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CREATING NEW MARKETING STRATEGY FOR CASE
COMPANY ADVENTURE NET

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The purpose of this thesis was to create new, more successful marketing strategy for case company Adventure Net through analyzing the current marketing strategy and market environment of the company.

The tools included in the theoretical part were used to analyze the market environment and marketing strategy. The analyzing tools included were PESTEL (Political, Economic, Social, Technological, Ecologic, Legal) analysis, SWOT (Strengths, Weaknesses, Threats, Opportunities) analysis and competitor analysis used in exploring marketing environment; STP (Segmentation, Targeting, Positioning) research and Marketing mix (product, price, promotion, place) to help conduct a marketing strategy research. The information was gathered mainly from academic books which can be found in the university's library.

In the empirical part was included introduction to the case company Adventure Net and analysis of the micro and macro environment of the company and their marketing strategy. Qualitative research method in the form of unstructured interview with the General manager of Adventure Net was conducted, the information from this interview was used by the researcher to acquire better insight perception of the company's market situation which afterwards altogether with the marketing tools were applied in careful and detailed market environment and strategy analysis.

Based on the research and analysis conducted in the thesis the writer noted that the biggest weaknesses of the case company were the lack of written marketing strategy and lack of innovative advertising promotion. As an outcome, a new version of Adventure Net's marketing strategy was written by the researcher. This new strategy was tailored specifically for the needs of the company, to serve as a guide for successful development without interfering with the firm's policy.

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1 INTRODUCTION

This thesis is implemented to create new, more effective marketing strategy of the company Adventure Net. It will be achieved by carefully studying relevant theory to the case, then analyzing the current strategy of the company and thirdly applying the obtained theory to the company's strategy, the outcome of this thesis is to give the company new marketing strategy which will act as an advantage in increasing competition level, attracting new customers and create potential future partnerships.

In the recent years, the economy in Bulgaria started to steadily recover from the financial crisis in 2009, people in the country are finally starting to improve their life standards and can allow to spend more money on leisure activities. The recreational market in which Adventure Net operates will begin to benefit from those positive changes more and more every year, therefore, this is a wonderful opportunity for further long-term development of their business.

This opportunity gains efficiency gradually over time, similarly to the threats the company would face. Negative natural growth of Bulgarian population and excessive construction are challenges that will not affect the functions of Adventure Net overnight, it will take years to significantly harm the firm's operations. The company may already recognize excessive construction as a problem since the seriousness of it can be felt very tangible, but the depopulation of Bulgaria happens on such slow but steady basis that can be called an "invisible threat".

To take full advantage of the upcoming opportunity and avoid potential threats this thesis consists of detailed analysis of the company's current market environment and strategy, based on the outcome potential problems in the company will be identified, for each problem will be suggested an adequate recommendation for its improvement.

2 PURPOSE, OBJECTIVES, CONCEPTUAL FRAMEWORK

2.1 Purpose

The purpose of this thesis is to create new, updated and more successful marketing strategy of the company Adventure Net. The author will use adequate theory information gathered from reliable sources as guidelines and will apply it into the analysis to create clear picture of the current market situation of the company and per those findings will give appropriate advice for changing the company's marketing strategy into more efficient and successful one.

Adventure Net was chosen as a case company for this thesis because of the growing interests towards entertaining and adventure services in Bulgaria, a field the company operates in, and because of the wide variety of packages the company offers. Given this Adventure Net has great potential for further success and growth with proper market approach. Those reasons gave the author desire and motivation to work onto the creation of this thesis.

2.2 Objectives

Clear and accurate objectives related to the topic are in the basis of every successful project. In this thesis, the author chose the following objectives:

- To give adequate and valuable knowledge included in the newly created company's marketing strategy.
- To understand the current market situation of Adventure Net.
- To understand what is the current marketing strategy of the company.
- To study the market environment of Adventure Net in their field of operation.
- To find strengths, weaknesses, opportunities and threats in the company.
- To find out main competitors.

2.3 Conceptual Framework

The conceptual framework, shown in a figure below, act as a complete outline of the whole content of the project. Firstly, in the thesis are described the purpose and the objectives of the study, which will be followed throughout the thesis. Then it comes the theory part where the tools for the study will be defined and carefully described. PESTEL analysis – Politics, Economic, Social, Technology, Ecological, Legal ; Competition analysis and SWOT analysis – Strengths, Weaknesses, Opportunities, Threats analysis tools are part from the marketing environment analysis and STP strategy – Segmentation, Targeting, Positioning; Marketing mix – Product, Price, Place, Promotion are part from the creation of marketing strategy. In the empirical part those tools will be applied to understand the current market strategy of the company as well as its marketing environment. In the end after completing the analysis of Adventure Net and closely considering the current marketing strategy a new, better functioning marketing strategy will be built in order make the company appear more attractive to customers and investors and increase competitive level.

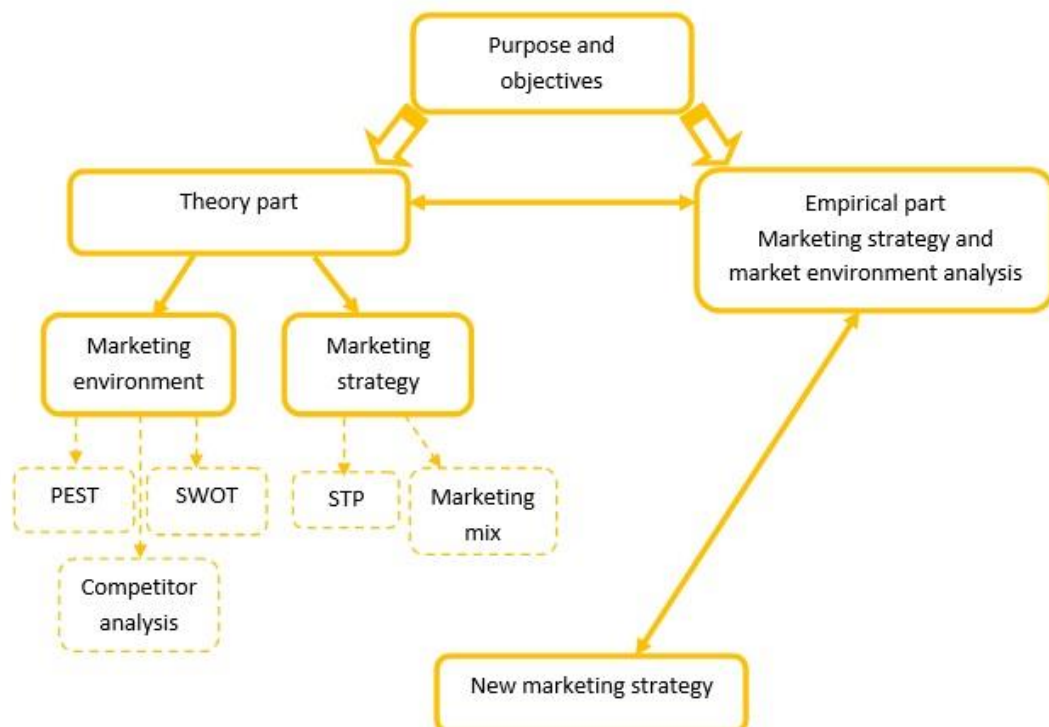


Figure 1. Conceptual Framework

3 MARKET ENVIRONMENT ANALYSIS

3.1 PESTEL analysis

The market environment includes participants and forces which are put in two categories – microenvironment and macro environment. Microenvironment is this part that is connected closely to the company and has a direct impact on the business such as – customers, suppliers, competitors, employees, media, etc. The second category is macro environment and its forces affect not only the behavior of the company itself but the other members of the microenvironment as well. Some of those forces are unpredictable and uncontrollable and even the biggest companies have difficulties in coping with them. Originally the forces of microenvironment, which form the acronym PEST, are five – political/legal, economic, social/cultural and technological but in recent years because of the emerging importance of ecological/physical environmental forces the original PEST acronym has expanded to PESTEL. (Jobber 2007, 78; Kotler & Armstrong 2016, 98; Kotler, Keller, Brady, Goodman & Hansen 2009, 154.)

Political and legal environment consists of laws, government agencies and pressure groups who are setting the rules for different organizations and in such way, can influence, limit and sometimes benefit their actions (Kotler & Armstrong 2016, 98; Kotler, Keller, Brady, Goodman & Hansen 2009, 171).

There is a specific legislation set, called public policy, for almost all market activities which is created for four main reasons: to ensure fair competition, to protect the customers from wrongful business practices, to eliminate unfair business behavior towards society and to charge companies the proper amount of money for their production. The European commission continuously creates rules and regulations regarding competitiveness, products standards and liability and commercial transaction for all the EU member countries. (Kotler, Keller, Brady, Goodman & Hansen 2009, 171.)

The economic environment is affected by different economic factors like income, prices, savings, etc. Those factors influence consumer's buying behavior and have ef-

fect on supply and demand. Every company reaching for success must follow the market trends in their sector so that reflects the purchasing power of the consumer. (Jobber 2007, 81; Kotler & Armstrong 2016, 106; Kotler, Keller, Brady, Goodman & Hansen 2009, 163.)

There are four major economic factor that have influence on the market environment of the companies, those are: economic growth and unemployment, interest and exchange rates, the move by eight European countries to join EU and the growth of Chinese and Indian economies (Jobber 2007, 81).

In the recent years, the ecological environmental issues have begun to hold position in the activities of more and more companies. Destroying the natural environment that we are living in has turned into a global problem and many consumers have become ecologically sensitive. Five are the environmental issue that are of significant concern: global warming, pollution, conservation of energy and other insufficient resources, usage of environmentally friendly resources and the use of recyclable packages. (Jobber 2007, 86.)

The modern consumer realizes the damages done to the natural environment by most industries and now becomes more responsible in their choices of products. More and more consumers refuse to buy products from companies who are not environmentally friendly even if they offer lower prices.

When it comes to social environment there are two main forces that marketers need to consider – demographic changes and cultural differences between different nations (Jobber & Fahy 2015, 37).

Demographic forces refer to change in population, Earth's population is consistently growing providing the marketers with expanded market but not all of this is good news. The resources on our planet are not infinite and with the growth of the population the limit of food, water and fuel is increasing as well. Because more and more customers are becoming environmentally aware of nature's problems corporations with innova-

tive thinking towards the resolving of those problems would have competitive advantage over other companies which generate them significant profits. (Jobber & Fahy 2015, 37.)

The cultural environment is the society every person grows up in, hence, it shapes highly persistent core values and norms which give this person certain attitude and behavior and because it creates certain worldview society also affects people's relationship with others. While core values are passed from parents to children, from government, religion and school and there is almost no possibility of change there are also secondary values which are more flexible to change and marketers do have a chance to affect them. (Kotler, Keller, Brady, Goodman & Hansen 2009, 164.)

