hobbies and education (Cooper et al. 2005, 56).

The concept of motivation as a major determinant of tourism behavior is widely used by tourism authors. Yet most authors fail to provide a scientific basis for their motivation categories nor is any indication given of the proportion of tourists who would exhibit one type of motivation rather than another (Cooper et al. 2005, 59).

Although the motivation literature is still immature in tourism, there is no doubt that motivation is an essential concept in the explanation of tourist demand. However, we should remember that while motivation can be stimulated and activated in relation to the 'want' to travel, 'needs' themselves cannot be created. Needs are depended upon the human elements through the psychology and circumstances of the individual. There is also the crucial question of what types of motivation may be innate in us all, for instance need for physical contact, and what types are learned because they are judged as valuable or positive –status or achievement (Cooper et al. 2005, 60).

An understanding of travel motivation can also be approached by examining the kinds of motivation questions asked in surveys of travellers. Basic passport questions that are standardized around the world include only broad categories of motivation and are limited to such distinctions as “ Are you travelling for business reasons, for holiday, to visit friends and relatives, for a convention, or for other reason?” More specific market research questions are typified in the studies of “travel benefits” of the rewards of travel. It can be argued that these travel benefits or rewards can be seen as the outcomes or satisfactions linked to tourists' motives for travelling (Goeldner and Ritchie 2009, 252).

Frequently market survey companies or firms provide potential travellers with list of items that the researchers believe are relevant to the question of why people travel to particular destinations. These lists are often a mixture of attributes of the destination and select motives of the traveller. Example of this kind of motivation list is where *items* are on the left hand side. For example; going to place I have not visited before, personal safety, trying new food, easy to obtain visa etc. Then *mean importance rating* of these items is on the right hand side, where rating could be for example; 4 = very important and 1 = not at all important. (see e.g. Goeldner and Ritchie 2009, 252-253).

While such list of motivates and destination features mixed together are common in studies trying to explain the appeal of places, they have some limitations. In particular, the lists may not be comprehensive; they may reflect the biases of the researchers; they may not explore the relative importance of the various features

or reasons for visiting and incorrectly assume that all reasons are equally important. Additionally, the way in which the attributes are interrelated is not often considered. For example, the characteristics of “seclusion” and “exciting nightlife” may be mutually exclusive (Goeldner and Ritchie 2009, 255).

2.3 Sport tourism

Sport tourism is the fastest growing sector in the global travel and tourism industry, accounted in 2008 for +10% of the international tourism market. In 2008 the world’s travel and tourism generated approximately US\$5,890 billion of economic activity. With the contribution of travel & tourism to Gross Domestic Product (GDP) expected to rise from 9.9% in 2008 to 10.5% by 2018, the next decade will see tourism revenues exceeding US\$10,000 billion (World Sport Expo 2010).

There are many reasons for the sport tourism boom. Traditional Sun and sea vacations is often replaced by activity sport related holidays. This might also reflect the lack of time in our society. Sport holidays gives people a change to “kill two birds with one stone”. Big event such as FIFA World Cup, Formula One or Olympic Games seems to be growing bigger and bigger every year. Sporting events themselves are being made increasingly appealing to attend, with greater levels of comfort, and other events such as festivals being created around them. For the companies, sport holidays are also great way to increase their employee’s health and keep up the team spirit (see e.g. World Sport Expo 2010, Formula One Grand Prix 2010).

3. HOLIDAY RESORTS

Chapter three defines Finland's country profile, attractions as well as gives some strategic recommendations for the holiday resorts. For many tourist destinations, it is their attractions that often serve as the catalyst for tourist visits. Tourist attractions are becoming increasingly important. While there remains a debate about the effectiveness of these strategies, there exists also discord as to who should be responsible for investing in the development and maintenance of resources. The role of the public versus the private sector in attraction investment and management has become an important issue as both strive to balance the oft-conflicting needs of users groups and to enhance the quality of the attraction experience for all.

3.1 Country profile

Finland, officially the Republic of Finland is a Nordic country situated in the Fennoscandian region of Northern Europe. It is bordered by Sweden on the West, Norway on the North and Russia on the East, while Estonia lies to its South across the Gulf of Finland. The capital city is Helsinki. Around 5.4 million people reside in Finland, with the majority concentrated in the southern part of the country. It is the eighth largest country in Europe in terms of area and the most sparsely populated country in the European Union. The native language of nearly all of the population is Finnish. The second official language of Finland – Swedish – is the native language of 5.5% of the population. Finland is a parliamentary republic with a central government based in Helsinki and local governments in 342 municipalities. A total of about one million residents live in the Greater Helsinki area (which includes Helsinki, Espoo, Kauniainen, and Vantaa), and a third of the country's GDP is produced there (Population Register Centre 2010, Statistics Finland A 2010, The Association of Finnish Local and Regional Authorities 2010).

Finland was historically a part of Sweden and from 1809 an autonomous Grand Duchy within the Russian Empire. Finland's declaration of independence from

Russia in 1917. Finland is well placed in many international comparisons of national performance such as the share of high-technology manufacturing and health care. The country is ranked 1st in the 2009 Legatum Prosperity rating, which is based on economical performance and quality of life (World Audit 2010, Prosperity index 2010).

Finland is famous for its many lakes, nearly 200,000 of them, not including the small ones. Finland is also known to have excellent water quality, and green deep woods and forests around the sea, rivers, and the waterways. In Finland, tourists can sit on the shore of a lake, fishing, watching reindeer or moose and enjoying silence.

In wintertime Finland provides good opportunities for cross-country skiing and some for alpine skiing too. Many of the popular resorts are situated north of the Arctic Circle in Lapland, but there are exceptions like Kuusamo or Vuokatti, Katinkulta in the northeastern part of Oulu Province. Santa Claus is commonly known to live on Korvatunturi in Finland. In the town of Rovaniemi there is the Santa Claus Village for tourists to visit.

3.1.1. Nature and climate

Finland is a country of thousands of lakes and islands – 187,888 lakes (larger than 500 m²) and 179,584 islands (see also Figure 1 for a typical cottage view). Its largest lake, Saimaa, is the fourth largest in Europe. The Finnish landscape is mostly flat with few hills, and its highest point, the Halti at 1,324 metres, is found in the extreme north of Lapland at the border between Finland and Norway. The landscape is covered mostly (seventy-five percent of land area) by coniferous taiga forests and fens, with little arable land. The distance from the southernmost – Hanko – to the northernmost point in the country – Nuorgam – is 1,445 kilometres (898 miles) (Statistics Finland B 2010).



Figure 1. A typical Finnish cottage next to the lake, Viitasaari (Rytkönen 2009).

The Finnish climate is suitable for grain farming in the southernmost regions but not further North. Finland has a humid and cool semi continental climate. The climate type in southern Finland is North temperate climate. Winters of Southern Finland (average temperature of day is below 0 °C) are usually 4 months long, and the snow typically covers the land from middle of December to early April (see e.g. WWF 2010).

In the Southern coast, it can melt many times during early winter, and then come again. The coldest winter days of Southern Finland are usually under 20 °C (-4 °F), and the warmest days of July and early August can be over 30 °C (86 °F). Summers in the southern Finland lasts 4 months (from the mid of May to mid of September). In northern Finland, particularly in Lapland, a subarctic climate dominates, characterized by cold – occasionally severe – winters and relatively warm, short summers. Winters in north Finland are nearly 7 months long, and snow covers the lands almost 6 months, from October to early May. Summers in the North are quite short, only 2–3 months. The highest temperatures on the warmest summer days of July are rarely above 20–25 °C (see e.g. STT 2010).

The summer is marked by long days in Finland, especially in the far north where the sun does not set at all. Tourists can go fishing and canoeing. There are several large lakes, including lakes Saimaa, Inari, and Päijänne. Walking is quite a

popular activity in the summer. There are no high mountains in Finland, so climbing is somewhat limited. The highest mountain is Halti near Enontekiö. It rises 1328 metres above sea level.

According to the WWF, the territory of Finland can be subdivided into three ecoregions: the Scandinavian and Russian taiga, Sarmatic mixed forests and Scandinavian Montane Birch forest and grasslands. Actual tundra with permafrost is not found in Finland except for a narrow area in the extreme north. Similarly, temperate broadleaf mixed forests, with oak, elm, hazel and maple growing in the wild, are found only in the narrow area extreme south. (WWF 2010)

Large and widely recognized wildlife mammals found in Finland are the brown bear (the national animal), gray wolf, elk (moose) and reindeer. Some rare and exotic species include the flying squirrel, wolverine, golden eagle, and Arctic fox. Two of the more striking birds are the Whooper Swan, a large European swan and the national bird of Finland, and the Capercaillie. (WWF 2010)

3.1.2 Tourism in general

In 2005, Finnish tourism grossed over €6.7 billion with a five percent increase from the previous year. Much of the sudden growth can be attributed to the globalisation and modernisation of the country as well as a rise in positive publicity and awareness. There are many attractions in Finland which attracted over 4 million visitors in 2005. The value added by tourism is about 2.4% of the Finnish GDP, and provides around 60,000 jobs. The Finnish tourism brand is stated by the Finland Promotion Board. The brand has four main dimensions beginning with letter C: Cool, Contrasts, Credible and Creative (see e.g. visit Finland 2010).

