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**DEVELOPMENT OF THE CROSS-BORDER TOURISM, BY THE MEANS OF  
INTERNET MARKETING, CASE - WHITE ROAD PROJECT.**

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<p>This thesis was aimed to result in relevant and valid conclusions as well as recommendations, concerning the cross-border tourism collaboration, through the internet marketing tool in the White Road area. This request of cross-border cooperation extension was based on the possibilities and demand of the tourism development in the region. The foundation of the work was The Karelia ENPI CBC Programme and White Road project. Thus, the main focus was made on the Internet Marketing issue, as the modern tool to reach the foreign market and develop a tourism network in the regions of Northern Finland and the Republic of Karelia.</p> <p>The first section of this work investigates the theoretical framework, which is Internet Marketing, followed by the analyses of the current tourism situation in the Republic of Karelia, with an emphasis on 6 regions, namely: Loukhi, Kostomuksha, Kalevala, Segezha, Kem and Belomorsk. Furthermore, the research stages are explained in detail, particularly, supply and Internet potential analyses. The outcome of these analyses reveals the current tourism and Internet Marketing potential of the tourism organizations in the RK. The theoretical framework presents several theories that made the work valid and relevant, such as 10 Cs of Marketing for the modern economy (Charlesworth, 2007).</p> <p>Conclusive part of the whole work represents the main outcomes of the research and analyses as well as recommendations. In order to create a network of the tourism organizations in the White Road area, the web-pages of the companies in the Republic of Karelia are needed to be improved, in order to reach the foreign market. Moreover, infrastructure has to be raised to the higher level in order to create strong conditions for the tourism cooperation development.</p>	
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## PREFACE

This thesis was accomplished in spring 2013 and is fulfilling the requirements for Bachelor's Degree in Hospitality Management at the Kajaani University of Applied Sciences. I would like to thank some people for their support. First of all I would like to thank my classmates, my group MMT10T, for their company and the great time we shared during our studies.

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## 1 INTRODUCTION

The importance of defining the content of any idea is a responsible and difficult task. This problem originates from the first well-known meaningful steps of man on earth. Any business can be accomplished only if people understand each other. Then, there is a possibility to consistently build and implement a certain plan, whatever its scope or purpose is. International tourism is becoming an increasingly important sector of the world economy. This is evidenced by the growing number of travellers. According to the World Tourism Organization (UNWTO) in 2004, it increased by 10% and amounted to 760 million, and by 2010, their number reached billion, with all of the planet's population is about 6 billion people. Taking into account the internal tourism, almost half of the people on the planet every year are directly involved in the tourist business. Pursuant to the World Tourism Organisation (UNWTO, 2011) tourism is considered to be among those industries in the world which are growing most rapidly. High-quality, reliable and comparable statistics are vital for understanding tourism and its impact in the economy.

The foundation of the following work was the research question: what are the differences in the internet marketing, especially web-pages, between Russian and Finnish organizations related to tourism in the White Road Project area?

The objective of the project work is to analyze the current tourism situation in the White Road Area, namely, Northern part of the Republic of Karelia and Northern Finland, particularly, Vuokatti, Ruka-Kuusamo and Wild Taiga. Using the knowledge about the tourism market, the number and operations of various organizations, such as tour companies, authorities, as well as schools working in the field of tourism, it will be possible to build up the network between 2 neighboring countries, using their potential for the joint products development. Furthermore, the second aim is to analyze the companies' existing cooperation, Internet Marketing, especially web-pages, in White Road Project Area, in order to be able to compare their marketing strategies as well as web-sites' content, the difference in which can be connected to Finnish and Russian cultural peculiarities as well as social needs and wants. An inspiration idea of the following work was taken from the Cross-border project, which started in the end of November 2012 and will finish in the end of the year 2014.

Mainly, following work will focus only on the several regions:

<b>Russian side</b>	<b>Finish side</b>
Loukhi	Vuokatti
Kalevala	Ruka-Kuusamo
Kostomuksha	Wild Taiga
Segezha	
Kem	
Belomorsk	

There are several partners, who are taking an inalienable part in the project, namely:

- 1) Kajaani University of Applied Sciences
- 2) Kainuu Vocational Colledge
- 3) Kuhmo and Suomussalmi (Idän Taiga)
- 4) Vuokatti Oy
- 5) Naturpolis (Kuusamo)
- 6) Voigt travel (The Netherlands)
- 7) Belomorsk Metropolitan Region
- 8) Loukhi Metropolitan
- 9) Kalevala National region
- 10) Kem Metropolitan Region
- 11) Segezha Metropolitan region
- 12) Kostamuksha Urban District

The lead partner is the Kajaani University of Applied Sciences.

In the project following issues about the companies and their internet marketing will be analyzed:

### **1. The number of the companies in different districts**

From each company following information will be found:

- Name
- Web address
- Location

- Main business field (accommodation (number of beds), food services, tour operators, programme services)

## **2. Internet marketing**

- Languages
- Form used (Vkontakte, Facebook, Webpage, Pinterest, etc.)

The following thesis will include theoretical chapters as well as a case study, which take roots into the tourism in Karelia and cross-border collaboration with the Northern Finland. The first chapter will introduce the theoretical base of the following work, which is internet marketing.

The next chapter will consist of the potential research, current tourism situation in Karelia will be analysed in order to be able to carry out a qualitative research and find out the ways for successful and profitable cross-border collaboration with Northern Finland, including internet marketing, with the reference to tourism, with the focus on the several regions, namely, Loukhi, Kalevala, Kostomuksha, Segezha, Kem and Belomorsk. Various tourism organizations will be analysed, using the specific sampling method as well as collected data. Consequently, throughout the thesis various tourism possibilities of the Republic of Karelia will be analysed and disclosed, with the particular focus on several regions, as it was mentioned before. Besides, these tourism organizations will be compared with identical tourism organizations' internet marketing in the Northern Finland.

Last chapters consist of the research part, based on the research problem and research questions, which are central in the following thesis research project. Therefore as it is quite important to select a relevant research problem and a good set of research questions, scientific literature and valuable sources have been used as auxiliary tools.

Moreover, the theoretical background will be presented, as a compilation of organized concepts or ideas. It is important to create a valuable and reliable base for the research project, which will guide the research to determine what things will be measured and what statistical relationship will be looked for. Various theories, models, paradigms, perspective related to the problem and the hypothesis are going to be presented as perform of research.

During the process of the selection of literature, much attention was paid to the various catalogues, related to the subject as well as bibliographic and electronic directories. The preparation for the actual work and research implementation was based on published re-

ports, periodicals, essays, dissertations. The relevant literature of recent years was chosen, which fully displayed the need and urgency of the issue under the study. When working with the literature, it was necessary to make excerpts from material as well as sources, where were they taken. In order to make the comparison easier and analyse different points of view of the authors, all the fundamental data was selected and grouped. Therefore, it contributed to the unproblematic formation and justification of the conclusions on controversial issues. The degree of responsibility and effort at the time of this work depends on the quality and quantity of the received theoretical materials.

Sources used in this study can be divided into several groups, depending on the research perspective. First of all, it would be logical to start with the following: there are works of Russian and foreign biologists, historians as well as scientists, who made a considerable contribution into the Russian and Finnish culture as well as to the study of the human nature. Thus, as the thesis research project is connected with the historical, cultural peculiarities and territorial features, it is also bottomed by elicited facts and figures.

The second group of the theoretical sources are various sociologists, marketers, economists as well as scientists, owing to whom it became possible to back up the project work with the relevant definitions, tables, statistics as well as ideas, which assisted much to the generation of the conclusions and made the research and analysis science-based. One example can be deep thoughts of Philipp Kotler, whose knowledge and skills can be quickly adapted to new problems and opportunities, created by competition, globalization and the Internet. This knowledge contributed to the discovery of the modern ideas, clothed in a brief and understandable form, in sense of direct marketing, global marketing and marketing on the Internet. A wide majority of advanced strategies and tactics that can be used to solve new problems in XXI century will be examined and applied.

Finally, the third group is associated with the World Tourism Organizations, such as UNWTO, Governmental web-sites and normative documents, of the Republic of Karelia and Finland, where all the up-to-date data is reflected. In this case, these are facts, connected with the latest changes in the development of the cross-border cooperation between Northern Karelia and Northern Finland as well as current tourism figures and definitions.

Literature research was made following the AAOCC criteria. In order to follow the accuracy and authority of the books, official publishers were chosen, who are responsible for sources



used and publications from specialists for particular topics were used. In order to follow the objectivity of used sources, the books which are not propagating any products, from authors without any side interests were chosen. Authors are focusing only on particular topics. In order to follow the coverage of the used documents, completed samples of books were selected, which are free, unique and relevant for the research.

## 2 THE KARELIA ENPI CBC PROGRAMME

The Karelia ENPI - European Neighbourhood and Partnership Instrument, CBC Programme is a cross-border cooperation programme implemented in the regions Kainuu, North Karelia and Oulu in Finland and in the republic of Karelia in Russia. The key objective is to increase the well-being of the programme region with cross-border cooperation (Karelia ENPI CBC, 2011).

The goal of the programme is to increase well-being within the programme area through the use of cross-border cooperation. Well-being is considered to contain both income and quality of life, and thus the programme has been divided into two priorities: Economic Development and Quality of Life (Karelia ENPI CBC, 2013).

The overall EU funding for the programme is €23 203 507 for the years 2008–2013. The Participating countries, which are Finland and Russia, have committed to contributing to the funding of the programme with a share that matches the EU's contribution. Therefore, the national funding of both countries will be a total of €11 601 564 for the entire programme period. In addition, the projects require own contribution which is at least 10% of the total costs of the project. Moreover, the programme hosts an electronic monitoring system, EMOS, which is used to create and submit funding applications, reports, payment requests and amendment requests. The lead partner applies for a username and password during the project application phase (Karelia ENPI CBC, 2013).

In order to participate in the project there is a certain number of the starting points. Namely, lead partner principle, which means that according to their respective roles, the organizations participating in project implementation are divided into a lead partner and partners. The lead partner assumes overall responsibility for the implementation and management of the project. The partners participate in the project implementation as agreed. The maximum duration of a project is 36 months. However, all projects must end on December 31, 2014 at the latest. This implies that, it is not possible to fund projects in the duration of 36 months in all calls for proposals. Main actors of the programme are lead partner and partners, who are responsible for the implementation of the project; potential project group, which is supporting the project implementation with regard to its content and appears as an instrument for communication within the project, between the project and the Joint Managing Authori-

ty. Finally, the contact person, who is appointed for each project and guides its implementation (Karelia ENPI CBC, 2013).

Obviously, the projects are financed and there is a special funding system. Each project has its own budget, as it is an essential part of the project application. For instant, the expenses of the projects to be funded by the programme were divided according into the following sections: human resources, travel, equipment and supplies, services, other administrative costs.

In the programme description document every step of the participation in the projects is described in details. Furthermore, the Karelia ENPI - European Neighbourhood and Partnership Instrument, CBC Programme has its own web-site, with all the latest programme and project news. All of these allow various organizations from the programme area get an easier access to the description of the projects, plans, budgeting, potential applying as well as funding. Thus, it makes the collaboration more simplified and convenient. White Road Project is one of the Karelia ENPI, CBC Programme projects, that is based on the development of the cross-border collaboration.

## 2.1 WHITE ROAD

The title White Road comes from the route from the city of Oulu to the White Sea and surrounding geographical areas, which are Kainuu Region and Oulu Region, especially Oulu and Kuusamo areas, on the Finnish side and the districts of Loukhi, Kalevala, Kemi, Belomorsk and Segezha as well as the city of Kostamus in the Karelian Republic. To begin with, it is necessary to mention, that the cross-border tourism collaboration, as all the other means of cooperation of the Republic of Karelia and Finland are currently developing in leaps and bounds. The situation on the labour market of the Republic of Karelia is largely determined by its cross-border collaboration with Finland, which is simultaneously the border with the European Union. The geopolitical situation of the Republic of Karelia implies that on its territory there is more than two-thirds of the Russian-Finnish border. This fact naturally contributes to the development and strengthening the international cross-border contacts of the Republic of Karelia with Finland in almost all areas, including the employment of the population (Karelia ENPI CBC, 2013).

Cross-border cooperation started to develop already in 70s. After signing the Russian-Finnish intergovernmental agreement on cross-border cooperation as well as other basic agreements. The whole Republic of Karelia, not only its border areas, has gained the status of the territory of cross-border cooperation. By the end of the 90-ies, after the accession of Finland to the European Union and adoption of the concept of "Northern dimension", the necessity of searching new forms of cooperation came to understanding (Karelia ENPI CBC, 2011). Therefore, tourism experts are currently accentuating their attention and relying on the Internet Marketing, as it is one of the most modern and convenient ways to reach the partners as well as potential clients, people, who are from time to time using tourism services. Here comes the Self-evident question: how could it be connected with the cross-border collaboration between The Republic of Karelia and Northern Finland? Accordingly, in the thesis project work, following aspect will be described and analyzed (The administration of the Head of the Republic of Karelia, 2010).

The objective of the project is to increase inbound tourism in Kainuu, Oulu Region and the Republic of Karelia by creating new, high quality travel products that correspond to the requirements of and are easily obtainable by the modern customer from Russia, Finland or Central Europe. The main objective of the call is to strengthen cultural cross-border cooper-

ation and to create new viewpoints to the cultural cooperation. The particular objectives are: to support cross-border cooperation in the field of creative industries; to back up and market cross-border business opportunities in cultural industries; to find innovative approaches to the use of communication and information technologies in the cultural cooperation; to develop management of cultural activities by education, benchmarking and by exchange of ideas; to create models for providing cultural services on peripheral areas; to encourage the participation of children and youth to the cultural activities and events; to promote ethno-culture cooperation as a resource for economic and social development (Karelia ENPI CBC, 2013).

All of the mentioned above objectives will be implemented by co-operation between active tourism entrepreneurs on both sides of the border the focus being in the joint development of services and products as well as joint marketing actions and novel marketing methods, such as e-solutions and social media. Overall objective of the project is to increase inbound tourism in Northern Finland and the Republic of Karelia by creating new, high quality travel products that correspond to the requirements of and are easily obtainable by the modern customer from Russia, Finland or Central Europe. This will be implemented by co-operation between active tourism entrepreneurs on both sides of the border the focus being in the joint development of services and products as well as joint marketing actions and methods (Karelia ENPI CBC, 2013).

Firstly, it is important to tighten the co-operation and networking between tourist organizations in Kainuu, Oulu Region and the Republic of Karelia in order to facilitate the development of joint products and services as well as to promote understanding of the quality and safety requirements of customers and travel agents. Secondly, to promote the outreach and marketing of the area along "White Road" and of the new cross-border tourism products by design of marketing material and marketing campaigns and providing up-to-date information on tourism facilities and services in the Republic of Karelia. Finally, the development of professional competencies of personnel of tourism companies in the project area (Karelia ENPI CBC, 2013).

The target groups are the tourism SME's - accommodation, transport, ski & spa, adventure and incentive services, in Kainuu, Oulu Region and the Republic of Karelia that are already involved in cross-border activities or are planning to start cross-border co-operation. Networking, product design and marketing activities as well as the educational activities are tar-

geted at these SME's. The other important target group is the educational institutions of tourism in the project area. The final beneficiaries are the above mentioned SME's and their customers (Karelia ENPI CBC, 2013).

At the output, White Road will promote the increase of inbound tourism by building up sustainable network of service suppliers. Thus, the aim of the following thesis is to analyze all the tourism organizations in the White Road area and their tourism supplies in order to be aware of the ways for the cooperation development. This will be mostly achieved using the Internet Marketing, as the most convenient and modern way of reaching the customer as well as various partners.

### 3 INTERNET MARKETING

#### 3.1 Definitions

Internet marketing is a base of the following work, therefore it is essential to build up an effective and durable theoretical base. First of all, it is necessary to define marketing and all of its components in order to gain insight into the internet marketing framework and be able to make valuable comparison as well as conclusions. With the reference to Kotler (2010) theory marketing is known worldwide as a human activity aimed at meeting the needs and wants through exchange. Components of marketing are: product, price, marketing, and advertising. Marketing cannot be equated with the sale or promotion. Marketing can be seen as a mechanism for accommodating the production of goods or provision of services to the needs of the market. Moreover, he defines marketing as “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”

Based on works of Jason, Ryan and Jones (2009), in the area of digital marketing as well as marketing communications, Internet Marketing can be defined as a part of the social media, which provides a platform to reach out to increasingly difficult to contact customers, to help customers by sharing expertise with audiences, rather than trying to use it for direct sales. Moreover, it is a complex of measures for the promotion and sale on the market of goods and services through networking online.

One of the leading management theorists, Drucker (2001), described the purpose of marketing this way: "The purpose of marketing - to make sales efforts unnecessary. His goal is to know and understand the customer as good as possible and the product or service will definitely suit the last and sell themselves". The development of the Internet infrastructure and Internet commercialization led to changes in the methods of doing business and the emergence of electronic market. Internet was used as an interactive channel between companies and business partners, and customers, ensuring maintenance of interactive marketing and make direct online sales (Smith, 2011).

Thus, the rapid growth of e-business and e-commerce have become the basis for the emergence of internet marketing, so called online marketing. Charlesworth (2007) defines Internet Marketing as “the process of building and maintaining customer relationships through online activities to facilitate and exchange of ideas, products and services that satisfy the goals of both parties.” In other words, this theory implies that an effective two-way communication is reached using the role of technology in relationship building, customer retention, customization and loyalty. As an outcome, it will bring customer satisfaction, added value as well as improved company’s revenue. Internet marketing tools are significantly different from traditional marketing tools. Gay and Charlesworth (2007) in their work on online-marketing and customer – led approach, claim that there are certain benefits of the Internet. Namely, that it provides a low cost, effective way of negotiation with customers, in comparison with the traditional selling costs. Moreover, a website can be open for business all day every day, providing customer convenience. Despite the fact, that it is a fast and flexible communication tool. The main benefits of online marketing compared to off-line marketing tools include: wide coverage of the target audience - the globalization of the market; personalized interaction with customers (Devashish, 2011).

The first webpages, albeit mainly plain text pages, began to be created in the early 1990s. All design and implementation at that time was, understandably, on an ad hoc basis, with little in the way of standards yet established; there was no pattern of acceptable styles and approaches. At the same time, however, expectations – in terms of content and technical complexity, audience volumes, and technical possibilities were relatively limited. Approaches and techniques were initially simplistic, with webpages comprising mainly text and with little attention to visual layout design, detailed usability, and quality dynamic content provision. These “design” attributes were not really an issue of particular concern at the time, though, as it was still at the experimental technical “leading edge” to create and use a webpage (Lawrence, 2007).