Technology environment is creating new technologies and products as well as new opportunities. In digitalized world like ours technology undoubtedly has significant impact on companies and consumers. Technology has given us the computer, smartphones, robots, Internet and with no doubt companies using technology in their operations will benefit and gain more competitive advantage than old-fashioned companies. Firms who are not willing to invest in any technology will severely suffer from it and if even then no changes are being made the company would have to get out of the market. (Jobber 2007, 97.)

3.2 Competitor analysis

In recent years competition, has become fiercer than ever making it harder for the companies to stay in the market. To have a competitive advantage over others, marketers must offer to the consumers more value and satisfaction of their product than other companies can, then consumer will recognize those products as the best on the market and ignore other firms. Offering a better product is not the only condition to a competitive edge, creating strong customer relationships which makes the buyer loyal to a brand is inseparable part in creating competitive advantage.

The first step of gaining competitive advantage is to run a competitor analysis, a company must identify their competitors, asses them and then choose which competitors

they should attack and which to avoid. Second step is to create competitive marketing strategy to engage customers and build profitable relationships giving the firm strong competitive advantage. (Kotler & Armstrong 2016, 568.)

It is impossible for a company to create working competitive strategy before firstly analyzing their competitors. For a successful analysis, a company must collect as much information as possible for their competitors, this can happen through a lot of channels, for example, from magazines or newspapers, distributors, hiring competitor's employees or reading book written from the competition. Comparing products and prices, finding out about their marketing strategies and ways to promote their products and brand is also important information which can reveal some advantages and disadvantages of the competitors. (Kotler & Armstrong 2016, 568.)

When it comes to identifying competitors, a common error for enterprises is to fall in the so called "competitor myopia" meaning that companies are narrowing their competitor view to only firms who are direct competitors or in other words companies that offer similar products on similar prices. Needless to say, those are not the only competitors that exist for a company, marketers should also look for new entrants on the market, products or services not directly connected to what the company is offering but could substitute the need for their products by performing similar function. Another downside of competitive myopia is causing companies to miss good opportunities for growth and expanding or a change in customer behavior. Focusing on the market and searching for companies who try to satisfy the same customer need or try to create a customer relationship in the same segment prevents competitive myopia. (Kotler & Armstrong 2016, 569; Jobber 2007, 779.)

After identifying all competitors on the market, a company now must assess them so that later on can choose which of the to attack and which to avoid. There are several questions marketers must answer for clear assessing of the competitors. (Kotler & Armstrong 2016, 571.)

Each company has a list of objectives, finding out what are they reveals with what the company is currently not satisfied with and how would react to possible competitor's actions (Kotler & Armstrong 2016, 571).

In most industries exist strategic groups and each group is formed by companies with similar or same strategies. When two firms have similar strategies, it is logical that they would compete more with each other than with other firms with different strategies. However, companies from different strategic groups should not be ignored because for example not all consumers see difference in products from different strategic groups. (Kotler & Armstrong 2016, 571.)

Each company should evaluate all the strengths and weaknesses of their competitors to better understand what the competitor's capabilities are and the most common ways to learn more about it is through secondary data, personal experience and word of mouth (Kotler & Armstrong 2016, 572).

Combining competitor's objective, strategy, strengths and weaknesses helps the company to better estimate their moves, for example new product release, future growth, new promotion channel, etc. Different competitor act differently on another company's move, some might not make any move for variety of reasons – confidence, lack of funds; but other can be very fierce and aggressive in their response. (Kotler & Armstrong 2016, 572.)

When assessing all competitors in the market is completed a company must engage in selecting which of them to attack and which to avoid. There are different competitors a firm can choose to compete with, usually companies decide to compete with weak competitor because they require less resources but over time this can bring little or no extra profit, on other hand strong competitors require more resources but can make the company stronger with better abilities. (Kotler & Armstrong 2016, 573.)

Through customer value analysis a company can better assess competitor's strengths and weaknesses. Customer value analysis determines what kind of advantages a target customer group considers as important and how those customers rate similar values in competitor's proposals. In customer value analysis marketers first identify what are the aspects the customers see as most important and how much they stand by those attributes, after this they rate how those attributes in their company perform compared to the competitor's. Having lower price than the competitor is not always the solution to

attract more customers, a firm can simply offer greater value in their products or services, charge a little more than the usual price and still meet the need of the consumer the competitors cannot. (Kotler & Armstrong 2016, 573.)

Another level companies can choose their competitors is on geographical level, competitors can be close or distant, usually marketers choose to compete with competitors closer to them (Kotler & Armstrong 2016, 573).

Having competition does not always mean problem, that is why competitors are divided into two groups good and bad. The good competitors follow the rules, help other companies to always think of innovations to stay competitive but the bad competitors have their own rules, for example the traditional newspaper which a consumer must buy to read the news, now there are digital editions that are easily available, do not require getting out of the house to get it and the most importantly – it is free. (Kotler & Armstrong 2016, 574.)

Competitive strategies

When a competitor analysis is successfully implemented it is time for a company to create their own competitive strategy to give them edge over the others. Marketer must keep in mind that a strategy good for one firm is not always suitable for another, a strategy is based on company's objectives, opportunities and resources. (Kotler & Armstrong 2016, 576.)

There are three basic competitive strategies that are considered the best among all. The first is overall cost leadership where companies aim for lowest costs in production and distribution which allows them to set lower price on their products than their competitors. The second strategy is focused on differentiation – a company strives to make their product highly recognizable and preferable for consumers, which gives them the benefit of being a top class in their industry and this is an opportunity to set higher prices for their products. The third winning strategy is based on focus, where companies focus their attention not on the whole industry market but only on few segments, giving them opportunity to serve their customers only the best. (Kotler & Armstrong 2016, 577.)

Another three competitive strategies, which are more customer-centered are – operational excellence – offers reliable products of good quality but on good, cheaper price; customer intimacy – by keeping close relationship with their customers those companies create products and services specifically tailored to match the unique needs and bring satisfaction to their customers, usually over a premium price; product leadership – companies who always try to work and release new leading products or services, those companies serve consumers who want unique product and the price does not matter. (Kotler & Armstrong 2016, 577.)

It is not excluded for a company to specialize in more than one of those strategies but it is rare when someone succeeds in this initiative, instead on trying to be the best at all it is enough for an enterprise to master only one of those strategies to become a leading brand in their industry.

3.3 SWOT analysis

SWOT analysis is used to evaluate the overall condition of a company, it is used to monitor the internal and external market environment by analyzing the strengths and weaknesses in the company and the opportunities and threats it may face (Doyle 2002, 86).

Strengths are referring to the internal positive capabilities which a company is using to gain efficiency, it cultivates values and gives competitive edge, strengths in a company can be capital, customer's loyalty, equipment, patents, teams etc. but to really be considered as strength it must be a feature that is not usually typical in the company's industry, if many of the companies from the same market do offer the same feature then it is not really a company's strength. Weaknesses are the internal factors that are harmful for the company, they may interfere and affect its ability to function normally. Weaknesses give the company's competitive disadvantage and steal from its value but because weaknesses are internal factors for some companies may be difficult to admit they are having problems. Opportunities are the external factors which the company may be able to use in their favor they can occur when there is change within the market,

modern technology inventions, change in consumer's behavior and so on, successful companies are constantly scanning the market for new opportunities. The final part of SWOT analysis are threats - the external factors which can harm the company's functions and are beyond the company's control, therefore a contingency plan is favorable so that when a threat occurs is not complete by surprise and the company can choose a way to act and quickly recover from the threat. Strengths and weaknesses are factors that the company has power to control and opportunities and threats are the factors a company has a little or no control over but can at least be reduced or enhanced. (Kotler & Armstrong 2016, 80; Website of Free-Management 2013.)

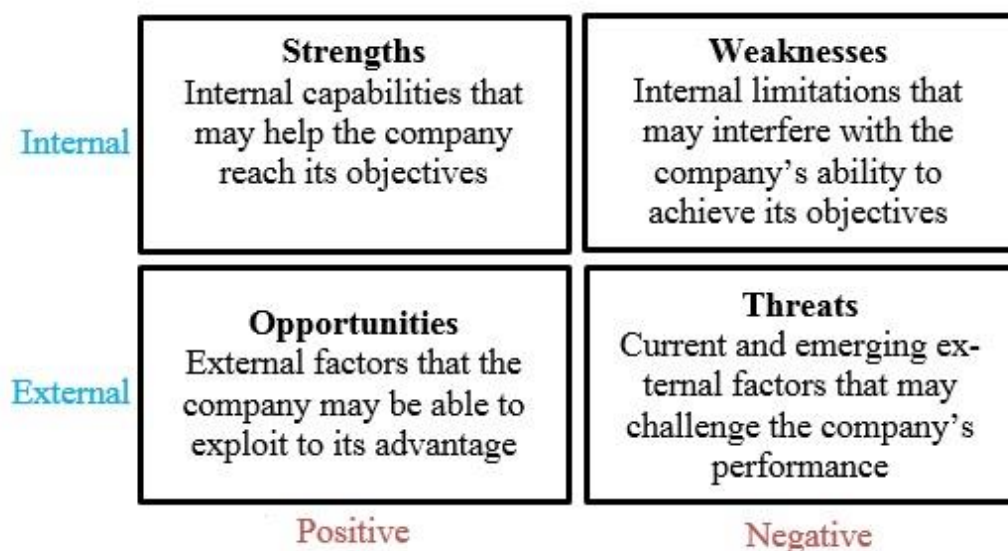


Figure 5. SWOT Analysis (Kotler & Armstrong 2016, 80)

4 MARKETING STRATEGY

4.1 STP Strategy

The primary goal of marketing in every company is to satisfy customer's needs, if the customers are satisfied this leads to growth and profit gaining of the firm. Another meaning of marketing is to create set of activities and tasks to build effective marketing plan. (Doyle 2002, 61.)

The needs of every buyer are different and there are too many of them for a company to serve them all, similarly to this the organizations differ from each other as well, with different abilities there is no firm that can cover the needs of all the buyers worldwide. Therefore, based on their abilities the company must create the right customer-driven marketing strategy to attract the right consumers and create strong relationships with them. Part of the right tools used to crease such strategy is the Segmentation, Targeting and Positioning process. Many companies have already moved away from mass marketing and used this process to focus on consumers who have great interest towards the products they are making. (Kotler & Armstrong 2016, 222.)

In the segmentation process the company divides the consumers in the market on smaller groups depending on their buying behavior and needs and creates identity profile for each of them. In targeting firms evaluate the level of attractiveness of each group and chooses one or more market groups to enter. Positioning process creates a desirable product for those market groups. In the graph below is the summarized idea of a customer-driven marketing strategy. (Kotler & Armstrong 2016, 222.)