The Finnish landscape is covered with thick pine forests, rolling hills and complemented with a labyrinth of lakes and inlets. Much of Finland is pristine and virgin as it contains 35 national parks from the Southern shores of the Gulf of Finland to the high fells of Lapland. It is also an urbanised region with many cultural events and activities. Commercial cruises between major coastal and port

cities in the Baltic region, including Helsinki, Turku, Tallinn, Stockholm and Travemünde, play a significant role in the local tourism industry. Finland is regarded as the home of Saint Nicholas or Santa Claus, living in the northern Lapland region. Above the Arctic Circle, there is a polar night, a period when the sun doesn't rise for days or weeks, or even months. Lapland, the extreme north of Finland, is so far north that the Aurora Borealis, atmospheric fluorescence, is seen regularly in winter. Outdoor activities range from Nordic skiing, golf, fishing, yachting, lake cruises, hiking, kayaking among many others. At Finland's northernmost point, in the heart of summer, the Sun does not completely set for 73 consecutive days. Wildlife is abundant in Finland. Bird-watching is popular for those fond of flying fauna, however hunting is also popular. Elk, reindeer and hare are all common game in Finland (see e.g. visit Finland 2010).

3.2 Holiday Club Resorts Ltd.

Holiday Club Resorts Ltd. is a leading resorts provider in Finland. That is why its core values and strategic direction is chosen to be presented. The background information of the company is presented earlier (in part 1.3).

The vision of the company is to be the leading vacation ownership enterprise in Europe by 2010 (Holiday Club Resorts Ltd. 2009). They try to achieve their objective through company purchases and by investing in the best holiday destinations. The mission is to sell dream holidays and implement them. Holiday Club Resorts provide land-based tourism. Land-based tourism includes safaris, trekking, and cultural activities, usually in areas connected to road networks. It is especially well developed in Alaska, Canada and in Finnish Lapland (Goeldner and Ritchie 2009, 256).

Holiday Club's values are to be; respected and reliable. The company states that it aims "to earn customers' trust and mutual respect through the professional way of working, by keeping commitments and maintaining high work morale. The work

is marked by benevolence; to respect each other as individuals, company care about their customers, colleagues and other people”. (2010).

Holiday Club Resorts will continue expanding. The main idea behind the week and sport shares is “why to buy the whole cow if you only wish to drink the milk”. The whole Holiday Club accounting year ended 30th September 2009. Besides of the global recession the result was the best in the history of the company. The *increase* of the shares was *plus 15 per cent*. This is remarkable result also because decreased of the tourism in whole Finland was minus 5 per cent at the same time.(2009).

Holiday Club Resorts will continue its long-term co-operation together with RCI. In 2008 RCI awarded Holiday Club -concern from the best result of the year. The target of Sotkamo where Vuokatti and Katinkulta locates is to increase amount of visitor to 800 000 by 2012. During 2007 the amount of visits was 480 000. Between 2007-2012 Vuokatti will invest 200 million €(Apiola 2009, 8-9, Keitel 2007).

Finnish resorts should be a rebellious alternative that appeals, to niche consumers as a cool, save, eco-friendly and globally relevant sport -lifestyle destination/brand for an audience. They should increase the global awareness of the concept and services. Themes like sophistication, individuality, pureness of the nature, quality, safety, family, peacefulness, and still cosmopolitan should be woven together to create the relevant brand story that resonates increasingly diverse consumer base in the Australasia.

3.3 Attractions

Attractions provide the single most important reason for leisure tourism to a destination. Many of the components of the tourist trip are demands derived from the consumer’s desire to enjoy what a destination has to offer in terms of things to ‘see and do’ (Cooper et al. 2005, 346).

Attractions often have to accommodate the numerous wishes of their stakeholders, the various expectations of different visitors groups (of then from different countries), meet the needs of owners, and serve on occasion as attraction ‘icons’ for national governments in international marketing strategies (Cooper et al. 2005, 346).

There are many different types of attractions, and a number of attempts have been made to classify them. Classification is possible along number of different dimensions such as: ownership, capacity, market or catchment area, permanency and type. Early attempts at classification were according to type, distinguishing between natural resources and artificial ‘man-made’ features or products. Man-made features were as follows: cultural including religion and museums, traditions such as folklore and festivals, and events including *sport activities* and cultural events. (Cooper et al. 2005, 347)

The division between natural resources and artificial attractions, however, is not always a clear cut. Many natural attractions require considerable inputs of infrastructure and management in order to use them for tourism purposes. This is the case of water parks, ski resorts, safari parks, aquaria and many attractions based on nature. This infrastructure may also be put in a place to protect the resource from environmental damage. In many countries, it is no longer possible to have open public access to many forests but in Finland it is (Cooper et al. 2005, 351).

3.3.1 Natural attractions

In the instance of natural features it is often the quality of the resources that provides the attraction, whereby location becomes secondary. Their appeal is both national and international. Thus tourists come from all over the globe. Traditionally, water-based resources, either coastline or lakes, have always been the most important tourism resources, and still are, but with more frequent holiday taking, the countryside and panoramic scenery have witnessed increasing usage. However, natural amenities are not only confined to the landscape but also include, for example, climate (which accounts for the dominant tourist flows

being North-South to Sun resorts), vegetation, forests and wildlife (Coope et al. 2005, 352).

The most common aspects of natural resources is that they are generally fixed in supply and are able to provide only a limited amount of services in any given time period. But in many cases, the services provided by this fixed stock of natural amenities can be put to several different uses. Thus if it is proposed to increase the land available for tourism and recreation purposes, it may often be at the expense of other land users (Cooper et al. 2005, 352).

3.3.2 Managing the attraction resources

Tourists should not destroy through excessive use the natural resources that they came to enjoy. This view is encapsulated in the concept of sustainable tourism development, which argues that economic growth is only acceptable if it can maintain, at a minimum, the stock of tourist assets intact from one generation to another (Cooper et al. 2005, 355).

It has already been noted that the application of capital, labour and management to the natural environment is often necessary to render them suitable for tourist use, as in case of a beach resort. This permits more intensive use of the beach provided that the necessary safeguards are put in place to prevent over-exploitation of the free availability of the resources in its role as a public good. One way to achieving this is to restrict accommodation provision to match the desired density of the population on the beach. A high-quality resort would aim at allocating 20 square metres per person, compared with 10 square metres per person for budget resort. In other situation, the degree of inaccessibility may be used to control visitor number. This might also become a future issue in Finland for some holiday resorts which have been built by very near to each other next to the lake, for example, Katinkulta and comparing the size of the beach of amount of tourists. Otherwise this scenario is not a big worry for the Finnish resorts (Cooper et al. 2005, 355).

While managing natural attractions that draw visitors both at the national and international level, it is common for the authorities to implement 'park and ride'

schemes so as to control the flow of cars in the area. Another popular strategy is the use of 'honey pots', whereby a variety of attractions, shops, restaurants and accommodation are clustered around one or two viewpoints to create a complex capable of absorbing a high population density (Cooper et al. 2005, 355-356).

Another example of managing the attraction's resources could be found from polar tourism. Managing large number of visitors on such environments is one of the many challenges of polar tourism. Conserving the environmental quality of the areas visited, preserving their cultural and social values, creating sustainable economies, and ensuring positive behaviour and the safety of the visitor are among the main challenges for polar tourism operators. Apart from impacts on wildlife and flora, other challenges, according to the region, include; impacts on indigenous cultures, high transportation costs, various degrees of availability of accommodation, seasonality, including; diversification of the product, rapid saturation of the infrastructures during the peak season, high costs associated with maintaining unused in fractures during the low seasons, abundance of mosquitoes and/ or extreme temperatures in winter in some locations and high turnover rate in employment (Goeldner and Ritchie 2009, 257).

3.4 Strategic recommendations

Based on the analysis of the current holiday resort business in Finland, we can recommend some main issues to be considered in future strategic development.

Create a new strategy

Resorts should respond to the increasing amount of upper middle class and rich people in the Asia-Pacific region, by creating some kind of future marketing plan and/or research new co-partners from those countries.

