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# Advertising through social media
## Advertising plan for a hotel

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**ABSTRACT**

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**Abstract**

# 1  INTRODUCTION

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organisational goals. (Bennett, Peter D., 1995.) Thus, it is represented by the rule of the 4 P's including Product, Price, Place and finally Promotion which regroups  the advertising function in marketing. However, for a good advertising work, all these 4 P's must be related to each other within the marketing plan in order to improve the its quality while targeting the market.

## 1.1  Aim of the thesis

This thesis was written in order to develop the advertising of the manor hotel Karolineburg, located in Kajaani, Finland, by using a social network as advertising media. This work also had as goal to show the possibility of advertising through a social network and the benefits it can bring along. As social networks are considered to be the new media of the moment, its utilisation may remain not very popular so far and so are its abilities and functions. Indeed, using social networks means to have a minimum of informatics knowledge, which not everybody has due to the fact that new technologies have developed so fast in the 1990's and 2000's that not everybody could afford to follow the IT trends. Nevertheless, for confirmed users, social networks are easily accessible in terms of price and familiarisation. Moreover, due to the possible success of social networks in the present and future, their possibility of use and their assets were important to be demonstrated in this thesis. More particularly about the functions of advertising social networks offer and the possibility to see and analyse result, unlike other media can not

have a proper image of the impact of advertising. Indeed, social networks give the possibility to see the result of advertising in form of statistics. Thus, advertising through a social network seemed to be a good opportunity for Karolineburg to improve its communication with its actual and potential customers.

## 1.2 Methodology

This thesis started with a desk research and it was very important to organise the material in order to maximise the efficiency of work and of time. Thus, a thesis plan was established which included every steps of the work that were dated in time and estimated of needed time. The work was planned with a schedule that was followed as close as possible or readjusted sometimes. This schedule was divided in two main parts whom the first one was dedicated to theoretical work and the second one to concrete work.

The theoretical part included all the desk researches from the ebrary of the school and were about the main topic in order to grasp this one and not diverge to useless contents. The second part contained the company case which illustrated the findings of the first part in addition to informations collected from an interview of the company. All the content of the thesis was organised in chronological way.

Thus, the first step was to find a topic which was interesting and suitable for a thesis project. Then, lot of sources from desk researches were red before to write anything with the intention of getting the maximum information about the topic. Once enough contents were founds, it was useful to select only the most important information suitable for the thesis and transcribe it with my own

words. The more the thesis was written, the more the content became precise. Indeed, the idea was first to define the topic in a general way, and further on it was evolving more specific. Once the topic was well defined and explained, it was possible to continue with the second part of the thesis which was about the concrete part. The second part included the company case and it was about applying the content of the first part to the company case. Thus, general information about the topic were selected and appropriated to the concrete company case. The project work was then defined and grasped with theoretical words.

Further to this, it was important to describe the goal of the work and what did it included. Resulting by analyses and findings, the work was then concluded by recommendations in order to add a point of view of reflexion after the work was done. The thesis was then ended by a conclusion which sum up all the content and give a general thought of the well-going of the work.

## 1.3  Reasons of this choice

The topic about the importance of advertising in business, has been chosen for several reasons. The first reason is that advertising is an important part of business as it plays an important role by its effects. Indeed, advertising is nowadays used by almost every types of business such as companies or hotels for example, but also by organisations or associations. However, it is while doing business that advertising is used the most. Another reason of this choice was based on a personal interest for future purpose which means, the creation of an own business in a few years.

# 2  THEORY OF MARKETING FOCUSED ON ADVERTISING

## 2.1  Definition of advertising

Advertising is a potential marketing tool and a component of overall promotion activities, where marketing is an operation of business. In a market plan, must be present, four variables as known as the nature of the product, the price of the product, the available place of the product and finally, the promotional activities of the product. These four variable are usually called: Product, Price, Place and Promotion, referred to as the 4 P's rule. A good combination of these four elements affects the ultimate sales success. Thus, advertising is a sub-component of the Promotion element as this last one may include many other components all related to the product promotion.

An important note that must be precise, is that these four variables of the market plan are inter-dependent and are influenced by each other. Indeed, every decision taken on one element is influenced by the other variables. For example, the price determination of a product would be judged as expensive if the nature of the product is belongs to the luxury category. Thus, advertising is not a separate function within business but a sub-factor of one of four main business elements all in correlation with each other. However, although advertising might not seem to represent an important part in the business, it has an serious importance by the value it can bring and by its influence on the other elements. (Chunawalla & Sethia 2008, 45-46)

## 2.2  The classification of advertising types

In our actual society, many categories of organisations use advertising. The most important are: manufacturing, trading and service firms. However, not only profit organisations apply advertising in their activity, there are also non-profit institutions such as associations or governmental agencies. Nevertheless, advertising has the same function but not the same nature and purposes. There exist different types of advertising depending on many factors that must be taken in consideration before advertising. The three principal means of classification of advertising types are: by geographical spread, by target group and by type of impact.

### 2.2.1  Geographical spread

The classification by geographical spread means that advertising can be dedicated to a specific geographic level according to actions. There exist three different geographical levels such as:

The first level is called national advertising, which means that advertising spreads to an entire country delimited by borders. Generally, most of the organisations belong to this category.

The second domain is local which means that advertising is restricted to a regional level, generally a city or a town. This domain is normally selected by starting organisations that first prefer to localise their marketing efforts before spreading to wider domain once success has been achieved. However, Local advertising is also commonly used by large firms, for example when pre-testing a new product before launching it on a national level.

Finally, the last advertising domain is global, meaning worldwide, where belong multinational firms trading with many countries on different continents. (Chunawalla & Sethia 2008, 84)

### 2.2.2 Target group

Advertising can also be classified according to the group they target their actions on. Here, four main target groups are identified.

Advertising can be directly dedicated to buyers of consumer products, meaning to the final consumers. Here, advertising is largely used due to the fact that consumer products are generally distributed on a wide geographical area regrouping a large population. Available on any general print media such as newspapers or magazines, advertising is intended to promote sale of the advertised products. Such advertising is called consumer advertising.

Advertising can also refers to the promotion of non-consumer products but more specialised products such as machinery and equipment, dedicated to a specific and so restricted target group of consumers. Such advertising is called industrial advertising and is issued by manufacturers of distributors to the buyers of industrial products. Here, as the targeted group is not as wide as the buyers of consumer products' one, the determination of the importance of advertising has to be taken in consideration.

These last two categories of advertising refer to the business type "Business to Consumer", also known as "B to C", where business deals from a firm to the consumer. However, advertising can also be used within the business type "Business to Business", also called "B to B". Indeed, manufacturers make a use of

advertising to promote their products to the distribution channel members, such as wholesalers or retailers. This target group is then recognised as a business, thus such advertising is called trade advertising.

Finally,  the last target group advertising can be directed on is named professional advertising where the advertised products are imposed to the consumers. Indeed, there exist certain products for which the consumers  do not have a choice to select their products. For example, within pharmaceuticals products, the buying decision for consumers is made by doctors who are professional people. (Chunawalla & Sethia 2008, 85)

### 2.2.3  Type of impact

According to the impact they are willing to have on the buyers, advertising can be classified on different categories depending on the demand, the action or the institution.

The first distinction that can be made between advertising is about the demand type. There are three different types of product advertising according to the nature of the buyers' demand. First, the demand can be primary, which means that the advertising is mainly focussed on the category of the product rather than on a specific brand. Such advertising is called Pioneering advertising.  On the other hand, a Competitive advertising is mostly directed on a specific product brand where the demand is called selective. Here, two types of competitive advertising exist: Direct type, where advertising intend to stimulate immediate purchasing of a particular brand; and Indirect type, where advertising intend to stimulate purchase of a particular brand at some future

time. Finally, advertising can be used to remind the buyer about the still existence of a product on the market, in order to avoid its non-usage anymore.

Advertising can also be differentiated wether if it implies direct or indirect action. This differs according to the type of the advertised product. Indeed, two main categories of products are distinguished such as consumer products and industrial products. Products are called Industrial products when they are for indirect consumption, such as plant, machinery or equipment; whereas Consumer products are for direct consumption, differentiated also by two categories: durable products like domestic appliances, and non-durable products like food or medicines. Then, according to the nature of the product, advertising can have direct or indirect action within the consumption. Note that regarding service advertising, they are mostly used for direct action but can be more or less durable according to the type of service.

