

THESIS

Riikka Nevala 2010

**IMPROVING MARKETING
COMMUNICATION PATTERNS OF
MÄKELÄN MÖKKI- JA TALOMAJOITUS OY**



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Thesis

**IMPROVING MARKETING COMMUNICAITON
PATTERNS OF MÄKELÄN MÖKKI- JA
TALOMAJOITUS OY**

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Commissioned by: Mäkelän Mökki- ja Talomajoitus Oy

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The objective of this thesis was to introduce a framework for marketing communications of Mäkelän Mökki- ja Talomajoitus Oy. The aim is to find cost-effective marketing tools, and to give improvement suggestions for the marketing communication patterns of the company. The company has not had a marketing plan, but increased competition in the industry brought up a need for development of marketing communications.

A thorough situation analysis, including internal and external factors, was made. It was the foundation of the planning process for the marketing communications part; the objectives were set and the target groups were selected according to the situation analysis. The research problems included finding the most effective marketing mix and increasing the visibility of the company. The thesis follows a zipper structure; each theory part is followed by the practical part. Numerous theory books on marketing were used to support the theory parts of the thesis. Furthermore, an important source of information on the customers' aspects was the customer satisfaction survey, conducted in the spring 2010 by the author and another student of the Rovaniemi University of Applied Sciences.

As a result, new marketing communications tools were found to help with improving the visibility and the conspicuousness of the company. Particularly internet marketing, including improvement of the website and search engine optimisation, is in an important role in improving the visibility of the company. The suggestions of marketing communications tools can be used as cornerstones in developing the marketing communications of Mäkelän Mökki- ja Talomajoitus Oy. The commissioner can decide which parts of the plan they want to implement.

Key words: marketing communications, marketing communications plan, relationship marketing, internet marketing

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Tämän opinnäytetyön tavoite on toimia pohjana Mäkelän Mökki- ja Talomajoitus Oy:n markkinointiviestintää suunniteltaessa. Tavoitteena on löytää viestintämenetelmiä käytettäväksi yrityksen markkinoinnissa sekä esitellä parannusehdotuksia yrityksen nykyiseen markkinointiviestintään. Yrityksellä ei ole ollut aiemmin markkinointiviestintäsuunnitelmaa, mutta lisääntynyt kilpailu alalla on tuonut tarpeen kehittää markkinointiviestintää.

Opinnäytetyössä lähdettiin liikkeelle tilanneanalyysistä, joka sisältää sekä sisäiset että ulkoiset tekijät. Sen pohjalta asetettiin markkinointiviestintäsuunnitelmalle tavoitteet ja kohderyhmät, jotka vaikuttivat markkinointiviestintäkeinojen valitsemiseen. Tutkimusongelmat olivat yrityksen näkyvyyden lisääminen ja mahdollisimman tehokkaan markkinointiviestintämixin löytäminen. Suunnitelmaa työstettiin markkinoinnin teorian pohjalta: empiiristä osaa tukevaa tietoa haettiin useista aiheita käsittelevistä teoksista. Tärkeää tietoa asiakkaiden mielipiteistä saatiin asiakastytyväisyyskyselystä, jonka tekivät kirjoittaja ja toinen Rovaniemen ammattikorkeakoulun opiskelija keväällä 2010.

Tutkimuksen tuloksena yritykselle löydettiin uusia markkinointiviestinnän välineitä käytettäväksi tunnettuuden ja näkyvyyden parantamiseen. Erityisesti internetmarkkinointi, kuten kotisivujen kehittäminen ja hakukoneoptimointi, on tärkeä markkinointikeino yrityksen näkyvyyden kehittämisessä. Yritys voi käyttää ehdotuksia markkinointiviestinnän välineistä markkinoinnin kehittämisen tukena. Toimeksiantaja voi valita, mitkä osat suunnitelmasta haluaa toteuttaa.