Increase the awareness

People will probably *not* choose to visit a place about which they have no knowledge. So a key factor in destination marketing is awareness. Most people think of great international destinations in terms of signature images and their

unique ambiance like for example Paris. Successful destinations analyse their strengths, recognize their weaknesses and work hard to promote the images, the ambiance and the 'sizzle' of their location. They also recognize the importance of working together (Dickman 1999, 181-182).

Create a new brand image

Be a desirable luxury destination for the active loving visitors from Asia-Pacific.

Secure the demand

It is necessary to secure Finnish holiday resorts' demand also in the future. According to the latest economic findings it is widely believed that the economy for example, in the UK will decrease slowly but surely during the next ten years while the economy in the Asia-Pacific should continue its increase.

Finnish airline company Finnair, is also investing more and more in its Asia-Pacific markets. Currently it is also the biggest and the most modern airplane company in Europe. This means that in the near future Helsinki and Finland will be one of the main stopovers alongside London and Frankfurt. Holiday Club and Katinkulta are already partners of one world and Finnairs' point system. Expanding the co-operation into larger marketing could offer an option to reach new customers.

4. EMPIRICAL CONSUMER RESEARCH

In this chapter empirical consumer research is presented and analyzed in order to provide new information. Understanding of these research results, and the ability to evaluate them in an effective way, is the main goal for researcher. However, at the end of the day it is always up to a company or the companies themselves how much they are willing to use different research results in their businesses.

4.1 Markets in Australia

Australia is a sophisticated and modern economy that is a major exporter of primary resources (such as mineral and agricultural commodities). Asian demand for minerals, metals, and energy resources had been an engine for growth nationally and in specific regions of the country - until the recent economic crisis. The resource boom had tested the limits of the infrastructure and many projects were on the books to invest in improvements. Australia's relative market appeal remains convincing with few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial sectors and a straightforward, English-speaking, business culture.

Australia's history, distance from the rest of the world, large land area and relatively small population led to market dominance by a few large firms in certain sectors, and this is also seen in the research results and use of the travel agencies. Australia is integrated into the world economy and remains a commercial and financial center for the region. Australia also has ready access to Asian and other, low-cost producers. Especially the country shares a warm and a close business relationship with China (see e.g. The Daily Telegraph 2010).

Australia enjoys a higher standard of living than any G7 country other than the United States. Australia's economic standing in the world is a result of a commitment to best-practice macroeconomic policy settings, including the delegation of the conduct of monetary policy to the independent Reserve Bank of

Australia, and a broad acceptance of prudent fiscal policy where the government aims for fiscal balance over the economic cycle. Largely due to the fall in revenue as a result of the global economic downturn, net government debt is projected to reach about A\$188 billion (U.S. \$150.4 billion) in four years. The previous government, drawing from budget surpluses, created the “Future Fund” to provide for future liabilities resulting from the retirement of civil servants. The Government of Australia is predicting negative 0.5% growth in the 2009-2010 fiscal year; the International Monetary Fund (IMF) predicted growth to be negative 1.4% for 2009 (Bureau of East Asian and Pacific Affairs 2009).

According to Tourism Research Australia, made in 2007, Australians prefer booking online. More than 1,300 travel businesses and tourist in Queensland Australia were interviewed by a research team to determine how travelers book their holidays. Research conducted at least 50 per cent of travelers plan their accommodation and transport on the internet, whether it is through a search engine, government website or a last minute booking site. Research reveals that although internet is popular to Australians for booking their travels and other travel arrangements upon arrival to the destination, but they are still hesitant to making payment online (only 14 per cent paid online). One explanation for this might found from the fact that you might get a better deal through the travel agency than from the internet. In Finland, for example, the normal price is always the same for everyone (unless you do not enjoy employee discount or similar) but in Australia the prices are a bit more flexible. Real life experience has also taught that the price sometimes depend on who you speak with in the travel agency (Tourism Research Australia 2007).

The study showed the internet is most popular when planning transport to a destination (58 per cent), accommodation (51 per cent) and transport from a destination (50 per cent). The report also discovered that tourism operators were over-spending on marketing through hotels when 83 per cent of bookings are made pre-arrival. The report concluded that internet is vital to Australian tourist in planning their holidays. We can also assume this is the case in most of

Australasian countries (see e.g. Tourism Research Australia 2007, Australian government, the department of tourism 2007-2010).

4.2 Target groups

Holiday resorts from Finland should end up knowing their target customer group so well that it meets its needs better than other firms or companies that casually sell to this niche/ target group. As a result, the niche marketer can charge a substantial mark-up over costs because of the added value; whereas the mass marketer achieves high volume, the niche marketer achieves *high margins*. The target for Finnish holiday resorts is to find one or more market niches that are safe and profitable. An ideal market niche is big enough to be profitable and has growth potential. It is one that the company can serve effectively. Perhaps most importantly, the niche is of little interest to major competitors. And the firm can build the skills and customer goodwill to defend itself against an attacking major competitor as the niche grows and becomes more attractive (see e.g. Brown and Fletcher 2005, 384-385).

One of the target groups can be wealthy people who are interested in about sport activities and their health. These are mainly individuals who are on holiday or are planning to go for it, families with one or two children, and couples who would like to explore or do 'something different'. Probably easiest target first are the people with European background.

Another target group would be business people. Destinations built their reputations and while they can be promoted by tourism agencies, these attitudes and beliefs cannot be created by them. A destination should be suitable for a management team and special events. It would be good especially for those Australasian visitors that have businesses in Russia or in Europe (Dickman 1999, 182).

4.3 Market research

It is a key strategic decision for a company to choose which market will be the most suitable for them to enter. In this case for example; which country or countries in Australasia would be the best to market Finnish holiday resorts. It is wise to narrow the number down due to the high costs involved in market research. Having carried out some proper research it is up to the company to choose which country would be the most suitable to enter, taking their capacity in consideration.

There are two approaches to locating suitable markets within countries to enter. The first being to determine the characteristics for the target consumers of the company's products or services and then examine the countries in order to find out if the markets contain a sufficient amount of the potential consumers, so that the entry will be profitable. The second approach is to establish in which country this would be the easiest to do in order to sell product or services (Bennett and Blythe 2002, 184-185)

Companies select suitable countries and target consumer types immediately based on their experiential knowledge excluding the momentum of carrying out market research, as approved by Uppsala model. The process of selecting the respective country or countries to enter is called marketing screening. There are different variations from marketing screening depending on the company. Shortly; market screening permits to identify a small number of markets based on macro and micro environmental factors (see e.g. Bennett and Blythe 2002, 188).

Population of the markets will be used as indicator for the estimation of suitability of the foreign market entry. Market size and structure is measured with the aim of researching of the size of the potential market in the respective countries in Australasia. This is demonstrated in the Table 1 below. It shows the countries where the population is higher than half million.

Table 1. Potential market size in Australasia (Australian government 2009).

Demographics –Potential market size Population in 2009		
Country	Inhabitants (in millions)	Position
Australia	22.2	1st
Fiji	0.85	4th
New Zealand	4.4	3rd
Papua-New Guinea	6.73	2nd
Salomon Islands	0.52	5th

According to Bennett and Blythe the key unifying feature of countries that have the highest rate of economic growth appear to possess a large number of skilled potential employees who knows how to operate new technologies and in general have a rapid growth of technological development, usually achieved by imitating the products of more advance countries (Benneth and Blythe 2002, 184-185).

After comparing different resources Australia and New Zealand has the best economy from all countries in Australasia including specific statistics from their economy. Australia's current unemployment rate is 5.3 per cent while the employment rate between 15-64 years-old working population is 71 per cent. (Countries average 62.1 per cent.) New Zealand's unemployment rate was 7.3 in February 2010, which is the highest in their history. Papua New Guinea had the lowest economy from all five. The country represents one of the only places on earth which has not been 'explored' yet and there was no existing or reliable statistics or rates from the economy. However tourism is rising fast there too and we could assume that after 20 years the growing population in Asia-Pacific and lack of space will drive people and big companies also to Papua New Guinea. The

country has vast amounts of natural resources (including gold) which has not yet been used.

Because of the facts above the empirical research is limited to Sydney. Sydney also represents one of the most multicultural cities in the world, reflecting its role as a major destination for immigrants to Australia. (Australian Government Department of Immigration and Citizenship 2010) Most of the immigrants also come largely from the other Australasian countries, so Sydney is the fastest and the easiest place on earth to get the information from such a large area. (The reasons for this are also stated in the introduction part, subchapter 1.6.)

4.4 Research process and methodology

In this thesis the following research process has been followed. The first stage was to define the problem and purpose of the study as well as to introduce the research method. The second stage of the research plan was to gather as much as relevant information as possible on the foreign markets entry process. In the third stage the most relevant information was used from the data collected in order to create a theoretical framework which the empirical study can be built upon. This theoretical framework will work as a guideline for the empirical research.