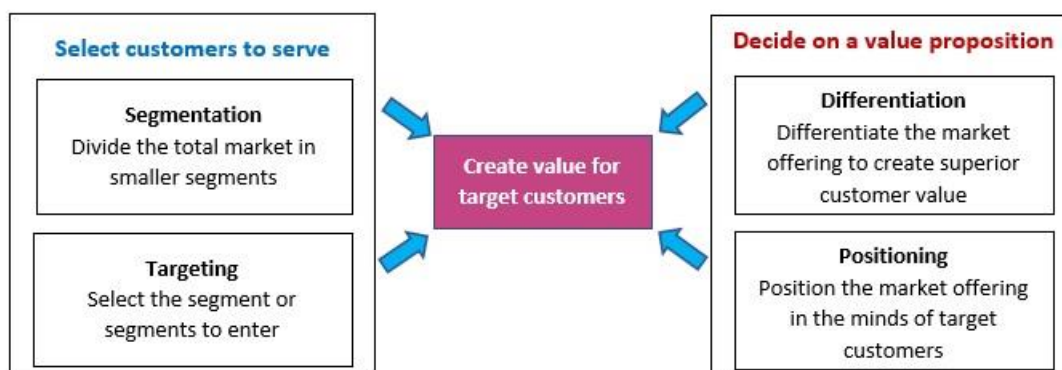


Figure 6. Designing a Customer-Driven Market Strategy (Kotler & Armstrong 2016, 223)

4.1.1 Segmentation

The market is never made of homogeneous consumers, each of them differ by their benefits preferences, the willingness to pay certain amount for a product, the media

they use, the quantities they buy, location, etc. Hence it sounds logical for marketers to divide the market into smaller consumer groups with similar needs and behavior and target only one or more of those segments. Most companies have adopted this process because it is obvious that their products fail to serve the mass market. A good and simple example for this are the hotels, different hotels set different prices for a stay in there and the prices are set by the segment they are targeting – luxurious hotels target rich customer therefore the amount of money paid is much higher than family hotels created for people with smaller budget. (Doyle 2002, 62.)

The criteria used for dividing the consumer in different segments consist of four main groups: behavioral, geographic, demographic and psychographic variables (Kotler & Armstrong 2016, 223).

Behavioral segmentation is considered from many marketers as the best starting point of dividing consumers into segments. This kind of segmentation is based on the consumer's knowledge, attitude, use and respond towards the product in mind. Companies use different categories to put consumers into different segments like occasions - buyers are grouped according in what sort of occasions they use the product, buy or have an idea to buy a certain item; benefits sought - what are the major benefits a consumer seeks from an item; user status – is it nonuser, ex-user, potential user, first-time user or regular user of the product and depending on the status of the user a company is trying to win back ex-users, keep current users and create relationships with potential and non-users; usage rate – are the users light, medium or heavy item users; and loyalty status – the level of loyalty of each consumer. (Kotler & Armstrong 2016, 228-229.)

Geographic segmentation divides the consumers into different geographic areas like nations, regions, countries, states and it can be also neighborhoods. A company may choose to operate into only one geographic unit but it can also operate in all but it must keep in mind that the products must be localized to suit the consumer's needs. (Kotler & Armstrong 2016, 223.)

Demographic segmentation is the most popular way to divide the market. The factors that are considered when segmentation is executed are age and life-cycle because the

needs of a consumer are changing together with their age and different market approaches are used for different age groups; gender – widely used in marketing clothes, cosmetics, magazines; also, income, occupation, religion, education, ethnicity are taken into consideration. (Kotler & Armstrong 2016, 225.)

Psychographic segmentation categories are social class, personality, lifestyle it can be that people from the same demographic group would have different psychographic characteristics (Kotler & Armstrong 2016, 226).

4.1.2 Targeting

When the market segments are identified, it is time for the marketers to choose which and how many of them to target.

To choose the right segments first a company must evaluate them and there are three main factors for segment evaluation: the size of a segment and its growth, structural attractiveness of the segment and company's objectives and resources. The size and the growth of a segment are not standardized, the golden mean is not the same for every company, for example a small company cannot choose to serve large and fast-growing segment for the simple reason that it will not have enough resources to satisfy their needs, such segment is more suitable for bigger companies. (Kotler & Armstrong 2016, 232.)

The structural factors and segment attractiveness are other forces that need to be examined before entering the chosen segment. A segment may appear less attractive because there are already numerous big and aggressive competitors, if there are a lot of companies competing the similarities in the products causes lowering of the price and the profit of a company. Another reason for making the segment less attractive is if other new entrant can join this segment easily or if there are powerful suppliers which set the prices too high or reduce the quality and quantity of the ordered products. (Kotler & Armstrong 2016, 232.)

Even when the size and the attractiveness of a segment are right a company must observe does this segment matches their objectives and recourses. If the enterprise does not have the resources to meet the consumer's expectations or the consumers do not match the company's long-run objectives than the chosen segment is not right for the firm. (Kotler & Armstrong 2016, 232.)

After evaluating the market segment a company must choose how many to enter in, there are four different strategies that firms can use when choosing number of targeted segments: undifferentiated marketing, differentiated marketing, concentrated marketing or micromarketing (Kotler & Armstrong 2016, 233).

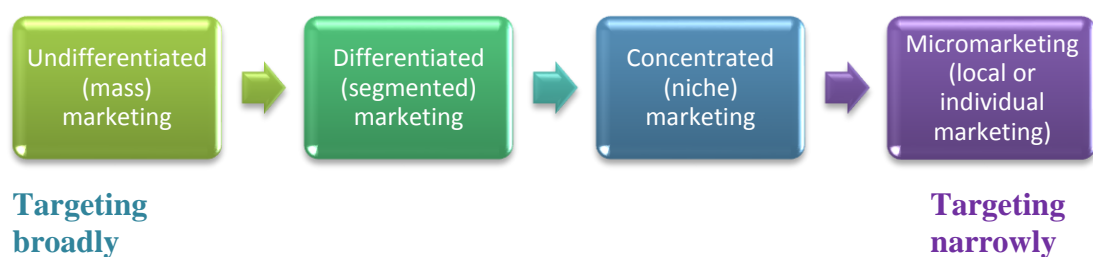


Figure 7. Market-Targeting Strategies (Kotler & Armstrong 2016, 233)

Undifferentiated marketing or also called mass marketing is a strategy that does not take in consideration differences in market segments and instead of this the company operates in the whole market with their products. Those firm's concentrate on what are the common need of the users instead on the difference their product can offer. This type of strategy does not appear very appealing for modern marketers, they find it not competitive effective enough because of other more focused on the product firms and a they must put in a lot of effort to make the product attractive for all the consumers. (Kotler & Armstrong 2016, 233.)

A differentiated strategy chooses several market segments and creates separate products for each of them, by doing so a company is aiming for higher sales but this strategy is also more cost consuming because for the different products different raw materials

are needed and becomes more expensive to create 10 units for each segment than 100 unit for only one segment (Kotler & Armstrong 2016, 234).

Concentrated or niche marketing is focusing on a large share of one or few segments called niches. Niche marketing is allowing the companies to gain more detailed knowledge about their customers, hence, build better market reputation. This type of strategy allows firms to market more effectively and efficiently through creating their products, prices, promotion channels and communication programs to suit their targeted segment. The downturn of this strategy is that it hides more risks than usual because companies target only one or few segments and those segments can turn out to be unprofitable. (Kotler & Armstrong 2016, 234.)

Micromarketing is focusing on seeing an individual in every consumer, while niche and concentrated marketers create their offers to suit various segments. Micromarketing is tailoring the offers to suit specific individuals, this type of strategy includes local marketing – tailoring products and promotion to suit the needs of specific customer group – city, neighborhood; individual marketing – tailoring products to suit a specific individual also known as one-to-one marketing. (Kotler & Armstrong 2016, 235.)

4.1.3 Positioning

Positioning refers to placing a product or a service in a distinct and meaningful way in the consumer's mind. Company must create products that answer to the consumer's needs in such way that when those consumers seek how to satisfy their needs this company's products are among the first the consumer is thinking about. For example, Coca – Cola creates their Diet Coke because many women are worried about the calories in the regular Cola and are looking for more low calorie option. (Jobber & Fahy 2015, 132.)

Positioning have a key role in attracting customers, that is why every marketer should develop a positioning strategy. There are three main variables a company should consider in creating their positioning strategy – identifying what attributes matter to their

customers, create a competitive edge and look for the company's unique features and apply them in positioning. (Jobber & Fahy 2015, 132.)

When the overall positioning strategy is created, follows creating a positioning statement. For creating a successful positioning statement the following 4 factors need to be taken into consideration.

- Clarity – clear idea on who the positioning statement is targeting and what are the advantages which make the product different. Unclear messages are hard to remember and will have little or no effect.
- Consistency – the company should decide on their principles and continue to follow them through the years, inconsistency of the message confuses the consumer and lead to dysfunctional positioning statement.
- Credibility – the product must have differential advantage. A product not credible has less competitive advantage compared to products with credibility.
- Competitiveness – the differential advantage is offering to the consumer something that other firms do not have in their product, this makes the product competitive.

(Jobber & Fahy 2015, 132-133.)

4.2 Marketing Mix

The marketing mix includes four major elements called 4 Ps – product, price, place, promotion. To meet the consumer's expectation, satisfy their needs and have a competitive edge a company should manage with those 4 Ps excellently. The marketing mix is inseparable part in creating a successful marketing strategy, marketers should consider what is the product they will be offering and its characteristics, what is the product's price, in what way the product will be distributed and what will be the methods to promote it. (Kotler 1999, 95.)

4.2.1 Product

When asked for the meaning of a product people often think about tangible items, physical products like a computer or a sweater, or bed, etc., but the definition of a product in marketing terms includes much wider variety of products. In marketing terms product is any kind of tangible or intangible components which can satisfy customer's need in exchange of money, time or votes. Intangible products are all kind of services like psychotherapy, software design even political activities of the parties (Fahy & Jobber 2015, 146.)

Regardless of the type of the product, those products are all invented because of their needs. People do not only buy a product so they could just have it, they buy a product because they need it. For example, people buy cosmetics because they believe it will make them appear more beautiful. Successful companies do not concentrate mainly on the physical product or service product, they emphasize on the fact that they do have a product capable to satisfy the customer's needs. (Doyle 2002, 32-33.)

To create more competitive advantage companies, try to differentiate their products from the other similar ones in the market and this process is called branding. Branding includes developing distinctive name packaging, design and even logos. (Jobber 2007, 327.)

Branding helps to create a positive relationship with the customers, many people develop a customer loyalty to a certain brand connecting the brand with a positive experience they have had with it – high quality product, better taste, more functions and so on.

For the most part, companies know that they must create a product that will be distinctive from any other product and it can differentiate from the other in different aspects, such as:

- Physical difference - packaging, design, performance, etc.
- Availability difference – availability in shops/ Internet
- Service difference – speed, maintenance, consulting, etc.

- Price difference – very high-very low price
- Image difference – logo, media, etc.

(Kotler 1999, 99.)

Sometimes brand differentiation can only exist in the customer's mind since it is proven that many people fail to distinguish different brand products in blind product testing (Jobber 2007, 327).