Avainsana(t):

markkinointiviestintä, markkinointiviestintäsuunnitelma, asiakassuhdemarkkinointi, internet markkinointi

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1 INTRODUCTION

Mäkelän Mökki- ja Talomajoitus Oy provides accommodation services in the village of Äkäslompolo, by the ski resort of Ylläs. The goal of this thesis is to make a marketing communications plan for Mäkelän Mökki- ja Talomajoitus Oy, to help the company to attract customers throughout the year. The need for a marketing communications plan came up in discussions with the owners of the company, as they do not have a marketing plan. The company does most of its marketing online on their own website www.yllasmakela.fi. My own interest and willingness to develop my professionalism in marketing also affected the choice of the topic. I wanted to do a practical work which would be meaningful for the commissioner.

Since accommodation service as a product is intangible, planning of marketing communications is important in building the image of the product. A potential customer cannot evaluate the quality of the service beforehand, which is why the image of the service is based on the marketing communications. (Albanese–Boedeker 2003, 179.) Therefore, companies should plan their communications carefully.

Marketing planning requires thorough analysis of all matters that influence the marketing efforts. Internal and external analyses provide information on the company itself, and on the operational environment. Internal analysis focuses on the company's resources: financial resources, employees, and market position. External analysis consists of all the external factors that have direct or indirect effects on the company. The external factors include competitors, environmental factors, political factors, technology, and the target groups. (Albanese–Boedeker 2003, 29-30).

In writer's opinion, theory on marketing communication planning is mostly written for bigger companies that can invest more in marketing. For this reason, it is more challenging to make a plan for a smaller company. The theory must be applied for the needs of a smaller company, and most efficient and effective

tools for marketing communications have to be found. Overall goal of this marketing communications plan is to introduce cost-effective marketing tools for the commissioner. Consequently, internet marketing is in an important role in the plan.

2 SITUATION ANALYSIS

2.1 Company Introduction

Mäkelän Mökki- ja Talomajoitus Oy is a family owned business that operates in the village of Äkäslompolo in the municipality of Kolari in northern Finland. The village of Äkäslompolo receives the most of its income from tourism (Äkäslompolon kyläyhdistys ry 2010). The company was founded in 1994. The owners, Pirjo Komulainen and Raimo Pitkäniemi, both own 50 per cent of the shares. Before Komulainen and Pitkäniemi started the business, Komulainen's mother and grandmother ran it. It was first started in the 1950s, Komulainen's mother took over in 1975, and after her retirement, Komulainen and Pitkäniemi started in 1994. The company employs two people, both of the owners, and a few others in the peak seasons. (Komulainen 2010.)

The business idea is to provide quality accommodation services that are affordable and tailored for customers' individual needs. The main target group is domestic travellers of all age groups. The company offers nine cottages to rent, of which the company owns six and the relatives of Pirjo Komulainen own three. In addition, the company owns a house that has seven twin rooms that can be rented separately or the house as a whole. Altogether, Mäkelän Mökki- ja Talomajoitus Oy has 60 bed places, including the cabins owned by Komulainen's relatives. (Komulainen 2010.)

Pirjo Komulainen and Raimo Pitkäniemi own another company, Kiinteistöhuolto Raimo Pitkäniemi Ky, which provides property maintenance and cleaning services for Mäkelän Mökki- ja Talomajoitus Oy. In practice, this means that maintenance services are available for the customers of Mäkelän Mökki- ja Talomajoitus Oy 24 hours a day. By providing cleaning services themselves, Komulainen and Pitkäniemi ensure the high level of cleanliness in the properties. (Komulainen 2010.) This can be considered as a competitive advantage of the company.

2.2 Internal Analysis

2.2.1 Company Analysis

Values and the vision build the framework for marketing planning. The company values truthful and sincere manners in its operations, including marketing activities. The company wants to communicate their values to customers in marketing, which means that these values have to be taken into consideration at all times when planning the marketing messages.

The vision is the goal, which the company wants to achieve. It can be defined as the answer to the question, where are we going. (Hokkanen–Pesonen–Siltanen 2006, 137.) Mäkelän Mökki- ja Talomajoitus Oy has a vision, which is providing the best accommodation service in the area. The goal is to build a profitable company that operates all year round. To achieve this goal, the company aims at gaining more customers, especially in the summer season. Hence, marketing should be efficient and effective, and planned to attract the target group.