The empirical part is the fourth stage of the thesis and research plan. The fifth stage covers the research questions on the respective markets in focus. In the sixth stage the gathered data in the empirical part will be analyzed. The seventh stage will introduce suggestions for holiday resorts marketing plan based on empirical part. The eight stage is a conclusion and the last, ninth stage, is comprises the reporting of the findings of the thesis and the thesis as a whole in both a written and oral presentation. In this chapter, the empirical results are presented.

Any research brief should include the knowledge of what data is needed in order to achieve the objectives of the research as well as how the data will be obtained. This will determine the nature of the data to be collected. The research method can either be qualitative, quantitative or a combination of both and the data collected either of primary or secondary nature. There are also internal sources of

data that most companies possess relating to the record keeping of day to day events. Marketing, sales and customer records may provide useful information for the researcher but is often an underused resource. External resources of data provide practical information that can be obtained from everything from government agencies to computerized databases. This research is made with using quantitative research method, which is also called statistical research (Webb 2002, 29-41).

Quantitative research answers to the question “how many”. The results can be presented in quantitative statistical and numerical measures such as numbers, figures and graphs (Birn 2002, 147). The majority of all market research are conducted by using a representative sample of the total population from which quantitative data is retrieved through structured questionnaires. The respondents’ answers are recorded into quantitative for example; numbers which are to represent the opinions of the respondents in a simplified manner. Nowadays, the process of analyzing the data in a quantitative research is facilitated by various computer programs.

The disadvantage of using quantitative methods in research is mainly the cost and time that the collection of data requires. In order for the findings to be accurate the size of the sample has to be comparatively large. The analysis can be done relatively quickly since the results can be seen clearly, in comparison qualitative research, but the actual collection of data is resource consuming (Birn 2002, 148).

Quantitative research is, in relation to market research, concerned with the measurement of a market that may include for example; the calculation of market size and/or purchase frequencies. The quantitative data and methods in a market research offer a certain level of accuracy that a qualitative research method is unable to provide. Especially in consumer market studies, sample analysis from the general population or market is of particular interest. Although sampling is also used in qualitative research methods, the sample size in generally of a much larger scale in the quantitative research, thereby offering greater validity to the research (Hague 2004, 9-11).

4.5 Validity and reliability

Validity and reliability can easily be described with the comparison to a clock. A clock that always shows the correct time is both valid and reliable. A clock that is always ten minutes late is not valid because the time is incorrect but it is always ten minutes late. A clock that is inconsistent and is sometimes early and sometimes late is neither reliable nor valid. In market research, the researcher should always aim for both validity and reliability, though, this may not always be possible. Researches that are conducted over a long period of time should aim for reliability whereas a one-off research should aim for validity. Out of the two criteria validity is considered more important. (Webb 2002, 33-35, 148).

Validity refers to the extent to which a scale of measurement is capable of measuring what it is supposed to measure. As a result, the instruments used in a valid measurement have to be free bias error. Validity can also be used as a measure of the rigor and quality of a research, without rigor the research reflects fiction rather than reality and the research loses its value. Furthermore the author should be aware of the cultural differences in relation to the definition of validity, what is considered valid information in Scandinavia does not have to be valid in Australasia. In quantitative measurement the validity is determined by the capacity of the research to reflect the reality. If the variable retrieved from a sample in a quantitative research reflects the true variable of the total population, the measurement is valid. (Webb 2002, 148, Marschan-Piekkari and Welch 2004)

Reliability refers to extend to which a scale of measurement delivers consistent results. Consistency is a word that describes a reliable measurement well. A measurement that is reliable in entirely free from random error. In practice this means that if the same measure is to be done several times the reliable result will always be the same. Reliable measurements neither do nor however, imply a valid measure. Reliability in qualitative research is harder than in quantitative research. (see e.g. Webb 2002).

This research is a quantitative, empirical customer research (excluding one question). As mentioned earlier, this methodology should give more reliable research results compared to a qualitative research. There is no previous research made from the same topic, so comparing the empirical customer research results to the previous ones, unfortunately, were impossible. Based on this fact, the reliability of the research is not as good as it would be, if there would be two or more similar research results available to compare.

On the other hand, the amount of received responses were relatively high. Also invalid forms, that did not fill 100 per cent of all the set requirements of the research, were not taken into consideration (not measured or calculated). This brings reliability as well as validity into quantitative research results. The theoretical part is also mainly built on latest theoretical knowledge. Based on this, the research is considered to be current and valid.

The third consideration, which may decrease the reliability of the research, is the fact that this research was only made in one city, Sydney, Australia. Even though Sydney is the most multi-cultural city in the world, to gain more reliable research results, the empirical part could be done in the different countries or in the different cities.

Time spent for this research also does not provide the same reliability than those studies which have been done in a period of several years or several months. Taking into account these facts, this empirical customer research is considered to have higher validity than reliability.

4.6 Empirical results

Based on long-term personal experiences of timeshares system and RCI, conclusions about what holiday resorts can and cannot offer were made. Also some e-mails to the main managers of the Finnish holiday resorts were sent. From the received answers it could be seen that Finnish holiday resorts do not have this kind of research yet. Before starting it was expected that the companies would have done some market research earlier about similar topic because of their high

investments lately. This fact also affected to the thesis research plan, since the assumption was that there would be a lot more information available.

After researching different resources, questions were narrowed to be done for inhabitants in Sydney. In practice this happened at NSW University and assistance of the local travel agency. Relatively many answers were received in a few days. Totally over 138 answers were handed-in. The answers from European people whom were staying in Sydney only a few months were left out from the analysis, so that the quantitative research results would be as reliable as possible.

The purpose of these empirical survey is to find out what type of image people have about Finland (and Scandinavia), and which channels and connections people in Australasia prefer to use when traveling to Europe. The purpose of the survey is also to find out what makes North Finland holiday destinations appealing and what kind of holiday packages would be suitable for this target market.

The questionnaire was structured so that first there was Part A for those who have been in Europe before, Part B for those who have not visited Europe and Part C for everyone. Likert –scale was used as it is the most widely used scale in survey research. Totally 138 people answered the questionnaire. Due the research was narrowed investigating Australasia, only people who were originally from that area where accounted into research in the end to obtain the most reliable results possible. Altogether 92 questionnaires were included in the analysis.

The first question was a structured question of the gender of the respondent. Out of 92 answers 52.56 per cent were from males and 43.48 per cent were from females.

The second question was about the age of the respondent. There were five options: under 20 years-old, 21-29 years-old, 30-39 years-old, 40-49 years-old, over 50-years.

Two of the respondents were under 20 years of age, 30 of the respondents were 21-29 years-old, 39 people were between ages 30-39, three between the age 40-49

and 18 were over 50 years-old. The biggest group who answered was 30-39 years-old (see Figure 2).

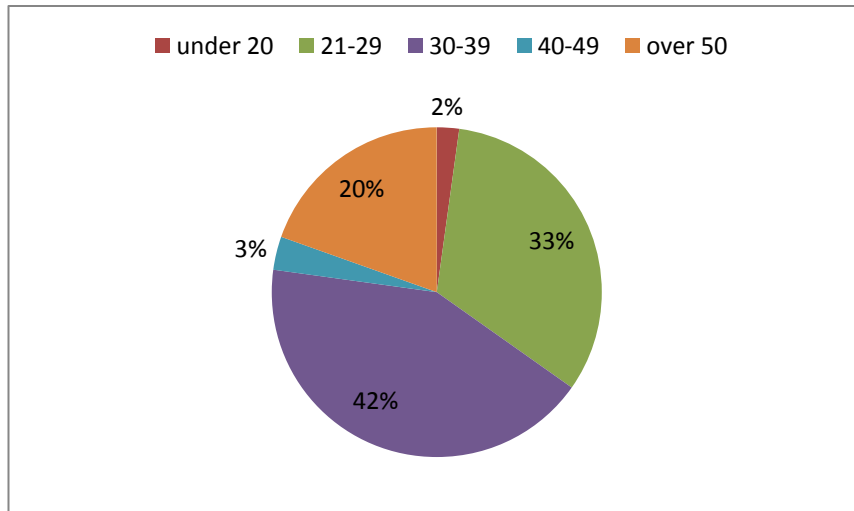


Figure 2. Age of the respondents.

The third question was about the country of origin and it was an open question. A structured option was available for those whose origin is Australia (according to birth certificate). Most of the respondents were from Australia with 49 per cent (see Figure 3). The second biggest group was people from New Zealand 23 per cent and the third one was New Caledonia with 10 per cent. The smaller amount of answers came from the other Australasian islands: Fiji 8 per cent, Tonga 3 per cent, Vanuatu 2 per cent, Papua New-Guinea and Tahiti both 2 per cent and the last one was American Samoa with 1 per cent.