4.2.2 Price

Price is a certain amount of money people pay in exchange of a physical or service product. Unlike the other three components of the marketing mix – product, place, promotion, which create costs, this is the only part that accumulates revenue. Because pricing is viewed as the problematic one from the marketing mix many managers tend to neglect it and tend to focus on the other three parts. However, price has some advantages too out of the four components it is the most flexible one, it can be quickly changed if the situation requires it. Smart executives see pricing as a key strategy to create customer value. (Kotler & Armstrong 2016, 324-325.)

It is from considerable importance that marketers know how to set their price right so that the company does not end up with loss, which happens when the price cannot cover all the costs. Even when a company has an excellent product, efficient distribution and good promotion a company can still not be successful unless price is blended into the mix. Price cannot be decided on itself alone it must be coordinated with all the other parts from the marketing mix to create exclusive customer value. (Jobber 2007, 458.)

A price that the company set it somewhere between too high price to have any product demand from customers and too low price to produce any profit. How the customer perceives the value of a product is the factor that determines how high the price can be set, because if customers see the price as too high they will simply not buy the product. Similarly, the costs show how low a price can go because if the price is the same or

lower than the cost the product will simply not be profitable and will produce loss. (Kotler & Armstrong 2016, 325.)



Figure 8. Consideration in Setting Price (Kotler & Armstrong 2016, 325)

4.2.3 Place

Place can be considered as the final step from the marketing mix and refers to all the activities a company do to distribute their product to their targeted group of customers (Kotler & Armstrong 2016, 78).

Products need to be available to customers at locations convenient for the customers, with amounts enough to satisfy all of them and at a time the customer decides to buy the product (Jobber 2007, 679).

There are two main ways that a product can reach a customer, the producer selling directly to the consumer, which appears attractive to some marketers because the cost for distribution is eliminated, or producer using channel intermediates to sell the product such intermediates are wholesaler, retailer and agent (Jobber & Fahy 2015, 224).

Retailing and wholesaling are the two-major intermediary channel for distribution of products. Retailers offer variety of product in their stores, which allows the customer to save time and buy everything needed in one location. Wholesalers are the people who buy products from the producers and then distribute them to different retailers

and they usually serve smaller retailers but wholesaling has some risks. The big retailer can buy the products directly from the producer and by removing the wholesaler from the distribution chain can sell the product cheaper than the small retailer. (Jobber & Fahy 2015, 225.)

In the digital world, we are living in online retailing is one of the fastest emerging forms of product distribution. Online retailing has many advantages which is leading it to international popularization. Online store are open 24 hours a day, every day of the year and have wider variety of product than an offline retailer can offer making the online shopping more convenient. The inventory level of online stores is higher than the physical store which allows them to serve bigger number of customers. Another advantage of the online retailers is that the costs of renting or buying a physical location are eliminated which is particularly good for smaller retailer. Having online stores also means that the retailer can reach to customers from all over the world. (Jobber & Fahy 2015, 238.)

When it comes to distribution channels for services the distribution channel is normally short, it can be either direct or via agent when the service provider cannot physically reach their customers for geographical reasons, wholesalers and retailers are not needed (Jobber 2007, 685).

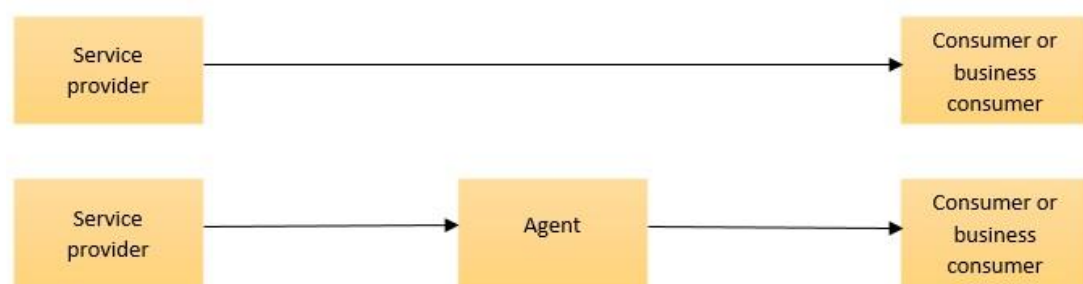


Figure 10. Distribution channels for service (Jobber 2007, 686)

4.2.4 Promotion

Promotion are all the activities that help companies to communicate to the customer about the benefits and advantages of their product and convince the customer to buy it (Kotler & Armstrong 2016, 78).

Companies use specific promotion tools to create customer value and build customer relationships, this is called marketing communication mix and it consists of – advertising, sales promotion, personal selling, public relations, direct and digital marketing (Kotler & Armstrong 2016, 445).

Advertising is a paid non-personal communication of ideas and services in the prime media – television, press, cinema, outdoor, radio. By paying to deliver message to the audience the company has more control on the content, place, time and continuance of the ad and because the company has control over the sent message, through advertising can create the value they want the customer to see in them. Since it can reach a lot of people quickly it is the most common tool to build brand and product awareness. Some of the disadvantages of advertising is that it is impersonal and questions cannot be answered. (Jobber 2007, 499.)

Advertising is not designed to work on the behavior of the customer but on their mind, that is why advertising does not bring quick sales. When customers hear about sales promotion for example two for the price of one or 50% off the regular price they act instantly. (Kotler 1999, 109.)

When the promotion is pointed towards the retailers is called trade promotion, many retailers tend to buy more products than they can sale during those promotion times and when the prices are normal they will buy less. This causes rapid changes in the working schedules of the manufacturer and affects their level of inventory. (Kotler 1999, 109.)

The other part of sales promotion is consumer promotion and marketers use it to gain more competitive advantage by weakening consumer's preference of brands. Customers follow sales promotions and buy the discounted products of the week but this brand

weakening is just a temporary effect because this way of attracting customers does not create loyal relationship with the company, those kinds of customers are driven only by the promotion. In their effort to attract more customers with big sales promotion some companies might lose money instead of gaining more profit. (Kotler 1999, 109.)

Personal selling is conducting oral communication with potential customers with the incentives to sell a product (Jobber 2007, 498).

Personal selling is done through agents, sales representatives, sales consultants, salesmen. Through interpersonal communicating with the customer the company creates customer value and builds customer relationship. While advertising is non-personal method and reaches wide range of consumers personal selling is the complete opposite it allows companies to directly contact a customer through e-mail, telephone call, online conference or other methods and create a bond with them. Personal selling is more effective than advertising because it allows the sales person to learn more about the problems of the consumer and apply an individual approach towards them. (Kotler & Armstrong 2016, 503.)

This type of selling also gives the consumer immediate answers to their questions and create opportunity for making a sale (Jobber 2007, 499).

Public relations help a company to create positive corporate image and relations with their publics, it also helps justify negative rumors and stories. When using public relation, the company is not paying directly for the space and time in the media instead of this is hiring a team who deals with those tasks, manage events and maintain the good image of the corporation. Interesting story can even be reflected by several different medias and create the effect of advertising except that the company won't have to pay big amount of money for the advertisement. One downturn of this is that some medias might unconsciously distort the story and cause wrongful information and negative company image. (Kotler & Armstrong 2016, 490.)

According to (Kotler & Armstrong 2016, 535) direct and digital marketing engages directly with carefully targeted individual consumers and customer communities to both obtain immediate response and build lasting customer relationship. Many of the

other promotional tools are created for mass marketing – they do not have a target group and have standardized messages but recently many companies choose direct marketing because instead of sending impersonal message to large group of people the targeting group can be more narrowed and therefore the promotion more successful. Digital marketing is preferred by many marketers because it is easy and convenient, and cheaper than other promotional tools. The digitalized world we are living is huge advantage, direct marketing becomes even easier and can reach to targeted consumers all over the world. Direct and digital marketing is rapidly growing with social media marketing becoming the faster-growing kind of marketing. By using their smartphones, laptops, tablets and other digital devices the consumer can directly be engage with the promotional message the company is sending via websites, blogs, e-mails, social media and other digital platforms. (Kotler & Armstrong 2016, 534-538.)

Now-a-days the marketing communication mix is rapidly changing causing the marketers switching from mass marketing and selling highly standardized products to more creative promotion methods with more personal relation. The companies are adopting the new integrated marketing communications, making effort to deliver clear and consistent message for their image and products. (Kotler & Armstrong 2016, 446-449.)



Figure 9. Integrated Marketing Communications – Carefully blended mix of promotion tools (Kotler & Armstrong 2016, 451)

5 INTRODUCTION OF ADVENTURE NET

Adventure Net was found in 2001 in Bulgaria when a group of young enthusiasts decided to share their passion towards extreme sports and Bulgarian nature. Their camp site is in Kresna gorge on the coast of Struma river. This is a recreational company offering experiences in many extreme sports as well as organizing events to promote environmental awareness and responsibility.



Figure 11. The brand logo of Adventure Net (Website of Adventure Net 2017)

People can enjoy different sports like white water rafting in different rivers like Struma and Arda in Bulgaria and Tara river in Bosnia; Kayaking in different lakes and rivers in Bulgaria as well as adventures with kayaks in Greece; canyoning at Oshtava river and Sheitan dere waterfalls and Vlahi waterfall; horse riding in Piring mountain or along the sea side; mountain hiking or mountain tours in different mountains in Bulgaria; scuba diving at the Black sea; ski and snowboarding in different Bulgarian resorts; teambuilding during the summer or winter. The company is also offering camping for children to help raise environmental awareness from young age accompany with many adventures and surprises. For people who do not enjoy extreme sports Adventure Net also offers relaxing programs at their eco village at Debeli Dab located close to a village called Oshtava where their customers can enjoy cold and hot thermal baths. (Official Website of Adventure Net.)

6 RESEARCH METHODOLOGY

6.1 Qualitative research

The purpose of qualitative research is to give insight of a certain problem through reasons and opinions usually gathered from group discussions, observation or in-depth interviews formed in an unstructured or semi-structured way.

The main difference between qualitative and quantitative research is that quantitative research is inflexible, the methods used in gathering information in this way are surveys and questionnaires which will contain the same type of question for every interviewee and usually all the questions are closed ended, and qualitative research is the more flexible of both, questions are open ended and vary among different personalities. Quantitative researches are the more formal type whereas qualitative research allows the interviewee to feel more comfortable around the researcher and answers questions in more relaxed manner. (Website of Northeastern University 2017.)

Due to the nature of this thesis, qualitative research was chosen as the method for gathering information. Because of the numerical data type of quantitative research this method is unable to thoroughly forward all the needed information and therefore resolving the problem in this project would be partial, to get deeper insight on the current matter which is creating new marketing strategy the author would need more detailed data which would be able to collect from the answers of the open-ended questions.

6.2 Data collection

Data collection is the process in which the researcher gathers the needed information and there are two types of data in the research processes that can be used those are: primary data and secondary data.

Primary data where information is collected directly from the researcher usually through interview, questionnaire or survey and the questions are tailored specifically for the need of the researcher.