Institutional advertising refers to the product environment building in consumer's mind. It is also called public-relations-approach advertising, due to the fact that the built story around the product is here to link the buyer to the product. Institutional advertising may present its point of view about a cause and the efforts it has taken to help this cause. The aim of institutional advertising is not to promote sales directly but to communicate a positive image for the firm in the eyes of internal and external public. (Chunawalla & Sethia 2008, 86-90)

## 2.3  Means of advertising

Besides the functions of advertising and its effects it can bring within business, advertising can be of many forms called medias. The term media is plural for

medium which is basically a channel of communication that serve many diverse functions, such as offering a variety of entertainment with either mass or specialised appeal, communicating news and information, or displaying advertising messages. The media carry the advertisers' messages and serve as the vital link between the seller of a product or a service and the consumer. There are many different types of media that can be used for advertising. They all use different materials or technology and are usually classified in two categories: Above-the-line Media and Below-the-line Media. The main difference between these two categories is that they both are emit by advertising agencies but in the first one, these ad agencies get commission from the media, whereas in the second one they do not. However, Above-the-line Media are the most common and the most used in the actual society, and are listed in five groups. (Chunawalla & Sethia 2008, 179-180)

### 2.3.1 Print Media

The first category of media is called print media. They regroup advertising forms such as daily and weekly newspapers, consumer and specialised magazines, and direct advertising like post mails. Advertising in print media is the oldest type and also the largest in terms of billing. Indeed, according to the history, Egyptians were the first people to use print media as form of papyrus to communicate sales messages. Nowadays, advertising agencies spend more money on print media than any other medium because it is cheaper and faster to produce and place advertisements in print. There is one advantage of using print media, and especially newspapers, it is that they can include local advertising. Indeed, unlike national newspapers, regional ones have the possibility to provide advertising in a geographically segmented market. Thus the advertising message delivered is more effective because it is addressed to a

targeted population. However, one of the disadvantages of print media is their short life. Indeed, usually print media like newspapers or magazines are read as soon as delivered and then thrown away. Thus, advertisements can be seen only once and then also have a limited impact.

The image print media can also transmit is sometimes not a good thing for firms. Indeed, although they used to look very fresh and revolutionising at a certain time, nowadays some print advertisements might look old and non attractive. Moreover, when advertising agencies increase considerably their amount of printed copy,  their budget become too important for continuing using print media, and so automatically, switch to broadcast media. Print media is considered to be the first revolution of advertising but electronic media are the second revolution. (Chunawalla & Sethia 2008, 204-218)

### 2.3.2  Broadcast Media

Broadcast media are the second category of media and regroup electronic supports like radio, television and narrow-cast Media. These types of media are more sophisticated than print media due to the utilisation of electronic technology.

The first radio was introduced in 1887 in India, where it first was used mostly to transmit information and later some entertainment too. In 1926, in the United States, the first brand was advertised on the radio which launched the beginning of radio advertising. Since then, the number of radio stations have radically increased and must be present almost in every country in the world. Nowadays, still, a few might come up but this is not in order to expand, but to consolidate the position of the radio medium in the society. Indeed, radio

medium has had its glorious years since its invention but nowadays, the competition with other media, like television for example, prevent radio to develop itself anymore. However, radio medium is not to be consider as a disappearing medium and for good reason it is still used a lot in spite of its oldness. Radio is an instant medium, which means that broadcasting information does not take lot of time. Usually, if a disaster happens, radio is the first medium that will broadcast information. Its rapidity of information transmission is one of its advantages which gives it the name of medium of immediacy. Another advantage of radio is that it is the only electronic medium that works all the time. In case of a blackout in the country, while any other electronic supports would not be able to work, radio remains active to transmit information due to the fact that radio is mobile and can be received on transistors. Indeed, radio can work with the help of batteries and so does not need to be plugged to electricity. This is an very important point regarding advertising by the fact that advertisements can be broadcasted movably. Moreover, radio adverts can be produced quickly and without being so expensive. Thus, radio medium can be affordable by small companies with restricted advertising budget.

However, there exist several issues regarding radio advertising. The main one is the possibility of misunderstanding by the listeners due to the fact that radio medium transmits only words which have to be clearly understandable. If not, the auditors cannot make up the vision of the advertisement in their mind and the communication message will be failed. In addition to that, some products like new technology items, can require a picture visualisation by the listeners, whereas radio is only words. The difficulty of product communication is the main disadvantage of radio medium. A issue that television can solved by illustrating pictures. (Chunawalla & Sethia 2008, 243-257)

Television has been introduced in 1928, approximatively at the time when radio started broadcasting advertisements. Television was then, late in media activity but has every chance to be successful. Television combines the use of sight, colour, sound and motion at one. Also often called "king" of the advertising media, it is also the most expensive medium until now. The first advertisement on television arrived in 1941 in the United States where for once, people could have a proper image of what was advertised. Indeed, television was the first electronic medium being able to use sight and sound, whereas radio only required hearing. Thus, the main issue of radio medium was solved thanks to the pictures television can transmit and so, avoid any misunderstanding by the viewers. In fact, television brings the plus that was missing in radio and that makes it now the most popular medium. Thus, regarding advertising, this sight particularity allows television to give an advertised product or service instant validity and prominence. Televiewers can clearly see that what is advertised is real and also how it looks like. Although viewers cannot touch the product and see it for real, giving them a picture of it can comfort their mind and make them giving importance to the product. The first televisions were in black and white colours and so the advertised products were not revealed properly. However, it was much more easier for people to identify an advertisement in black and white than imagining it in their mind after listening to the radio words. Television was already then an important medium but after a few years its success increased with the introduction of colour television in 1953. Then, televiewers had a better possibility to visualise what was advertised and enforce even more their mind.

Nevertheless, the addition of sight and colours in media was not the only advantages of television. Like radio broadcasts advertising between entertainment breaks, television does so but advertising are selected according to the entertainment programmes. Television advertising can reach the audience

that was targeted by the entertainment programmes broadcasted. For example, since its launching, television offers many kinds of programmes dedicated to specials audiences like music video clips. Thus, during advertising breaks of this programme, advertisements broadcasted are related to music environment in order to target an audience which is already attracted by the same entertainment.

In addition to that, television medium is a good mean to transmit creative advertising. Television programmes and advertisements are recorded with cameras that can be transported anywhere. Thus, through advertising, companies can take their audience anywhere to enforce the advertising communication. Thanks to this, unlike radio medium, people do not have to imagine the background of the advertisement because it is already displayed to them through colourful pictures and sounds.

Regarding the disadvantages of television, the most important one is the cost. Due to the fact that television broadcasts programmes for a very large audience, much larger than radio's, companies strive to spread their commercials on television, in order to target the maximum consumers possible. Except the fact that making a television advertisement requires an important budget for technical materials, television advertising remains very expensive and is based on two variables: The amount of viewers who watch the television channel or even only a specific programme; and the time during the day the advertisement is broadcasted. Depending on it a TV channel is popular or at least a specific TV programme, firms know that it attracts lot of viewers and so potential consumers. That is why, the more a TV channel or programme works, the more expensive advertising on it is. In addition to that, according to some surveys, there are times of the day where television is the most watched. Thus, advertising price can also differ according to these peak viewing figures. Unlike

radio medium, television's transmission usually covers mostly at national level, forsaking local targets. Thus, communication is very wide and nowadays even more thanks to cables and satellites, allowing national TV channels to be watchable worldwide. Television is then maybe not the best medium for local advertising and restricted budget, depriving small firms to have access to it. (Chunawalla & Sethia 2008, 219-242)

Finally, the third category of broadcast media is called Narrow-cast media and regroups actually cinema, video tapes, or any video types which can support advertising. Narrow-cast media can be assimilated with direct marketing which is represented by advertising made to reach consumers directly as an individual. Whereas radio and television are used to broadcast information to a general public, narrowcasting is more exploited to reach a specific segments of public and is also called niche or target marketing. Advertising through cinema is possible by two methods. One by print media as prospectus and the other one, by projecting advertisements, called ad films, in cinema halls before launching a movie. However, ad films are very expensive because they have to be put on a film tape by professionals, in order to be projected. This operation requires professional skills which explains the cost of this type of advertising. Although cinemas attract all age groups, all sexes, all incomes, so all audience, it is an entertainment dedicated to a certain population and cinema advertising has to suit with it. Cinema ensures a captive audience by the fact that people come to watch a movie of their choice which increase their degree of concentration even for advertisements. In addition to that, the audience of a cinema is usually local and so advertising can be. Cinema advertising is actually the local advertising that television doesn't propose, even it remains an expensive medium compared to radio or television. (Chunawalla & Sethia 2008, 286-287)

Another example of Narrow-cast media is advertising that can be found on video tapes or DVDs and which is called Ad films. It started on video tapes by advertising agencies who  implanted advertisements on the tape of a video before the main content. Nowadays, video tapes are not very used anymore by consumers because they have been removed by DVDs. Nevertheless, they also carry some adverts. Usually, the purpose of these ads is to promote other contents that are related to the actual content the consumer is watching. For example, for a movie DVD, implanted advertisements are here to promote other movies the viewers could be interested in. This narrow-cast medium is totally dedicated to a specific public by the fact that the consumer of a DVD has for purpose to watch it himself and not share it with thousand other people. This is the aim of narrowcast advertising, it is dedicated to a specific audience with selected advertisements in relation with the entertainment content. (Chunawalla & Sethia 2008, 287-288)

### 2.3.3  Outdoor Media

Outdoor media is actually the oldest mean of advertising by the fact that it dates to the days of ancient Rome and Greece. This form of advertising is represented by advertisements signs that can be found almost everywhere. Indeed, the modern outdoor media can represent advertising in several forms such as posters, billboards, roadside signs. Outdoor media include also Transit media which is represented by advertising place on public or private transit vehicles, trains, subways, planes.