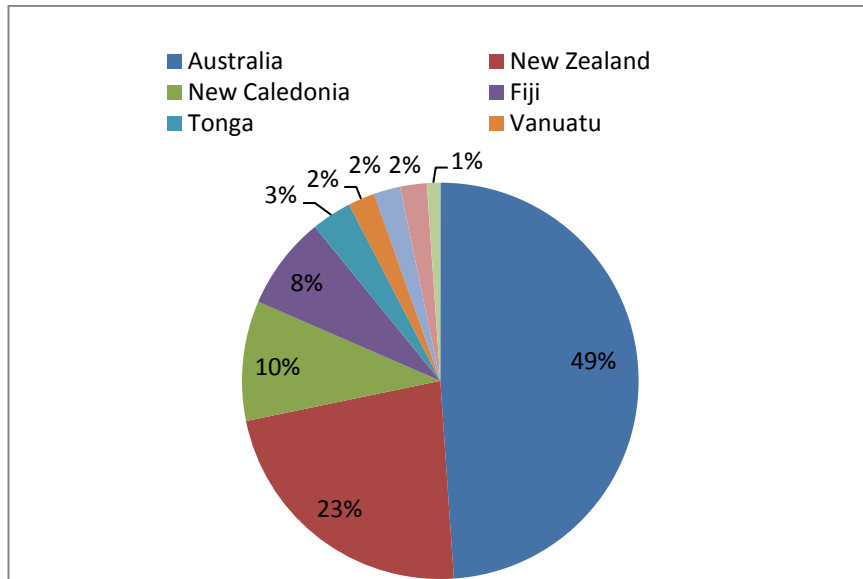


Figure 3. Country of origin.

The fourth question was about residency status with four available options: citizen/permanent residency, temporary or sponsorship, student visa or other. The residency status usually tells you clearly how many years the person has been living in Australia. Sydney is the most multicultural city in the whole world and has a large mixture of people and cultures. Out of 92 respondents, 39 were students, 22 citizens/ permanent residency, 21 temporary or sponsorship and 10 were others (see Figure 4).

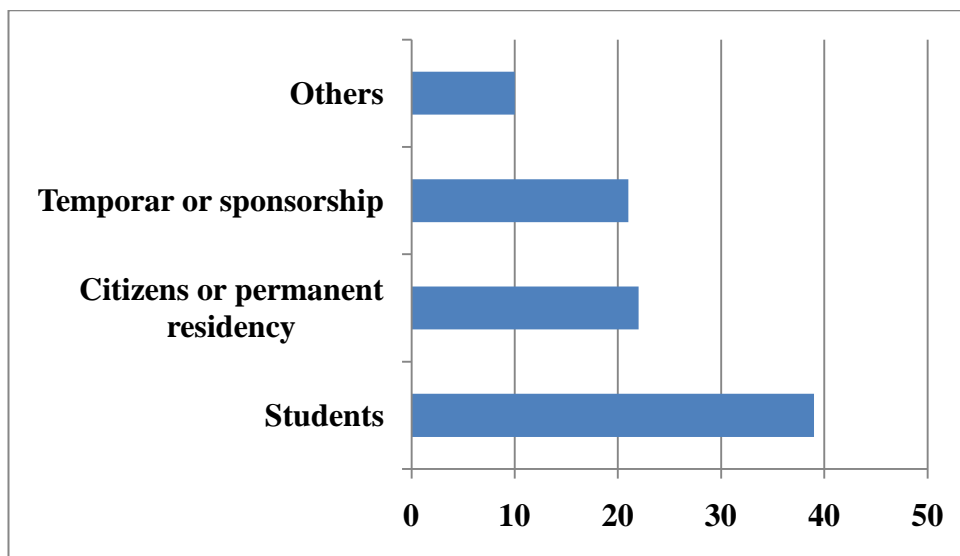


Figure 4. Residency status.

The fifth question was a semi structured question with an open option (occupation and a possible status) Two structured options (a student or an unemployed) followed by three other options: full-time, part-time or casual.

I noticed later on that this question could have defined better; because many had answered their occupation and that they were also students. Most of the respondents, 92 per cent said they are working.

The sixth question was asked if the respondent had been in Europe before. This was a structured question with yes or no options. This question also determined whether the person will continue either to Part A or to Part B. 63 out of 92 had visited Europe before which is 68.48 per cent and 29 answered no.

The seventh question asked if the respondent was an owner of any type of holiday timeshares. This was a structured question with yes or no options. If the answer was yes, the respondent was asked to specify where they owned timeshares.

It was a surprise to see that so many people had timeshares, 28 answered yes, 3 persons did not know are they owners or not, 61 answered no. Most of the timeshare owners were located in China, Australia or New Zealand.

After the general questions, there was Part A for those who had visited Europe. The first question in this section was about when was their last visit to Europe. This was an open question asking for the actual year of visit. It was important to find out the year because many things might have changed even in a short period of time. Out of 63 who had visited Europe, 51 had visited there during this century, and the 6 others had visited Europe before millennium 2000.

The second question in part A was which travel agency the person has been using (if any) before the trip for example, for booking the tickets or arranging the tours. This was an open question, but limited to the name of the main travel agency used. In case the person has not used any travel agency there was also an option for that. Travel agencies are very popular in Australasia compared to Finland. The price of your holiday and flights depends on which travel agency you choose to go to or even which staff member you speak with. The common way is to “negotiate” your own price. The price also depends on the demand at that time. In Finland the price is always pretty much the same for everyone and there is no flexibility.

38 from 63 had used the Flight Centre, 14 had used STA, 6 had booked their flight through the internet and 5 had used some smaller travel agencies like Harvey World. We can clearly see from the results that there are not many other travel agencies on the market who could be serious competitors for Flight Centre and STA (see Figure 5).

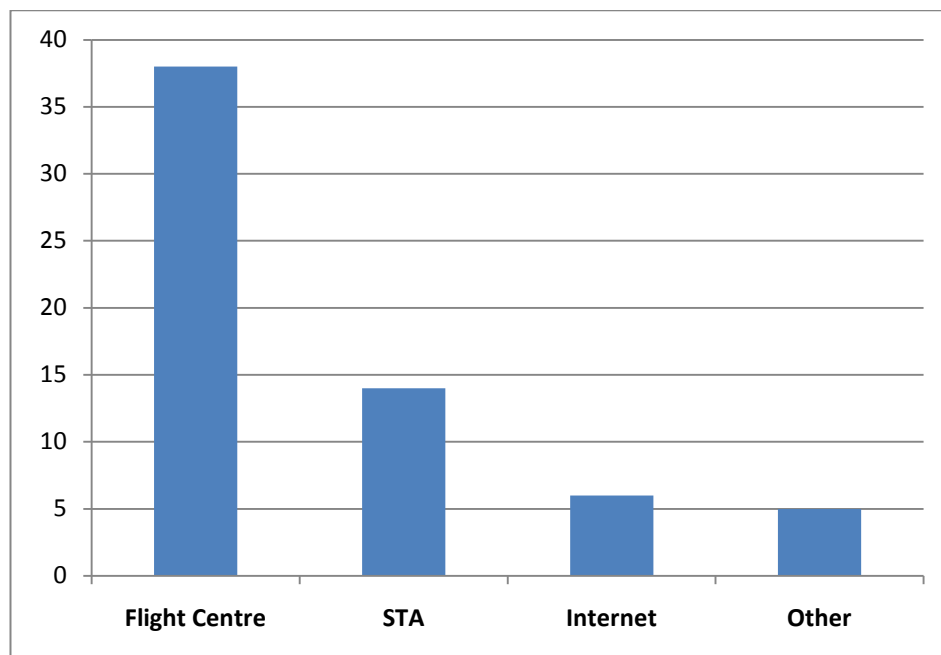


Figure 5. Used travel agencies.

The third question was about which airline company/ companies has the person used during their *latest visit* to Europe. This was a structured question with five options: Finnair, Cathay Pacific, British Airways, Qantas or some other company.

There were more single answers than there were respondents due the fact that most of the passengers have to or they want to use two or more companies during their trip to Europe. The most used air craft was Cathay Pacific with 20 per cent usage (see Figure 6). British Airways and Singapore Airlines both got 16 per cent, Emirates' collected 13 per cent, Finnair received 11 per cent, Qantas 10 per cent and Korean Air was the last with 6 per cent. Others got 8 per cent all together. This included for example Thai Airways and Malaysian Airlines.