The primary data was collected from the author via interview with the General manager of Adventure Net, the type of the interview was unstructured with informal nature. Unstructured interview has no defined framework, the researcher does not have all questions previously prepared but rather creates the question on place based on the answers given from the interviewee. Therefore, it is impossible to have two identical unstructured interviews, the outcomes are strictly individual based on the interviewees own emotions and feelings. (Zhang & Wildemuth, 2009, 2)

Some of the questions were prepared beforehand from the researcher and other matters occurred also during the conduct of the interview. The interview took place on online platform called Viber due to the inability of the author and the General manager to meet face-to-face caused by the big distance between them.

The primary data was applied in the empirical part where it was combined with the already written information from the secondary data in the theory part. This combined has helped to create thorough marketing strategy and environment analysis of the case company.

The accuracy of primary data is in significant importance for the author for the creation of reliable and useful information in the content of this thesis.

6.3 Reliability and validity

For each project to be useful and valuable the information included in it must meet the conditions of reliability and validity. As stated above the author firmly stands by the validity and reliability of this thesis. Reliability refers to the truthfulness of the data and this truthfulness is based on the repeatability of those facts, for example when a research is done a second time would the results be the same as before, if this is the case then the research is reliable. Validity refers weather the data is up to date and credible and is this information believable and logical, if the answer is “Yes” the data is valid. (Website of University of California 2015.)

In this thesis to keep the reliability and validity the author uses only official and authentic resources.

For the empirical part the author collected and used information from an interview conducted with the General manager of Adventure Net, only through this method the researcher could gather the most detailed, truthful and up-to-date data regarding the company.

7 RESEARCH RESULTS

In this chapter, the writer has included a summarized version of the answers from the interview with the General manager of Adventure Net – Emilia Begunova, Here the reader has a chance to read about the current market situation of the company seen through the eyes of a General manager - to understand which threats bother the company's future the most and are there good opportunities for further development of Adventure Net. In this chapter are also included which promotional approaches the company uses, who are there any main competitors and how the company maintains their competitive advantage over them.

From the interview, it became clear that Adventure Net does not have an existing written marketing strategy since no person from the company has the required knowledge. Even though the company does not own one the General manager still maintains a clear vision on the firm's main priorities which are to keep strong relationships with their customers, to offer services on a reasonable price so a wider range of people could be able to afford them and to keep their competitive edge over other companies in the branch.

Like any other business in Bulgaria Adventure Net is also affected from the economic environment in the country, the financial crisis that started in 2009 struck the company as well causing a turbulent and unstable time in their operation, three years later the

firm had another downturn. In 2015, the company started to stabilize again and so far, 2017 is leaving the with good expectations.

According to the General manager the biggest strength of the company is the location of their rafting campus, another advantage is the high organization and motivation levels in their staff. Adventure Net is constantly adding on new services in their business activities, this could be counted as a strength but for the company is partly a weakness too because it takes a lot of time and effort for training of the team until they acquire the needed skills and confidence.

The two main threats which could affect the firm's existence are the constant construction along the coastline of Bulgaria leaving no wild nature for the company to run their activities and the rapid climate change – affecting the water level of Struma river causing it to drop quicker with every year; winter sports are also affected by this leaving the mountains with no snow.

The company is excited about the financial stabilization in the country and considers this as their biggest opportunity for higher income in the following years since most of their customers are from Bulgaria. The percentage of foreigners visiting their activities currently is 10-20% and this could be because the company does not promote their business abroad.

The company offers variety of recreational activities but their most popular ones are rafting, kid's campus and teambuilding. People learn about Adventure Net mainly through social media, but the company uses for promotion also television, press, radio and billboards. The firm also uses the help of outside agents – advertisement in hotels, voucher selling websites and tourist agencies.

Currently the leader in the branch Adventure Net is sharing the market with two other companies – X-Club and Reflip and while their two competitors are using only the warm months of the year to run their businesses Adventure Net keeps their competitive edge by operating all year long.

In the next chapters the author will further analyze the answers from this interview and will provide adequate decisions in the form of a new marketing strategy based on the struggles and missed opportunities the General manager has talked about in the interview underneath.

8 MARKET ENVIRONMENT ANALYSIS

8.1 PESTEL analysis

8.1.1 Political and legal forces

Bulgaria is a parliamentary democracy where the president is the chief of state but the prime minister is the head of the government and the most powerful figure in the country. According to the Bulgarian constitution all state power derives from the people, their will is performed directly and through the bodies established in the constitution. The constitution is the supreme law and other laws cannot contradict with it. From 2007 Bulgaria is a full member of the European Union but still not a member of Shengen Area. (Official website of Bulgarian Government 2017.)

Adventure Net is company that offers white water rafting and have a rafting camp on Struma river in Bulgaria, the company must meet certain requirements to provide people's safety and prevent drowning to perform legally their activities. For maximum safety, it is necessary for the company to provide rescue stations, medical and resuscitation points that meet all the requirement of the issued ordinance for safety. (Official website of Ministry of Regional Development and Public Works 2017.)

Every sport activity that the company offers includes an instructor who is the leader of the group, to ensure the proficiency of each instructor in sport and tourism activities sector the Ministry of Education and Science of Bulgaria has set an ordinance on the requirements for people wanting to perform in such position. The content of each compulsory professional training of the State Educational Requirement includes the

needed professional competences like knowledge, skills, professional and personal qualities as well as thematic areas which form the content of a specific subject. (Official website of Ministry of Education and Science of Bulgaria 2017.)

8.1.2 Economic environment

In the recent years the Bulgarian economy began its slow recovery from the negative impact that the Global economic crisis had on it. The economy started to refocus its growth tendency but not with the pace typical for the years before the crisis. Despite the apparent recovery, economy faces several problems, mainly related to increased unemployment in the country and increasingly glaring gap in living standards in different geographical regions.

One of the most important indicators that determined the growth of an economy is gross domestic product. It represents the total amount of goods and services produced in a country for a certain period. To gain a more complete picture of the current state of economy the following graph shows ten-year period - from 2007 to 2016, as a comparative analysis of indicators in Bulgaria and member states of the European Union.

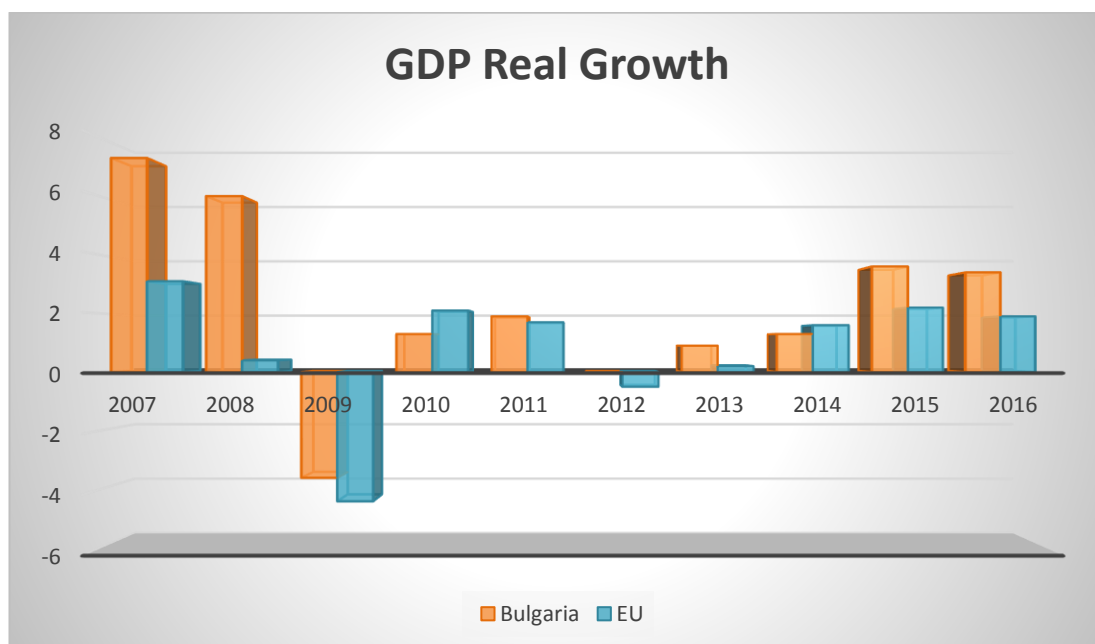


Figure 12. GDP real growth in Bulgaria and European Union in the years between 2007 – 2016 (Official website of Eurostat 2016)

From the graph, the greatest growth in GDP recorded is in 2007 - in Bulgaria is 7,3 percent and in the European Union - 3.1%. In 2009 year, due to the impact of the global economic crisis in EU, the growth of GDP is negative - for Bulgaria - -3,6%, and for the European Union - -4.4%. In the coming years, there has been growth in gross domestic product, which, however, differs significantly from the levels of the same indicator typical for the years before 2009.

For Adventure Net 2009 was also a troubled year, the global crisis managed to hurt the company's activities but despite that the firm made through it, another year of turn-down was 2012, judging from the graph above the GDP of Bulgaria for this year was 0 – the worst number after 2009. According to the General manager's interview answers highly successful year for the company was 2015, again from the graph can be seen that the percentage of GDP for 2015 was even bigger than last year – 2016. All of this information shows that the company is really sensitive to economic changes in the country.

Bulgarian economy is characterized by a medium level of industrialization and medium developed private sector. State enterprises are few with tendency for future privatization. According to the National Statistics Institute, the country's population is 7.2 million people, the natural growth of the country for 2015 is -6,3% per 1 000 people and the birthrate from the same year is 9,2%. (Official website of National Statistics Institute 2016.)

Bulgaria also suffers from corruption in the public sector, weak judiciary and high percentage of organized crime.

8.1.3 Social environment

Social and demographic factors

Social and demographic environment in Bulgaria over the last decade is characterized by features typical for most countries in transition from planned to market economy. They follow the basic processes of economic development: a sharp decline in living

standards, expanding poverty and rising of unemployment. Recently the Bulgarian political spectrum is increasingly talking about a demographic crisis and demographic catastrophe. In total contrast, with the constantly growing population on Earth in Bulgaria can be seen decrease in the population. The main demographic factors reflecting it are the decline in the birth rate, increased mortality, an increase in large-scale emigration, aging.