The purpose of outdoor advertising is to reach consumers as an element of the environment. Unlike print or broadcast media, outdoor advertising does not

need to be own by the consumers, it is freely provided to them as a integrated part of their life and without any entertainment to keep them attracted.

Outdoor advertising belongs to the public domain and is then dedicated to a large very audience. Even if people are not interested in the ads, they are exposed to them and cannot get rid of them by throwing them away like a newspapers. This type of advertising is very effective due to the fact that people are in contact with it many times a day without looking for it.

However, outdoor advertising is considered to be a glance medium by the fact that it only takes a few seconds to read it. Only a few seconds where the consumer is attracted. Ads have to be like a flash in readers' minds but are most of the time misunderstood because of this short captivating time. This is why outdoor advertisements are usually put in high traffic areas, where people or vehicles are often not in motion and then more time is available to read the signs. (Chunawalla & Sethia 2008, 271-279)

### 2.3.4  Internet Media

The latest type of media, due to the development of technology, is represented by Internet media. Internet is the latest developed electronic mass medium of the 20th century. It is a decentralised, internationally network of computers that share a communication protocol which facilitates the exchange of information. This network provides some communication services like e-mail correspondence but also the web application which is actually a full collection of all computers linked to the Internet which contains information that are mutually accessible. In these information are included internet advertising.

Internet advertising can then be in two possible ways: The first one through e-mails and the other one through the web. E-mails are electronic courier exchangeable via Internet as soon as e-mail addresses are linked together. It is possible for companies to send advertisements to their customers via e-mails only if they own their e-mail addresses. However, this system of addresses ownership is a limitation to advertising by the fact that the targeted audience is restricted by this rule. In this case, it is more advertising which comes to the audience.

Meanwhile, advertising through the web is more free and dedicated to a larger audience. Indeed, because the web is a network accessible by any computer, information are called "online" and then reachable at any time. In this case, it is more the audience who comes to advertising. Web advertising can be found mostly as adverts directly integrated to websites like banners, but also as pop-up windows which are new arising windows exclusively of ads.

The main advantage of Internet advertising is that it is available 24h/7 and up to 365 days a year at low costs. Firms just need to put their advertisements online and wait for consumers to read them. Web advertising, by short messages or pictures is easily readable, also dedicated to a very large audience. Nowadays given the facility to access Internet, the number of users is about more than 2 millions and keep increasing. Being thus, an important population of potential new consumers for companies. Nevertheless, even if consumers are not totally comfortable with this new medium, more and more companies come forward to do internet advertising. From a commercial perspective, since its beginning, web advertising has a glorious success and its future seems profitable. Internet media is also called the media of the new millennium. (Chunawalla & Sethia 2008, 258-270)

## 2.4  The functions of advertising

One important task of advertising is that the consumer understands it. There is no point to create an advertisement if no one can understand what it is about, where to find the related product or service, and what is it for. It is also very important for the advertiser to know what the consumer understands by the advertising. Each person has his own ability to perceive messages and interpret them. That is why advertising can be focused on a particular group of people that the advertiser would have learned about their understanding capability.

Advertising has two main functions which are : the informative and the persuasive functions. However, the only reason why there are advertisements is to persuade the consumer. Indeed, it would be pointless to inform the consumer about a product or a service, without making them interested. Thus, advertising is called as informative due to the fact that it introduces a product or a service, but in fact there is much more behind a simple advertisement: persuasion. From this persuasion aspect, we distingue two kinds of advertising: moral and immoral advertisement.

Moral advertising is when the advertiser use rational or irrational means as long as it promotes a product or a service which is essential and useful to the consumer. It is not legal to consider advertising as moral is its persuasion effect is based on corruption and misuse. Then, it is called immoral advertising. For example, advertising for slave auctions and cock fights are immoral because the products promoted are socially and/or physically harmful.

Without advertising, consumers would maybe not pay attention to some products which have potential benefits for them. Therefore, advertising is here to persuade people to seek and purchase these products. Just by the fact that a

product or a service is promoted, the consumers may change their mind to feel interested in buying. It might be products that they do not really need at the moment but when they saw the advertisement, they felt the desire to purchase. This is the force of advertising, and its main function. However, it is considered also that advertising can be too persuasive and abusive of people behaviour. For example, the advertisement of an insurance company which promotes and persuades a young father to subscribe a life insurance for his family in case something happens to him. The need of its insurance was maybe not urgently required, but advertising created a new need in his life and persuaded to take it. Advertising is linked to consumer needs and works on them to persuade.

As Maslow explains it in his hierarchy of needs, a normal human being has different kinds of needs during his life, categorised in 5 sections. Once a category of needs is satisfied, needs from another category are requested by the human. First, the physiological needs which are the basic needs a human body requires: to eat, to drink and to sleep. Then are the safety needs which implied: home, employment, resources, family, health, property. The third category is about being loved and belonging to a social group. Then it deals with esteem such as respect of and by others, achievement, confidence. And finally, once all these previous needs are satisfied come the self-actualisation needs which include morality, creativity and especially self-esteem. Thus, according to this hierarchy of needs, advertising can be focused on a particular category of needs where it is sure to have the most potential of persuasion.

Nevertheless, advertising can be qualified as abusive when it has a too strong power of persuasion for a need that the consumer does not necessary require, because it denigrates human reason. Human needs must be desired before to be satisfied. Otherwise, if all human needs would be satisfied a once, this can conduct to a boring human life. (Pant 2007, 30-45)

## 2.5  Importance of advertising

Advertising has its own role and importance in business, by the fact that the marketing of any business is guided by a market plan which always includes four important variables which are: the product, the price, the place and the promotion. This concept of variables is called the 4 Ps and was developed by Edmund Jerome McCarthy in 1960. The combination of these variables affects the ultimate sales success and are all inter-dependent and influenced by each other.

Product refers to the product or service that is sold. Price means the value the product can be acquired. Place refers to the channels of distribution which takes the product from the producer to the consumer. Finally, promotion means all the promotional activities of the product, where advertising is one sub-component. Promotion does not only mean advertising but includes also branding, sales promotion, publicity. Here of course, the focus is on the promotion category and especially on advertising.

The specific role of advertising is of pre-selling to present and potential customers. Advertising is made to attract  a population in order to promote sales. This refers to the main functions of advertising where information and persuasion are linked between the product and the consumer. Only by the fact that advertising has the role to inform the consumer about the promoted product, gives all its importance to advertising. Except the persuasion aspect, sharing information about  a product to the consumer is giving birth to the product and launches the sales. If there were no promotion, the current marketing plan could not achieve and be so successful. Promotion is somehow the final step of the marketing plan where a lot of work has been done earlier and needs now to be revealed to the consumer.