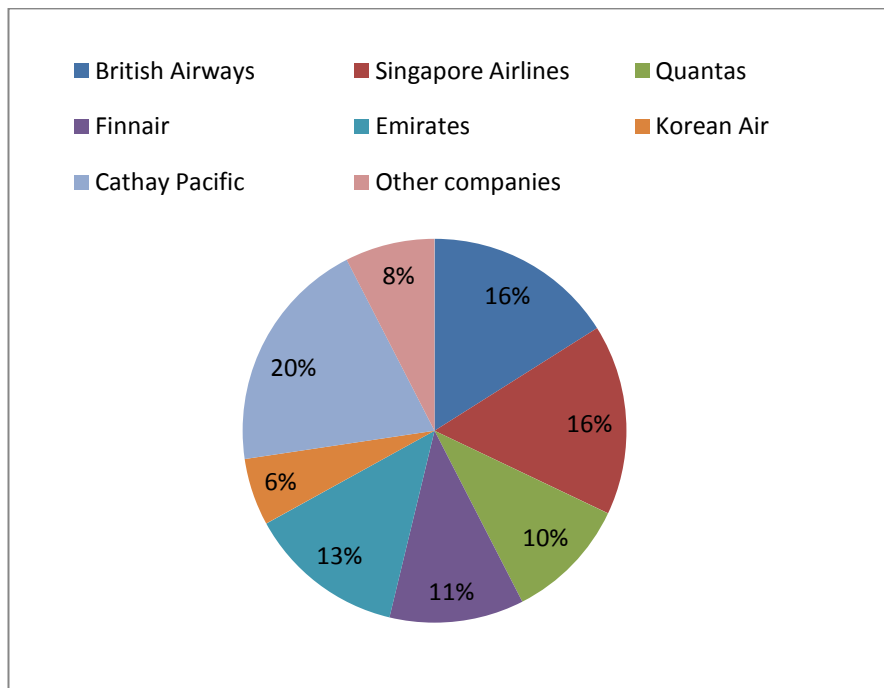


Figure 6. Use of the aircraft.

The fourth question was about finding an answer to an epic situation if the person would win a dream holiday to a country called Finland (located in Scandinavia) what kind of expectations he or she would have from the holiday. This was an open question. The purpose of it was to find out Finland's current brand image, and did the person even know anything about our country. This question also revealed if the person had ever visited in Finland, so it did not have to be asked separately.

Most of the respondents had really high expectations towards Finnish holiday resorts and they gave thorough answers to this question.

“To experience that sauna, and to lose a couple of kilos...” An answer from the 21-29-years old female.

“I would expect all tickets and transfers included in my 5 star dream holiday. I would expect a 5 star holiday resort with 5 star treatments. Each day I would expect a tour of the surrounding areas with a tour guide. All meals included. I would also expect to receive some spending money with certain options on how to tailor my holiday needs. For example my wife would like a spa treatment whereas for myself, I would love to play some golf at your top golf resorts.” An answer from the 31-39-years-old male.

“I would expect for my whole trip to be paid for. This includes: flights, hotels, tours, spending money and food. I would expect the hotel to be of the highest quality with all the extras. Spa, gym, pool, golf course and top quality food. Being a chef this is very important for me. I would love to have some tours that take me around the area where I can sample the local cuisine and experience the culture.” An answer the 41-49-years-old male.

Part B was for those who had not visited Europe. There was only one question in this section and it was about the main reasons why the person had not visited Europe. This was a structured question, and the respondents were asked to choose two main reasons. The answering options were: I have not had enough money to go over there, current rate between Euro and dollar, I am not interested in Europe, I have a bad image of Europe, I hate long flights, I could not get a visa, I do not have enough time to go over there or some other reason. The last question included an open question, and if they chose this answer it was asked to explain with their own words.

There were altogether 29 respondents, and the main reason seemed to be the exchange rate between Euro and Australian dollar. Most of these people were also non-citizens or non-permanent residents in Australia. Lack of time was the second biggest reason for these respondents and the third reason were lack of interest and the bad weather. (Especially stories about rainy England had created some bad images for a couple of people.)

The last part of the empirical research was Part C which was for everyone.

The first question asked if the person had a chance to travel up to Northern Europe and Finland what time of the year she or he would prefer to go to.

This was an open question with twelve (months) options. Overall a person from Australasia might not know what autumn and spring has to offer, especially in Finland. That is why it was important to know the right timing for the possible peak period, so that the focus of the marketing plan could be made correctly.

The most popular month was June with 21 answers (see Figure 7). The second one was August with 17 answers and the third one was May with 16 answers. December was the fourth one with 14 answers and July the fifth with 10 answers. The rest of 14 answers split over with 4 other months while October, February and April did not get any answers. The peak times are clearly seen from the statistic below.

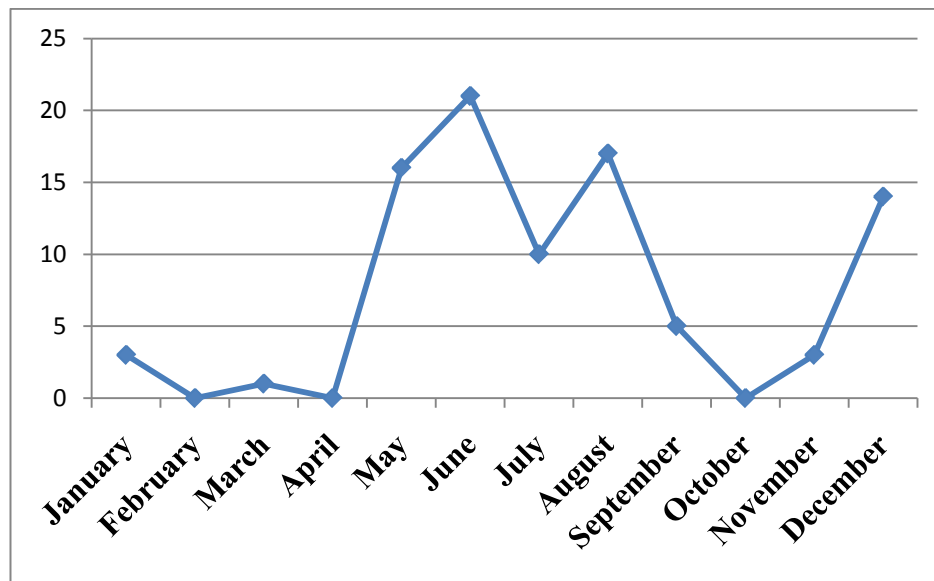


Figure 7. Monthly popularity/ peak periods.

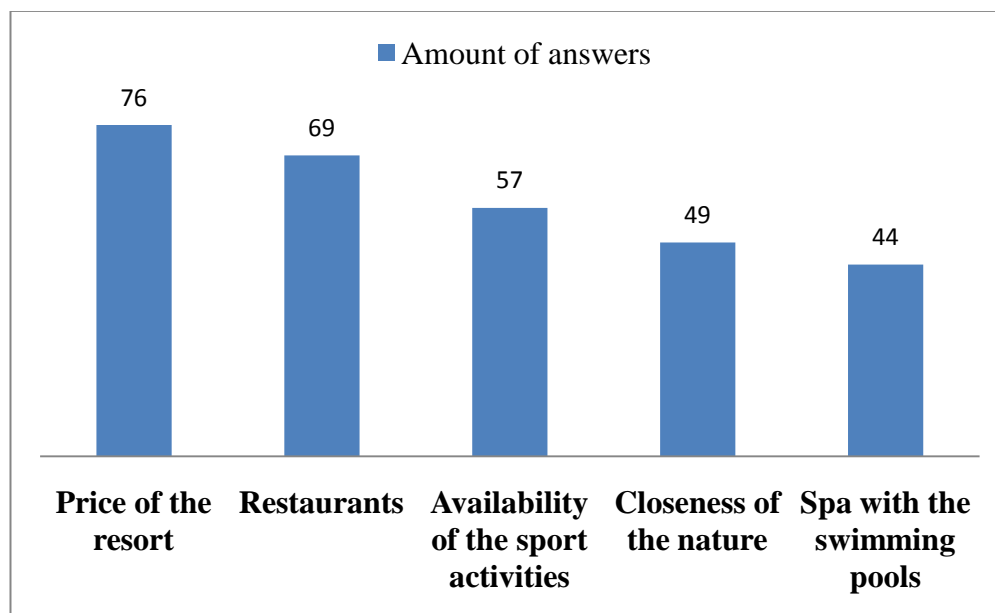
The second question in Part C was what type of holiday package the person would rather choose for a sport holiday. This was a structured question with three options: a full package (including all the food and pre planned tours and activities), partly designed package (including e.g. breakfast and/or option four guided tours/ activities) or plan the holiday themselves/ when arriving to the destination.

Partly designed packages were the most popular option, the second one was a full package and surprisingly the last one was a planning the holiday by themselves/ when arriving to a destination.