Marketing strategy defines sets of objectives and instruments, which help the company to reach the vision (Hokkanen et al. 2006, 137). Even though a marketing strategy serves as the foundation for a marketing plan, the company has not made one. Marketing actions are not planned carefully, but rather decided according to previous experiences. Currently they are advertising in a local newspaper, their homepages and in some internet intermediaries. The intermediaries are Mökkiloma.net, Mökkihaku.fi and Suomen Lomapalvelu. In addition, the company is listed in a telephone directory. Advertising in the local newspaper is not effective, as it does not reach customers outside the area efficiently. However, the objective is to reach local customers of the property maintenance company as well. Moreover, the newspaper is distributed to Kolari, Kittilä and the Levi ski resort, which increases its visibility (Kaulanen–Rajala 2010). Customers visiting Levi and Ylläs, can get it from the local shops and restaurants for free (Komulainen 2010). The company does not follow how the marketing actions affect the sales. However, clear values and the vision are a

good start for a new marketing communication plan.

The company has set goals and policies that define the ground for its operations. The company aims to gain more customers outside the peak seasons, and to extend the length of stay especially during summer seasons. As mentioned before, Mäkelän Mökki- ja Talomajoitus Oy offers good quality accommodation services for customers at an affordable price. The objective is to offer personal customer service and develop the accommodation according to the changing needs of the customers. Openness and honesty are the cornerstones of the company's principles and customer relationships.

2.2.2 SWOT Analysis

The SWOT analysis is a commonly used tool in situations analysis process. SWOT stands for strengths, weaknesses, opportunities, and threats. The SWOT analysis consists of two parts: an internal analysis where the company's strengths and weaknesses are recognized and analysed, and an external analysis where the company identifies threats to their business and opportunities in the marketplace. Through analysis, the company can utilize its strengths, overcome its weaknesses, grasp its opportunities, and defend itself against threats. (Westwood 2006, 27.)

Table 1. SWOT Analysis of Mäkelän Mökki- ja Talomajoitus Oy

Strengths	Weaknesses
<ul style="list-style-type: none"> • The company owns most of the cabins they rent • The cabins are built on own land • Location of the cabins • Variety of accommodation • Accommodation and property maintenance services in the same company • Strong experience and know-how within tourism industry • Owners are locals and willing to stay in Äkäslompolo • Flat organization • Additional equipment in the cabins • A tepee to rent (fireplace) • The company handles reservations themselves • Invoicing • Open all year round 	<ul style="list-style-type: none"> • Lack of professional employees • Only two full time employees • Vulnerability • No one to continue the business • No food services • No rental equipment (bicycles etc.) • Lack of professionalism in marketing • Homepage • No online reservations system
Opportunities	Threats
<ul style="list-style-type: none"> • Development of the summer season in the area • Development of tourism in the area • Increase in capacity • Product development (more services) • Increase in domestic tourism • Playground for children • Marketing planning • Joint marketing with Ylläksen Matkailu for instance 	<ul style="list-style-type: none"> • Recession • Seasonality • Changing trends in travelling • Global warming • Competition • Lack of services in the village

The company should exploit its strengths and use them in marketing. Most of the cabins Mäkelän Mökki- ja Talomajoitus offers for rent are their own, and built on their own land in central locations in the village. The cabins are of different sizes and some are equipped for even a more demanding taste, therefore the variety of accommodation helps the company to widen their market. Komulainen and Pitkäniemi take care of the property maintenance and cleaning services

themselves, which has resulted in the high quality of the cabins. Further, Komulainen and Pitkäniemi are the only full-time employees, which means that there is no middle management, or communication gaps to fill in. They are also locals, and not planning to move away from Äkäslompolo.

The company provides some additional services and equipment that improve the level of quality in the cabins. As mentioned before, cleaning services are produced on behalf of the owners' other company, they offer bed linen for rent, firewood is included in the price and the company can invoice the customers. The company also offers a tepee fireplace to rent, which can be used for grilling. Reservations for the cabins are made with the owners; no intermediaries are used for this purpose, which affects the level of service, and eliminates the risks of double booking for instance. Accommodation is offered all year round, including the low season in summer and autumn.