However, advertising is established according to the nature of the other variables. To start with the product which is the main thing advertising focuses on. The better a product is, the better its advertising must be. It is, indeed, very important that the quality of an advertisement  is representative to the quality of the related product. Thus, the nature of the product establishes the expected quality of the advertising. It is, then, not that easy to dose the quality of an advertisement at the risk of depreciate the product or over estimate its value. That's why it is important to understand the consumer behaviour. However, like an old marketing axiom rightly states "without a good product, you have nothing." Advertising can not do everything is the basement is fragile. Advertising does not only promote the product but also the other variables of the marketing plan. (Chunawalla & Sethia 2008, 45-47)

A product is normally a set of physical elements, such as quality, shape, size, colour and other features. The product may be of very high quality. At times, the product is so designed that it requires careful handling and operations. Buyers must be informed and educated on the various aspects of the product. This can be effectively done through advertising. Thus, advertising plays the role of information and education. (Chunawalla & Sethia 2008, 46)

The price is the exchange value of the product. A marketer may bring out very high quality products with additional features compared to competitors. In such a case, price would be definitely high. But buyers may not be willing to pay a high price. Here comes advertising in. Advertising can convince buyers regarding the superiority of the brand and thus its value for money. This can be done by associating the product with prestigious people, situations, or events. Alternatively when a firm offers a low price products the job of advertising needs to stress the price advantage by using hard hitting copy. It is not just

enough to convince, but it is desirable to persuade the buyer. Thus advertising plays the role of conviction and persuasion. (Chunawalla & Sethia 2008, 70)

Place refers to physical distribution and the stores where the goods are available. A marketer should see to it that the goods are available at a convenient place and also that at the right time when the buyers need it. To facilitate effective distribution and expansion of market, advertising is of great significance. Thus advertising do help in effective distribution and market expansion. (Chunawalla & Sethia 2008, 71)

Promotion consists of advertising, publicity, personal selling and sales promotion technique. Businessmen today have to face a lot of competition. Every seller needs effective promotion to survive and succeed in this competitive business world. Advertising can play a significant role to put forward the claim of seller, and to counter the claims of competitor. Through effective advertising, sellers can face competition and also help to develop brand image and brand loyalty. (Chunawalla & Sethia 2008, 71-72)

## 2.6  Advertising and law

### 2.6.1  False / Misleading advertising

In this section the position of advertising in the law environment is explained with a particular attention paid to false advertising, or misleading advertising by defining the terms, the consequences and the actual directive about it. To understand what mean "false advertising" it is important to explain firstly what is an advertisement and secondly, in business terms, the generalities between an advertisement and an offer.

An advertisement is a form of communication used to encourage or persuade an audience (viewers, readers or listeners) to continue or take some new action. Most commonly, the desired result is to drive consumer behaviour with respect to a commercial offering, although political and ideological advertising is also common. The purpose of an advertisement may also be to reassure employees or shareholders that a company is viable or successful. Indeed, according to the quality of the ad, an organisation can improve its image. Advertising messages are usually paid for by sponsors and viewed via various traditional media; including mass media such as newspaper, magazines, television commercial, radio advertisement, outdoor advertising or direct mail; or new media such as websites and text messages.

Generally, advertisements are not considered as offers. In contract doctrine, an offeror must direct his or her offer at an identifiable offeree. The offeree does not have to be just one person; it can be a group of people. The advertisement must also determine specific terms that will be binding if accepted by the offeree. Most advertisements that we see, then, are not offers. They are simply invitations to consider buying a product. An example of an advertisement that would be an offer is one that includes a phrase such as "first come first serve" along with a price and place to come accept the offer.

False or misleading advertising belongs to the idea of misrepresentation and thus, have some consequences for a contract. Misrepresentation is a tort, or a civil wrong. This means that a misrepresentation can create civil liability if it results in a pecuniary loss. For example, assume that a real estate speculator owns swampland but advertises it as valuable commercially zoned land. This is a misrepresentation. If someone buys the land relying on the speculator's statement that it is commercially valuable, the buyer may sue the speculator for monetary losses resulting from the purchase. To create liability for the maker of

the statement, a misrepresentation must be relied on by the listener or reader. Also, the speaker must know that the listener is relying on the factual correctness of the statement. Finally, the listener's reliance on the statement must have been reasonable and justified, and the misrepresentation must have resulted in a pecuniary loss to the listener. (Official Journal of the European Communities, 1993.)

A misrepresentation need not be intentionally false to create liability. A statement made with conscious ignorance or a reckless disregard for the truth can create liability. Nondisclosure of material or important facts by a fiduciary or an expert, such as a doctor, lawyer, or accountant, can result in liability. If the speaker is engaged in the business of selling products, any statement, no matter how innocent, may create liability if the statement concerns the character or quality of a product and the statement is not true. In such a case, the statement must be one of fact. This does not include so-called puffing, or the glowing opinions of a seller in the course of a sales pitch (such statements as "you'll love this car," or "it's a great deal").

A misrepresentation in a contract can give a party the right to rescind the contract which means that the parties to the positions they held before the contract was made. A party can rescind a contract for misrepresentation only if the statement was material, or critical, to the agreement. A misrepresentation on the part of the insured in an insurance policy can give the insurer the right to cancel the policy or refuse a claim. An insurer may do this only if the misrepresentation was material to the risk insured against and would have influenced the insurer in determining whether to issue a policy. For example, if a person seeking auto insurance states that she has no major chronic illnesses, the insurer's subsequent discovery that the applicant had an incurable disease at the time she completed the insurance form probably will not give the insurer

the right to cancel the auto policy. However, if the person was seeking Health Insurance, such a misrepresentation may justify cancellation of the policy or a denial of coverage. Generally, cancellation or denial of insurance coverage for a misrepresentation can occur only if the insurance applicant was aware of the inaccuracy of the statement. (Official Journal of the European Communities, 1993.)

The Directives on Misleading and Comparative Advertising aim to protect not only consumers but also competitors and the interest of the public in general against misleading advertising and its unfair consequences.

The Unfair Commercial Practices Directive (UCP) was adopted on 11 May 2005. This directive regulates commercial practices business to consumers(B2C). The rules on misleading advertising in this directive will replace the B2C rules in the Misleading Advertising Directive. The UCP shall be implemented in Member States by 12 June 2007 and applicable by 12 December 2007. (Official Journal of the European Communities, 1993.)

### 2.6.2  Controlling misleading and comparative advertising

National rules may allow persons or organisations with a legitimate interest in prohibiting misleading advertising, or controlling comparative advertising, to take legal action and/or go before an administrative authority. Consumers should check which system (judicial or administrative) their national authorities have chosen.

The national courts or administrative authorities have enough power to order advertising to cease, either for a certain period or definitively. They can also

order its prohibition if the advertising has not yet been published, but publication is imminent. A voluntary control by the national self-regulatory bodies can also be carried out.

Advertisers should always be able to justify the validity of any claims they make. Therefore advertisers (not consumers) should provide evidence of the accuracy of their claims. (Official Journal of the European Communities, 1993.)

# 3  PRESENTATION OF THE COMPANY CASE

On the shore of the Kajaani River, the Manor Hotel Karolineburg proudly surveys the silhouette drawn by the buildings of Kajaani's city centre. These edifices have wafted the spirit of manorial romanticism since 1836. Karolineburg was restored as an manor hotel in 1990. In its basic renovation, its traditions, style and various periods were respectfully taken into consideration. Karolineburg has also received considerable appreciation from its visitors for the modern equipage and tidiness of its premises. Karolineburg is a European-type family hotel, whose accommodation for about 50 residents - together with its restaurant area for 100 guests - make up a functional whole for various occasions and meetings.

Karolineburg's accommodation facilities are found in the three main structures of the hotel. Rooms and apartments total 20, from single rooms to suites. Some of the apartments offer their own sauna bath. Each of the rooms offer individual air conditioning, minibar, shower, satellite TV, trouser press, blow dryer and telephone.

Karolineburg is located on the shore of the Kajaani River, quite close to the city's urban core. Versatile outdoor and recreational possibilities are easily accessible in direct proximity to the hotel. The distance to the river for fishing and to the illuminated ski tracks, snowmobile grooves and jogging path is only 50 metres, and three golf courses can be found within a radius of 40 kilometres. The manor hotel's fenced-in courtyard ensures safe playtime for children. Personally tailored programme services in accordance with special wishes can also be arranged through Karolineburg. Manor Hotel Karolineburg offers a memorable setting for private occasions, conferences, weddings and garden parties for both everyday and festive events. Its distinguished interiors, high-standard dining,

facilities and delightful park pamper each and every visitor all year round. There are four bright halls in addition to a room with a fireplace and sauna premises. Indoor restaurant seating is available for 100 guests and for 600 in the park outside. The Karolineburg Restaurant, renowned for its excellent food, is the ideal place to enjoy local fish and game delicacies. Karolineburg Restaurant's chef is also glad to put together individual menus according to personal wish.

According to the previous theoretical part of this thesis, a proper description and definition of Karolineburg can be done by using specific terms, so that the company can be classified in a particular category of hotel. By the nature factor of classification, Karolineburg belongs to many categories of hotel. It can be either a commercial hotel, or a resort hotel, or even international hotel. Indeed, by the fact that it can receives people for trade or business purposes, Karolineburg can be classified in the commercial category; as much as it can attract tourists who wish to change atmosphere and relax their mind, it also belongs to the category of resort hotel. Karolineburg can also be identified in the category of international hotel due to its rareness and oldness. Indeed, international hotels are normally reputed for their modernism and luxury, but also by their style of accommodation and quality of proposed services. Thus, Karolineburg offers an accommodation environment very rare and luxurious, in addition to special services like facilities for professional and individual events such as conference, convention or weddings.