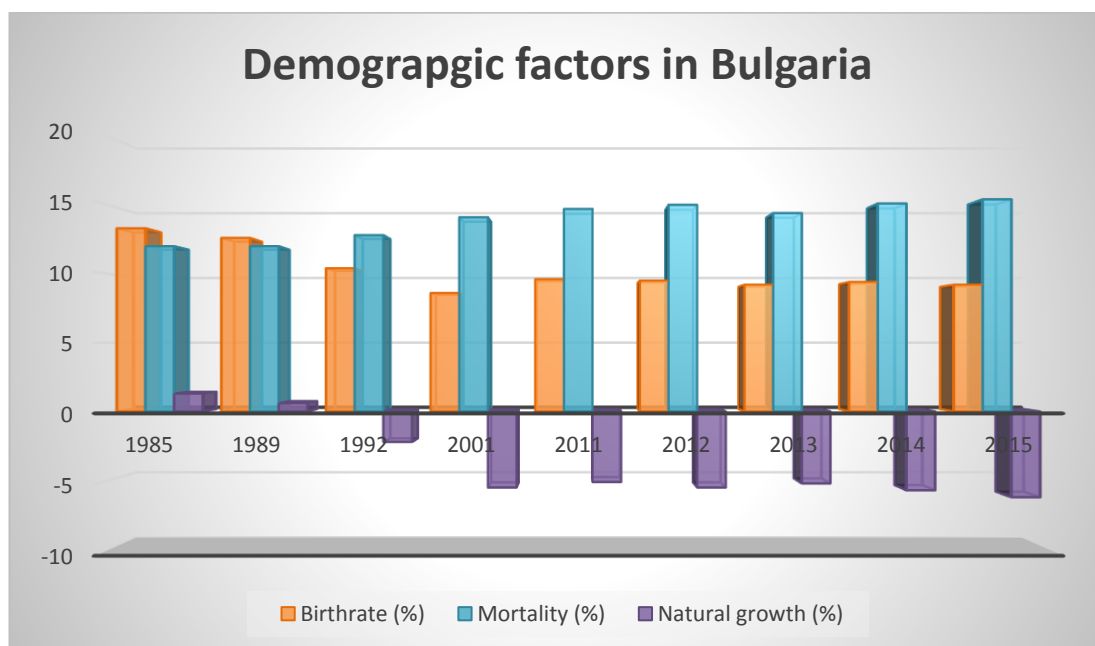


Figure 13. Demographic factors (birth rate, mortality, natural growth) in Bulgaria
(Website of National Statistics Institute of Bulgaria 2017)

The decrease in birthrate reduces the number of children born in a family and increases the proportion of aging population over people in working age.

This is a potential threat to Adventure Net, further information of the effect on the company's business is included in section "Threats" of chapter "SWOT analysis".

Cultural environment

Even with aging population in Bulgaria the young generation is quickly changing their lifestyle habits, in past years there was not a high interest towards practicing of extreme sports, people preferred more traditional type of tourism – sightseeing and relax in more urbanized areas. Recently those interests began to change, people are looking

more for places far from the loud life in the city with activities allowing them to get away from everyday chores, more and more people are adopting extreme sports as their hobbies.

Adventure Net is a company that can offer variety of extreme sports and adventures to the consumers who begin to change their habits but also has an option for the more traditional type of consumer, this is a feature that allows the company to attract bigger spectrum of customers and to serve their needs adequately.

While the preferences of the young generation transform the economic environment in the country is not allowing many of them to meet their changing habits. Bulgaria is slowly recovering from the economic crisis, gradually uncovering bigger financial opportunities and new work places.

8.1.4 Technology environment

The technological factors that Adventure Net utilizes in their activities is mainly one that uses internet like smartphones and computers, their technology equipment is located in the company's office in Sofia and it is used to manage tourist groups, reservations, inquiries and other activities regarding their business.

In the recent years the technologic development in Bulgaria is very dynamic. The usage of Internet in Bulgarian household has drastically increased for the past 10 years from only 19% in 2007 to 64% in 2016; people who are using mobile devices – mobile phones, laptops, tablets or other devices away from home or work to access Internet, has also dramatically changed over the years - in 2013 it was only 13% and last year reached 45%. The following chart will give the reader an idea of the tempo in which Internet is invading the life of the Bulgarian citizen in the past 10 years, because of lack of information on individuals using Internet on mobile devices before year 2012 only 5 years – from 2012 to 2016, will be applied.

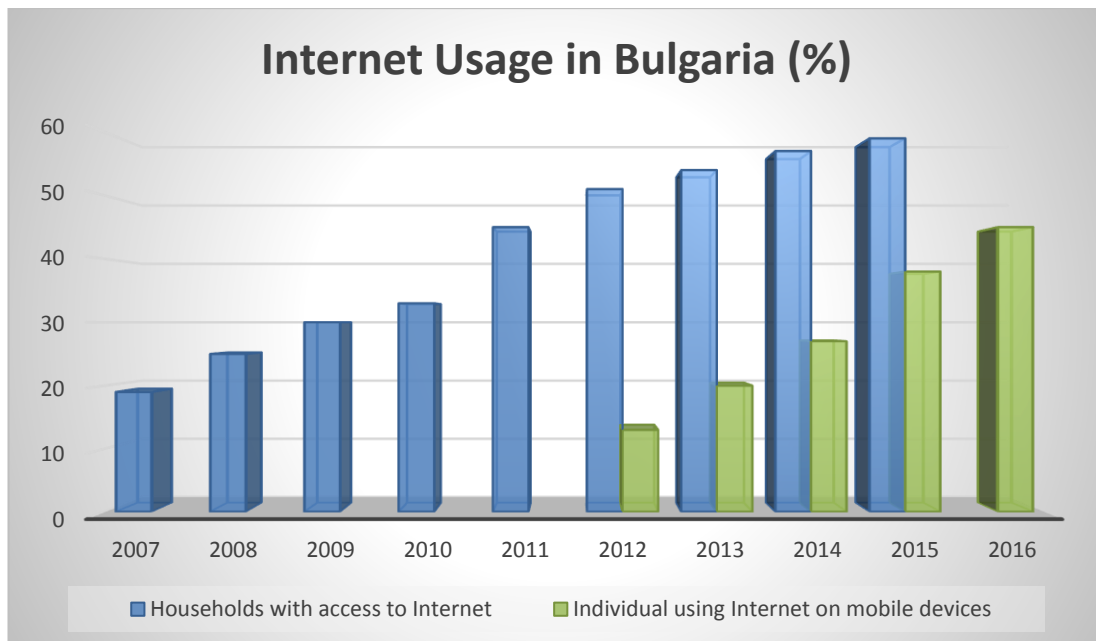


Figure 14. Internet usage in Bulgaria from 2007 to 2016 (Website of Eurostat 2016)

8.2 Competitor analysis

The first intention of the author was to include the three main competitors of Adventure Net but during the interview with the General manager of the company became clear that their biggest competitors are only two firms – X-club and Reflip and none of them offers the same variety of products as Adventure Net.

X-club is considered as their biggest competition, the similar products they offer are: rafting – a few different programs; kayaking; canyoning - but in a different place; teambuilding; kid's camps – where the difference is that X-club offers camping only in the mountain while Adventure Net has both mountain and sea campuses. Those are not the only services this company provides they have wide range of other activities like cave exploring, paragliding, bungee jumps, paintball, multisport programs, the firm also has bungalows where customers can stay. In the website of the company is also a possibility for online shopping where customers can buy rafting and kayaking equipment. All those additional offers give X-club serious competitive edge which should not be underestimated. While the author was doing a research in the company's website incompatibilities were found in the texts in English and Bulgarian language,

the text in English was shorter and some of the information was missing. (Website of X-club 2017.)

The second company is called Reflip, it is a fairly young company founded in 2010 with smaller range of products, the service they offer are rafting, kayaking, teambuilding, children's camp, hydro speed and boat renting. Their website looks consistent both in Bulgarian and English version with enough information included but at this point they are no major threat to Adventure Net because of the fewer services offered. (Website of Reflip 2017.)

Adventure Net is keeping their leading position on the market but X-club remains closely behind them, Reflip is on a third place, considering it is the youngest company they own smaller share of the market, there are other companies in Bulgaria offering rafting on white waters but they are significantly smaller and are not viewed as a threat to Adventure Net.

8.3 SWOT analysis

8.3.1 Strengths

Based on the answers from the interview conducted with the General manager of Adventure Net, the company's greatest strength is the location of their rafting camp – Kresna Gorge, which is considered the best place for water sports on Struma river. The location is only 130km away from Sofia - where a large flow of people is concentrated, the short distance from the capital allows a lot of people to easily enjoy the services Adventure Net offers. At the same time, the difference in the landscape of the two places is incredible, customers can get away from the busy and crowded city life and enjoy the calm and peaceful environment around the company's camp.

Second big strength and significant advantage is the variety of services the company has, none of their main competitors can offer such wide choice of products to their customers. At the company's rafting camp or close to it customers can enjoy other

activities. Even with their existing variety of service the company continues to develop in different areas and constantly includes new products to their business.

Another feature that the General manager sees as a strength is the motivation and the proficiency of the company's staff. Everyone there believe in the cause Adventure Net stands by, which is introducing people to the wild Bulgarian nature and making them aware of how endangered it is because of pollution and excessive construction, in addition to this everyone there share love in extreme sports - those two reasons gives the staff high motivation to execute their job to their full potential.

In a fourth place is the website of the company, it has detailed information with no difference whether it is in Bulgarian or English language, every product includes description of what it consists, price, duration and other key factors, all the information is easy to find with no confusing or misleading messages which allows the customer to collect the needed information fast with no needles wandering around the website. As for the website of one of their main competitors the information in Bulgarian and English language did not match, the text in English is shorter, description for some programs is missing as well as some of the features which are included for a given price of a certain product so when customers who do not speak Bulgarian language might have difficulties in receiving the needed information straight from the website and the consumer may even refuse to use this company's services.

The structure of the website as well as the included information in there plays a significant role in the creation of the customer's first impression, when the information is inconsistent, misleading or lacking this gives the impression for unprofessionalism and untrustworthiness and drives the customer away from the products this company offers.

Lastly, the company abides by the high professionalism of their personnel all of which are certified instructors and go through constant training to maintain up to date skills and knowledge. Part of the women which are instructors in rafting, including the General manager of the company, are representing Bulgaria in rafting competitions on European and international level.

8.3.2 Weaknesses

Based on the conducted interview the author of the thesis realized that the biggest weakness of Adventure Net is that there is no available written marketing strategy and the reason for this according to the answer of the General manager is that there is no suitable person to write it.

Written marketing strategy gives the company a clear understanding on their position on the market, which are their target groups of customers and how do they approach them, which are the firm's competitors and how do they differentiate from this competition and also answers on other important questions. The marketing strategy includes company's goals and desired achievements allowing to follow them without diverting. Written marketing strategy helps the staff understand clearly the company's mission and include it in their everyday tasks.

Even though Adventure Net and their employees has a clear view on their marketing strategy in times of emergency not having it written down may lead to confusion and making wrong decisions which will affect the company's efficiency.

Another weakness of the company is caused by the constant development and introduction of new services, in some of the newly included activities the staff has little or no experience which affect their efficiency, causes mistakes and unsatisfied customers. Even with adequate training it still takes time for the employees to master the new activities and build confidence.

8.3.3 Opportunities

In the recent years an improvement of Bulgarian economy and European economy in general is observed and if this development continues throughout the next years it will definitely contribute in a positive way to the company. Stabilization of the economy will lead to increase in wages, drop of unemployment rate and people would have more finances to spend on entertainment.