The third question in part C was if the person would spend holiday in a Scandinavian holiday resort, name three of the most important things that she or he would appreciate in the place. Once again this was a structured question with

21 optioned answers: price of the resort (low, normal, high), well educated staff (including good language skills), possibility for guided tours, local food, environmental friendliness of the resort, availability of the technology (e.g. Internet and satellite TV), availability of the sport activities, closeness of the nature, interior design based on local features, space of the room(s), quietness, a fireplace, sauna, buffet option in the mornings (breakfast), a full kitchen included to the accommodation, closeness of the water, nightclub included to the resort, Spa with the swimming pools, availability of the restaurant(s), quality of water. In addition there was an open option Other, what. From these optional answers it can be also seen estimated if the person would prefer to choose a hotel room or a cottage.

Some people ticked two boxes and some people had chosen four instead of three. However, all the answers were included into the research. The price of the resorts was clearly the most important factor in decision making process (see Figure 8). The second one was restaurants. The third one was availability of the sport activities. The fourth and the fifth most popular answers were closeness of the nature and spa with the swimming pools.



Total: 264 selections/ 91 answers

Figure 8. Main factors appreciated in a Scandinavian holiday resort.

The third and the very last question in this empirical customer research was which winter and summer activities would the person like to try out in Finland or would definitely not even try. The average has been calculated from each answer. Altogether 89 answers were received.

Scale:

1. Would love to do that
2. Could consider (maybe)
3. No
4. Definitely would not like to try this

The average result for an each question was calculated from the responses:

1. Skiing/snowboarding.
Result: would love to do that.
2. Original Finnish Sauna.
Result: would love to do that.
3. Swimming in a hole in the ice (combined with hot sauna).
Result: definitely would not like to try this.
4. Cross country skiing.
Result: could consider.
5. A reindeer or husky drive.
Result: could consider.
6. Snow motorbike.
Result: would love to do that.
7. Driving with the car on top of the iced lake.
Result: would love to do that.
8. Free berry picking in the forest.
Result: could consider.

9. Camping in the tent.

Result: no.

10. Fishing

Result: could consider.

11. Golf

Result: would love to do that.

12. Tennis

Result: would love to do that.

13. Swimming in the (clean water) lake

Result: could consider.

14. Hiking in the forest

Result: could consider.

5. SUGGESTIONS FOR THE MARKETING PLAN

The last chapter emphasizes the purpose of the marketing plan and factors that affect on the foreign market entry process of companies. The purpose of the last chapter is to analyze the research results in a practical way and to give ‘an extra’ value for the research. Marketing plans do vary in depth and breadth, depending usually on the importance to the firm of the product or service the plan is being prepared for, and the time period the plan is to intend to cover. Plan also varies according to the type of industry, product and even the preferences of an organisation’s management. Some organisations require extensive planning to be completed, while others take more flexible approach. In marketing career it is likely that people will encounter both views towards planning.

The preparation of a written marketing plan enables an organisation to articulate its goals and clarify the commitments that need to be made in order to achieve those goals. The marketing plan, usually a stand-alone document, is sometimes a separate section of a broader corporate business plan. It outlines the specific activities required to accomplish the outcomes (Dickman 1999, 48).

Product is quite often strongly linked with brand image. A place brand can behave just like a manufacturer’s brand, providing an umbrella of trust, a guarantee of quality, which kick-start the entry of its new ‘dub-brands’ on the market place. For a brand’s home town or home country to add helpful dose of free additional equity, the only requirement is that the product should ‘chime’ with its place of the origin in the consumer’s mind, and that some kind of logic links the two. The logic maybe simple or creative. In exactly the same way, brands from countries can range from simple national produce – pizza from Italy –to more unexpected but equally attractive pairing, such as skis from Slovenia (brand Elan) or phone from Finland (Nokia) (Morgan et al. 2004, 26-27).

Analysis of various strategies for international marketing follows the Western prescriptive approach where planning cascades in sequential steps from the broad mission statement to specific objectives. It usually involves firms matching their strengths and weaknesses against opportunities and threats in overseas markets in

a search for competitive advantage. The Western approach involves setting a goal and actions being geared towards achieving that goal (Brown and Fletcher 2005, 386).

When we are dealing with the tourism sector and services, the transformation cannot be compared to the manufacturing process. Manufacturing starts with product innovation, qualitative process innovation and quantitative process innovation. In contrast to that, tourism products *start with the quantitative process* innovation by taking already established products and using them to increase the efficiency of current service production. This in turn will lead to *qualitative changes* in the production system and then wholly transformed or entirely new service experience, which are the output of the tourism industry. Example of this brand extension of products that are output of another industrial process is for example; Legoland in Denmark (Cooper et al. 2005, 523).

5.1 Foreign market entry process shortly

The model which can be used in foreign market entry process is called Uppsala model, which comprises four basic concepts that are linked to each other. The concepts current activities and commitment decisions are related to changes in the internationalization of the company named whereas the concepts market knowledge and markets' commitment are related to the current situation, for example, how internationalized the company is. The main idea behind the model is that the internationalization process of a firm is driven by one mechanism, where the company acquires knowledge by operating in the market which improves the company's ability to see and evaluate business opportunities and eventually the ability to make new market entries (Blomstermo and Sharma 2003, 8-9).

Successful market entry strategies for Australia have three common elements: understanding the market, selecting the optimal partner, and providing ongoing support to that partner in the market. It is vital for the companies to first gain an understanding of the Australian context for a product or a service, its competitors,

standards, regulations, sales channels, and applications. Success in the Australian market often requires establishing a local sales presence. Finnish holiday resorts would be able to use the local agencies. An increasing number of businesses and investors see Australia as a secure platform from which to serve third markets in Asia. The distance from many of their trading partners and the sheer size of the Australian causes Australian firms to stress the importance of local support and service.

5.2 Analyzing Finnish Holiday resorts

Strategic recommendations were already presented earlier in the end of third chapter (pages 34-35). Some additional goals for strategic direction can be now presented based on the empirical results.

Growth is to grow the market share. The aim is to increase the market share and sales revenues. This would create a new core competence, in other words, to create a new competence weapon. Redefining holiday resorts strategies and actively finding new opportunities would grow up the business. This will lead to a new image in the niche markets and makes it possible to compete with the market leaders. Finnish holiday resorts have to respond to the changes when entering into Australasian markets to become favored holiday destination in order to create themselves 'a second brand image'.

Strategic expanding should be done by using local travel agencies. Use of Flight Center or STA -travel agencies are the most popular ones according to the empirical research. British Airways belong into same One World alliance with Finnish company Finnair. Use of this alliance in their monthly news/ ads would be beneficial, and to let the potential Australasian customers to know that the holiday resorts in Finland are partners of this joint-venture. (You can receive points or either use your points to get a free holiday in Finnish holiday resorts.) There are "positive signs in the air" to do this also because quite many people are owners of timeshares according to the research.

Stability is to analyze the new achievement and results after one year, especially growth against the costs of marketing. Also, making a qualitative research in the future, for instance by using a testing group from Australia would be a good idea in order to gain some direct feedback.

Strategic direction is a direct result of those high investments Finnish holiday resorts have been made during the past couple of years. Objective for the first year should be learning and developing services by analyzing the results as much as possible. To support the main strategic goals, a SWOT analysis was also made when is presented in Table 2 on next page.

The analysis *after* the research results shows that the nature, high quality and variable sport activities truly are strengths of the resorts also in Australasian markets. High quality stuff is not in the top priority but surely appreciated. From the weaknesses expensive price level (or mainly Euro currency) seems to be the biggest weakness. Also traveling during the winter period (extreme temperatures) seems to show low popularity. On the other hand lack of evening program did not seem to bother much, so it can be considered to be a low weakness.

Table 2. SWOT analysis of Finnish holiday resorts.