Now, in the fast-developing field, it is approximately a decade later, and all website designers are faced with massive commercial and personal expectations, extensive technical and design options, and a continuing surge of interest and investment in the World Wide Web across all societies and communities. The Web is providing to be a fantastic breakthrough in this world of technology and the Internet. Every website owner or developer, on a global basis, is enabled to: express a feeling or an idea, promote a business, market a product, form a community, help others, encourage exploration, promote or trigger a new interest, distribute

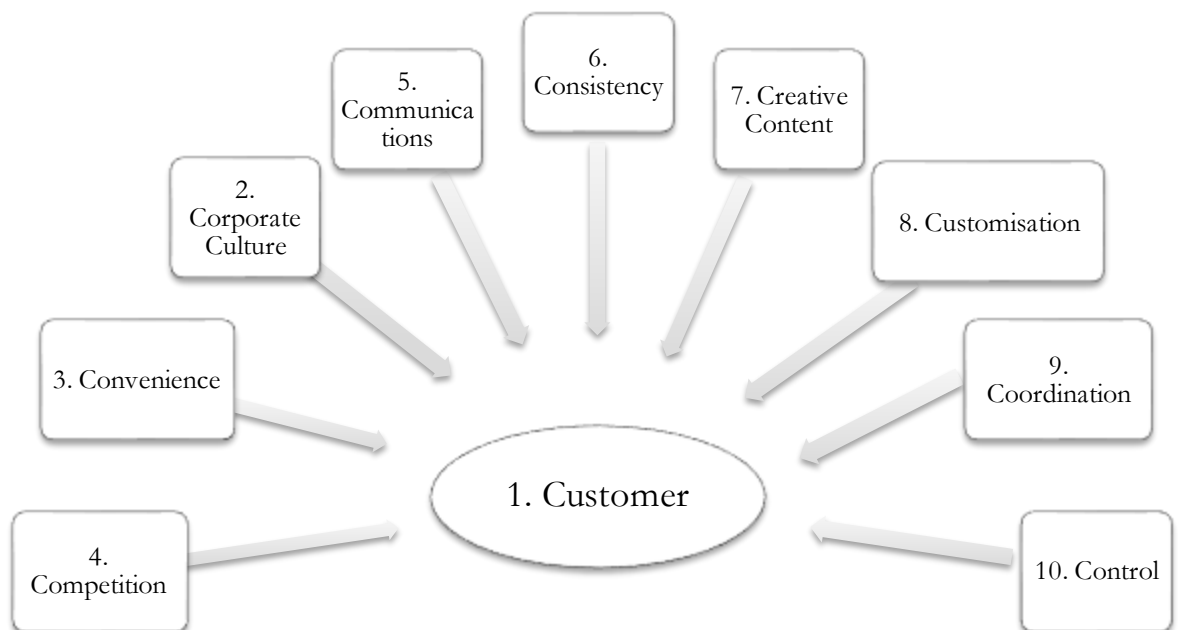


or access information, experiment with new technology, be independent and global (Lawrence, 2007).

### 3.2 Frameworks

#### 3.2.1 Ten Cs of Marketing

First of all, the Ten Cs of Marketing provides an effective framework for marketers assessing for the modern digital market-scape from both an internal and external perspective. Following model can be used as a tool to the creation of the successful Internet Marketing, as it gives a possibility to depth analyses and investigation.



Pic.1: 10 Cs of Marketing for the modern economy. (Gay R., Charlesworth A., 2007.)

Firstly, the customer stands in the centre, as he is the main focus of any marketing driven organization. All the marketing activities should be designed so that they could achieve high levels of customer satisfaction and the Internet makes the client even more powerful and demanding with such tools like search engine, possibility for price comparison as well as

multi-channel offers. The Internet Interactivity allows faster customer feedback, an updating of content and other web-site features. On the other hand, such writers like Wind (2002) have observed “a new hybrid consumer” emerging who wants to “call, click and visit” organizations. In other words, he wants everything the best of the physical and virtual world. Web-sites have to be designed, taking into the consideration all the needs of different customers (Charlesworth, 2007).

Secondly, corporate culture stands for all the internet based operations and all the other issues connected with it, such as risks, IT architecture, front and back office systems as well as partnerships. The most important thing is the culture of continual customer centric innovations. The growth of the technological improvements requires constant and costly investments in new series and features, as without them the online operation becomes stale and fails to meet the customer expectations. All the organizations can be divided into 3 groups, such as Grasp the Nettle – visionary firm that exploit the potential of the digital tools to achieve sustainable competitive advantage, Follow the Leader – the cautious firm which prefer to see first how the market reacts and finally, a Stand Firm, that resist the adoption of the Internet within its marketing function (Charlesworth, 2007).

Convenience plays an important role, as nowadays, the Internet provides maximum convenience for its users. This could be the easy booking system, updating of prices, e-catalogues and possibilities for faster communication with the clients.

The majority of writers on strategic Internet marketing offer a limited time and space to any competitive analysis beyond Porter’s revised Five Forces (2001). Online Marketers are in a threat, however as Charlesworth (2007) observe in the new economy, that technology has made them “fast and unpredictable”. There are a number of threats that online marketers can face, for instance, new online entrants from overseas as well as traditional competitors moving online.

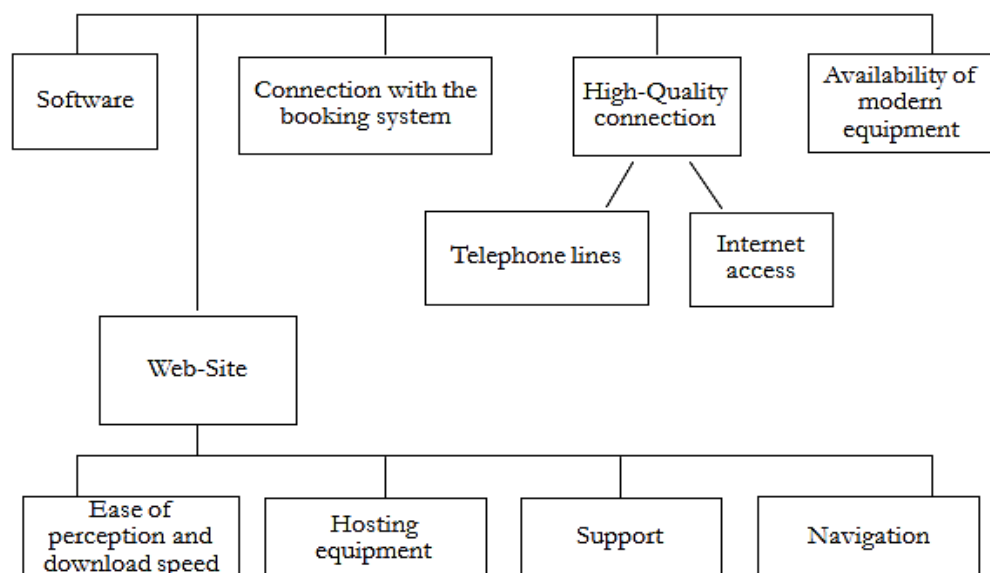
Another essential aspect is the communication, which implies the potential interactions and its outcomes between the sender and receiver that could be done for instance, through the e-mail marketing. It could be noticed that there is a majority of web-sites which are using certain chats, where company workers have a possibility to answer all the customers’ questions online. Together with the consistency, the customer becomes ensure that the company’s actions are logical and reliable (Charlesworth, 2007)

Furthermore, the content of any web-page should be creative enough as well as informative, topical, stimulating and relevant to the needs of the target market in order to make customers return there again and again as well as use web-site possibilities. To promote products and services online, the actual product creator must have a Web-site where should be provided a variety of information about products or services, and the means by which the consumer can place and pay for the order. Thus, there is a need to make creative and innovative use of information employing both technology and intuition to tease out trends and opportunities (Charlesworth, 2007)

In addition, customization is all about the personalized products and services. And last but not least, is a coordination and control, which is an actual tool to measure any online activity through the special analytics. One of those tools is CRM – customer relationship management (Charlesworth, 2007)

### 3.2.2 Level of the companies' information support

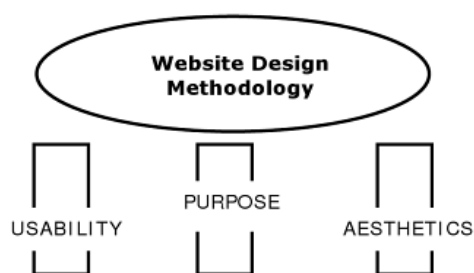
The dynamic development of the social media, the public value of which is currently rapidly growing, is closely linked with the competitiveness issue. In order to be able to differ from other companies in the market, the tourism organization should use modern ways of pro-



moting their product. Judging from the works of various scientists, such as Miletsky, Jason, Kotler, Smith, it became evident that Internet Marketing and the web-site itself is an inevita-

ble part of the marketing strategy of any company. Based on the works of Smolokurov (2009) the table above has been created, that is showing the level of the companies' information support, which includes: the availability of modern office equipment, high-quality software, which allows to serve clients without delays, connection to the booking systems, high-quality telephone communication and broadband Internet access. Therefore, evidently, the web-site of the company is an essential part of the whole marketing. Moreover, Smolokurov has pointed out the main standards of how the web-page of the company should be in order to successfully deliver all the necessary information to the potential clients, as well as to be competitive in marketing. Thus, this table shows the best correlation with the 10 Cs of Marketing for the modern economy (Gay R., Charlesworth A., 2007) and will be used in the main analyses.

In case if the approach is not structured, it is most likely that the delivered aims and scope of the web-site will be incomplete. The price to be paid for producing a poor website is getting higher and higher – in terms of missed opportunities, lost revenues, damaged reputations and so on. The Web nowadays is a busy place, with lots of competition and web users have ever-rising expectations and can very quickly move to an alternative web-page if satisfaction or interest is not speedily and substantially achieved. The structure can be also called methodology, which is an organized, documented set of procedures and guidelines. Good design



Pic.2: Website design: the three pillars.  
(Lawrence, 2007.)

methodology must include certain general features, which are reflected in the picture 2 (Lawrence, 2007). These are: usability, which is the ease of use of a web site; purpose, which refers to the main aim that the web-site was created for and finally, meeting all the aesthetic standards.

One of the examples of the web-site analyses, using the above reflected models, can be an American multinational computer technology corporation Dell Inc. Baumann (2009), had evaluated the web-page of the company by its information, navigation, presentation design, visibility, traffic generation as well as accessibility. He is mentioning that the site visitors need to quickly find what they are looking for on the web-site of a company, moreover, it is essential to make customers feel comfortable and entrap them to purchase the product. Furthermore, Dell web-page offers the homepage guests the possibility to interact with the company and other customers, for instant, by reading and writing customer ratings about

their products or writing in blogs. Obviously, Dell Inc. is making use of the CRM tool. The marketing tool is further enhanced by even having a chance to inform other people via e-mail about a product or a service one found on Dell's homepage.

Baumann (2009) has also described the link between the web-site quality and companies' competitiveness, as it is an essential part of the operations of any organization. Therefore, it could be concluded, that the models that are going to be used in the following work are functioning and the majority of the organizations are pursuing that rules in order to make their Internet Marketing effective in today's world of modern technologies.

In the following work the web-sites of the tourism organizations in the Northern Karelia will be analyzed and compared with similar ones in Northern Finland, using the theoretical background and models that have been reflected in the following chapter. Therefore, it is of no small importance to understand all the marketing peculiarities as well as strategies. However, firstly, it is necessary to gain insight into the each region's features, particularly, in relation to tourism.

#### 4 THE REPUBLIC OF KARELIA

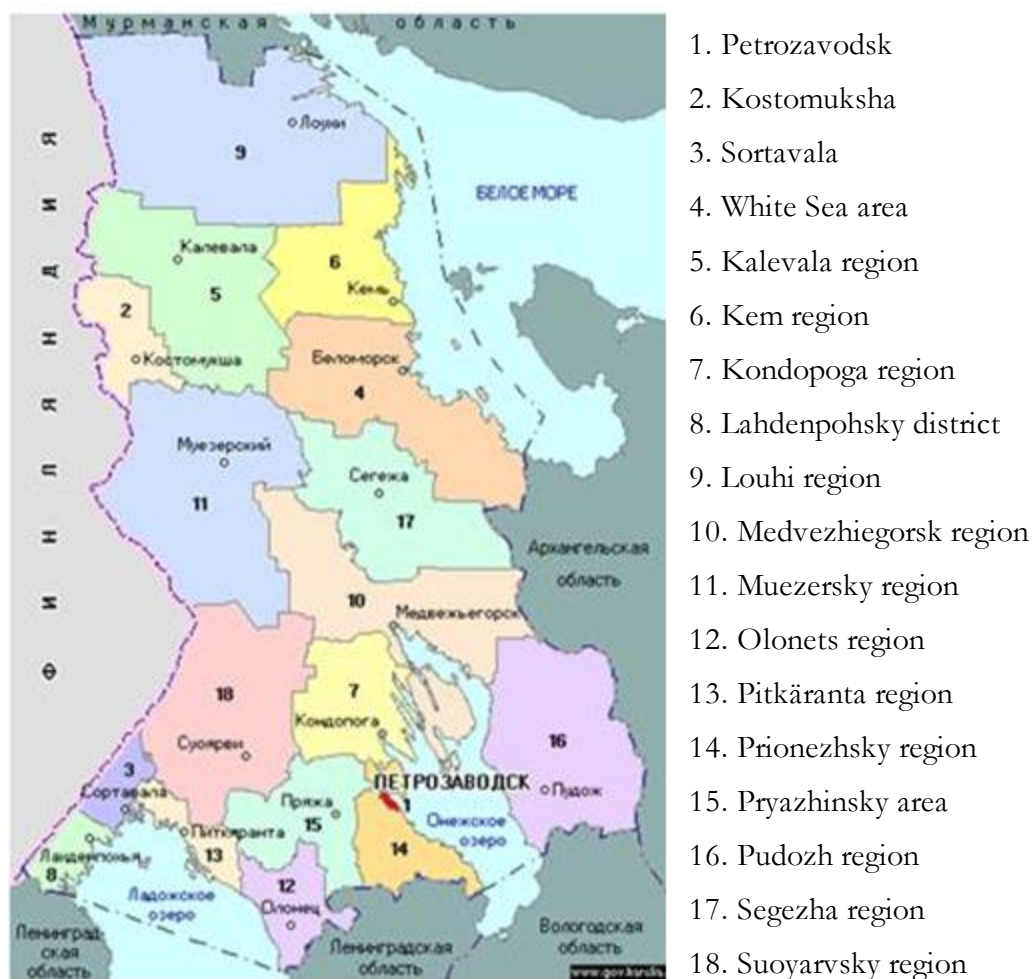
The Republic of Karelia has a lot of great opportunities for the development of various types of tourism, hunting and fishing, holiday cottages and camp sites, treatment in health centers in summer and winter season as well as outdoor activities, for instance, rafting and kayaking. Republic is also seeks to meet the interests of travellers and connoisseurs: there are more than four thousand cultural, historical and natural monuments and sites. Karelia is one of the most famous Russian territories in international tourism due to its unique architectural, cultural as well as historical sites on the islands of Kizhi, Valaam and close to the administrative border of Karelia - Solovetsky Islands. They are included in the UNESCO list of World Cultural Heritage Sites and are a national treasure of Russia. Historical and cultural identity of Karelia, which distinguishes it from other parts of Russia, is also determined by the four indigenous nations, historically living in this region - Karelians, Finns, Veps, Russian, created during ten centuries of living together as a unique and distinct culture. It gives the right to talk about the relevance of the Republic of Karelia for the travellers of foreign nationalities and the aim of this work apart from internet marketing and cross-border collaboration was to study the state of tourism in the Republic of Karelia. The object of this study is Karelia, and the subject - the level of development of tourism in the territory of the republic. The work had following goals: to obtain and analyse the characteristics of tourist flows, explore future programs and projects of tourism, determine the status of the resource and material resources of the region, to consider and examine the existing travel programs for international visitors. For a valuable qualitative research of the problems in this paper, following tools were needed: tourist guides, professional journals, tourism manuals. Internet source had been used, for the latest information on the status of the region, plans and prospects (The Administration of the Head of the Republic of Karelia, 2010).

The Republic of Karelia is a part of the North-West Federal District of the Russian Federation, which is an industrialized region of the country and has a diverse natural resource potential (Appendix 1). The area of Karelia - 180,5 thousand square km. (1.06% of the territory of the Russian Federation). Length from North to South is 660 km. From West to East along the Kem latitude length is 424 km. In the west Karelia borders on Finland, in the south - on Leningrad and Vologda regions, in the north - on Murmansk to the east - on the Arkhangelsk region. In the north-east the country is washed by the White Sea. The western

border of Karelia coincides with the state border of Russia and Finland and has a length of 723 km (The Administration of the Head of the Republic of Karelia, 2010).

The Republic of Karelia is located in the Atlantic-continental climate zone. The average air temperature in January is  $-8,0^{\circ}\text{C}$ , in July  $+16,4^{\circ}\text{C}$ . The average annual amount of precipitation - 500-700 mm. Permanent population of the Republic of Karelia (year 2013) - 637.008 thousand people, of which 82.2% - Russian, 7.4% - Karelians, 3.8% - Belarusians, 2% - Ukrainians, 1.4% - Finns, 0.5% - Veps, 2.7% - other nationalities. The average population density - 3.53 persons per 1 sq. km., the proportion of urban population in the total population was 78.82% (year 2013). The republic consists of 19 municipalities, 808 villages. The capital of the republic is Petrozavodsk, with a population of 265.263 thousand. Municipality headed by the head, elected in accordance with the Law of the Republic of Karelia "On election of deputies of representative bodies and heads of local government." The Republic of Karelia is composed of the following administrative units - districts: Belomorsk, Kalevala, Kem, Kondopoga, Lahdenpohsky, Loukhi, Medvezhiegorsk, Muezersky, Olonets, Pitkäranta, Prionezhsky, Pryazha, Pudozhsky, Segezha, Suoyarvsky, among which there are cities of national significance: Petrozavodsk, Kostomuksha, Sortavala. (The Administration of the Head of the Republic of Karelia, 2010).

Symbols:



Pic.3: The map of The Republic of Karelia. (The Administration of the Head of the Republic of Karelia, 2010.)