At the same time the interest towards recreational activities is rapidly rising every year, combined with the improvement of the economy even more people will get to enjoy the products the company offers. Adventure Net can expect increase in customer demand which will allow the firm to expand their business to new extreme sports and at the same time improve the productivity of their current services.

For the last years, the tourism in Bulgaria has been steadily growing, Bulgaria has turn into a desired destination for many foreigners. For the first eight months of 2016 (from January to August), Bulgaria has been visited by over 6 million foreign tourists, an increase of 15.7% compared to the same period in 2015. Bulgarian tourism has grown enormously, with the increase for the last 10 years of over 60%. Revenues from international tourism for June - August 2016 are calculated to €1 768 million, increasing with 17.3% compared to the same period in 2015. This is a great opportunity for Adventure Net with the constant increase of foreign tourism in Bulgaria the level of potential customer will be also growing. (Website of Ministry of Tourism 2017.)

All of the above-mentioned opportunities are a great chance for the company to further develop their business but none of them would be in any advantage for Adventure Net if the bellow listed threats become reality.

8.3.4 Threats

The main threats that can affect the normal operations of Adventure Net are the excessive building, climate changes and the negative natural growth in the country. Every year the snow level is decreasing preventing the execution of ski and snowboard programs of the company. The climate changes do not affect only the winter sports but the water ones as well, it might be that the year is too dry causing the water level of the river to decrease significantly and make rafting and kayaking impossible, another possibility is loads of rain which increases the water level and those sports become too dangerous.

Excessive construction is a major problem on the beach curve of Bulgaria, every year new hotels are built causing overcrowding, pollution and act as a view blocker. These activities affect the programs Adventure Net is offering around the sea, the water pollution is killing the sea life causing once the rich of fish water of Black Sea to desert more and more with every year, the constant building destroys wild beaches and turns them into commercial ones. If those actions continue in the next years with the same tempo as now Adventure Net may begin to lose clients because of the inability to enjoy the wild and peaceful nature by or in the sea as it once was.

When interviewing the General manager, it was mentioned that a new highway project is in process of creation and one of the possibilities is that the road will go through the river which will cause regulation of the water flow, leaving the level of the water low, hence affecting the company's services on the river. If the highway is built in Kresna gorge where their business is, it will most probably lead to water and forest pollution because of the harmful emissions released from vehicles and garbage thrown out of them, many animal species are already extinct in this region and such project will be even more threatening for the existence of other species.



Figure 12. Preferred alignment of highway project called “Struma” (Website of Chronicles.BG 2017)

Ecologists are protesting this decision but the Bulgarian government is positive about the location of the highway with the motive that Bulgaria is at risk of losing EU funding if this project is not executed.

If this project is implemented the company will lose their business on Struma river and this is the most suitable river for water sports for series of different reasons, more information about choosing this location and why it is favorable for water activities can be read in section “Place” in chapter “Marketing mix”.

Because of the nature of the business the above-mentioned threats could be fatal for the company, there is no contingency plan that can help Adventure Net to recover from climate changes and excessive construction, those threats will harm their business activities permanently.

Lastly, threat to the existence of Adventure Net is the continuous aging population in Bulgaria and the negative number of natural growth. Even though elder people do visit the company as well their number is not that high compared to people from 20 to 40 years of age. In 2015, the population of Bulgaria was measured to 7 168 009 ten years later in 2025 it is expected to decrease with almost 410 000. According to forecast data from National Statistics Institute the aging population of Bulgaria appears to be a serious problem. The number of people from 80 to 100+ years of age will rapidly increase in the following years while the rest of the population with stable tempo decreases in number. For example, people between age of 80-84 in 2015 were counted 205 693 and in 2030 this number is forecasted to be 271 234, for the same period of time young people between 25 to 29 years of age from 486 701 will decrease to 328 339. This is a threat that will not come rapidly, it happens over time and it will take years to significantly harm the activities at the company but its slow tempo should not lead to underestimating this problem. (Website of National Statistics Institute of Bulgaria 2017)

9 MARKETING STRATEGY

9.1 STP strategy

9.1.1 Segmentation

The segmentation criteria are divide into four main groups and Adventure Net has chosen to utilize three of those for their marketing strategy – behavioral, geographic and psychographic segmentation. Demographic segmentation is not chosen for a

method because of the criteria it uses to divide consumers, in their business is irrelevant to separate and choose customers based on their gender, religion, education, ethnicity or age. Because of the variety of services the company offers – children's camp, rafting, horse riding, etc. demographic segmentation simply cannot be applied there. Even with the selected methods not all the criteria in them will be covered and analyzed, only the most adequate factors will be chosen.

Behavioral segmentation

Benefits sought by the customer is the part Adventure Net uses in their business from the behavioral segmentation. This criterion divides the consumers depending on the benefits they wish to experience from a product. The company offers services in extreme sports, relax, adventures and entertainment four different varieties which serve the consumer's behavioral needs based on their demand.

Geographic segmentation

The audience the company has chosen to serve is mainly in Bulgaria. Adventure Net promotes their services only in the country they are based in. According to the interviews answers only 10-20% of the customers are foreigners who learned about the firm's activities during their visit in Bulgaria.

Psychographic segmentation

Adventure Net attracts customers of a certain social class and lifestyle, the services they offer are held in the nature, most of which are physically demanding, for people who are used to luxurious places and want to be close to the city life those activities may not be suitable for them. However, it is not necessary for the hierarchy class to define the lifestyle of a person, the interviewee shared that even people with higher social class enjoy their products it is just more common for people from upper class to prefer the comfort before spending a day at the company.

9.1.2 Targeting

The purpose of Adventure Net is to serve variety of customers and their needs and to offer them the best services on the existing market in Bulgaria. Because of the diversity of products, the company has and the constant expanding of those services it cannot be said that micromarketing or concentrated marketing is used as a strategy by the firm since the range of served consumers in such marketing is quite narrow. Mass marketing is also considered as incompatible with the company's strategy, the range of potential consumers is too wide and Adventure Net is unable to satisfy their needs, moreover the firm has a certain mission and this is to promote nature awareness. Trying to fit mass marketing and meet the demands of all customers, there is a possibility for the company to break their own rules and policy.

Based on the arguments above the company has chosen differentiated marketing as their marketing strategy. They have chosen several segments and created services for each of them.

The first target group is people interested in extreme sports for them Adventure Net has created rafting, kayaking, canyoning, ski and snowboarding.

The second target group is people interested in adventure for the company organized horse riding, diving, mountain hiking or biking.

The activities in the third target group are concentrated on entertainment and this includes children's camps and teambuilding.

The last target group is for people who enjoy the relaxing time in the mountains for them Adventure Net built their eco village Debeli Dab.

At first the company's marketing strategy was micromarketing, because of their financial capabilities they have been offering only rafting but over the years Adventure Net became more and more successful and felt the need to expand their business and create other products which will serve more target groups. Their mission was and still is to attract consumers with a green thinking and to educate people about the nature and

how to protect it therefore micromarketing was not suitable for them anymore, they have chosen differentiated marketing as the ultimate strategy to reach as many people as possible and in the same time to preserve their primary mission unchanged, something undifferentiated marketing could not do.

9.1.3 Positioning

Adventure Net describe themselves as a recreational company with diversity of services and a mission to protect and educate people about the natural environment. Their mission has stayed consistent during the years building their brand and marketing strategy around it. Having their main camp in the forest close to a river and telling customers about the existing environment problems clarifies the firm's policy not only to their staff members but also to every person that has visited Adventure Net. The variety of different products gives the company credibility and competitiveness, being the oldest company in the business is also another competitive edge because over the years they have managed to gain the customer's trust, reasonable price is the other feature that makes the consumer choose their service, even though their other main competitors offer similar pricing the combination of all the above mentioned factors is what drives an individual to choose Adventure Net.

9.2 Marketing mix

With the marketing mix tool, the author can describe and analyze what kind of products and services the company offers, what is the price range of those products, how the firm promotes it and what is the importance of company's place. The information needed for this part of the analysis was collected from Adventure Net website, the interview conducted with the General manager also gave important insight data which otherwise would be impossible to extract.

9.2.1 Product

The products Adventure Net is offering is in the form of mostly services and includes different recreational activities gathered at one company. The company offers services like rafting, kayaking, canyoning, horse riding, mountain biking, diving, mountain tours, ski and snowboarding, camping for kids, teambuilding, they also have an eco-village where customers can rent a room and spend time relaxing and enjoying the wild Bulgarian nature.

The eco-village is called Debeli Dab that consists of three bungalows with 12 rooms all together where 24 to 36 guests can be accommodated, with possibilities for customers to rent a place for camping.

In the village is also located a restaurant with capacity of 55 people where customers can enjoy traditional Bulgarian homemade food with breathtaking view of the second highest peak in Bulgaria called Vihren. In the restaurant, the company also organizes corporate parties and team building events with possibilities of a DJ, orchestra, animators, thematic programs and funny games by request of the customer. (Website of Adventure Net 2017.)

The kid's camps the company is offering are in various locations in the country and are organized during winter, spring and summer. Winter and spring holidays are in the mountain and are with different duration from 2 days to up to 7 days. The company organizes and provides the transportation, accommodation, food (breakfast, lunch, dinner), guides and tutors during the camp, instructors, equipment and insurance for ski or snowboard for all children. Summer camps can be in the mountain or on the sea coast. For the mountain tour the duration can be one weekend – 2 days or 7 days, where children can enjoy biking, boating, waterfall visits, bathing in mineral baths, exploring local eco projects, Adventure Net provides transportation, breakfast, lunch and dinner, equipment, insurance, guides and medical person. The summer camp is 7 days and children are provided with a tent, sleeping bag, mattress, full equipment, the company also provides transportation, food, tutors, Baywatch, doctor, insurance, surf and yacht lessons. (Website of Adventure Net 2017.)

All the activities offered by Adventure Net can be done separately but for some of them there is an option for combination for example team building – the service is offered in several different ways where it can be designed as a standard activity offer or can include rafting, diving during “Sea team building” program and ski and snowboarding during “Snow team building” offer, other team building programs are also possible. People who stay at the eco-village can also enjoy combining their relaxation with part of the activities the company offers – nearby is the Adventure Net camp where they can enjoy rafting or kayaking; canyoning at Sheitan Dere is another option to try.

9.2.2 Price

Adventure Net uses competition-based strategy as their pricing strategy, which means that the company is setting their prices based on the competitor’s price and on the market offerings.

As the oldest company from the other leading companies on the recreational market previously the firm was using good-value pricing strategy that was compliant with the customer price perception and at the same time offering good products on a fair price. With the following existence of other companies which are offering similar products the whole market seemed to adopt the competition-based strategy judging from the price similarities on those services.

Because of the economic environment in the country setting the price higher than their competitors will negatively affect the flow of customers to the company and most probably Adventure Net will lose their leading position giving it up to X-club.

In the following table, the author compared the price of some of the most popular services the three leading companies offer.