Strengths	Weaknesses
Pure and beautiful nature	Expensive price level
➤ Pure lakes and water	➤ Exchange rate of Euro
Peacefulness	➤ Not for low budget
Availability of different sport activities	No specific marketing plan
Special activities like; sauna, reindeer drive	➤ Tourist from Australasia or Asia-Pacific area
High quality	➤ Tourist further than from the neighbor countries
➤ Overall view of the resorts	
➤ Unique designing and use of the materials	Image of Finland
All sport activities; places, halls	➤ Lack of knowledge/ marketing
Highly educated staff	➤ Wrong images like; we are similar with Russia or Finland has ice bears.
➤ Good language skills	
Good place for many different events	➤ Long dark period
➤ Business seminars and meetings	Lack of evening program for younger people
➤ Vacation and leisure time	➤ Nightlife during the weekdays is usually poor/ not existing
➤ Sport camps	➤ No other big cities near the resorts
➤ Private events; birthday, anniversary	
Four seasons	Four seasons
➤ Long availability for winter activities	➤ Extreme temperatures
	➤ Cold winters, tourist do not want to freeze “to death”
	Finnish culture
	➤ Attitude towards foreigners especially from Asian countries is often considered to be distant
	➤ Generally Finns speak less than people from other cultures
Thousands of timeshare owners	Thousands of timeshare owners
➤ Sharing the risks	➤ Might slow down the decision making process (e.g. building a new tennis court)
➤ Global partners like RCI group	➤ Possible extra costs or fees

5.3 Marketing mix in marketing plan

Authors such as Booms and Bitner argue in 1981 that the marketing mix of four P's is not comprehensive enough for the tourism and hospitality industry. They have added three extra Ps into their marketing mix: people, physical evidence and process. The major difference is said to be the intangible element of human behaviour where quality and its control is of paramount importance. On the other hand Cooper et al. (2005, 681) believe that there is a need for more research into the industry and its marketing before the four Ps require revision. However, perhaps based on the fact that four Ps offer an adequate framework, Booms' and Bitner's extra three extra elements (Ps) could be measured by using other ways such as: training of the staff, personnel's attitudes and behavior. In-depth analysis shows that the best way of doing this would use Terry Garrison's triangle test from year 1996 (see Figure 9), which can be found from many books dealing with the international business culture. Therefore, in this research four Ps are used in the marketing mix. The marketing mix in this research is related to sport activities and provided holiday packages.

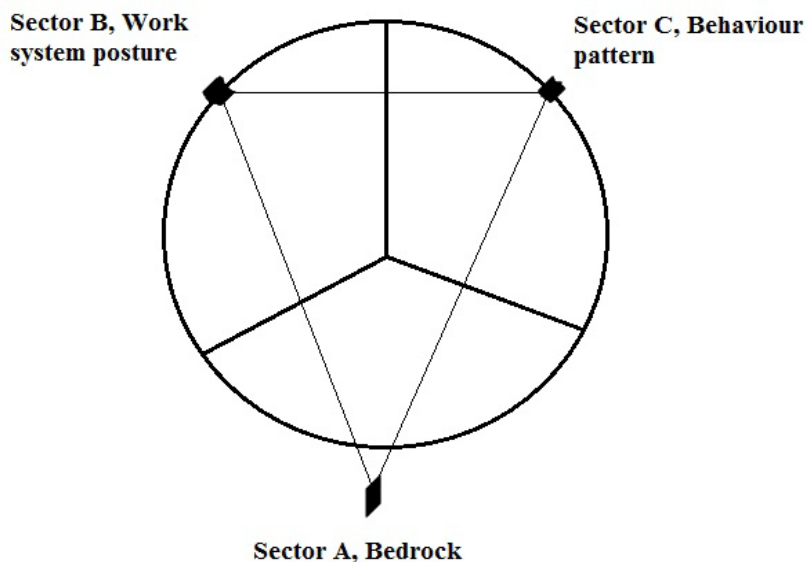


Figure 9. The triangle test instrument (Garrison 1996).

The similarity of different triangles means that those persons behind on them are able to adapt each other's culture or company's policies better, than compared to those ones whose triangles looks very different. The triangle is used especially in the cases were two or more companies are planning to become one, or are planning a joint-venture together. The triangle is a very useful tool especially in international business or when managing a multi-cultural context.

Despite of the limitations of the marketing mix and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it (see Figure 10).



Figure 10. Marketing mix (NetMBA.com 2010).

In the following subchapters, product, price, place and promotion will be analyzed in order to create new marketing ideas for Finnish holiday resorts.

5.3.1 Product

The product aspects of marketing deal with the specifications of the actual goods or services, and how they relate to the end-user's needs and wants. These can

include the brand name, quality and safety. The tourism product must be designed or amended to reflect consumer needs and wants. The correct positioning of a product will mean that the consumer can recognize it as being distinct from competitor's because theirs will be unique. Often intangible elements are associated with the product which will allow the organization to differentiate their offerings. Each product requires a particular marketing strategy to reflect the target group's needs and wants (see e.g. Horne and Swarbrooke 1999).

- 1) Full or partly designed packages of the resorts should offer basic full packages including: accommodation, possibility to enjoy local food, sauna, and guided tours. During the summer time option to play tennis and golf for free should be included to the package.
- 2) Extreme motor sport package, including snow motorbike drive, skiing, sauna and driving with the car top of the iced lake. Formula One and rally are also raising sports in Australasian region so this could be market with Finnish reputation connected to the resorts marketing. "This is called the adventure experience. In these experiences, the visitor is seeking the so-called adrenaline high" (Goeldner and Ritchie 2009, 292).

There is no need to create new sport activities just for this target market. The basic sport activities can follow the general line. Scandinavian quality seems to be also very well-known in Australasia, so there is no need to underline that for the tourists. Brand name Holiday Club Resorts or similar does not need to be changed. It is international enough and well recognized. After analyzing the results both hotel and cottage can be used in the same way than for the Finnish tourists. Size of the family is also same compared to Finland and average age to have a first child is also 31-years in Australia.

5.3.2 Price

Pricing is a key principle for any organization when it is marketing products and services. The price that an organization charges for its products and services must strike a balance between what the organization is trying to achieve in financial

terms, and most importantly, the needs and wants of consumers from the target group. Changes in the value of the currencies are also very important. Knowledge of the main currencies like USA dollar usually will effect to your own currency either directly or indirectly. If the hedging in this goes badly wrong it can ruin the whole business even if the company would achieve its other targets. The pricing decisions of organizations will be affected by number of factors. The most important factor is the perception of the consumer if price in relation to quality and value for money (Horne and Swarbrooke 1999, 184).

The price level generally should be as low as possible to attract the tourist from Australasia. Flexibility of the prices is also important, because of the differences in purchasing culture on the area.

5.3.3 Distribution (Placement)

Distribution is about getting the products to the customer. According to Kotler and Amstrong in 1994 ,“it is the set of firms and individuals that take title or assist in transferring title, to the particular good or service as it moves from the producer to the final consumer”. It is often the retailer who has the most powerful effect on the consumer when they are making their purchase decisions. The retail travel agent, for example, has a primary function in the relationship with the consumer on behalf of the package holiday operator (Horne and Swarbrooke 1999, 186).

Internet, as previous studies have shown, the companies' own web pages play a crucial part in pre planning. Travel agencies such as Flight Centre and STA are mainly used by students. Airlines/ alliances like Cathay Pacific, Emirates, Singapore Airlines and British Airways are the most oftenly used by tourists from Australia to Europe.

5.3.4 Promotion

In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response. It is the way in

which the tourism organization communicates in an effective way with its target customers. The methods of marketing communication that tourist organization uses can be: advertising, brochures, sales promotions, direct mail, point of sale material, sponsorship or personal selling.

Free holiday for selected people could be a good marketing idea, for example, a weekly competition in Sunday Herald's travel section is very popular. Personal selling could be used for example at David Jones which is similar to the Finnish Stockmann. They hold similar so called crazy days where people can buy high quality holidays in good price. The promotion in Australia and in New Zealand is generally same as in the UK. It is also good to remember that when you promote in Australasia you also promote your product to "the whole world" because of the multicultural inhabitants (and especially people from England and Germany). Major sport events such as Winter Olympic Games and Formula One Grand Prix in Russia, and major sport holiday exhibitions will be the future and must promotion places for this type of tourism.

5.4 Conclusion

With the objective of being a desirable destination for the visitors from Australasia, holiday resorts in North Finland *could* aim at bolstering their position as one of the few true luxury summer sport destinations. Making effective use of the many current and future opportunities offered by these markets, the research and marketing plan proposal will therefore be characterized by further expansion. Qualitative growth and long-term strengthening of the holiday resorts services including packages should be given priority.

Overall marketing Finnish holiday resorts to tourists in Australasia should concentrate on summer periods or Christmas. The resorts can market themselves through extreme holiday packages *excluding or limiting* usage of traditional Finnish habits such as swimming in a hole in the ice whole. Mainly those activities which Australasians already know seem to provide the most secure option, and adding an extra thing on top of that would be enough. High quality is

well-known so the marketing plan does not have to underline it. The local marketing would be best to do through the local travel agencies who know how to market products best.

In addition, a qualitative research could be used in order to design an in-depth marketing plan for Finnish holiday resorts. In-depth research on the distribution channels or the new opportunities, regarding on co-operation and overseas partners, could be done in the future.

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APPENDIX

Map of Australasia 2010. [online]. [referred to 20th March, 2010]. Available in online form: <<http://craigwsmall.files.wordpress.com/2008/07/australasia.gif>>