The history of the republic dates back to the foundation of the Olonets province in May 20, 1784. Its' modern name the Republic of Karelia received in 11 November 1991. Karelia is situated on the major highways that connect the industrialized regions of Russia with the none-freezing northern port of Murmansk and through Finland with the countries of the European market. There is a White Sea-Baltic Canal, located on the territory of the Republic, linking the Baltic and White Seas. The advantageous geographical position of the Republic promotes the development of internal and external economic and cultural ties. International activities of Karelia in the Barents Region are well-recognized in Europe: The Republic of Karelia had been named "European region in 2003." The most important in the natural-resource potential of the republic are: forest, mineral, water and recreational resources. More than 49% of the territory is covered with forests in Karelia (The Administration of the Head of the Republic of Karelia, 2010).



Almost 25% of the country is water surface. In Karelia, there are more than 61 thousand lakes, about 27 thousand rivers and 29 reservoir storages. There is 80% of Onega and 40% of Ladoga lakes on the territory of Karelia. Furthermore, the Republic of Karelia has an inexhaustible potential of tourism and recreational resources. There are more than four thousands of cultural and historical monuments and sites in the Republic's state account. Karelia is one of the most famous Russian territories, concerning international tourism, due to the unique architectural, cultural as well as historical sites on the islands of Kizhi, Valaam, that were included in the UNESCO list of World Cultural Heritage. More than five thousand years old are petroglyphs - rock drawings that survived till these days in Karelia, embossed with the hand of an ancient man. Nearly a million acres of land are protected areas: national parks "Paanajarvi" and "Vodlozersky" natural park "Valaam", such reserves as "Kivach" and "Kostomukshsky", 47 wildlife sanctuaries, 109 natural monuments. There is the first Russian resort and sanatorium Marcial Waters, located in fifty kilometers from Petrozavodsk, which was founded 280 years ago by Emperor Peter the Great (The Administration of the Head of the Republic of Karelia, 2010).

In the waters of Lake Onega the Russia's largest sailing regatta is annually held in late July - the national championship in sailing. Almost a million hectares of land, or more than 5% of the total area of the country, are protected areas: national parks "Paanajarvi", "Vodlozersky" and "Kalevala" as well as natural park "Valaam" and such reserves as "Kivach" and "Kostomukshskiy". Moreover, there are 46 reserves with an outstanding beauty landscape and 108 natural monuments (The Administration of the Head of the Republic of Karelia, 2010).

One hundred kilometers from Petrozavodsk on the Suna River is located Europe's largest plain waterfall Kivach. Fifty kilometers from Petrozavodsk situated the first Russian resort and sanatorium Marcial Waters, founded 280 years ago by Emperor Peter the Great. The resort has unique healing mineral waters, with the substance of iron, which has no equal in the world. Furthermore, there is a number of popular routes, namely, "Kizhi Necklace" - on Zaonezhie peninsula and adjacent islands, "Balaam - the pearl of Lake Ladoga" - through the islands of Valaam archipelago and finally, "On the trail of the demon" - to the White Sea petroglyphs. Interesting ecological routes have recently opened and are conducted in national parks "Vodlozersky" and "Paanajärvi" as well as in "Kostomuksha" reserve. There is also a route, which operates from Kem to Solovetsky Islands. Very popular within tourists are water-sport routes on the Karelian rivers - Shuya, Chirka-Kem, Onde, Vodla, Keret, Okhta and many others (The Administration of the Head of the Republic of Karelia, 2010).

Journey to Karelia for a lot of tourists, either local or foreign becomes an unforgettable experience, meeting with discreet, but surprisingly attractive northern nature, high quality service and comfortable accommodation in cottages and country guesthouses, skillfully organized hunting and fishing. Tourism organizations of the republic will do everything possible make staying in Karelia, regardless, its summer or winter, to become an unforgettable memory. "Calling Card" of Karelia in the domestic and international tourism is a unique historical and architectural sites on the islands of Kizhi and Valaam, included in the UNESCO list of World Cultural Heritage. Karelia has unique landscape and enough natural resources for the successful development of recreational and ecological tourism. More than 50% of its territory is covered by forests: Karelia is known as the "lungs" of Europe. About 26% covers water with a lot of lakes - 63,000, among which the biggest lakes in Europe are Ladoga and Onega lakes. There are also 27 thousand rivers. About one million hectares, or 5.3% of the total area of the country, are protected areas. World famous national parks are "Paanayarvi" and "Vodlozersky" natural park as well as "Valaam archipelago", reserves of "Kivach" and "Kostomuksha." (The Administration of the Head of the Republic of Karelia, 2010).

Extremely favourable for the development of the tourism industry of the Republic of Karelia is a geopolitical position determined by the presence of an extended, 720 km, border with the European Union, with the convenient connection of railways and highways of federal importance to Moscow and St. Petersburg as well as access to the Barents, White, Baltic, Black, Caspian Sea and the oceans. Obviously, tourism is one of the high priorities of the Republic of Karelia. Therefore, current thesis research is extremely relevant. Gathered information about the regions' tourism situation In the following chapters 6 Karelia's regions will be examined as well as the current tourism situation and ways to develop the cross-border collaboration with Northern Finland. The most important thing is to focus only on the areas, in which there is the most interest. Particularly, what products or activities do they offer? For instant, if it is a hotel, it is important to know, what kind of accommodation it provides for tourists (The Administration of the Head of the Republic of Karelia, 2010).

Firstly, it is necessary to make a small introduction into each region, in order to be able to make valuable and concrete analysis in the research. After the actual examination of the each region, work will come to the stage of the research within the tourism organizations that are operating in the described below regions with the sequential analysis of their tourism facilities.

## 4.1 Regions overview

### 4.1.1 Loukhi

Loukhi area is located mostly on flat terrain and only the north-western sector has a typical mountain species. Here is the highest peak of Karelia - Nuorunen Mountain (577 m above sea level) and the second deepest, after Ladoga, Paanajärvi lake (128 m). The hydrographic network belongs to White Sea basin. It is represented by numerous lakes and river systems, the largest of which are being regulated. The district has Kuma reservoir, which includes the largest lakes, such as Pjaozero and Topozero as well as part of Iovskoe reservoir. Most of the lakes are of glacial origin, are small in size and are characterized by a winding coastline, abundant bays and islands. In places where the bedrock coast is high, steep and rocky. The area is characterized by a dense river network. The largest rivers are Keret, Kuma, Poncha and Olanga. River valleys are poorly developed; streams are full of rapids and shoals. Of land are 2255170 hectares, including 2,330 hectares of farmland, of which 764 hectares of arable land, pasture and hay land 367 ha. The area is rich in natural resources. Forestry has the leading role, as it is the basis of the forest industry. Predominantly coniferous forests, but there are also birch, alder, aspen, ash, etc. There a lot of berries growing, such as: cranberries, blackberries, blueberries, lots of mushrooms, from russulas to white fungus (The Administration of the Head of the Republic of Karelia, 2010).

The area has a unique geology as well as minerals, such as mica, muscovite, feldspar, natural building and facing stone, kyanite ore, titanium-magnetite ore, and gold. The area is characterized by one distinctive feature is the concentration in the vicinity of scarce metal and non-metal minerals, including building materials. The area is rich collection stones: fuchsia, granitic pegmatite minerals, aluminum oxide, garnet, pearls. The fauna is: bear, wolf, wolverine, moose, caribou, marten, mink, squirrel, fox, and others. Of upland fowl present capercaillie, black grouse, partridge, grouse, etc. Such fish as: salmon, trout, salmon, whitefish, trout and other can be found in Kandalaksha Bay of the White Sea, Lake Keret, Topozero, Pjaozero, Paanajärvi (Tourism Information portal of the Republic of Karelia, 2013).

#### 4.1.2 Kostomuksha

Kostomuksha is an urban district located in the south-western part of the White Sea Karelia, adjacent to the state border between Russia and Finland, which has good transport links via the international checkpoint Lyttä-Vartius, which was open in 1994. The city has an exceptionally favorable geopolitical location - located on the border with the European Union - Finland, has a favorable transportation and geographical location - is located on the internationally important rail and automobile routes, comprising a Euro-Asian transport corridor. Prospective corridors allow one to reach the most important ports as well as to have a direct access to European countries and the Atlantic. On both sides of the border to this checkpoint railways and roads are connecting Kostomuksha with Gulf of Bothnia and the White Sea, as well as many areas of Karelia, including Petrozavodsk. Kostomuksha – is linking Scandinavia, Karelia and Arkhangelsk region. The area has a flat, but very disjointed nature. The main natural dominant edges are three large lakes and river systems in the northern, south-western and southern parts of the territory. Each of them in the tourism perspective is different. In the north - river Vuokijoki – lake Sudnozero and the western part of the Lake Upper Kuito. Here are preserved large tracts of virgin forests forming the basis of the planned national park "Kalevala", and a number of villages in which E. Lönnrot recorded most of the runes, composed an immortal epic "Kalevala". The region has all the precognitions for cultural and ecological tourism. There is "Kostomukshsky" reserve, located in the south-western part of the region, the core of which is Lake Kamennoe and river Kamennaya, which are famous for their unique beauty. In addition to this, there are pristine pine forests and complete solitude, which makes it clear, that there is an excellent basis for the development of ecological tourism. Reserve "Kostomukshsky" is well known in Finland as well as in other countries, as it - along with the Finnish nature park "Kuhmo" - forms the first international park "Friendship". At the present time, popular tourist route is laid there. In the south area, due to the lake system Luvozero - Volgozero - Kimasozero - Nook , which are connected by torrential rivers, there are perfect conditions for the development of water sports as well as fishing tourism (Tourism Information portal of the Republic of Karelia, 2013).

#### 4.1.3 Kalevala

Kalevala village is situated on the northern shore of Lake Kuito average of 550 km north-east of Petrozavodsk. The first mentioning of a trading settlement on the site of the present Kalevala was found in 17th century documents. Today, it is attractive in terms of tourism, known as a land of rivers, lakes and wetlands, where the Karelian-Finnish epic "Kalevala" song is originated. The village itself and the surrounding area have many places of memory related to the creation of the epic "Kalevala". Here in the early 19th century due to the collector of Finnish runes Dr. Elias Lönnrot. It is believed that he wrote epic songs, sitting under the old pine tree, which is located in the village and till present day it is called the Lönnrot pine. In Kalevala in the house of a narrator Mary Remshu there is a museum. Moreover, there are annual folk festivals and performances taking place by local folk ensembles (Tourism Information portal of the Republic of Karelia, 2013).

Lake Kuito, on which stands the village of Kalevala, is the main natural attraction. It is an arc with length of 140 km, consisting of three lakes - Upper, Middle and Lower Kuito. They all have a rugged coastline and many small islands. In the Lake Kuito are found 12 species of fish, including such valuable species such as salmon, whitefish and grayling. South-east of the eastern part of the Kalevala region is ancient village Panozero. The first mentioning about it dates back to the beginning of the 13th century. The village has preserved the traditional wooden architecture of the Karelian sample - houses, barns and baths (Tourism Information portal of the Republic of Karelia, 2013).

#### 4.1.4 Segezha

Segezha city is located in the central part of Karelia (about 270 km. North of Petrozavodsk), on the west bank of the lake Vygozero, at the confluence of the rivers Segezha. The origin of the name "Segezha" comes from the Finnish "sees" - clean, pure. Vygozero and its crossing river Vyg are the main natural and historical dominants in the area. The Northern branch of the trade route from Novgorod - White Sea laid here and across the lake laid a famous Czar's Road, on the lake and Lower Vygu passes channel, which is the largest hydraulic structure of its kind in the world (Tourism Information portal of the Republic of Karelia, 2013).

#### 4.1.5 Kem

Kem is a region with an area of 8.0 thousand square km and population of 24,9 thousand people. It is mainly located in the basin of the river Kemi and is considerably adjacent to the White Sea. In the meridional direction, it is crossed by railways and highways of federal importance, which provides access to the south and the north. The administrative center - the city of Kem - is a sea port of the White Sea and the preferred starting point on the Solovetsky Islands, the main way to which is 45 km away. The city itself has a significant cultural and historical potential, being a historical city of national importance, has a number of monuments, one of which - the Cathedral of the Assumption (1714), is one of the masterpieces of northern wooden architecture (Tourism Information portal of the Republic of Karelia, 2013).

#### 4.1.6 Belomorsk

Belomorsk is a White Sea region in the south-eastern part of North Karelia. The total area of the district is 13 thousand square meters. Total population is 19 thousand people. There are 40 lakes and 10 rivers in the area. The distance from Petrozavodsk is 380 km from St. Petersburg - 850 km. The district center is the city Belomorsk, where the river Vig, branching on the sleeves of his numerous deltas, two large arms flows into the White Sea, lies the town of Belomorsk. It is located where the railway and a highway connecting St. Petersburg and Murmansk and Karelia permeates the entire mainland, moving to the north, and facing the White Sea at last. The White Sea, the famous Glacial Sea - cradle of the Russian Navy, the home of world-famous captains, brave explorers, fishermen and hunters. In the cultural-historical sense region is also very unique. Its history goes back to centuries and is full of significant events and outstanding monuments. Here are the famous monument artifacts, such as White Sea petroglyphs (Tourism Information portal of the Republic of Karelia, 2013).

## 4.2 Current tourism situation in the Republic of Karelia

The primary aim of development of tourism in the Republic is the formation of a modern highly effective and competitive tourist complex, providing wide opportunities and a variety of tourist services to meet the needs of the citizens of Karelia, Russian and foreign citizens.

In recent years, the tourism industry is developing successfully, thus, an outstripping growth of quantitative indicators is taking place, and increase in the contribution in the Republic economy.

Implementation of the developed by the Government of the RK medium-term program "Development of tourism in the Republic of Karelia for 2003-2006" enabled to implement a comprehensive system of state regulation of tourist activities, and provide the resource-based organizational support of the implementation of the most important events, to organize coordination of short and medium-term programs of development of tourism in the cities and districts of the Republic (The Administration of the Head of the Republic of Karelia, 2010).

Almost all of the major events of the program were accomplished. The main direction of scientific research in the field of tourism were the creation of the Strategy of development of tourist activity in the Republic of Karelia for the long term, development of tourist cluster in the territory of the Republic of Karelia, preparation of applications for creation of tourist-recreational special economic zone. According to the results of the past in August-December 2006, the Federal competition on the right to create on the territory of the regions of Russia special tourist-recreational economic zones, the bid of the Republic of Karelia has received one of the highest expert assessments (The Administration of the Head of the Republic of Karelia, 2010).

Dynamically developing international and interregional cooperation in the field of tourism. During the Program were implemented 15 joint projects on development of tourism in Karelia with a total budget of more than 5 million euros. Active participation of the Republic continued in the work of the coordination Council for development of the industry of tourism "Regions of Russia - Moscow agreement", that essentially expands opportunities on information and advertising promotion of tourist potential of the Republic of Karelia and the attraction of investments in development of tourism infrastructure. The Republic of Karelia

took part in the largest international and intra-Russian tourism exhibitions. The number of exhibition and fair events, which presented tourist potential and tourist product of the Republic of Karelia, in 2006, for the first time reached fifteen (Helsinki, Oulu, Berlin, London, Moscow, Russia, Saint-Petersburg, Kaliningrad, Vologda, ITB (Berlin), WTM (London), MATKA (Helsinki), ITM, MITT, MITF (Moscow), INWETEX (St. Petersburg). (The Administration of the Head of the Republic of Karelia, 2010).

In order to stimulate the development of inbound and domestic tourism in the Republic of Karelia, improvement of the tourism services' quality, the Government of the Republic held the fifth contest "Leaders of Karelian tourism industry" among the organizations and individual entrepreneurs, engaged in tourist activities on the territory of the Republic of Karelia. Traditionally, much attention was paid to the issues of improvement of the system of training of teaching staff, scientific-methodical maintenance of educational process in the tourist educational institutions. Nine institutions of the Republic carry out preparation of experts in the sphere of tourism at the level of additional, specialized secondary and higher education. In the multilevel system of tourist education more than 1 800 people have completed or are still under the training (Velichinskaya, 2008).

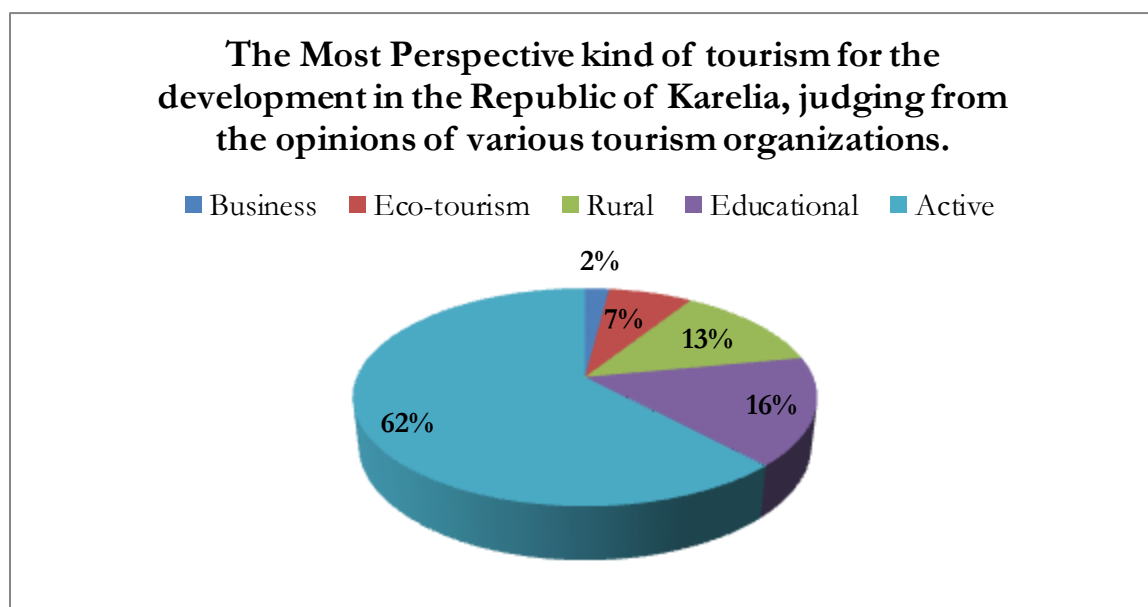
The volume of investments in the construction of new and reconstruction of existing objects of accommodation for tourists has increased for four years in 3 times and in 2006 amounted to 470 million rubles. The number of bed-places in newly constructed and reconstructed accommodation facilities increased by more than 300. On January 1, 2007 in Karelia there were about 140 accommodation units at 6025 places. The growth of tourism and business attractiveness of the Republic of Karelia is characterized by increase of the volume of tourist-excursions and hotel services. Expansion of services in the sphere of tourism involves the construction of comfortable hotels in the centers of main tourist activity and country cottage complexes, reconstruction and restoration of the traditional rural houses for hosting the tourists, the acquisition of tourist equipment and outfit, tourist buses and ships, the development of infrastructure related sectors: road management, communications, sphere of cultural-consumer services and leisure activities (Velichinskaya, 2008).