Since the 1st september 2012, a new manager is in charge of the mansion and has as goal to attract a new clientele. For this, he has to do different tasks which can take time until their realisation. Indeed, since the last 7 years, the mansion has been a bit forsaken and small renovations are needed. However, the business potential of the mansion is such that investments would be worth it in

during the next coming years. Indeed, Karolineburg, as it has been built during the 19th century, is considered as historical monument and has to be kept in good conditions. Thus, the new manager of the mansion received some investments from the region of Kajaani, in order to renovate the buildings and help the redevelopment of business.

## 3.1  Advertising situation of the company

When this thesis process started, Karolineburg did not advertise. Due to the renovation project going on during the winter 2012-2013, the owner of the manor has judged useless to do marketing because he estimated that it was not the right time to attract new customers. It was a better choice to finish all the renovation work, before advertising the manor. Customers may have been disturbed by the construction and so may have had a bad impression of the place. Therefore, it was better to wait for a few months until the end of the renovation and then be sure to have all the potential to satisfy the customers.

There used to be an information website where contacts and address were indicated but not anymore since the last manager was no longer in charge of the mansion. Thus, no media advertising was used since September 1st 2012. So, without displaying any information, the mansion was hidden from the public who could only have knowledge of it by memories. (Interview)

## 3.2  Competition environment

In order to estimate the value of advertising that was needed for this case, it was important to know what was the competition on the market and what was

its actual advertising. The competition area included the town of Kajaani which is the biggest municipality and nearest to Karolineburg. The research of competitors was dealt by the help of Internet which easily proposed the list of every hotels located in the town of Kajaani. Thus, it is possible to see how many hotels are located in this area and their exact location.

The findings showed that there were three hotels competing with Karolineburg, all located near the centre of Kajaani. These hotels were: Sokos Hotel Valjus, Hotel Kajaani and Scandic Hotel Kajanus. Note that there were two hotels which belonged to two different hotel chains, which are Sokos Hotels and Scandic Hotels. It was important to recognise these two hotels because they belong to hotel chains which means that they have more advantages than a normal hotel. Indeed, they have a marketing strategy that is national and have an important budget for advertising in the whole country. Moreover, their brand names are popular in Finland, so customers must know them and their included quality of service.

Sokos Hotels is the largest and most well-known hotel chain Finland, with a selection of over 50 hotels in Finland, Tallinn and St. Petersburg. All hotels are located in city centres or at leisure sites, and have good transport connections. In addition to accommodation Sokos Hotels offer a wide range of restaurant and meeting services, conveniently all under the same roof. (Sokos Hotels 2013.)

Scandic hotels currently have 161 hotels in the Nordic region and Northern Europe, where 24 are located in Finland. Their aim is to offer good accommodation to their customers and the same high level of service at all their hotels. (Scandic Hotels 2013.)

However, the third hotel competitor was not to be neglected. Indeed, as it was an independent hotel as Karolineburg was, their marketing strategy might be similar and their way of advertising too. Hotel Kajaani is not part of any hotel chain and is independent. It counts 53 rooms plus 2 meeting rooms  and so is the cordial holiday and conference venue. (Hotel Kajaani 2013)

Concerning advertising, due to the fact that they belong to a hotel chains, Sokos Hotel and Scandic Hotel have much more advertising than Hotel Kajaani. Their advertising campaign is at least at the national or even international level. They also use many means of advertising such as print media, broadcast media, outdoor media and internet media. They are the ones who are the most competitive on the market and competing with Karolineburg. On the other hand, Hotel Kajaani does not use that much media for advertising. Indeed, only print media and internet media are the one used. This is due to the fact that its popularity and non belonging to a hotel chain, reduce its need of advertising.

However, every one of these competing hotels have their own website and use social media network for advertising. Indeed, they are all using the social network Facebook, which seems to be the most popular one in Finland. Their info pages can be found just by typing their names, and so much information and contents are available for the customers. Nevertheless, Sokos Hotel and Scandic Hotel do not have their own Facebook info page. Only the info pages of Sokos chain and the one of Scandic chain are used to regroup every hotel. Thus, they do not have specialised advertising of their local hotel on Facebook. Kajaani Hotel has meanwhile its own info page, dedicated only to the hotel, as Karolineburg does.

Sokos Hotel and Scandic Hotel then seemed to be out of the target for Karolineburg by the quality of service they propose and the facilities of

accommodations. There is no need for Karolineburg to start competing with them, as their advance in already considerable. However, Hotel Kajaani seems to be an affordable competitor, due to the fact of its business size and its way of advertising. Therefore, the competition around Karolineburg does not seem to be very crowded and the market let some opportunities of business for advertising. Karolineburg seems to have an advantage on social networks advertising by the quality of its information sharing.

## 3.3 Aim of the company

This thesis was written when Karolineburg was under renovation, which explained the advertising purpose the company was aiming for. Due to the maintenance work that was taking place while the hotel remained open to customers, it was not the most judicious time to attract new customers. They would not have seen the best image of a quiet and luxury manor hotel as they expected. That is why the main objective of Karolineburg was not directly to attract new customers but to renew its image and develop a specific kind of clientele. The hotel direction had changed and it was a great opportunity to revalue its image and attract customers possibly suitable with the services the hotel offers. Thus, Karolineburg has also changed its marketing strategy by considering that the services it proposes are for a luxurious manor hotel, so its customers would know and expect so.

However, while this thesis was written, the main aim of the company was to renew contact with its customers by developing an information support were previous and future customers could refer to and easily have access to it. A support were any information could be shared in order to keep the clientele aware of any changes in Karolineburg. The aim was to share the new image of

the hotel with all the efforts that have been put during the last few months, in order that when the renovation would have been finished, customers would be interested to visit Karolineburg again and see the renewals. The aim was then focused on a future purpose of customers attraction. For this, Karolineburg counts on its strength to be one of the five remaining manor hotels in Finland, and especially the only one in the area of Kajaani and at the north. Indeed, all the other manor houses are located more south than Karolineburg which make them less competitive regarding the area. Moreover, as it is registered as a historical monument, Karolineburg offers to its customers a different type of accommodation and design than normal hotels. Perfectly located on the river side of Kajaani, the place is very quiet and private but still near the centre of the town. Thus, Karolineburg considers itself to have the potential to attract customers due to its location and services.

## 3.4  Reasons of the choice

The case of Karolineburg Manor Hotel was chosen due to many reasons which revealed to be important for the good carrying of the thesis. First of all, Karolineburg has almost never been an object of any advertising since its creation. There used to be an informative website about it since the last 10 years but not anymore due to the change of management that lately occurred. This website has been removed by the previous manager. Thus, no advertising strategy was since September 1st 2012 in place. It was then an opportunity for this thesis to have Karolineburg's advertising to consider.

However, as Karolineburg was under renovation when this thesis was written, advertising was not the first priority of the manor. That is why an agreement has been found between the writer and the owner of the manor hotel regarding

advertising through social media network. Thus, it was decided that advertising would be about the most popular social networks in order to maximise the impact of advertising. There was no need to concentrate advertising of Karolineburg on media which do not have an important audience. Finally, the popularity of the manor has not been at its best these last years, due to the lack of work made by the last manage to keep the manor in good conditions. Thus, after the renovation work, it will be important for Karolineburg to attract its clientele again and this is why advertising is used.

## 3.5  Hotel advertising

Before starting identifying the role of advertising for a hotel, it is important to know exactly what the subject is: an hotel. According to the common law definition, a hotel is a place where all who conduct themselves properly and who are able and ready to pay for their entertainment, accommodation and other services including the boarding, thus making it a temporary home. It can be describe as a home away from home where equipment and facilities are provided and free to use but chargeable, meaning against monetary sum. (Jha 2010, 3)

A hotel is accessible by anybody who is willing to pay, and so it is considered as a public place.  Thus, a person who is able to reward the services proposed by a hotel cannot be refused to stay. Otherwise, it is a case a discrimination on this is prohibited by the law. There are no actual law that says that at what conditions a hotel can refuse a customer, a hotel is available for everybody. However, the personal of a hotel has the right to stay the master of the place, meaning that it is their right to fix rules and keep the hotel under their control and not under customers'. The personal is not supposed to suffer the whims of their guests but

is not allowed to be too restrictive either. That is why there is a committal respect between the personal of the hotel and its customers.