Offered service	Adventure Net €/person	X-club €/person	Reflip €/person
Rafting Struma river	25€	25€	25€
<i>Duration</i>	3h	2h	4h
Kayaking Struma river	35€	-	35€
<i>Duration</i>	3h	-	-
Children's camp	135€	175€	125€
<i>Duration</i>	7 days	7 days	7 days

Figure 15. Price comparison on related products between Adventure Net, X-club and Reflip (Website of Adventure Net 2017; Website of X-club 2017; Website of Reflip 2017)

9.2.3 Place

Adventure Net has both direct and indirect channels of distribution for their services. The firm mostly uses their direct channels to reach their customers which are their office in Sofia, the rafting camp on Kresna Gorge and their own Website. Their indirect channels are tourist agencies who promote the company's activities and organize transportation for the customers who are interested in it.

As mentioned above, Adventure Net has several locations where they can be reached. One of them is in their office located in the capital of Bulgaria – Sofia, where customers can make inquiries, receive answers of questions or make an insurance for their adventure time with the company if the service does not have already included one. Another place is the official campus of the company located in Kresna Gorge on Struma River, where part of the service programs are conducted – rafting, kayaking, teambuilding, children's camp.

According to the General manager of the Adventure Net the location of the campus is strategically chosen since the river there is large with good access to it, especially the

place the company has chosen – Kresna Gorge. The track and the waves are appropriate, the class of the river is average, not very complicated with accessibility and most importantly flow of water. There is another suitable river for rafting and kayaking in Bulgaria but because of the existence of water power plant there the flow of water is controlled and not suitable for such commercial activities.

The company also has a Website where customers can see all the offered services, there is also a possibility of making a reservation for each one of them online, also in the website are included telephone numbers which can also be used from customer to make inquiries and reservations.

9.2.4 Promotion

When it comes to promotion Adventure Net has chosen three promotional tools to use in their marketing strategy – digital marketing, advertising and sales promotions. The purpose of those tools is to create, maintain and expand the customer's network of the company, advertising and internet marketing mainly has the aim to reach potential consumers and interest them in the firm's products, and sales promotions is used both for attracting new customers and maintain existing ones by offering service discounts.

Digital marketing

In today's world where digital market is constantly developing it is a must for every company, which wishes to be successful, to exist in the internet space. Young people in Bulgaria prefer Internet before television so for Adventure Net internet presence is in the core of their existence.

The company's main platform for promoting is social media, they have Facebook, Instagram and Twitter profiles but because of the unpopularity of Twitter in Bulgaria this platform is not used often by them. In their Facebook page Adventure Net is posting photos and videos taken during service activities, articles regarding the firm, current sales promotions and any events organized by the company. The most recent event the company had was the season opening of white water rafting on Struma river on

01.04.2017 and to attract as many potential customers as possible one day fest was organized with opportunities for people to try rafting for free on this day.



Figure 16. Season opening for white water rafting event of Adventure Net (Website of Adventure Net)

In Instagram, the company is uploading mainly pictures with included hashtags used for reaching people which are not following the profile.

Adventure Net also uses their Website as a promotional tool where all information about the services is include plus prices and available sales promotion. Except their own website, the company has articles connected to their products in several other websites, most of them providing information for different sport activities in Bulgaria.

As seen above the company uses internet not only to promote their existence but also to announce current sales promotion. In the next section, the reader will have the chance to learn more about the sales promotion of the company and how they apply it in digital marketing.

Sales promotion

The sales promotions Adventure Net uses is usually in the form of service discount, a special price for a bigger group of people also commonly applied to stimulate the customer's interest, discounts are also applied when staying at their eco village Debeli Dab, personally created packages on a special price can be offered when contacting the company.

As mention above the firm uses their website and Facebook to announce current sales promotions but they also use the help of different promotional websites – those kinds of websites include offers in various categories like cosmetics, entertainment, cuisine, excursions, etc. This way the company has more chances to reach potential customers who have never heard of their name and interest them in the products Adventure Net is offering.

Advertising

In advertisement, the company uses several different methods such as billboards placed on the side of the road, broadcasting and hotels.

Adventure Net works with network of sea side and mountain hotels who advertise the company's activities to their guests providing them with leaflets with more detailed information about the firm and their services.

The company has advertising commercials on the radio and television but because of the high prices for airing a commercial on most viewed televisions and most popular radios in the country Adventure Net is advertising only in smaller therefore cheaper broadcasting channels which affects the efficiency of this commercial.

10 DISCUSSION AND RECOMMENDATIONS

Generally, Adventure Net is successfully developing and the author could not identify many major problems in the company's functions. For the writer one of the weaknesses of the company appears to be their promotional tools and more specifically that the firm was not taking full advantage of the possibilities and the power those promotional tools have.

Increasing customer's awareness in the country through promotion

The most powerful promotional tool for Adventure Net is digital marketing and more precisely concentrating on social media to communicate to their customers. Choosing online platform for product promotion is cheaper than other available promotional methods and nowadays often highly successful. The Facebook page and Instagram profile of Adventure Net where they post sales promotions and future events are followed mainly by people who have already tried their services or already heard about the company, consumers who are not aware of the firm usually do not end up on their social media accounts.

The other promotional tools the company utilized are billboard and hotel advertising but what is the frequency of a potential consumer staying in one of the hotels which promote Adventure Net's activities or pass by their billboard travelling in the country?

Broadcasting is also part of the company's promotional methods but since it appeared that Adventure Net is not taking full advantage of the advertising power of radio and television the first intention of the author was to recommend advertising firm's services on the most watched television channel with highest customer rating in Bulgaria – BTV. After careful review of the television's website and their price list it became clear that probably it will not lead to any high profits for Adventure Net and the reason is the immense prices for a 30 seconds' advertisement during the most watched hours – during the week in the hours between 19:00 – 22:00 the prices vary from 4 000 € to 5 050 € for 30 seconds on air (Website of BTV 2017).

Then the author thought of a second recommendation that is connected to both television and Internet - sponsoring a music video of a famous Bulgarian performer with included product placement which will boost the customer's awareness of the company. The chosen performer can spend a day in their rafting camp in Kresna Gorge and enjoy, part of their recreational activities on water part of which will be included in the music video. The price that will be paid varies depending on the chosen performer and shooting company and even though it might come close to a 30 seconds' advertisement on BTV the outcome of the video will be more immense since it would stay longer on television and because every performer has a profile on at least one online video platform like YouTube the music video will continue to exist on Internet.

Expanding promotion abroad

The second recommendation is connected to the negative natural growth of the population in Bulgaria, as mentioned before this is a problem which will be perceptibly felt in the further years but it does not mean that it is a problem the company should not worry about. There is no feasible way that Adventure Net could make a significant change in this problem but it can create solution which will allow the company's normal operations even when this threat begins to grow.

The recommendation includes promoting the firm's activities abroad, according to the Bulgarian ministry of tourism the top three nationalities of foreign tourists in Bulgaria are from Germany, Romania and Greece. For a start, Adventure Net, could begin with advertising in only one of those countries, even though Germany is the leading one, the prices for promotion there are probably higher than those in Romania or Greece, therefore, a wiser choice would be Romania or Greece, another advantage of choosing one of those two is that both are neighboring countries of Bulgaria and the shorter distance makes it more convenient for people during travelling. The best way of promoting the company's activities abroad is through tour operators since in the operator's website people could find more information about Adventure Net and their activities plus it will be in their native language.

Written marketing strategy

In Bulgaria, it is a common practice for small, medium and big firms to be missing written marketing strategies, simply because they fail to recognize the advantages from having one. From the interview with the General manager of Adventure Net it became clear that the company also does not have a written strategy.

Adventure Net can benefit in many ways from having a marketing strategy – it sets a focus on the goals the firm is aiming for, includes tools which would be needed to accomplish their objectives, it gives information about the competition in the market and what are the company's advantages over those competitors. For Adventure Net, would be easy to recognize their strengths and weaknesses, identify opportunities and avoid threats when they are included in their marketing strategy, it saves the company money by focusing their effort only on activities which would support their objectives. In the marketing strategy are also included vision and mission of the firm. All this information will help Adventure Net to increase their sales and profits.

11 CONCLUSION

The author was looking for a firm with exciting mission which would make the writer herself believe in – this was in the core for the success of the project.

In today's fast-paced world people often fall into the busy routine of everyday life, problems and remorse fills their minds causing severe burnout and depression. In Bulgaria people often struggle to follow a normal lifestyle because of the unfair activities of the government and the private sector, the high criminal and corruption rate in the country, this deviates the focus from the preservation of the magnificent wild nature of Bulgaria. Those were the reasons the author was not looking for another company which creates chaos in the already tumultuous world.

There is a tale on how Bulgaria got its land – one day God was giving away land to every nation, at the end it was turn to Bulgarians but there was no land left for them so

God gave them a piece of heaven. Adventure Net believes in this tale and works hard for the protection of this heaven, therefore the author recognized in their face an opportunity for a research object. The company offers recreational services in the nature – some by the sea, other in the mountains, those activities help people to forget their burdens and get close to once their natural habitat, the company helps not only people but the nature as well, while conducting their services they help their customers understand the importance of the wild nature and educate them on how to protect it.

Writing this thesis brought a lot of pleasure to the author, the project was executed with high motivation and diligence. The writer made sure to include useful information which could be favorable to Adventure Net and help the company in their development.

The writer wanted this thesis to be applicable in the real-life operations of the company which is why the information gathered had to be valid and reliable. The collected data was mainly from academic books used throughout the education of the author at SAMK and websites of national institutions in Bulgaria. To ensure validity the writer included only up to date information which is still usable for current situations. Based on the facts above the case company should not be worried about the truthfulness and validity of this thesis.

The process of writing this thesis gave the author professional confidence in the field of marketing operations. Even though the studies in the university have provided useful and irreplaceable set of skills in the same field the actual action of putting into practice those skills have provided deeper knowledge in the creation of marketing strategy and assured more clear vision for all the tools and research methods necessary to build useful and applicable outcome. The years spent in the university have set the basis to the author's interest in marketing but this thesis work have created a passion for further professional achievements in this branch and constant need of development.

Creating this thesis has shown the writer that the unknown does not necessarily match with words like “fear” and “impossible” but rather with “motivation” and “excitement”, it opens a door to new opportunities, it set the basis of who you want to be in your professional career.

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INTERVIEW QUESTIONS

Market situation

1. Is there any written marketing strategy the company has?
2. What are the company's priorities?
3. Is the economic environment in the country affects the business?
4. What are the strengths, weaknesses, threats and opportunities for Adventure Net?
5. What nationality the majority of customers is?
6. What percentage of the company's customers are foreigners?

Marketing mix

Product

7. Which of the services you offer are the most popular?

Price

8. How the product's price is set?

Promotion

9. What kind of promotion approaches Adventure Net mainly use?
10. Is the company promoting directly their services or uses also the help of different agents?
11. Is the company promoting abroad?
12. Which promotional methods are most effective?

Competition

13. Who are the main competitors of Adventure Net?
14. Who is the leader of this market currently?
15. What do you think gives you competitive edge over other competitors?