Among the priority types of tourism are - natural, ecological, water, rural, cultural-cognitive. Especially the development of active tourism should be mentioned: rafting on rafts and catamarans, a Safari on quadro-cycles and snowmobiles, trophy-raids on the jeep, Bicycle tours, Hiking in the nature, diving, yachting, hunting, fishing and so on (Velichinskaya, 2008).



In order to increase information availability of tourist potential of the Republic of Karelia for the Russian and foreign investors, organizational-methodical and financial support to investment projects, range of activities has been implemented. Established tourist Internet portal [www.ticrk.ru](http://www.ticrk.ru), which is supported by the Information tourist center of the RK. Moreover, Tourist guides are published as well as directories and other information-advertising materials. International and interregional cooperation in the sphere of tourism is being implemented. Basic research in Economics and statistics of tourism are conducted as well as the development of tourism geo-information systems (Velichinskaya, 2008).

In spite of all taken measures, rich tourist potential of Karelia is engaged in the present time not more than 30 %. The tourist industry of the Republic provides ample opportunities for profitable applications capital and entrepreneurial initiative. The most perspective types of tourism for the Republic of Karelia are: medical and health tourism; business tourism; ecological tourism; auto tourism; fishing and hunting tourism; event and rural tourism. Also the most attractive forms of tourism for the Republic of Karelia, under which it is necessary to develop the existing tourist infrastructure, are: Religious (pilgrimage); City, bus, cultural (Velichinskaya, 2008).



Pic.4: The most perspective kind of tourism. (Velichinskaya, 2008.)

For fishing and hunting, event as well as rural tourism it is necessary to create an integrated infrastructure complexes and their development requires significant investments in the development of the material-technical base as well as marketing. All tours at the present time

can be attributed to perspective kinds of tourism, associated with active kinds of recreation: extreme, sports tours, rafting, kayak, bicycle tours, etc. These types of tourism does not require a well-developed infrastructure and serious capital investments, but remain to be profitable enough and are in a high demand among the tourists. This fact is confirmed by marketing research, surveys, carried out among the heads and managers of various travel companies in the Republic of Karelia (Velichinskaya, 2008).

However, a rather high demand for sport and health tourism is growing. Among foreign tourists - 18,8%, the Russian tourists - a 23.3%. In this stage the most important can be singled out: water tours: rafting, canoe and kayak tourism, yachting, diving, tours on motor boats; downhill ski and cross-country ski tourism; motorcycle and car tours, such as rally race for survival, jeep tours and others.

#### 4.3 Transport network

The Republic of Karelia is a transit territory. Through Karelia pass important transport routes, connecting the industrially developed regions of Russia with the ice-free Northern port of Murmansk and through Finland, to the countries of Europe. There is a white sea-Baltic canal on the territory of the Republic of Karelia, linking the Baltic and the White Sea. (Appendix 2)

The length of motor roads of common use is 7822 km. Through Karelia passes the Northern transport corridor, which originates in the Perm region and connects Russia with Europe. The route passes through the territory of Karelia through the cities of Segezha and Kostomuksha and crosses the border of the international automobile check-point Lyttavartius. Road of Federal importance is the highway «Kola» (Saint-Petersburg - Murmansk), which passes through Petrozavodsk. Priority direction of the road network development of the Republic of Karelia are – highways Kochkoma-Tiksha-Ledmozero-Kostomuksha-State border and Saint-Petersburg-Sortavala-Lemetti-Pryazha-Petrozavodsk. Concerning road network, it is planned to make the capital reparation of the road network as well as bridges and building the new ones (The Administration of the Head of the Republic of Karelia, 2010).

The length of Railways of the Republic is 2.1 thousand km. Through the Republic of Karelia lie railway lines in the cities of Murmansk, St. Petersburg and Helsinki. There are 3 airports, 3 airfields, 11 landing sites and heliport. Among eight priority airports in the North-West region of Russia the international airport of Petrozavodsk is located (The Administration of the Head of the Republic of Karelia, 2010).

Lakes, rivers and canals form a strong transport network of the Republic of Karelia, allowing for an exit in the sea, the White, Baltic, Caspian, Black, Mediterranean, but also in the World Ocean. There are two main shipping transport ways: the water way of the White Sea - Baltic and Volga - Baltic Sea. Uniting, water routes make it possible the output from St. Petersburg, the Baltic Sea through Lake Ladoga and the Onega Lake to the White Sea, to the city of Belomorsk and further - in the Barents Sea, or, as an option, to the South, to the Black sea (The Administration of the Head of the Republic of Karelia, 2010).

According to the head of the Republic of Karelia Alexander Hudilainen, flights between the capital of Karelia - Russia and Helsinki - Finland, interrupted in August of the year 2012, is planned to be resumed from the beginning of 2013. "We are negotiating on the organization of air transportation with the two companies; I cannot disclose their names. In the project of the regional budget is provided more than 20 million rubles for subsidies to carry out flights between Petrozavodsk and Helsinki," stated Alexander Hudilainen (The Administration of the Head of the Republic of Karelia, 2010).

Now the Finnish business began to take an active interest in the cooperation with the Republic of Karelia, however, the transport accessibility is much to be desired: a journey by car from the capital of Finland to Petrozavodsk takes 8-9 hours. Meanwhile, the flight lasts only an hour. The image of every region in many respects depends on that, how convenient and safe transport communication is.

Moreover, jointly with JSC "Russian Railways" the possibility of starting from the beginning of 2013 high-speed trains "Swallow" between Petrozavodsk and Saint-Petersburg is being explored. The trip will take about four hours. As a test case, it is assumed that high-speed trains will run twice a week. Thus, if a trip on the high-speed train will be claimed by the passengers, the frequency of flights will increase. The same applies to the train Petrozavodsk – Joensuu: Finland, a test ride was held on December 28, 2012. Furthermore, it is believed, that in 2014 Karelia will be able to become a pilot region in the Federal project of the devel-

opment of regional air transportation, Ministry of transport of the Russian Federation is going to provide all the necessary support (The Administration of the Head of the Republic of Karelia, 2010).

Referring to the data of diagnostics of the Russian Federal road network, poor durability of road surfaces has 56 percent of the roads, inadequate evenness of road coverings - 37 and poor coupling properties of road coating - 36%. In overload conditions, or, in other words, with excessive bandwidth there are 28 per cent of the total length of Federal roads. As a whole in the Russian Federation only 24 per cent of the territorial road network meets standard of transport and operating indicators. From statistical figures it can be seen that the forecast of the state of Russian roads by 2010 is realistic. The justification fully depends on what kind of volumes of works on reparation and reconstruction of roads will be implemented in 2006-2010 (The Administration of the Head of the Republic of Karelia, 2010).

As for the Republic of Karelia, in the present time, of 7039 km of regional roads of more than 50 per cent of the network do not comply with the normative requirements on durability of road pavement and about 80 per cent - on the evenness of road coverage. The Ministry of construction in the current year has been developed, agreed with all the interested ministries and departments and submitted for consideration to the Government of the RK, the project of the regional target program "Development of road facilities of the Republic of Karelia for the period till 2015". The project of the document is to 2010 envisages a significant increase in funding capital and current repairs of highways. Therefore it is planned that as a result of the implementation of the proposed activities, the share of roads, needed to repair, will decrease considerably by 2015 (Ministry of construction, 2012).

#### 4.3.1 Improvement of the road network condition

On March 31 the press-service of the Government of the Republic of Karelia has held a briefing, where the Deputy Prime Minister of the Government of the RK and the Minister of construction Valery Momotov and Deputy Minister of construction Nikolay Skresanov told representatives of the Republican mass media about the problems and prospects of the road sector of the Republic (Ministry of construction, 2012).

The total length of automobile roads of common use, relating to the ownership of the Republic of Karelia, as at 1 January 2008 is 7029 km. The road network has 575 bridges with total length of more than 16 thousand meters. Currently, the operational condition of roads does not fully meet the level allowed under the terms of road safety. All the work on the improvement of the condition of the roads is being fulfilled in the framework of the Address investment program of the RK for 2008, as well as regional target programs «Development of road facilities of the Republic of Karelia for the period till 2015» and «Increase of traffic safety in the Republic of Karelia in 2006-2010» (Ministry of construction, 2012).

In total, the construction of roads and bridges in the current year was provided with 617,3 million rubles, including Federal budget funds in the amount of 339,7 million rubles. At the expense of the allocated financial resources it is planned to put into operation the part of the piece of road line: Kochkoma - Tiksha - Ledmozero - Kostomuksha – state border, 64-70 km, a length of more than 6 km and the road: Petrozavodsk - Suojarvi, 63-65 km, with the length of over 3 km. In addition, it is foreseen to complete construction of the 5 capital of ferroconcrete bridges with total length of 126 square meters (Ministry of construction, 2012).

This year on realization of actions of the program «Development of road facilities of the Republic of Karelia for the period till 2015» were allocated 492,7 million rubles, including 426,6 million rubles for maintenance of the road network and 43.8 million rubles for the reparation and overhaul of the road network. The funds allocated for the maintenance and repair of motor roads will primarily aim at ensuring the free movement of vehicles on the road network of the Republic as well as reparation of the bridges, in particular, roads with the bus service and high traffic intensity (Ministry of construction, 2012).

Inclusion and the subsequent transfer of a motorway from St. Petersburg via Priozersk, Sortavala to Petrozavodsk in the ownership of the Russian Federation with total length of 304 km, will let to free up the funds of the budget of the RK, directed on maintenance of the road, in the amount of 25 million rubles annually (Ministry of construction, 2012).

In May of the current year the Government of Karelia together with the Government of the Vologda region plans to bring in the Federal road Agency-Rosavtodor the proposal of inclusion in the list of Federal roads the route: Vologda-Kirillov-Pudozh-Medvezhyegorsk.

As for the street-road network in Petrozavodsk, due to the subsidies allocated from the budget of the RK (100 million rubles) in August-September of the last year are executed reparation works on the nine streets of the total area of 151,81 thousand square meters. Besides, construction, reconstruction and reparation of roads of the capital of the Republic from the Federal budget was allocated 209,4 million rubles (Ministry of construction, 2012).

In order to reverse the negative processes, it is necessary to accomplish all the regulatory work, to conduct timely repairs on the newly constructed or reconstructed roads. Moreover, it is essential to accomplish all the works on the exploited roads not less than it is fore-knowledged with the reparation works period. In addition, citizens can also make a huge contribution to the improvement of the condition of the roads. It's no secret that on the roads there are often cases of vandalism, namely, damage and theft of road signs, signal columns as well as enclosed bus stops. And in case, it has been witnessed, one should not show indifference, otherwise, the situation will grow steadily worse. Finally, annually there are a lot of money spent on garbage collection and unauthorized dumps along the roads (Ministry of construction, 2012).

The road services of the Republic have serious claims to the drivers and owners of modern trucks, who are ignoring the rules of heavy cargoes transportation. Moving on the roads designed for load of 6-10 tons per axle, they allow the load on the axis of 15 to 16 tons, which leads to the irreversible destruction of road pavement. With regard to provision of road-building organizations with modern technologies, the material-technical base of enterprises requires serious updating. Depending on the availability of funds, enterprises replenish their fleet with new machinery and equipment (Ministry of construction, 2012).

## 5 RESEARCH AND ANALYSES

As it was already mentioned before, the main research objective is to analyse the differences in the Internet Marketing, especially Web-Pages between the Republic of Karelia and Northern Finland. However, before it is necessary to examine and analyse the whole tourism market in the Northern Part of the Republic of Karelia as well as Northern Finland, particularly, what tourism organizations are operating there and their offers for the local and international tourists. In addition, as tourism is inevitably linked to infrastructure, another objective was to ascertain the transport network, both, in Karelia and Finland. In particular, roads, airports located in the investigated areas. All this information was collected and registered in the unite database, which is presented in the Appendix 5. Thus, this simplified the process of the comparison and made it more vivid. Theoretical background described above is reflecting the base of the following research and sources that this work will be built on, as well as corroborates it. Research problem and theoretical background are directly connected with each other. For example, the chapter, where the Internet Marketing is depicted is mostly based on the works the Philipp Kotler's as well as other marketing experts, whose theories and ideas have been applied in a lot of various researches.

Above all, the limits of the following work have been set. Each part of the research took a certain period of time. The first stage, which is the theoretical base, has been formed during the first month of the research work. All the possible valuable information as well as sources were collected. As thesis is based on the Cross-Border project, it was also obligatory to cooperate with the main Project Coordinator, who gave all the basic information, concerning the future work as well as time limits. At the end of the first month all the necessary theoretical sources have been collected and the work was ready to come to the next stage, namely, implementation of the gained knowledge and searching for the concrete information about the Republic of Karelia and Northern Finland, particularly, infrastructure, region peculiarities as well as tourism possibilities. During the second month the database of all the tourism organizations in the Northern part of the Republic of Karelia has been fulfilled.

Finally, during the last months the research will mainly consist of the analysis stage. This implies that, tourism organisations indicated in the unite database will be analysed and compared. Following aspects will be found: what do those companies have in common, their location, why are they offering service for the international tourists and what services in par-

ticular do they proffer, in addition, what do their web-sited consist of and what are the differences with the Finnish web-pages.

As the research objective has been set, an appropriate sampling method was chosen. First of all, qualitative research was considered to be an appropriate way to make investigation and analysis. Choosing a sample for a research is an initial step that can greatly affect the results of the research. If a sample is not chosen well it can bias the conclusions or even make the results unusable. In this case, Stratified Sampling method had been selected, as within all the hundreds of the organizations in the Republic of Karelia and Northern Finland only those, related to tourism were chosen (Kumar, 2011).

Stratified sampling is thought to be superior to random or systematic sampling because it reduces possible errors. With this sampling method, groups and subgroups are listed within the greater population by factors they have in common. The statistician then determines their percentage of representation in the population and randomly selects a proper number from each group or stratum to sample in order to represent the population as a whole. This reduces the error that could occur with a simple random sample not including groups that have a low incidence in the overall population. Advantages of Stratified Sampling, using a stratified sample will always achieve greater precision than a simple random sample, provided that the strata have been chosen so that members of the same stratum are as similar as possible in terms of the characteristic of interest. The greater the differences between the strata, the greater the gain in precision. Administratively, it is often more convenient to stratify a sample than to select a simple random sample. For instance, interviewers can be trained on how to best deal with a particular age or ethnic group while others are trained on the best way to deal with a different age or ethnic group. This way the interviewers can concentrate on and refine a small set of skills and it is less timely and costly for the researcher (Kumar, 2011).

A final advantage that stratified random sampling has over simple random sampling is that it guarantees better coverage of the population. The researcher has control over the subgroups that are included in the sample, whereas simple random sampling does not guarantee that any one type of person will be included in the final sample. However, there is also a certain number of disadvantages of Stratified Sampling: one main disadvantage of stratified random sampling is that it can be difficult to identify appropriate strata for a study. A second disadvantage is that it is more complex to organize and analyse the results compared to simple



random sampling. However, among all the considered sampling methods, following method has been chosen as the most appropriate (Kumar, 2011).

## 5.1 Monitoring and analyses of the tourism organizations in the Republic of Karelia

To begin with, it is necessary to describe the method of collecting the information from the tourism organizations, as it was an essential part of the research and all the conclusions were made on the assumption of the founded information. The sample of the interview is displayed in the Appendix. An interview was done partly through e-mail and telephone, as it is a relatively cheap tool in comparison with other methods, and moreover, it is an efficient and fast method of collecting the needed information.

### 5.1.1 Telephone and E-mail interviewing

Telephone interview is an individual interrogation method, conducted by phone. The method of telephone survey information can be collected from physical persons, such as residents of the city, the consumers of a product, and such, as well as legal persons, namely, managers, managers of organizations, etc. For the survey on the phone the database of all the phone numbers is being used - for legal persons or a list of random phones that are generated by special software - for physical persons.

Advantages of a technique of «telephone interview» are the following:

- Efficiency of the holding - the ability to reach a large sample in a short time period,
- Low cost: a telephone survey - one of the most inexpensive methods of research,
- Possibility of interviewing hard-to-reach respondents.

However, there are also several disadvantages of the following method of collecting the information. Particularly: Ddifficult to control the understanding and the sincerity of a Respondent; Impossible to use visual materials (samples, cards with variants of answers); The limited duration of the interview - usually no more than 15 minutes; The reluctance of respondents to reply on the questions, that they consider private; It is impossible to gather in-depth information or the opinions of respondents on a wide range of issues; Telephone sur-

veys of individuals may only be carried out in localities with a high level of installation of telephones, otherwise, the sample will be non-representative (Burke, Miller, 2001).

In the course of a telephone survey there is a possibility to receive the operative information on matters, which may answer in the organizations of workers of low rank (Secretary, assistant, operator, etc.). In the telephone survey of legal entities is practically impossible to obtain reliable information on some issues (income of the organization, its suppliers and customers) (Burke, Miller, 2001).

At the preparatory stage on the basis of available databases a list of telephone numbers of legal entities is compiled. Then only those entities that meet the criteria of the study are being interviewed. The criteria can be: type of activity, the size of the organization, services offered, and area of operation. (Burke, Miller, 2001).

E-mail interviewing was used as one more method of collecting the necessary data from the tourism organizations in the Republic of Karelia. As with telephone and MSN messenger interviews, one of the advantages of e-mail interviewing, due to asynchronous communication of place, is the extended access to participants, compared to face to face interviews (Coomber, 1997). In addition, the interviewee is able to take more time for the answers, which can contribute to the quality of the answers as well. Moreover, another advantage is that the noise in the background is not an obstacle and the respondent can answer all the questions at his or her own convenience. However, there is a risk that the respondent will not reply to the e-mail or skip certain questions, which will influence the validity of the research. Sending reminders at an appropriate time to the interviewee can reduce this problem. (Burke, Miller, 2001).