Hotels are also considered to be a utility product for tourism. A hotel usually mostly receive customers who are away from their homes, that is why they need a place to live. Tourists belong in a large part to these customers. As hotels can provide the comfort of living to persons, this has helped a lot the development of tourism. Indeed, tourists do not have to worry about an accommodation during their visit in a new place. They know they can find a hotel to stay at with all the comfort they could have at their own home. The hotel market is considerably well developed nowadays. Every developed country count hotels within its territory. Making traveling more accessible and easy. (Jha 2010, 3-4)

There exist different kinds of hotels which can be distinguished in different categories. A hotel type can be classified according to their nature, to their standard and control and to their amount of stars. There are five types of hotel nature: residential, commercial, resort, international and floating.

Residential hotels are often called apartment hotels due to the fact that they extend hospitality services as apartment houses. It means that the hotel provide an accommodation which can be furnished or unfurnished to customers for a certain period of time in the exchange of rent. Then, residential hotels only charge rent which can be on monthly, semesterly or even yearly basis. Generally, this kind of hotels do not serve meals to the customers, and so they are located in big cities where other food services are available. (Jha 2010, 5)

Commercial hotels are usually located in industrial and commercial centres, they have as function to receive people who visit the area for trade or business

purposes. These hotels are generally used by individual travellers but can also receive groups of people. The specificity of commercial hotels is that they are usually not selected by the customers themselves. As businessmen generally belong to a company, it is this last one which is in charge of organising business trips for its employees. Nevertheless, commercial hotels also sure have their own customers on their registers. (Jha 2010, 6)

Resort hotels are for people who wish to have a change in atmosphere, have a new environment to be in for a while. They are solicited mostly by tourists, and holiday makers, who are here voluntarily and for a special purpose: to relax their minds. Resort hotels are usually located near the sea, ocean, mountain or any other place having a natural beauty and healthy climate. Customers are looking for entertainment which can be inside or outdoor activities but there must be recreation facilities. For example, sport activities, restaurants, shopping and of course relaxation. Resort hotels have developed as many different types such like summer resort, winter resort, hill resort, health resort, etc. (Jha 2010, 6)

Reputed for their modernism and luxury, international hotels are classified according various star categories. Namely, starting from zero-star up to five-stars or even five-stars deluxe which is the highest rank a hotel can have. International hotels usually belong to a hotel chain and are managed by a board of directors. They are generally located in metropolitan cities where an affluent population is, such as passers-by, workers or tourists. International hotels also provide special services to their customers, like the possibility to host conference or convention facilities, weddings, and any other events. (Jha 2010,6)

Floating hotel are not really common by the fact that they are located on the water surface. They can be built on sea, river, lake or any other place suitable to make the hotel float. Through their particular location, floating hotels provide

all facilities and services of a normal hotel. Boats can also be considered as floating hotels only if their main activity is hotel business. (Jha 2010,6)

The classification by standard and control separate hotels that are approved to unapproved hotels according to some criteria stated by the Department of Tourism, the Ministry of Tourism and Civil Aviation, and the Government. These criteria deal for example with the geographic location, quality of services, available facilities, etc. Thus, approved hotels have been then given official recognition and have a better image from the customers. Unlikely, unapproved hotels lack of this recognition but still remain in order for business. Moreover, some customers might prefer unapproved hotels when they have to pay on their own. The price of approved hotels being expensive due to the recognition, unapproved hotels attract person who can afford this price, usually the low and middle income groups. Whereas approved hotels are visited by people who are not bearing the expenses on their own account, like tourists or workers. Thus, approved and unapproved hotels do have a difference but both have advantages and disadvantages. (Jha 2010, 6-7)

The Classification by star is also given by the Department of Tourism. Stars are obtained by hotels according to some criteria including everything about the hotel, it can be about the size of the rooms or the qualification of the employees. The more the criteria are respected, the more an hotel get stars. However, usually, the more a hotel has stars, the more expensive its services are. This classification is very useful to differenced hotels and mostly for customers. Stars must be showed on the hotel sign, so that customers can be aware of the quality of the hotel. (Jha 2010, 7)

## 3.6  Hotel promotion strategy

There are actually four main reasons why hotels promote themselves and they are of course all in relation with the customers. The first reason is to persuade the customers, but also to inform them, to remind them and to reinforce them.

Persuasion is a very important aspect within promotion by the fact that it helps the customer to act, to consume. Promotion of a business place is usually done for a certain purpose where a financial result is expected. Persuasion is the first step of consumption, that is why it has so much importance. However, persuasion is not only to make the customer act but also to adopt a particular attitude regarding the hotel. In hotel promotion, customers have to be persuaded that what they are consuming is what they want and that they are not forced to. Persuasion then has to be managed with precaution.

Important information has to be shared to the customers even without any persuasion. In order to join the market a hotel has to inform about for example its name, its location and also its services. Information about available services is important by the fact that not every hotel proposes the same services, and some are different because of this.

The aim to remind customers through promotion is basically to make casual visitors into habitual visitors. For this, it is important to let the customer know that the service of a hotel is still available and even better than before. Usually, customers do not remember the hotel they visited only once, thus a reminder is important to make them come over again.

Promotion is also used to improve customer satisfaction by confirming that they have made a good choice by selecting a particular hotel. If customers are

supported in their decision and do not regret their choice, they would feel more comfortable to come back again. There is no need for the customer to try a new hotel if he is totally satisfied by one already.

This promotion strategy has to be followed, in order to be in relation with the customer behaviour, otherwise it can be confusing for the customers. There is a model called AIDA which includes all the effects promotion can have on the customer, and sorted as a hierarchy of effects where the customer go through step by step. It starts by being unaware of the product or service, then paying attention to it, after by feeling desire to purchase and finally to act. Of course, this model works only if the customer has a reason to be interested, meaning that the hotel has something different than other hotels to propose. Usually, it is effective for example for luxury hotels which try to differentiate on the market. (Jha 2010, 132)

As advertising is an important mean to share information to a large audience, the selection of the right media is essential. This decision can affect on the success of the hotel. That is why the advertised message has to be displayed through the right medium and at the right time, otherwise it might result as a waste of time and money. Therefore, the media decision is taken when one or many selected media are serving the best the hotel promotion needs, when a specific individual medium seems to be the best solution, and when a specific schedule is established for the release of the advertisement. Thus, a number of factors influence on the selection of media like for example the geographic area to cover, the type of audience, the type of hotel or also the promotion budget. There are six main factors guiding the selection of a media for an hotel: circulation, readership, people, primary or support media, product lifecycle and penetration. (Jha 2010, 152-153)

It is the overall circulation of the media that has to be chosen. So it is the global amount of people the media is targeting, resulting by the number of publications sold. This is the first factor of media selection which represents how wide the company is willing to advertise.

The second point is the total amount of people who have access to the media and who can see the advertisement. The amount is usually bigger than the number of people who really buy the product/service at the end. It is considered to be the best factor to take into consideration according to the media to use and cost effectiveness.

People are the result from readership, meaning the categories of people concerned by the selected media. It is useful for the media selection by the fact that it helps to know what audience the media must reach.

When it comes to primary or support media one needs to know if the selected media has to be used at its maximum efficiency or as support. For example, using a printed media at its best would be to have the cover of a magazine. The choice depends on the promotion strategy which has to decide what importance and what impact the advertisement must have.

The selection of the media depends of the lifecycle of the product which can be short as a few days, or long until many years. Thus, the shorter it is, the shorter time advertising has to be effective, and vice-versa. The lifespan of an hotel is usually long and therefore the promotion effect has to be long. However, according to the nature and scope of the promotion objectives, the selection of the media depends on if it is worth to select one media or another considering the lifecycle of the product or service.

Penetration means the degree of the market penetration a hotel want to achieve through its promotion strategy. For the best penetration, advertisement must require some creativity in the designing to differ from the competition and the selected media must be the most effective by showing the best attributes of the product or service. (Jha 2010, 153)

## 3.7  Advertising and social media

There are six kinds of social media which all have a different dimensions and consumer purposes. First, there are forums and message boards which support discussion groups where people can submit a question or an opinion and others can offer up an answer or an attitude. These can happen through e-mail only or can be hosted privately, semi-privately, or publicly. Then are review and opinion sites when a company's website allows customers to comment on their products and services in order to evaluate their quality and then advice future potential customers. Another social media is blogging. Through blogs, people can post their own opinion to the world so easily that everybody can have access to it by a link. They are a free media for anonymous posting. In the same kind of use, one can find microblogging. It is a shorter way of blogging where posts are in 140 characters or less. Available on smart phones, the use has to be easy and quick. Twitter, is the perfect example. There are also media sharing where people can share their pictures and video or audio online on  specialised applications and websites and allowing the world to comment. Finally, social networks like Facebook are semi-open communities for connecting online. They allow anybody to create an open or closed group for communication, collaboration, and through-a-friend connection. (Sterne, Jim. 2010)

Social media is verb, it is the act of creating and posting content in any and all of the following hosted environments: online, mobile, virtual, or as yet to be named. (Agresta, Bonin Bough & Miletsky 2010, 2) The key concept of social media is the fact that it is shared with people who have been identified by you as friends or followers of your inner circle. Thus, these last ones, can have access to any content or information that you opt to share, thereby making it the of being social online.