In the following work, described above methods of data collecting had been chosen as the most appropriate, as it was needed to reach the certain tourism organizations, that were included in the unite database before the potential interviewing. The sample of the interview is demonstrated in the Appendix 4.

### 5.1.2 Tourism organizations' supplies

After the unite database of all the tourism organizations was made and all the necessary information had been collected, using such data collecting methods, as telephone and e-mail interviews, it is time to make the potential analyses of all the supplies and services, that those tourism entities are able to offer.

Before making the actual analyses, the main keywords can be listed, namely: fishing, hunting, cottages, as mainly all the tourism organizations are offering following services. As it was stated in the main description of the tourism potential of the Republic of Karelia, it is becoming obvious, that most of the tourism organizations are middle sized companies, who are focusing on the active tourism more than any other kind, as it is more affordable and economical, as the nature itself is offering all the possibilities for it. On the other side, there are also companies, who are offering various attractive and fascinating excursions all around Republic of Karelia, especially in the regions of: Loukhi, Kalevala, Kostomuksha, Segezha, Kem and Belomorsk.

Fishing and hunting are the most popular activities, which are of a high demand in the Republic of Karelia, judging from the offers of the various tourism organizations in the RK and a tourist demand. In our modern and fast pace city lives people are seeking for some remote places of rest. Thus, an exchange of civilization for the unity with nature, hunting and fishing in Karelia - this is what needed. Diversity of rivers, lakes and fauna of Karelia will not leave anyone indifferent, and a large number of game and fish will make hunting and fishing in Karelia diverse and fascinating. Moreover, companies who are offering this kind of active tourism are fully prepared for hosting international and local tourists, in other words, they are able to offer all the needed supplies, starting from the waterproof suit and ending with a fishing-rod. In order to make the staying more interesting and memorable as well as make it differ from other tourism firms, they are trying to dilute the program and add something new. For instant, they can take you to the fishing or hunting place with a snowmobile, or jeep or other kind of safari transport. As for accommodation, the perfect addition to the whole fishing trip will be staying in the Log Hut or a small cottage on the lakeside or a riverside, which will also contribute to the staying extension: the most interesting thing to know about those log huts is that there are no unnecessary staff, just what one will need for sleeping and making food, like simple wooden bed, a campfire and a kettle.

However, there are also companies, who are offering various accommodation facilities. These are: cottages, peasant's log huts, guest houses, tents and hotels. These can be Hotels themselves offering accommodation, or tourism companies, who are offering additional accommodation to various tours, like fishing or hunting as well as excursions.

With regard to the hotels' "Star" system. According to the Russian agency of legal and judicial information, only about 50 hotels throughout the country can qualify for the category of \*\*\* up to \*\*\*\*\*. In fact, to visualize what the hotel category \*\*\*\*\* is, it is possible to visit the Moscow hotel «Baltshug Kempinski», «Metropol», «Savoy», «Tverskaya Palace hotel Marco Polo», «Olympic Penta Renaissance» - they fully correspond to the world standard \*\*\*\*\*. All the rest does not comply with the strict requirements of the classification. Therefore they can be classified in other categories of accommodation facilities, the so - called "guest houses". Their level corresponds to 1-3 stars, but these are not "Star" hotels. Taking into account the Republic of Karelia, all the hotels are claiming to be 2-3 Star Hotels, however there is no official "Star" system applying to them in comparison with other countries, such as Switzerland or Spain. In Finland there is also no official "star" system applying to hotels and cottages, therefore, their classification in the catalogues of tour operators is relative.

Solution to the following situation might be alternative to stars classification system, or expanding it with an integration of new symbols. At the present time in the world there are about 30 national categorizing systems of accommodation facilities with different gradient symbols. In addition to the stars, there are also "key", "crown", points, and even "diamonds". As shows the experience of many countries, the use of specific mark of compliance helps the various social groups to choose a hotel for their needs. If the stars indicate the presence in the accommodation any kind of the required facilities, the alternative sign can guarantee the satisfaction of certain essential needs without overpayment for unnecessary luxury. This could be a suitable idea for the various accommodation facilities in the Republic of Karelia.

Regarding educational organizations, it is necessary to pay attention on the Belomorsk centre of tourism and local history (Belomorsk centre of tourism and local history, 2013). It is an educational complex in the forest area that includes: a one-story brick building with lecture-rooms and utility rooms, educational-training ground with a Playground for football, volleyball and basketball, camp is equipped with a camp-fire and a place for installation of tents. There are equipped classrooms of tourism and study of local lore as well as sport ori-

entation in the centre and a class-Museum «Pomorskaya izba». The institution has all the necessary tourist and sports equipment, methodical literature, modern office equipment to conduct educational activities. At the expense of extra-budgetary funds and grant support the material base is being constantly updated and renewed. Special attention in the work is given to the implementation of the national-regional component through the sections of the educational teachers' programs, excursions and holidays in the interior of the class-Museum "Pomorskaya izba". The lifestyle of the indigenous population - dwellers and Karels has gained the most interest. The exposition of the class-Museum «Pomorskaya izba» is constantly updated with the exhibits from the expeditions, allowing students to follow the original traditions of the native land (Belomorsk centre of tourism and local history, 2013).

Station of tourism, being a methodological centre of tourism and a local lore study in Belomorsk region, coordinates and provides information as well as methodological assistance to educational institutions of the city and the region on priority directions of development, education and additional education of children, prepares and replicates methodical collections, developments and recommendations (Belomorsk centre of tourism and local history, 2013).

Students receive sport level and rank of the Young tourist of Russia, Tourist of Russia, instructor of youth tourism. Graduates have the leadership and organizational skills, they are demanded in tourist firms, in children's summer camps. They are able to run tourist complexes at the place of study in the Universities; in addition, they are studying in the higher educational establishments of Emergency Control Ministry of Russia.

Secondly, Basin Council of the North Karelian Coast is another organization worth paying attention in the way of the tourism and region development in the Republic of Karelia (Basin Council of the North Karelian Coast, 2013). It is the public organization established in 2003. The purposes of creation and activities of the organization are public promotion of sustainable development and environmental protection of the North of Karelia.

The main objectives of the organization are:

1. Creation of favourable conditions for unification of persons, interested in sustainable development of the North-Karelian coast;
2. Support of the individuals and organizations performing activities in the field of sustainable development in the region of the North-Karelian coast;

3. Improving communication and information exchange between persons and organizations involved in the activities of the field of sustainable development in the region of the North-Karelian coast;
4. Implementation of programs and projects aimed at achieving the goals and objectives of the sustainable development in the Northern regions of the Republic of Karelia;
5. Improvement of environmental conditions of the basin of the North-Karelian coast;
6. Assistance to institutions participating in the educational process in the field of sustainable development and environmental protection (Basin Council of the North Karelian Coast, 2013).

Finally, there is a certain number of tourism companies, who are offering rich and fascinating trips around the Republic of Karelia, in particular, those who are operating in the investigated regions, such as: Loukhi, Kalevala, Kostomuksha, Segezha, Kem and Belomorsk.

For example, Tour Company "Prichal", that is organizing tours for foreign and Russian tourists in Kem region of the Republic of Karelia and the Arkhangelsk region (Tour Company "Prichal", 2008). They are offering excursions, where tourists can get acquainted with the local Pomor culture, visit an ancient city centre of Kem and the Uspensky Cathedral, which is an architectural monument, which is considered to be as one of the pearls in the necklace of wooden architecture of the Russian North. They are inviting tourists to take part in the journeys: «jump in the past» on the archipelago in the «natural World», «World of spirits», «the World of the dead.» And of course, to discover the Solovetsky archipelago, as it is called, Solovki - the world monument of history, religion, culture and nature. There is nothing alike in the whole world, the place is Holy, natural Russian. In addition, tourists can take part in the journey to the Solovetsky Islands, which is an opportunity to get back to the basics, to think about ones place in this world (Tour Company "Prichal", 2008).

One more instance is a network of tour agencies "Go to Holidays". They are providing various tours and excursions throughout Republic of Karelia, and are appearing to be an intermediary between the tour company and a client. They are booking the hotel, transfer, flight, bus or train tickets, transfer as well as food and beverage. In this case an example of a tour company, offering those tours directly, is "Neva". These are actual combined tour package,

which includes in itself: transportation, insurance, accommodation, transfer to accommodation as well as certain number of excursions and food and beverage.

After the examination and investigation it is possible to state some more additional aspects that unite all the tourism organizations in the Republic of Karelia. Especially, that all the companies are working and offering their services all year round, they are able to offer summer as well as winter activities, which makes them more practical for tourists as well as gives them certain competitive advantages.

Moreover, as it was already stated before, the majority of companies are concentrating on fishing and hunting. However, an important thing is that their offers, the actual tour package also include the accommodation and sometimes even transfer from the train station or an airport to the destination.

According to the analyses of the unite database of all the tourism related organizations as well as interviews, it is necessary to mention one more uniting aspect. Particularly, the size and the market orientation. In other words, the companies are focusing more on the local market, rather than International. This is mostly descended from the company's size, as the majority of investigated companies are satisfied with the current profit and inflow of local tourists, so they do not have a desire for expanding. Moreover, another reason could be the low level of development of the infrastructure in the region, such as poor quality of roads as well as accommodation.

However, judging from the interviewing, 75% of all the companies in all the investigated regions of the Republic of Karelia are willing to cooperate with International partners as well as developing and being a part of the tourism organizations network, the key words in the answers to the interview question about the participation in the cooperation were: undoubtedly, of course, on certain conditions, willing to expand. Which means they would like to expand and grow, but on "mutually beneficial terms", as it was mentioned by the manager of one of the interviewed companies. Furthermore, 4 companies have already participated in the White Road Project seminars and were aware of the project programme.

### 5.1.3 Comparison of the Web-Sites on the Finish and Russian side

The aim of the thesis is to develop measures for improving the use of Internet Resources, raising the attractiveness of tourist products of the Republic of Karelia. To achieve this goal it is necessary to solve the following tasks: consider the peculiarities of use of the Internet in the sphere of tourism; to conduct an analysis of tourist potential of the Republic of Karelia; to give recommendations on improving the use of Internet Resources for raising the attractiveness of tourist products of Karelia, based on the theoretical Internet Marketing background.

The design of the Web-Site of any tourism company must take into account the trail of the criteria for the work of the visitor: Person must be able to quickly find the desired information; Person must navigate, what information he had already seen, and which not yet; Person should be able to choose the information on appropriate topics (Zongqing, 2004).

The next stage of improving the use of Internet-technologies is of an advertising campaign of the web-site in the Internet, focused on the potential audience of a tourism company. Site promotion and advertising in the Internet is carried out through mailing lists, search engines, banners and text ads, ratings, exchange links, news services, support of content-projects and PR. (Leontiev, 2011).

With the participation in the competition, one of the most important tools is the quality of the information. Tourists will choose the host centres mainly on the basis of the information obtained. The strategy should be aimed at organization of such a search mechanism, so that the customer had an opportunity to choose a route and plan the trip. The publication of online brochures with descriptions of popular routes can serve to stimulate the customer to buy a tour. Web-site must be readable for 99% of the audience; attractive for 95% of the audience; make an impression on the 80% of the audience; surprise 30% of the audience. The main thing in the design of the site of the tourist firm, as well as any information resource, is a fast orientation of the reader in the flow of information. When developing ways of using Internet-technologies, namely Web-site, it should be noted that, since its formation it is necessary to accompany and to update this resource (Ryan, Jones, 2009).

The main criteria of evaluation of tourist servers is directly based on the 10Cs of Marketing for the modern economy (Charlesworth, 2007): informative - the volume of the submitted



information, the detail of the data, use of photo - and video; navigation - structuring of information, ease of use, Web-site; technical capacity - availability of information books, the possibility to book tours, air tickets, hotels; design of a site; language; loading speed of the site and its divisions; regularity of updating of the information itself. In addition, the three pillars of the website design (Lawrence, 2007) had been taken into consideration as an auxiliary tool for the analyses.

First of all, the web-sites of the tourism organizations in the Republic of Karelia will be investigated. To begin with, it is necessary to mention, that half of the web-pages of the investigated tourism organizations in such regions as Loukhi, Kalevala, Kostomuksha, Segezha, Kem, and Belomorsk are in Russian language, which narrows the possibilities for reaching foreign tourists, as all the information is in local language. Example could be such organizations as, LLC "Keret Tour" (LLC Keret Tour, 2013) in Loukhi region and LLC "Rick" (LLC Rick, 2013), which is offering accommodation as well as fishing and hunting. Another half of the examined web-sites are offering information in English, such as JSC "Polar circle" (JSC Polar Circle, 2013), having conditions for eco-tourism: ice-diving, summer diving, children biological program as well as accommodation, and 3 web-sites have information available in Finnish, these are Village Voinitsa, which is offering accommodation and certain type of excursions, including possibilities for active tourism; tourism agency "Golden Dragon" (Tourism agency "Golden Dragon", 2013), which is offering accommodation facilities as well as tours in Kostomuksha region; tourism agency "Kotiranta" (Tourism agency "Kotiranta", 2013), who are offering such services as booking accommodation, especially cottages as well as one and several day tours to Finland and excursions throughout Karelia.

Secondly, another observation is that there are several tourism organizations that do not have their own web-site; the information on them was found through the search engine and secondary web-sites. Namely, LLC "Nereis", that is focusing on the tourism development in the region as well as technical sports and outdoor activities; Network of tour agencies "Go to Holidays", offering tours and Excursions through the tour companies, that are operating all around the world as well as offering special tours in Karelia; Tourism agency "KRASS", providing tours to Finland, Kizhi, Kivach and provide services such as, visas, insurance, provision of a minibus Ford Tranzit (13 seats), booking air and train tickets. In other words, these companies are appearing as Stand Firms that oppose the adoption of the Internet within its marketing function.

Furthermore, concerning the navigation, there is plenty of aspects that unite all the examined web-sites. All the tourism organizations necessarily have their own description, particularly, what is the company all about, what services as well as latest offers do they have and latest news. All the web-sites are informative and structured, despite the fact that they are currently updated; the data of the last renovation can be found at the bottom of the page. There is a site-menu, where the tourist can find all the necessary information about certain matters. For instant, there are prices available and description of the accommodation facilities, such as the size of the bedrooms in the cottages as well as prices. This enables the tourists to have a possibility for price comparison between a vast number of analogous offers. In addition, in order to influence the visual perception, various photos, videos and pictures both from the tourists and owners are used, which helps tourists to form a certain picture about the company and their offers. For example, on the web-site of the LLC "Vector" (LLC Vector, 2013) in Loukhi, the tourist base, located in the picturesque surroundings of the lake Pjaozero, the tourist can find pictures of the offered accommodation, so he could have an image of the overall conditions. There are also brochures presented, that the tourist can easily print out, however, just a few of the web-sites offer them. One of the most important things is the contact information, which guarantees the successful communication between the sender and receiver, as well as maps where the route of how to get to the certain destination is described. Tourists also have a possibility to send a message directly from the web-site.

In addition, it was important to know, how the tourists get to know about the tourism organizations that have been found and investigated during the research. Judging from the answers of the companies' representatives, it became clear, that in 80% of the cases it is 50 to 50, which means that the main information source are friends & relatives and Internet. However, several interviewees mentioned about the peoples' distrust to the Internet sources, because of the numerous cases of swindles. Such writers like Wind (2002) have observed "a new hybrid consumer", who prefer to "call, click and visit" organizations. In other words, he wants something visible and tangible, like most of the Russian and foreign tourists nowadays. Therefore, the certain number of tourism organizations are trying to avoid relying on the Internet source and invest in it. Moreover, the small size companies have their own formed loyal customers, who are aware of the services and coming back again and again, thus, these organizations are trying to keep with them.

When comparing the web-sites of the tourism organizations in the Republic of Karelia with ones in Finland, it is necessary to mention the company's orientation, as the design of the web-pages is also depending on that. If most of the Russian tourism organizations are of small size and focusing more on local market, Finnish tourism organizations are internationally focused, this is also shown by the language of the web-pages, which is in Finnish, English, German and Russian. The actual set of the web-pages are all the same: web-site menu for a better and easier navigation, description of the facilities and services offered, as well as prices, maps, photographs, routes, contact information.

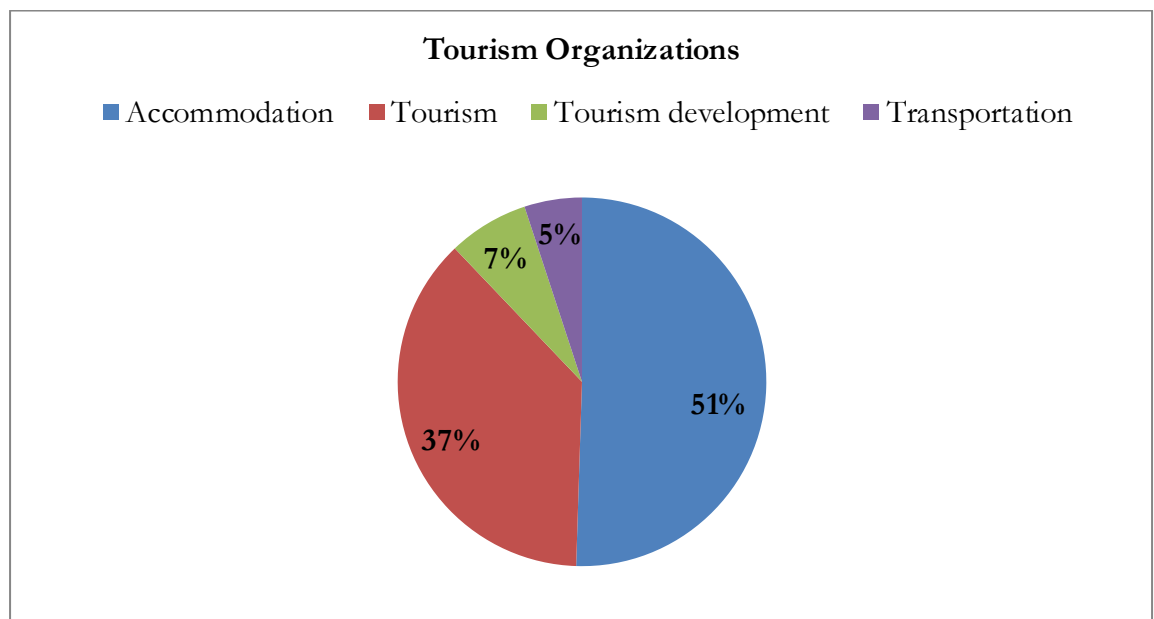
However, there is a certain number of differences. Firstly, is a network system, which is clearly shown on the web-site of Kuhmo and Suomussalmi - Idän Taiga (Wild Taiga, 2013). In particular, on their web-site they are reflecting all the information concerning 5 regions, which are Kuhmo, Suomussalmi, Hossa, Ukkohalla and Vuokatti. This web-site is an original network of all the cooperating tourism organizations that are somehow working in the following regions, as well as accommodation facilities and even such services as restaurants and equipment rentals. There, the tourist is able to find the brochures, which can give more information about Kainuu region as well as Wild Taiga, as well as photographs and videos for a better visual perception. Moreover, this online network holds the survey for measuring the customer satisfaction, which is one of the efficient ways to improve the customer service. In other words, they are coordinating and controlling their online activity, with a use of the CRM tool, unlike the tourism organizations in the Republic of Karelia, where CRM does not go beyond phone and e-mail interaction. However, the navigation and general structure of the web-sites are similar, except the language variety, tourism organizations network system and customer relationship management.