As a comparison, social media can be assimilated as an extension of people's personal identity into a virtual support where it can be observed by other people who have chosen to pay attention to a particular person. Comparing to other media such as print, broadcast or radio, which are passive media, social media is an active medium. Watching TV, listening to radio or reading a newspaper do not request any action from the consumers. They are receiving information without any commitment. Through social media, there is an exchange which can be called as multi interaction, by the fact that consumers can give feedback to the shared content. Indeed, only the fact to click and like the content create an interaction between people. Thus, this exchange make this medium a social medium. Note that consumers also have the possibility to comment but especially to share the content on their own inner circle. Then, they can spread the content of a person to other people, which could also share it to their inner circle, and this as long as it can be reproduced.

Finally, social media can also be defined as the democratisation of people's ability to create and use communication. One of the core values of social media is that users are free to generate content as much as they want. Through this medium, it is not longer about contracting executive producers or editors. It is no longer the only process by which we consume information. Anyone is able to share content on its own. One point to underline it that social media's success

nowadays is also due to the technology progress. The revolution of new technologies like computers, smart-phones and communication networks have been very helpful for the development of social media. It is because people can have such an easy access to their network that social media work so well. It is also part of the trend. Social media are now used almost everywhere for everything and it is rare not to be in contact with them. Using social media can be a factor of belonging to a social group. Moreover, social media is the only medium until now which removes communication barriers as much, while keeping an interaction between people. Now it is easily possible for a single person to have conversations with thousands of other people and all over the world. (Agresta, Bonin Bough & Miletsky 2010, 2-7)

Social media is like creating a connected society, as cell phones and early Internet did, but a real connected society is only possible if the interfaces are open to the mass of society. Some platforms like Facebook, Twitter or Google+, do it perfectly, which explains their success and popularity. Due to their huge amount of users and their simplicity of use, they remove the usage barrier, making them even more attractive. To sum up, social media is the concept that removes barriers between people and make them active for a completely participatory society. (Agresta, Bonin Bough & Miletsky 2010, 3)

However, though social media is open to the mass of society, it does not mean that it is mass communication. Instead of operating on a mass scale, social media allows people to share contents in a more individuated and a more credible way.

Chris Brogan has listed many of the benefits social media can bring, by the way of "What social media does best?". Some of these benefits are for example the fact that social media encourage conversations, sharing and creation, due to

their simplicity of use. Indeed, it is known that people are less shy or unexpressive when they are behind a barrier like here a computer. But social media keep the identity of people so they can still exchange between each other and so without preoccupation. Social media are also exclusively online materials and linked to to web. So, any content is searchable for example on Google which will connect the research directly to the social media. Finally, thanks to social media where people can express and share their information, they also feel heard by the fact that they can get feedbacks of their content. Simple actions as "like", "comment" or "share" are considered as feedbacks. People feel that what they share is received by some other people which means that they are somehow communicating. (Chris Brogan, 2008.)

## 4  PRESENTATION OF THE WORK

The work was about constituting advertising for the manor hotel Karolineburg through a social network. The aim of this company case is to show the possibilities of advertising through a social network as a media. The study of its functions and abilities has also been included in order to dissociate its real potential for advertising purposes. The possibility to see and analyse results after advertising is also part of this company case showing some good advantages of using social networks by the fact that they use the new technologies. Before advertising, it was essential to evaluate the environment of the company, including its past and actual situation, but also its competitors in order to distinguished the real purpose of the advertising project.

Advertising through a social network, here Facebook, was to display information about the mansion quickly and to a very large audience. Indeed, Facebook network counts nowadays more than 900 millions users, so more than 12 % of the world population. (CNNMoney 2012.) Every user has the possibility to access to any info-page by a simple clic and its Facebook navigation historic is automatically shared to the people they are linked to. For example, any Facebook user has its own people network which is mostly constituted of friends or colleagues. Then, when the user mentions his interest in a info-page, all his people network would notice it and can also be redirected to this info-page.

The second project dealt also with a social network, it was Google+. Launched many years after Facebook and so quite lately (28 June 2011), Google+ has many similarities with Facebook through its utilisation. That is why, this other social network was chosen as a potential mean of advertising. However, its use in Finland was not efficient enough for advertising. The last of the three most

popular social networks, which is Twitter, was not retained for this thesis. Though its popularity and simplicity of use, Twitter was not jugged really suitable to reach the goals of the advertising project. Its utilisation is more oriented to instantaneous update messages and doesn't really handle a info-pages network as Facebook and Google+ do.

## 4.1  Management of the project

Advertising was done on both social networks at the same time, in order to display advertising simultaneously and thus, not privilege a social network more than the other.

The first step of the work was to check if some info-pages about the mansion Karolineburg were already  created on both Facebook and Google+. On these social networks, every user is free to create info-pages. After researches, no page was found, which was a good thing and good opportunity for the work but also for the mansion. As no info-page was created yet,  Karolineburg would have the opportunity to display its advertising by itself and most important, control it. Thus, all information that were added on the info-page were from a reliable source which is the owner of the mansion. While this thesis was written, the writer had the possibility to easily be in contact with the owner of Karolineburg, who was open to give me any information concerning the mansion. Thus, all the information which has been displayed on the social networks info-page were provided only by this reliable source and no one else. As advertising contains information that have to be true and verified, it was necessary for the good carrying of the thesis to have access to a trustful source.

The next step of the work was to collect these information about Karolineburg and for this, an interview with the owner of the mansion was needed. Through a questionary, many questions were asked and many answers were required.

The questions mostly concerned the contact information of the mansion such as phone number, fax number, address, and personnel names. It was very important to have these basic information in order to display them on the info-page, such as they must have been easily findable by the clients. The rest of the needed information was about the history of the mansion and its current situation. As Karolineburg is registered as a historical monument, it has lot of experience and it has an history part that would be nice to provide to clients. Since 1836 until now, is almost 200 years, such a long time that needed to be described, at least for living comparison and also why his mansion has been built.

Due to the current situation of the mansion, information needed were mostly about what is up to date at the moment, such as the services possibility provided by the mansion and other information. For many years, Karolineburg is required by people for handling celebrations such as weddings, baptisms, or any other kinds of events. Thus, it was important to display through advertising that the mansion is a place ready to accept such events and has experience in this.

Services information could also be about the amount of rooms available of the mansion and the presence of a "à la carte" restaurant, also what kind of rooms are provided to customers. Karolineburg has many different kinds of rooms. For example, some are equipped with their own sauna, whereas some are not. Some are bigger than other and so are considered as suite rooms. Another important information that has to be shared to customers is about the environment of the

mansion. As Karolineburg is considered to be more like a cosy place than a traditional hotel, it was important to precise to clients that the mansion is still near the centre of the city of Kajaani but still remains a quiet place. Due to the vegetation around the mansion, mostly constituted of old big trees, the place is as quiet as it could be in the middle of a forest, though it is at a few hundreds meters of the centre. Inside the mansion is also present a nice environment, Karolineburg has a nice view on its in own French garden. A place that is accessible by the clients of the mansion, where they could find calm and serenity.

Still concerning the current situation of the mansion, an important information had to be displayed on advertising, when this thesis was written, Karolineburg was under renovation. It mostly concerns external renovation such as painting, gardening but also internal renovation like renewing furniture and maintenance. This information was important to share to clients in order that they would know about it before coming to visit the mansion. It has also another positive aspect to tell that the mansion is under renovation, by the fact that people who were not interested in Karolineburg before, would might be curious to come visit the mansion once renovation would have been done. When something new happens somewhere, people feel more attracted by it, only by the fact that there is a change.

In addition to this new change, it would be also important to share to customers that the head management of the mansion has changed lately. Thus, customers that have visited Karolineburg before this change and who were disappointed by this place, would be informed that there is a new manager. Then, they also might be curious of this change and might like to note what is different from before. Displaying information is sometimes sharing a message that people would recognised themselves in it.

In addition to all these written information, there has to be some visual information such as pictures or videos. In advertising visual displaying is important by the fact that it can support and prove the written information. On the Karolineburg case, pictures and videos could be about the outside part and the inside part of the buildings. Thus, clients could notice the comfort and quality of the residence by themselves. However, pictures and videos must be attractive and good selling. By this is implied that when clients would see those documents, they must feel interested to come visit the mansion.