Hence, it would be convenient to create the similar database of all the tourism organizations in the White Road area, especially if judging from the interview, 75% of the companies are willing to be part of the chain. Moreover, in when comparing web-sites of the tourism related organizations in the Republic of Karelia, it is also becoming visible that there is still lack of the new technologies introduction. Such as mobile phone applications and networking system. The majority of the companies are not reaching the European standards and are operating more on the local market: even though they are willing to expand, it is a step that most of them are fearful to do, but with the help of the cooperation and proper impact, it is possible to change the situation.

#### 5.1.4 Companies' classification

After the research of the tourism organizations' supplies and Internet marketing it became possible and logical to classify all of them into several groups, by certain characteristics. First of all, companies can be divided into 3 groups, namely: accommodation, transportation and tourism. Further the division will be made, taking into account their location, size, tourism potential and Internet Marketing.

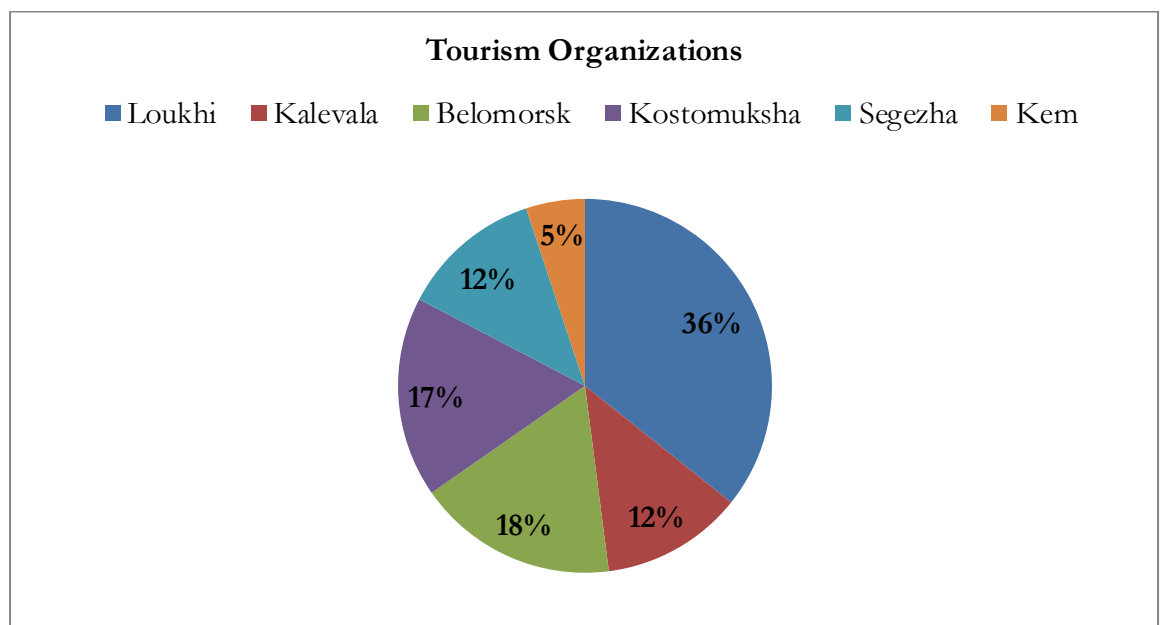
To begin with, the following statistics shown below indicate the number of various companies in the regions of the Republic of Karelia, namely: Loukhi, Kostomuksha, Segezha, Karelia, Kem and Belomorsk. Apparently, all the tourism organizations have been divided by offered supplies and scope of activity, particularly: accommodation, tourism, tourism development as well as transportation.



After the examination of the statistics it could be seen, that the majority of all the tourism related companies in investigated regions are offering accommodation and various tourism activities, which was described in more details in the chapter of the supply analysis. It is necessary to mention, that some companies, who are focusing on tourism activities only, are also offering a certain kind of accommodation, such as guest houses or cottages. However, they are not part of the “accommodation” group, as it is their secondary supply that belongs to the company and the most of the focus is made on active tourism as well as excursions. It is visible, that there is only 5% of the companies, who are focusing on transportation, which

is a small amount on the one hand, and appropriate on the other: in first case, because there are 6 regions of the most interest in the White Road project framework and these companies are covering most of their territory, however, in the second case these are small companies, and the amount could count several more companies, or one company, that would cover the whole area of the Republic of Karelia, for instant, similar to Matkahuolto or Pohjolanmatka in Finland, thus, this could be the way for improvement, as this would simplify the process of reaching certain tourist destinations. Finally, 7% are focusing on the tourism development, which is the centre of tourism and local history in Belomorsk, Basin Council of the North Karelian Coast and LLC "Nereis" in Loukhi, who are focusing on the development in the region of technical sports and outdoor activities.

Nextly, the companies have been divided by the regions, to be specific, the number of the tourism related organizations in each region that can be seen in the following diagram.



Judging from the shown statistics, it is becoming obvious, that most of the tourism organizations are located in Loukhi, Belomorsk and Kostomuksha regions. This can be interpreted by the location: Loukhi has a close position to the Paanajarvi National Park, White Sea, other tourism attractions as well as transportation connection - highway from Murmansk to Saint-Petersburg is lying through this city as well as a railway; Belomorsk is famous for its monument artifacts, such as White Sea petroglyphs and closeness to Solovetsky Islands; Kostomuksha is close to the Finnish border, and have possibilities for the cross-border col-

laboration, for instant it takes about 2 hours to get from Kajaani to there (137 km), moreover this city has the second biggest population number after Segezha – 28 433 thousand.

As part of the main objective was to analyze the Internet Marketing in each region, following diagram was made. Statistics below show the percentage of the companies whose web-sites are meeting the standards of the Internet Marketing, based on the 10 Cs of Marketing for the modern economy (Charlesworth, 2007). This means, that the web-sites are informative, interactive, up-to-date, visualized, communicative, simple to navigate and are in several languages.

78 % of the companies in Loukhi have their own web-site, which are meeting all the standards, described in the theoretical part, and 22% do not. However, even though the web-sites are appropriate, there is still a difference, concerning languages. Within 78% of all the companies, 27% are in Russian and English and other 51% of the web-pages are only in Russian, which can be explained by the companies' focus on the local market.

100% of all the companies in Kalevala have their own web-sites, which are meeting the mentioned above standards; nevertheless, there is a language difference. In particular, 40% of them are in Russian, English as well as Finnish, which can be explained by the closeness to the Finnish Border and interrogation with the Finnish tourists, and 60% of them are only in Russian.

57% of all the tourism organizations in Belomorsk have their own web-sites; however, all of these web-pages are in Russian Language.

71% of all the tourism companies in Kostomuksha are using Internet as the Marketing tool, moreover, it is necessary to notice their web-pages are in Russian, Finnish and English, which can be interpreted by the location, which is near the Finnish border, despite the fact, that the cross-border tourism there has being and is developing steadily.

80% of the tourism organizations in Segezha are actively using Internet; however, all of their web-sites are in Russian language. Last, but not least: all of the tourism companies in Kem have their own Internet Source; moreover, all of them are in Russian and English.

All in all, when taking into consideration the statistics shown above, it is possible to unite all this data and count how many of the companies in the investigated regions are meeting the main requirements. Only companies, who have their web-pages translated in English and

Finnish, have been counted. Thus, only 43% of all the tourism organizations that have their own web-pages are meeting all the requirements, that were developed based on the 10 Cs of Marketing for the modern economy (Charlesworth, 2007). Therefore, those companies have the most Internet Marketing as well as tourism potential for the further development.

## 6 CONCLUSION

The main intention of this thesis was to find out the differences and analyse the internet marketing, especially web-pages, of the organizations related to tourism in the White Road Project area, as well as to make valid analyses, conclusions and recommendations, that would contribute to the further research and development of the possible solutions as well as enhancements of the cross-border collaboration in the project area. The White Road project at the head of the Karelia ENPI CBC programme is the beneficiary of this research and acted as a commissioning party. The actual research is based on the possibilities and demand of the tourism development in the region. In addition to that, the outcomes of the investigation and analyses would contribute to the further cross-border collaboration development; therefore it would offer opportunities to achieve the foreign market through the essential Internet Network. The basic prerequisites for the research handling were provided by the White Road project.

In order to reach foreign customers and provide them a high tourism service, it is necessary to develop a strong tourism base, including the infrastructure as well as tourism-organizations' unite network. Currently, there are a huge number of governmental projects taking place that are focusing on the cross-border and regional development. Moreover, the natural resources of the Republic of Karelia are very diverse: mild winter and warm summer, a variety of landscapes, as well as an abundance of opportunities for the development of tourism - fishing, hunting, collecting mushrooms and berries. The presence of mineral springs allows developing a resort vacation. Water tourism in the summer, and in winter, snowmobiles, cross-country skiing routes make it possible to develop ecological tourism on the territory of the Republic throughout the calendar year. The tourism potential of the Republic of Karelia shows that there are recreational resources in all regions. Nature monuments and protected areas are of special interest and value. They have the greatest cultural and educational potential. There is no doubt that fishing and hunting tourism in these areas deserve the most careful attention and support of both Republican and municipal levels.

The presence of such a rich cultural and natural potential allows the Republic of Karelia to win strong positions in the world tourist market, however, the reality differs. Sufficient tourism industry implies the existence of not only the natural reserves and architectural monuments, but also the presence of the cultural industry. At the present time this side of the



tourism is slightly developed in the Republic. All possible cultural institutions are concentrated mostly in the capital of Karelia, in other cities besides the houses of culture and history museums; there are no major sporting, theatrical, entertainment institutions. This is a shortcoming in the assessment of the tourist potential of Karelia.

The lack of accommodation facilities in recent years is rapidly eliminated. There are plenty of projects taking place and therefore, it is believed that in the nearest future the level of hotel service will be raised, which will contribute to the development of the international tourism. Currently, the tourist companies in the Republic of Karelia offer more than hundreds of different routes, depending on the degree of comfort and value. Low cost tours with a reduced level of comfort of residing are not pushing back the Russian tourists wanting to partake of the nature, at the same time for foreign tourists lack of normal conditions of rest is a huge disadvantage. Thus, accommodation services have to be raised to the European standards, in the case of star system the introduction of alternative insignia will help Russian hotels and hostels to attract tourists with the use of national specifics as well as protect them from unpleasant surprises.

Another problem that tourism can face in the Republic of Karelia is infrastructure. Therefore, the transport network have been analysed in detail and it became clear that roads should be examined separately, as there is a lot of development needed. Integration of the modern technologies has to be done; repairs should be conducted; enterprises have to renew their fleet with new machinery as well as equipment.

With the regards to the tourism organizations' supply analyses, the research showed, that there is a wide majority of the middle sized tourism organizations that are willing to expand and be a part of the unite tourism network. However, they are in need of the motivation push, as they are afraid to try the ground in the International market by themselves at first, moreover, it is necessary that the cooperation will be beneficial for both sides. Furthermore, most of the organizations in the RK are middle sized, focusing on active tourism, which is hunting and fishing. With regards to the Internet Marketing the statistics reflected, that the percentage of the web-sites, that are meeting the main requirements is smaller, than those, who do not. This means, that these companies have their web-site only in Russian or do not have the web-page at all. Therefore, this makes it difficult for the company to reach the foreign customer as well as partners. Moreover, it also means that these companies are Stand Firms that resist the adoption of the Internet within its marketing function. It could also be

concluded that it is 50 to 50 in most cases that customers get to know about the company through Internet as well as their friends & relatives. Which means, that most of the companies have their loyal customers and that they are choosing the cheapest marketing tools.

It is necessary to mention, that there is also a difference between Russian and Finnish people's attitude towards the Internet Marketing. Russian people mostly show distrust to the Internet sources and prefer to buy the tour directly from the company, rather than through their web-page. This could be changed through the web-site improvement, particularly, reflecting the opinions and experiences of the tourists, and use of CRM tool.

In addition, the information availability should be increased, in order to be open to the foreign market and there is also an essential need to make creative and innovative use of information employing both technology and intuition to tease out trends and opportunities.

All in all, the following research have shown the tourism as well as Internet marketing potential of the tourism organizations in the White Road area, which will contribute to the further cross-border development and marketing expanding through the up-to-date modern technologies. In general the thesis process provided me with the challenge to select a suitable theoretical background applicable to the practical case study of making a potential research. In the theoretical research part the greatest challenge was to set the limits for the research and the theoretical aspects to be covered.

Having carried out an efficient research project, provided me with the great opportunity to control my personal achievements of the studies. The thesis enabled me to apply many of the previously gained skills and knowledge in terms of Internet marketing and tourism development. From a personal perspective I am satisfied with the outcome of this thesis and the work ensured me to possess sufficient competencies to work in the tourism industry. I expect this thesis to provide me an opportunity to work further on this topic and give me a valuable starting position for employment in the tourism industry.

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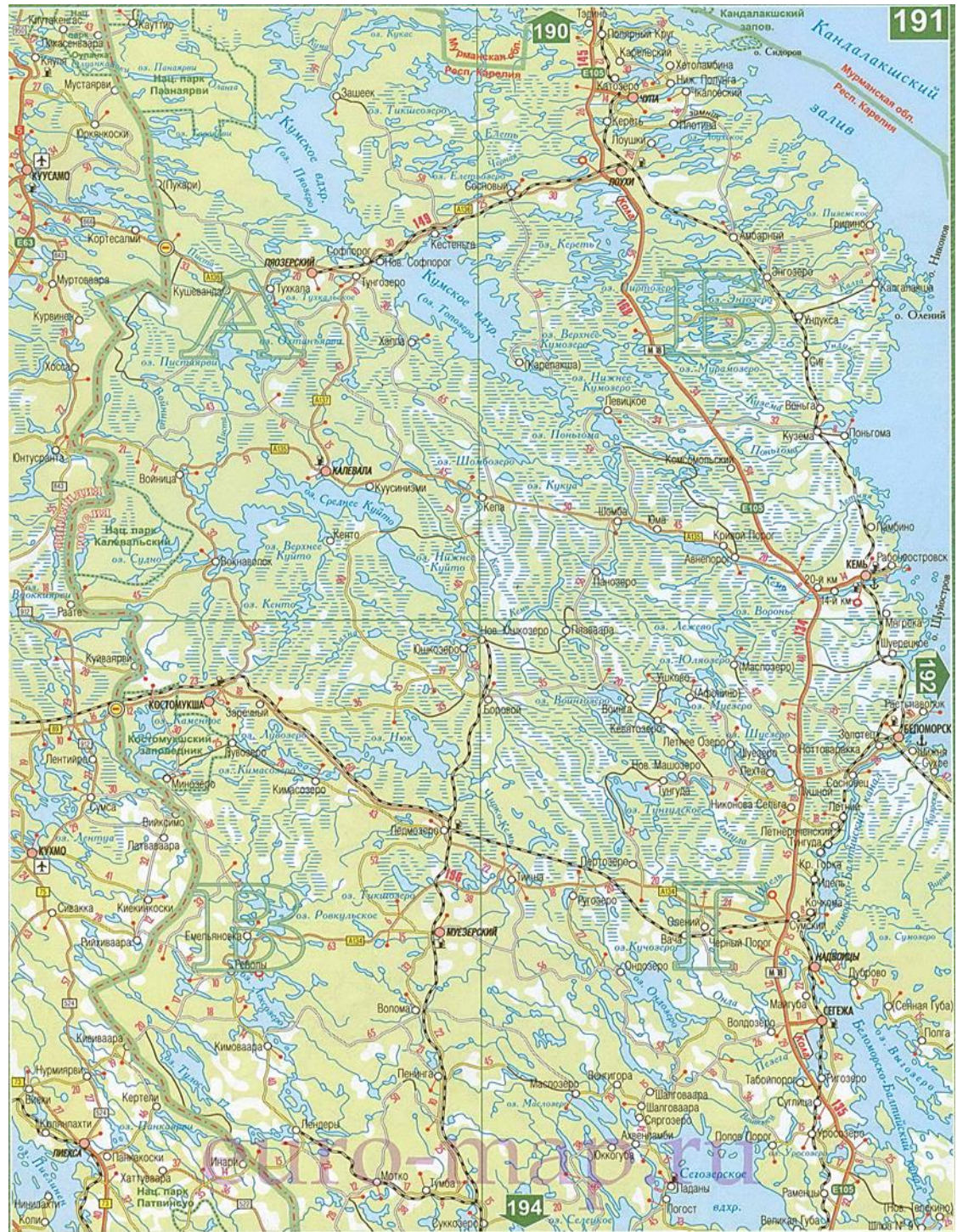
APPENDIX 5: Unite Database of the Tourism Organizations in the Republic of Karelia