## 4.2 Results after advertising

For Karolineburg, the result from the advertising session were noticeable by the statistics that Facebook offers to its users. There were several different kinds of analysis where the evolution of the audience was possible to see.

On the statistical overview of the Facebook page, the first number which is given is the total amount of people who like the page and who are interested in this page. Starting from zero, the page gets more likes as long as people visit it and share it to their network that they like the page. Thus, the development of the audience is made thanks to the Facebook users. This number has reached about 90 likes, so 90 people who are interested in Karolineburg and let it known publicly. The management of the page by its administrators also influences the evolution of the audience. By posting content on the page such like pictures, videos and just text, Facebook users are reached and might be incited to come visit the page, like it and share it. For each post of content, Facebook makes some statistics to clearly show the impact realised. Thus, presented on a list, each post is dated and associated with an preview of the content, where the

statistics for the first 28 days following the post are: the reach, engaged users, talking about this, and virality. The reach refers to the number of unique people who have seen the post. The engaged users refers to the number of unique people who have clicked on the post. The "talking about this" statistics represents the number of unique people who have created a story from this post by liking, commenting, sharing, answering a question or responding to an event. Finally, virality represents the number of people who have created a story from the post, out of the total number of unique people who have seen it. So it is 'talking about this" number, without the "reach" number, as a percentage form. To take an example, a post of December 31st 2012, has reached 102 people, with 17 clicks and 6 shares. The best statistics were representing 164 people reached, 73 people engaged, 28 people talking about Karolineburg and 27% of virality on Facebook. The maximum total amount of all the posts are represented by 1612 people reached, 475 people engaged, 108 shares, and by an average 10% of virality. However, exact numbers were not the most expected during this work. The main purpose was to launch some information and interaction with the audience in order to show the page was kept active and updated.

On the "likes" view, which is represented by the amount of people who liked the page, it is possible to see the demographics and location statistic. Note that all the statistics are based on the last 92 days of the page activity.

First, an histogram shows the gender and age of the audience. Male and female are represented by percentages and then categorised in 7 age sections starting from 13 to over 65 years old. This statistics is useful to inform what kind of audience is interested to the page and then how to advertise to them. Here, the audience was represented by 52% of women and 48% of men, mostly from the age of 18 to 44.

Next are statistics which refer to the location of the audience. Thus, there are a classification by home countries, by home cities and then by spoken languages. This is useful by the fact that knowing the audience locationally diversified, the communication has to be adapted to each user, so the targeted group is bigger. Here, Finland was the country of residence of the interested people. Finally, the last analysis of the "likes" statistics is a graph which shows from where people have liked the page. It is either from the page itself, from a mobile device, from a Facebook recommendation or from a third-party application. Here, about 50% of likes came from the page itself, 35% from a mobile device and the rest from recommendations.

On the "reach" view, the demographics and location statistics are similar to the "likes" view. However, there are two graphics that show how the page reached the audience and how frequently. Thus, the first graph represents if people reached the page by organic way, by paid way or by viral way, all sum up in a total curve. The organic way means that people who saw the page on their news feed. It includes people who like the page but also those who do not. By paid way, means that people saw an ad or a sponsored story about the page; and by viral way represents the people who saw a story about the page published by a friend of them. Here, by the fact that this advertising work was done on a free way, the page reach could not be by paid way and is then by organic and viral way.

The two other statistics views were not available due to the fact that the page did not have enough audience yet to calculate its evolution on these points. They are about people who are talking about the page and those who have cited the page as their geographical location. Another number was very interesting to notice, was the number 25,251, which represents the maximum possible

audience by the number of unique people who were friends with people who liked the page. This number can still increase as soon as more people would like the page of Karolineburg and then include also their friends in the statistics of possible customers. Thus, through social network, audience can develop itself only by the activity of the people interested in the page, by sharing, commenting or recommend about it.

However, Facebook statistics were enough to evaluate the nature of the audience and its behaviour on the page. Each statistics were precise and concrete enough to easily make a statement on the impact of advertising. Through another media than social networks, it would not have been possible to have that much information about the audience and how the page affect them. Indeed, due to the fact that each Facebook user can mention some information about their location and life situation, all the data were then transmitted to the page where the statistics were established.

Moreover, Facebook statistics do not only refer to people who are already interested in the page but also to the audience who might be interested in the future. That is why some statistics give also the possibility to visualise the size of the audience targeted by advertising and the possibility to expand the audience. Thus, for these people who are reached by advertising but who still didn't like the page, there was some hope and potential to attract them, and so by more advertising or a different approach.

# 5 CONCLUSION

In order to carry out the advertising project, it was important to study the theoretical part of advertising and then apply it to the concrete company case. Thus, advertising was shown as an essential part of marketing which could not be neglected while selling a product or a service. It is the promotion of the goods to the clientele, where communication has to be organised and programmed for certain purposes. Advertising has also a different role according to the type of company which contract it, and the range of products or services which are related to it.

According to the actual situation of Karolineburg due to the renovation that was occurring, the project has been well handled with expected and concrete results. The well being of the project did not meet any obstacles and so the advertising plan has been followed. The objective of developing advertising was reached and so contributing to the aim of the company which was developing its clientele. Although the company did not want to increase its amount of customers, advertising was done in order to keep the clientele informed of any changes regarding the hotel.

The recommendations for this company case remain mostly objective by the fact that the company is still in a redeveloping session and so advertising is not the priority on the marketing plan. However, the writer suggest that advertising through social networks must be continued. Even if there is not yet any advertising plan for a special offer, it is important to let the customers be informed about the situation of the hotel, such as the well proceeding of the renovation. Once the renovation will be over and the hotel ready to attract more customers, advertising through social networks must be reinforced in order to maintain the communication with the customers. It is suggested that

information must be more often shared and also in a way to establish a relationship with the customers. Social networks offer the possibility to generate questions or polls to the audience, in order to collect feedbacks but also to make them participate and feel that their hotel is listening to them. Thus, it would improve the quality of the hotel by the fact that customers would feel that the hotel personal is worried for their comfort.

Finally, Karolineburg should stay aware of other social networks as it might become popular in the future. It is always very important to follow the trend and to know which media is new on the market and might be useful for the hotel advertising.

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**Interview**

Palokari, Vesa. 2012. Interview of Karolineburg's owner. 1 November 2012. Kajaani.

**Appendix 1**

**Interview of Mr Vesa Palokari, owner of Karolineburg, 13/10/2012.**

**Could you give me a brief description of Karolineburg ?**

It's a nice manor hotel built in 1836 and located in the town of Kajaani. Its style of accommodation is very unique and luxurious. I'm sure I could find a brochure with more information about it. (Cf brochure.)

**Who is in charge of the management of the company ?**

Since the 1st september, there is a new person in charge of the mansion. He is in charge of the customer reception and hotel direction. I also overview the well-going of the mansion by visiting sometimes and keeping in perpetual contact with the manager.

**Why did this change of manager happen ?**

The previous manager in charge of Karolineburg did not take care enough of the hotel and let it degrade physically and economically. I did not want Karolineburg to loose its value by a lack of caring, so I had to change its manager in order to restart the economy from a good base.

**What is the situation of the mansion ?**

Further to this management change, the manor needs to be renovated in order to find its charm  again and then attract customers.

**How will you financially manage the renovation of the mansion ?**

By the own savings of the company and also by contracting the region of Kajaani for support investments because Karolineburg is an historical monument of Finland and a wealth of Kajaani.

**Do you advertise Karolineburg ?**

No. We used to have a website for our customers but it has been removed since the management change. At the moment, there is no need to advertise the hotel because it is under renovation. I don't want customers to come here and be disappointed and disturbed by the renovation.

**When will you start advertising then ?**

It is better to wait until the renovation is done. Then we could show the best image to the customers and be ready to welcome them. Advertising has to be done properly and with time.

**What is the aim of the company at the moment ?**

The priority is not to attract new customers because we are under renovation and customers do not need to see that. But we try to renew our image and develop a specific kind of clientele. Karolineburg is a luxurious manor hotel which proposes services different than a normal hotel, so the customers expect so. To renew our image we want to renew contact with our customers and keep them informed of any changes. For example, the management change and the renovation.

**What strength does Karolineburg count on ?**

Karolineburg is one the last five remaining manor in Finland, and the only one in Kajaani area. Others are more south. It is an historical monument and still offers a different type of accommodation and design then normal hotels. Finally, the location of the mansion is perfectly quiet and calm but still close to the centre of Kajaani.

*Made the 13th of October 2012, in Kajaani, Finland.*

**Appendix 2**