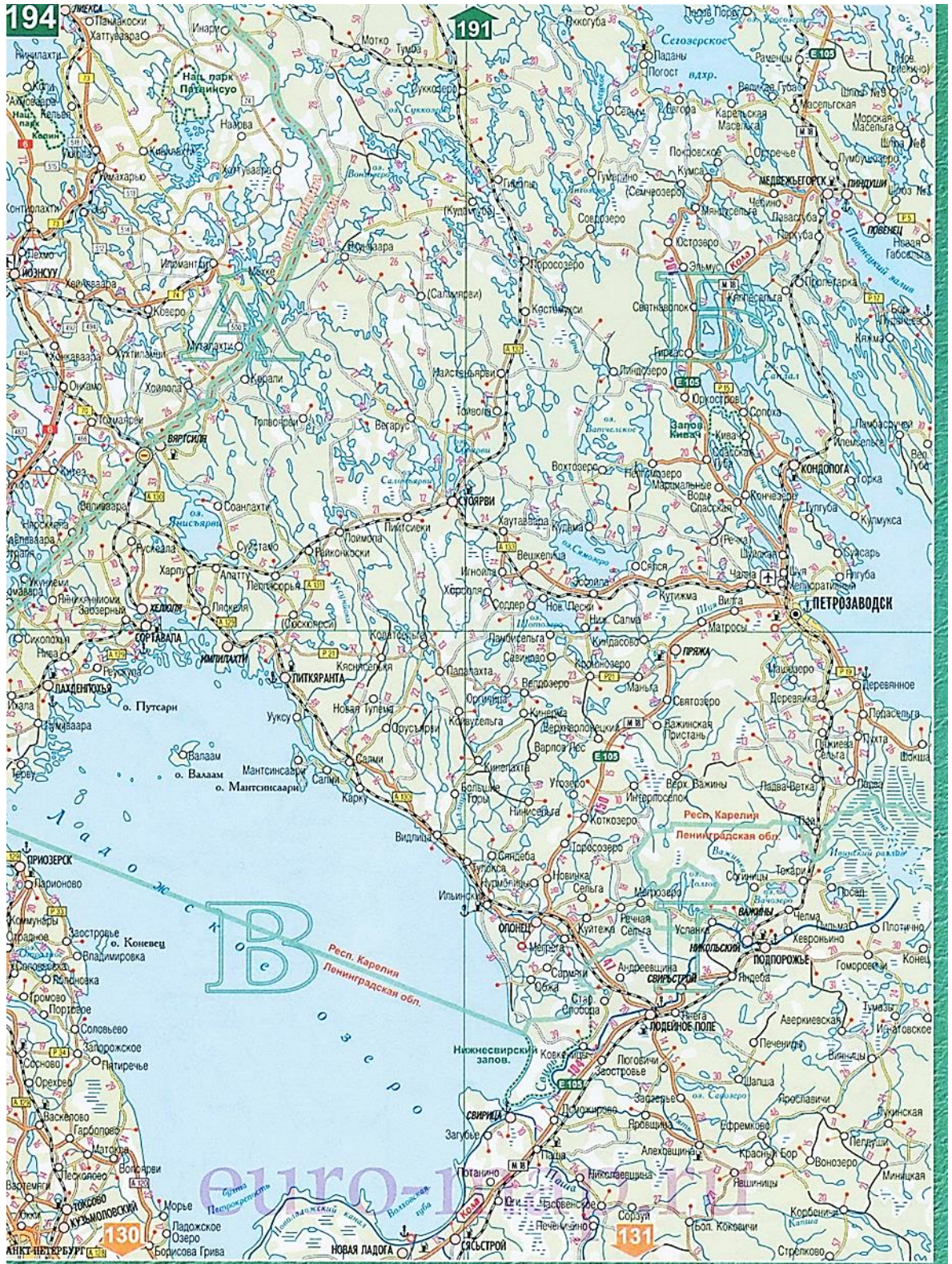
APPENDIX 1: Map of the Republic of Karelia



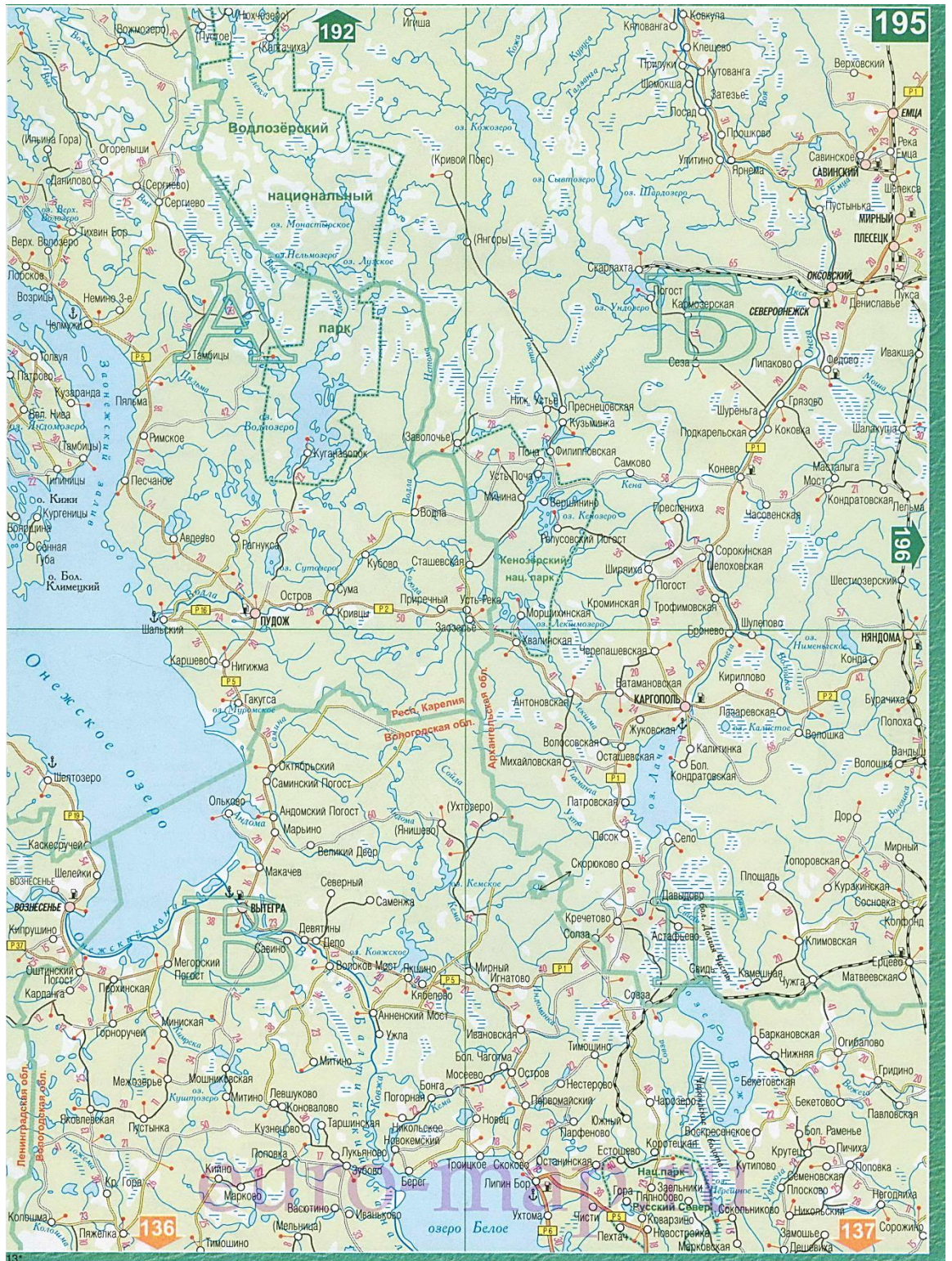


APPENDIX 2: Maps of transport network in the Republic of Karelia









## APPENDIX 3: Characteristics of Roads of the Republic of Karelia

Following characteristics were collected from the potential drivers, who are frequently using the mentioned below routes, from years 2008-2012. Thus, it is possible to see more detailed description of the road condition throughout the territory of the Republic of Karelia, to be able to make specific conclusions and form opinions concerning the general road condition in the Republic.

- M18 (Saint-Petersburg - Lodeinoe Pole) - Petrozavodsk - Medvezhyegorsk - Kem - (Kandalaksha, Murmansk).

The road from the bridge over the Volkhov, bypassing Lodeynoe field is in a good condition, then there are reparation works till the border of Karelia. In Karelia the asphalt is of good quality. Plot of up to 60 km from the centre of St.Petersburg, then another 7 km between 84 and 91 kilometer of the road with a dividing strip.

From Medvezhyegorsk to Kochkoma quality of the coating is average, a lot of places weighted down and wave-like asphalt. After Medvezhiegorok there is a small amount of filling stations. The road round the corner of Kochkoma in the fall of 2005 was relatively normal. At the border with the Murmansk region, in the area of turning to the Arctic Circle, there are about 3 km of graders.

- A129 (St.Petersburg-Priozersk) - Lahdenpohja, Sortavala.

Open all the time. From St. Petersburg to Koloskovo newly renovated asphalt, further broken. The road everywhere is very choppy, especially after Priozersk, overtaking is greatly hampered. From Kuznechnoye to Lahdenpohja lying overloaded and winding gravel road. There is a border post in Hijtola, documents are being checked sometimes and usually the passport is enough. Asphalt starts 20 km before Lahdenpohja. Further to Sortavala the road is still choppy, but there is an asphalt coating in a good quality.

- A130 Olonets, Sortavala - Ruskeala - Vartsila.

From Olonets to the coast of the Ladoga lake there is a decent asphalt. On the way of Ilyinskoye – Pogrankondushi is a decent old asphalt. However, there has been put the new one, but there are still some hills. Further along the lake to Sortavala asphalt is strongly broken, but the road is very beautiful as it lies along the lake shore. From Sortavala to Vartsila the road is of a very good quality and there are two lines everywhere. In Olonets as well as in Ilyinsky, there are normal refill stations, though the general look is much to be desired and reparation works are needed to be done.

- A131 Pitkaranta - Loimola - Suojarvi.

Grader of a decent quality.

- A132 Suojarvi - Porosozero - Justozero - Medvezhyegorsk.

From Suojarvi to Porosozero, and also in the areas of A132 to Suojoki and Nastenjarvi, decent grader with patches of asphalt in the settlements. (May 2006). From Porosozero to

Medvezhegorsk almost everywhere is a bad grader, before Medvezhiegorsk a small piece of broken asphalt.

- A133 Petrozavodsk - Suojarvi.

From Petrozavodsk to Syamozero normal asphalt with a few areas of the bad one, not more than 1 kilometer per each. Further is quite broken. Two rows of road ways.

- A134 Kochkoma – Tiksha - Reboly.

On the district of Kochkoma – Tiksha there is approximately 70 km of the old poor quality asphalt. In winter driving is much easier, since the width of the roadway is increasing due to the cleared and thickened roadsides, then for 10 km before turning on the Rugozero there is a part of an excellent road, which ends before Tiksha.

- A135 Kem - Kalevala - Voknavolok.

From Kem 50 km of poor quality asphalt with potholes and bumps, then 25 km grader with a rare inclusion of asphalt, then to the Kalevala again asphalt, but with certain irregularities. Moreover, there are no refill stations before till Kalevala. From Kalevala to Voinitsa and further before turning to the Kumo-Porog is a good and wide gravel road, next to Voknavolok grader, in 2005 was bad, with scours and stones, and many sharp turns.

- A136 Loukhi - Paajarvi – Finland.

From Loukhi to Sosnovyi is a good asphalt, down to Kistenga is an asphalt of an average quality, from Kistenga to Tungozero is a grader, next to Pjaozersky is an asphalt with transverse ridges and pits.

- A137 Kalevala - Pegozero - Tungozero.

Flat and good quality gravel road.

- P2 (Dolmatovo (M8) - Nyandoma - Kargopol) - Pudozh.

From M8 to Kargopol there is a normal asphalt road. In July 2005 there was a bad area with a length of 10 km between the border of Velskoye and Nyandama areas and cross the railway branch of Tegozero: large square holes in the pavement, the possible speed is not more than 20 km/h, in August 2005 this was not observed. Between M8 and Nyandama there are no refill stations, except one, 8 km north of the rotation on Shalakusha. After Kargopol there is 10 kilometers of good asphalt (in the middle 1 km of concrete), then after Vatamovskaya another 2 km of concrete and further primer to the border. The last piece of approximately 10 km after Orlov, is of a bad quality. In Karelia the asphalt of good quality, interrupted by a piece of bad grader length of 9 km. In the winter the road from Kargopol to the border areas is rarely cleaned.

- P5 (Vologda, Ferapontovo - Lipin Bor - Vytegra) - Pudozh - Povenets - Medvezhyegorsk.

Northern part of the bypass around Vologda from Вытегорского highway (P5) to Arkhangel'sk (M8) is opened, it starts a little closer to Vologda, the village of Maisky and ends be

tween Priluki and turn to the Airport. Excellent coverage, partial illumination, two-level interchanges. From Vologda to Vytegra, asphalt of good quality, although sometimes there is a strong ripple, which is quite noticeable at high speed. There is a piece of the grader length of about 2 km before Vytegra, in the area of Lozskoye Lake. In addition, there are reparation works still going on. In the winter the way from Vologda to Ferapontovo is being sprinkled with salt, after Vytegra the way is mostly icy. From Vytegra to Pudozh is a good quality asphalt, from Pudozh to Medvezhegorsk the average quality of asphalt, large holes sealed, smaller indicated by road signs.

- P17 Medvezhyegorsk - Perguba - Shunga - Tolvuya - Velikaya Guba.

Good asphalt along the whole road way.

- P19 Petrozavodsk - Sheltozero.

From Petrozavodsk to Sheltozero there is an asphalt of a normal quality, then primer, to the border of the Leningrad region is relatively good, however, particularly in the Leningrad region, is quite bad and dusty. After Voznesenye is asphalt, but after the first turn to the nearby town it is badly broken. There is also a ferry going from Voznesenye from 07:00 till 20:00, according to the timetable.

- P21 Koirinoja - Kolatselga - Pryazha.

There is a good straight road going from Koirinoja, the continuation is under the construction; approximately from the border of Pryazhinsky district, gradually getting worse, but still remains fairly decent.

- Vazhini - Mikhailovskoye - Megrozero - River Bolshaya Selga - Megrega.

From Vazhini there is 10km of gradually deteriorating asphalt, then grader, sometimes lean. Before the River Selga asphalt begins, but in the area of the Selga there is a blurry and collapsed coverage.

- Megrega - Obzha.

Grader of poor quality.

- A130 Quarry Mursula.

Good grader; however there are several open-pit dumps.

- Rautalahti - Harlu - Hamekoski - Alalampi - Kontiolahti - Kirkkolahti - Otrakkala.

There is grader from Rautalahti to Kontiolahti, which is strongly broken by the timber lorries after the turning to the Janisjarvi lake. From Kirkkolahti to Otrakkala, apparently, there is no road. In any case, between Ruskeala and Vartsila from the highway to the right-to the East, there is only one driving road to the East, approximately midway between the railway bridge and Puikola, and leads to the "Black Stones". To the right there is a road going to from "Black Stones" to Kirkkolahti, which is approximately in the middle turns into a tractor track. The location of roads in the countryside are not consistent with the way they are

shown on the map. To Kirkkolahti it is only possible to pass only through Alalampi and Kontiolahti.

- Hamekoski - Alattu.

Normal quality grader, but the bridge through the Janisjoki is closed because of the break-down rate of the flooring. However, it is still possible to pass the bridge if needed.

- Lyaskelya - Alattu - Suistamo - Leppyacurja - A131.

Decent quality grader.

- Shuya - "Marcial Waters " - Girvas .

An old route M18. From Shuya to "Marcial Waters" is a rough road with ruts.

- Sopoha (M18) - Kivach.

Smooth asphalted road.

- P17 - Kazhma - Uzkiye - Kosmozero - P17.

Good quality gravel road.

- P17 - Polya - Tipinitsi - Crow Island - Tambitsi.

Till Tipinitsi there is grader of excellent quality, further to Tambitsi is grader of an average quality.

- Velikaya Guba - Kondoberezhnaya.

Bad grader with pools.

- M18 - Segezha - Nadvoitsy - M18.

Bad winding road, broken ground with holes.

- Assoila - Kroshnozero.

The first 14 km-holes, then 5 km greatly expanded asphalt, then pits again.

- Krasnoborskiy - Karshevo - Shalskiy.

To the river Vodli 20 km of grader, then a good asphalt to the Shalsky. From Karshevo to the "Devils Nose" road is impassable.

- Хийтола - Ринтола.

Hard grader, which can be passed in all weather conditions.

- Porosozero - Gimoli - Sukkozero - Tumba - Motko.



An average quality gravel road. There are way posts. There is no necessity to turn left across the railway in Tumba, but move right along a new road to Motko.

- Motko - Voloma - Muezersky.

The average quality of a gravel road. There are way posts.

- Motko - Lendery.

The average quality of a gravel road.

- Lendery - Voloma.

Excellent new grader, it is possible to keep the speed up to 80 km/hour. However, there are no sign posts and it is necessary to keep up the main road.

- Muezersky - Tiksha.

Grader of an average damage level, sometimes swollen asphalt. Movement requires caution.

- Tiksha - Ledmozero - Kostomuksha - Finland.

Good asphalt covering from Tiksha to the state border.

- Zarechniy - Borovoy.

Grader of a good quality first 20 km, further strongly broken, the possible speed is not more than 30 km/h.

- Borovoy - Juskozero - New Juskozero.

Broken, but rather used gravel road. When moving from Juskozero in the direction of Borovoy there is a steep turn on the road in the Zarechny direction.

- Kostomuksha - Voknavolok.

Primer, sometimes covered with rubble. A lot of sharp turns, often found gullies and stones. In the winter the road is far better than in the summer.

- Paajarvi - Paanajarvi.

Grader, the first 35 kilometers with large stones and gullies, further of a good quality.

- M18 - Chupa - Hetolambina.

From M18 till Chupa there is asphalt.

## APPENDIX 4: Telephone Interview Sample

Hello, my name is Nadezda and I am a third year tourism student of the Kajaani University of Applied Sciences. I am making a research within a framework of the White Road Project, which is focusing on the tourism development in the Northern Finland and Republic of Karelia, particularly, monitoring all the tourism organizations in those areas, analyzing their tourism potential as well as Internet Marketing possibilities. Thus, could I ask you several questions? It will take about 5-10 minutes.

1. Would you be interested in cooperating with Finnish partners and attracting foreign tourists?
2. Would you be interested in being a part of the unite network of all the tourism organizations in the White Road area?
3. What tourism market are you currently focusing on?
4. Where are your tourists come from?
5. What marketing tools are you using?
6. Is Internet Marketing effective and if yes, how? If not, why?
7. How do you reach your tourists? How do they get to know about your company?
8. Could I use the following received information in my research report?

Thank you very much for your answers, this will contribute much to the overall research and cooperation development.

## APPENDIX 5: Unite Database of the Tourism Organizations in the Republic of Karelia

<b>Loukhi Region</b>							
<b>Name of the company</b>	<b>Location</b>	<b>Accommodation and main Facilities</b>	<b>Main Activities and Services</b>	<b>Contact s</b>	<b>Web-Site</b>	<b>E-mail</b>	<b>Interview</b>
Cottage base "Niska"	Republic of Karelia, Loukhi region, s. Zasheek	Cottages for 5-6 people: 19 rooms	Accommodation facilities, fishing, snowmobile safari, boat rental, sauna	8 (499) 755-62-06 8 (967) 025-57-55	<b>www.bazaniska.ru</b> (currently unavailable)	info@bazaniska.ru	Interviewed
Hotel "Severnaya Ekspeditsiya"	Republic of Karelia, Loukhi region, s.Chupa, st. Zheleznodorozhnaya, 25	Accommodation	Accommodation facilities, fishing, hunting, excursions to the museum of local lore	(814-39) 4-11-25 (from 9-00 to 17-00), 4-11-65 (from 20-00 to 8-00), 8-921-4580143	<b>No web-site</b>	—	Interviewed
Recreation centre "Laydasalma"	Republic of Karelia, Loukhi region, s.Pyaozerski, st.	Accommodation	Accommodation facilities, Fishing, Hunting,	8 91142677 77, 8	<b>http://vika.onego.ru/ru/</b> (RU)	laydasalma@mail.ru	Interviewed

	Molodezhnaya, 4-17		snowmobile, boat rental	9217261308			
PAANAJÄRVI Wilderness Center	Zipringa - Paanajärvi wilderness is located in Karelia Republic, close to the Finnish border	Accommodation	Accommodation facilities, 3 apartments, each for 12 persons; Electric saunas in all apartments	+358 (0)40 7094 711	<a href="http://www.erakeskus.com/">http://www.erakeskus.com/</a> (EN)	juho.kettunen@erakeskus.com	Interviewed
Hotel "Solo"	Republic of Karelia, Loukhi region, s. Solovetskiy, st. Kovakeva 8	Accommodation	Accommodation facilities	8 (921) 492-80-85, 8 (818 35) 90-246	<a href="http://www.solo-vky.ru/">http://www.solo-vky.ru/</a> (RU)	solo-vky@yandex.ru	Not Interviewed
Hotel "Remstroykonstrukciya"	Republic of Karelia, Loukhi region, s. Loukhi, st. Sovetskaya, 83	Accommodation	Accommodation facilities	5-10-85, 51-60-19, 51-60-35	<b>No web-site</b>	—	Not Interviewed
LLC "Nereis"	Republic of Karelia, Loukhi region, s. Chkalovsky	Comfortable hotel for 22 seats in s.Chkalovsky	Development in the region, technical sports and outdoor activities.	(814-39) 4-45-22; 8 921 400-07-94	<b>No web-site</b>	—	Not Interviewed

JSC "Polar circle"	Republic of Karelia, Loukhi region, s. Chupa, st. Pioneer, 42	Hotel "Polar Circle"; Diving center, children's camp, dolphinarium, excursion center and spa.	Eco-tourism: ice-diving (January-April), summer diving (May-November), children biological program (June-August)	8-925-381-22-43, 8-495-925-77-99	<a href="http://www.ice-diving.ru/">http://www.ice-diving.ru/</a> (RU,EN,CZ)	sever@dive.ru	Interviewed
LTD "Agricultural Complex - Aurelia "	Republic of Karelia, Loukhi region, s. Chupa, st. Pioneer 74-27	5 Guest Houses; 1 Fishing Hut; 1 Guest Complex "Chupa"	Sport fishing, hunting, camping.	8 (921) 523-45-30 (administrator); 8 (921) 701-02-12 (manager); 8 (921) 450-58-08 CEO	<a href="http://aurelia.ru/">http://aurelia.ru/</a> (RU,EN)	aurelia-chupa@yandex.ru aurelia.chupa@mail.ru	Interviewed; has participated in the project seminars
LLC "Keret Tour"	Republic of Karelia, Loukhi region, s. Chupa, st. Cludanaya 15	Guest house in s. Chupa; Guest House in s.	Fishing, hunting, swimming with the yacht crew, sailing training	8 (921) 463-32-13	<a href="http://www.whitesea.ru/index.html">http://www.whitesea.ru/index.html</a> (RU)	kerettour@mail.ru	Interviewed

		Keret					
LLC "Rick"	Republic of Karelia, Louhi region, s. Chupa, st. Clubnaya 7a	Guest house in s. Keret; Guest house in "Kuvikanda" fishing area; sail-motor yacht; peasant's log hut ("Izba") in "Nikolskaja" fishing area	Fishing, Hunting.	8 (921) 468-49-19; 8 (921) 625-37-13	<a href="http://www.beloemore.com/start/(RU)">http://www.beloemore.com/start/(RU)</a>	Only possible to send the message through the website	Interviewed
LLC "Green House"	North Karelia, Louhi region, one kilometer from the village "Plotina", 50 meters from the Loukhi lake.	Cottage "Prostor"; Room in a wooden house	Fishing, Hunting.	8 (962) 697 99 59; 8 (921) 355 98 84	<a href="http://www.greenplotina.ru/">http://www.greenplotina.ru/</a> (RU)	greenplotina@gmail.com	Interviewed
LLC "Vector"	Republic of Karelia, Loukhi region, s. Pjaozersky, st. Zelenaya, 2a.	Tourist base, located in the picturesque surroundings	Fishing, Hunting.	8 (499) 755 62 06; 8 (967) 025 57 55; 8 (921) 467 39 94; 8	<a href="http://www.bazaniska.ru/">http://www.bazaniska.ru/</a> (RU)	info@bazaniskaru	Interviewed

		gs of the lake Pjaozero		(921) 467 39 94			
"Basin Council of the North Karelian Coast"	Republic of Karelia, Loukhi region, s. Chupa, st. Korgueva 7a.	Active promoting the development of tourism on the coast of the White Sea, which was created in 2003 for the public to promote sustainable development and environmental protection in North Karelia. A learning center where you can get information about the rest of the territory of the coast, tourists, travel agencies of Louhi region, itineraries, etc. The center organizes environmental and geological excursions. This project is carried out at the expense of the charity fund "Lighthouse" and is led by the World Wildlife Fund.	Chairman of the Board: 8 (921) 523 4498, Chief: 8 (921) 451 6051	<a href="http://www.basincouncil.ru/">http://www.basincouncil.ru/</a> (RU,EN); <a href="http://www.whitesea.onego.ru/index.htm">http://www.whitesea.onego.ru/index.htm</a> (RU); <a href="http://www.kareliacoast.ru/page1.php">http://www.kareliacoast.ru/page1.php</a> (RU,EN)	chupayachtclub@mail.ru; den_diordiev@mail.ru; coast_c@onego.ru;	Interviewed	
<b>Kalevala region</b>							

Kalevala tourism centre	Russia, Republic of Karelia, the settlement of Kalevala, Sadovaya Street 2	Tourist centres,hotels ("Sampo" Hotel)	Excursions	8 (921) 014 66 22 8 (921) 728 05 59 8 (921) 010 72 82	<a href="http://kalevala.sampo.ru/index.shtml">http://kalevala.sampo.ru/index.shtml</a> (RU,EN,FR,GE); <b>Vkontakte</b> - <a href="http://vk.com/club20336455">http://vk.com/club20336455</a>	expresst@onego.ru	Interviewed
Fishing club "RUSS"	Republic of Karelia, Kalevala region	Accommodation services in the guest house "Vaikulskoe"; Accommodation services in guest house "Kainalainen"; Cottage "Hirmushjarvi"	Recreation, Fishing, Hunting, Accommodation facilities	(495) 483-34-88, 8 (905) 535-21-23, 8 (963) 693-46-67	<a href="http://fishing-russ.ru/">http://fishing-russ.ru/</a> (RU)	5143337@mail.ru fishing-russ@mail.ru zorge257@mail.ru	Interviewed
Hotel "Kalevala"	Republic of Karelia, Kalevala region, Prionezhskiy region, st. Kosalma	Accommodation service	Accommodation facilities, active tourism, sauna, excursions around Karelia	8 (8142) 78 86 14 8 (8142) 78 86 15	<a href="http://www.kalevala-hotel.ru/">http://www.kalevala-hotel.ru/</a> (RU)	hotel-kalevala@rambler.ru	Interviewed



Tour Company "Velt"	Republic of Kalelia, Kalevala region, st. Sovetskaja 28a	Accommodation services: Hotel "Velt"	Tours and accommodation facilities in the Northern Karelia	Moscow: (495) 981-07-66, Saint-Petersburg: (812) 441-25-35, Saratov: (8452) 74-80-67, Perm: (342) 201-70-41, Chelyabinsk: (351) 245-40-15, Yekaterinburg: (343) 287-04-57, Tyumen: (3452) 56-57-16, Novosibirsk: (383) 246-14-17, Kiev: +38 (044) 390-74-55	<a href="http://kalevala.com.ru">http://kalevala.com.ru</a> (RU); <a href="http://www.velt.kk.ru/">http://www.velt.kk.ru/</a> (RU)	trips@onego.ru	Interviewed
Voinitsa: Runesinging old Karelian village	Republic of Karelia, Kalevela region	5 Peasant's log huts ("Izba")	Excursions, Fishing, Hunting as well as Freight services	8 (81454) 4 20 63 8 (921) 010 5761; Information bureau of Boinitsa village in Moscow (Vuonnisen kylän Moskovon Toimisto) - 8 (919) 101 6223 (from 20 to 23 on weekdays)	<a href="http://www.voinitsa.ru/">http://www.voinitsa.ru/</a> (RU,FI)	igor.egorov@list.ru; <i>Information bureau of Boinitsa village in Moscow - e-mail:</i> vkmt@voinitsa.ru	Interviewed
<b>Belomorsk region</b>							

LLC Travel agency "Karelia"	Republic of Karelia, c. Belomorsk, st. Grusdeva 19A; c. Petrozavodsk, st. Rigachina 3.	Guest house near "Mikhailov skie" lakes; Guest house "New Mashesero "; Hotel "Onega"; tourist centre "Uya"; Campsite	Accommodation facilities, Excursions, Fishing, Hunting.	8 911 410-67- 19; (8142) 796-128; 796-129	<a href="http://www.turkarelia.ru/">http://www.turkarelia.ru/</a> (RU)	nord- hunting@mail.ru	Interviewe d
Hotel "Brandvahta"	Republic of Karelia, c. Belomorsk, st. Port-Shosse 36	Floating Hotel	Accommodation facilities	8 (911) 410-6719	<b>No web-site</b>	—	Not Interviewe d
Hotel "Gandvik"	Republic of Karelia, c. Belomorsk, st.Pervomaiskaya 18	Accommo dation	Accommodation facilities	(8142) 57-55-40, (81437) 5-12-93, 5-25-69	<b>No web-site</b>	info@karelia- open.ru	Not Interviewe d

LLC Travel agency "Gipperboreya"	Republic of Karelia, Belomorsk region, s. Pushnoi, st. Kalinina 1a-4	Motel "Pushnoi"	Accommodation facilities, Fishing, Hunting.	(81437) 39-331	<a href="http://www.shuezero.ru/">http://www.shuezero.ru/</a> (RU)	shuezero@mail.ru	Interviewed; has participated in the project seminars
Tour Company "Belomorje"	Republic of Karelia, Belomorsk region, c. Belomorsk, st. Voronina 8	Hotel "Belomorje"	Accommodation facilities, Thematic tours, Excursions, Fishing, Hunting.	(81437) 5-42-00	<a href="http://belomorje.com/">http://belomorje.com/</a> (RU)	blt@onego.ru	Interviewed; has participated in the project seminars
Belomorsk centre of tourism and local history	Republic of Karelia, Belomorsk region, c. Belomorsk, st. Lomonosova 21	No accommodation provided	Additional children education; support of healthy and safe lifestyle, environmental culture; establishes an active interaction with the schools in the city and district in the way of tourist-local-historical activities; implementation of training modules and projects;	(81437) 5-32-90	<a href="http://vigtur.karelia.info/">http://vigtur.karelia.info/</a> (RU)	vigtur2000@yandex.ru	Interviewed

			recreation for children and their parents.				
Network of tour agencies "Go to Holidays"	Republic of Karelia, Belomorsk region, c. Belomorsk, st. Portshosse 1	Accommodation is provided through the tour company "Neva" and other tour companies, that are operating all around the world as well as offering tours in Karelia	Tours and Excursions are provided through the tour companies, that are operating all around the world as well as offering tours in Karelia	8 953 538 6800; 8 911 669 7770; 8 911 409 1015	<b>No web-site</b>	iv.travel@yandex.ru	Not Interviewed
<b>Kostomuksha region</b>							
Tourism Agency "Golden Dragon"	Republic of Karelia, Kostomuksha region, c. Kostomuksha, st. Anttikainena 31-12	Cottages in Kostomuksha region as well as	Accommodation facilities and Tours	8 921 2235789; +358 44 2615 400	<b>www.drakontravel.ru</b> (RU,FI)	frtrus@frt.fi; frt@frt.fi	Interviewed

		Finland					
Tourism Agency "Kotiranta"	Republic of Karelia, Kostomuksha region, c. Kostomuksha, st. Oktyabrskaya 7 - office № 31	Guest House "Kotiranta" in Kalevala; currently building new own hotel "House of the fisherman and the hunter" in Kostomuk sha	Booking accommodation (cottages) in Finland; Tours to Finland, one day and several days; Excursions throughout Karelia	(81459) 7-80-30 (81459) 7-81-30	<a href="http://kotiranta-tour.ru/(RU,FI)">http://kotiranta-tour.ru/(RU,FI)</a>	kotiranta-tur@onego.ru	Interviewed
Guest House "Vuara"	Republic of Karelia, Kostomuksha region, st. Voknavolok	Accommodation	Accommodation facilities, bicycle rental, fishing, child care, escursions	8 (921) 461-85- 63	<a href="http://vuara.ru">http://vuara.ru</a> (currently unavailable)	juli_filippova@mail.ru	Not Interviewed

Hotel "Aina"	Republic of Karelia, Kostomuksha region, c. Kostomuksha, st. Mira 9A	Hotel with luxe and standard rooms	Accommodation facilities	(81459 )76461	<b>No web-site</b>	—	Not Interviewe d
Hotel "Podkova"	Republic of Karelia, Kostomuksha region, c. Kostomuksha, st. Podkova 2	Cottages for 2-8 people	Accommodation facilities	89214 52240 2; (81459 ) 71560	<b>http://www.napodkove.ru /(RU,FI)</b>	—	Interviewe d
Hotel "Fregat"	Republic of Karelia, Kostomuksha region, c. Kostomuksha, Prigranichnoye Shosse 13	Hostel and Cottages	Accommodation facilities	8 (814 59) 7- 52-53	<b>http://fregat-hotel.ru/ (RU,FI)</b>	fregatln@onego. ru	Interviewe d
Ltd. Matka-Kos	Republic of Karelia, Kostomuksha region, c. Kostomuksha, st. Internacionalnaya 12- 81	Accommo dation facilities during tours - Tents	Tours to Solovki and White Sea, River Rafting on river Pisto, Fishing, Skiing and hiking in the natural reserve "Kostomukshsky", Safari, Tours to Finland	(814- 59) 7- 75-80	<b>http://www.raft- tour.info/(RU,EN)</b>	zakharov@oneg o.ru	Interviewe d

Segezha region							
Ltd. "Rapid"	Republic of Karelia, Segezha region, c. Segezha, st. Spiridonova-27	No accommodation provided, but booking accommodation through other providers in possible	Carriage of passengers (tourists) to the places of active tourism (river Onda, Chirkokem, Shuya and such)	(81431)44430, (81431)44526, 8921 7023994, 8911 4096865	<a href="http://rapid.onego.ru/">http://rapid.onego.ru/</a> (RU)	ooo_rapid@onego.ru	Interviewed
Guest House "Vetreniy Poyas"	Republic of Karelia, Segezha region	Accommodation	Excursions, Fishing, Hunting	89212207521, Director: 89218010501, 89212206474	<a href="http://www.topaz-tur.ru/">http://www.topaz-tur.ru/</a> (RU)	topaz@onego.ru	Interviewed; has participated in the project seminars
Guest House "U Stepanycha"	Republic of Karelia, Segezha region, st. Popov Porog, lake Segozero	Accommodation	Active tourism, fishing and hunting, water-rafting	89535316965	<a href="http://www.popovporog.ru/">http://www.popovporog.ru/</a> (currently unavailable); <b>Vkontakte -</b> <a href="http://vk.com/club35746274">http://vk.com/club35746274</a>	popovporog@bk.ru	Interviewed

Hotel "Segezha"	Republic of Karelia, Segezha region, c. Segezha, st. Lesokulturnaya 4	Accommodation	No other services provided	8 (921)604- 12-66; (81431) 73637	<a href="http://hotel.segezha.biz/">http://hotel.segezha.biz/</a> (RU)	g.k.s@inbox.ru	Interviewed
Tourism agency "KRASS"	Republic of Karelia, Segezha region, c. Segezha, st. Antikainena 12	No accommodation provided	Tours Finland, Kizhi, Kivach; Provide services such as: - Visas; - Insurance; - Provision of a minibus Ford Tranzit (13 seats); - Booking air and train tickets.	(814) 314-48- 00; 8- 981-401- 28-48	<b>No web-site</b>	krass@onega.ru	Not Interviewed
<b>Kem region</b>							
Ltd. Tour Company "Prichal"	Republic of Karelia, Kem region, c. Kem, s. Rabocheostrovsk, st. Nabereznaya 1	Tourist complex "Prichal" (8 - 2 Floor cottages)	Organizing tours for foreign and Russian tourists in Kem region of the Republic of Karelia and the Arkhangelsk region.	(81458)3 5-360; 2- 10-77; 7 (814 58) 56060	<a href="http://prichalrk.ru/">http://prichalrk.ru/</a> (RU, EN)	prichal@onego.ru	Interviewed



Official web-site of the Kem city	<a href="http://kem.onego.ru/kem/(RU)">http://kem.onego.ru/kem/(RU)</a>	Information	Information on accommodation, museums, tourism, transportation and programmes	—	<a href="http://kem.onego.ru/kem/(RU)">http://kem.onego.ru/kem/(RU)</a>	—	
Ltd. Tourism Agency "Aista"	Republic of Karelia, Kem region, c. Kem, st. Puennaya 5A	Hotel "Kuzova", Restaurant	Tours to Solovetskiye islands, Fishing; transfer to the berth	8 (81458) 2-22-57; (81458) 2-22-59	<a href="http://kuzovahotel.ru/(RU,EN)">http://kuzovahotel.ru/(RU,EN)</a>	aista@onego.ru	Interviewed