Overcoming the weaknesses requires a lot of work and planning from the company. Human resources are a challenge for Mäkelän Mökki- ja Talomajoitus Oy., because of the seasonality. Professional employees, who are willing to work part-time, are not easy to find. Since Komulainen and Pitkäniemi are the only full-time employees, planning holidays is a challenge. This also makes the company vulnerable because if the other is ill there is no extra employee to do the work. Komulainen is the third generation running the business, but there is no one to continue the business after her. Some of the weaknesses could also be opportunities. The company does not offer food services; full board could attract especially groups. There is no rental equipment, such as bicycles or rowing boats, but investing in them could be beneficial. Lack of professionalism in marketing is a weakness; utilizing the marketing potential could bring more customers. Utilizing the opportunities in internet marketing requires developing the company's homepage, now it is not planned properly. Some customers would like make reservations online, but it is not possible since there is no online booking system.

Opportunities can provide chances to expand the business, and to create a competitive advantage in the market. Development of the summer tourism in the area would increase the demand in accommodation services. General development in the area, such as events, competitions, and new facilities would also increase the attractiveness of the area. Trends in travelling change rapidly, an increase in domestic tourism would bring more customers to Lapland. Komulainen and Pitkäniemi have built new cottages in recent years to increase the capacity. Product development, especially in services, would also be a good opportunity to expand the business. The plan is to build a playground for children to attract families and create a competitive advantage. Since the company has not made a marketing plan, it would definitely create opportunities in the market. Moreover, local joint marketing could benefit the company. For instance, cooperation with Ylläksen Matkailu could bring more customers.

The company should be prepared to defend itself against threats that might face its operations. The recession has decreased tourism around the world, many companies have struggled for survival. As in every ski resort, companies fight with the problem of seasonality. Here the development of summer tourism becomes vital. Changing trends in tourism can be an opportunity or a threat. Nature based tourism and winter sports can become less trendy at some point, especially among international tourists, and this can cause problems in Äkäslompolo, which is dependent on visitors of Ylläs fell. In the long run, global warming can cause problems as the ski resort needs snow to maintain the slopes. Competitors are always a threat, but customer relationship management and the good quality of service should help in competing in the market. Lack of services in the village can threaten the development of the area if the supply does not meet the needs. Developing services in the village is vital for tourism development.

As a conclusion, the company should utilise the possible co-operation in marketing with Ylläksen Matkailu to overcome the problem of seasonality. Careful planning of marketing messages and co-operation with tourism

organisations in the area could result in increased sales during the summer season. Furthermore, the company could reach more potential customers through joint marketing.

2.2.3 Product Analysis

One of the most important aspects of a tourism company is its products; what the company offers to its customers. In marketing planning the importance of the product is highlighted as it can create the competitive advantage of the company. (Hokkanen et al. 2006, 35.) Service has several special characteristics, which make service different from a tangible product. Service is intangible and heterogeneous; customers have different expectations, which is why they experience the same service differently. Services are produced and consumed simultaneously, which is why they cannot be stored. The customer is involved in the production of service, which makes interaction between the customer and customer service staff important. (Puustinen–Rouhiainen 2007, 189.)

The company owns six cabins and one separate house with 14 bed places. In the beginning the company did not have own cabins to rent, instead they were all owned by the relatives of Pirjo Komulainen. A conveyance of two cabins, Kotikumpu and Kuoppa, was made between Pirjo Komulainen and her mother in 1999. Both cabins were in bad condition and therefore renovated in 2001 and 2002 to match today's demands. In 2005, the company built a duplex, Lapinkulta. Komulainen received the ownership of the house Jukola in 2008 when her mother made an endowment. Two more cabins were built in 2009. Relatives of Komulainen own three other cabins the company rents. Ahkutieva is the newest, built in 2009, Torppa and Välilä were built a lot earlier.

It is difficult to define the strengths of a service product because of the nature of service. However, the physical evidence of the service, in this case the cabins and rooms, can be analysed. Variety in the level of equipment in the cabins, and in capacity ensures that versatile requirements of the customers can be

satisfied. For instance, the level of quality of the cabin Lapinhaave is high enough to satisfy demanding customers, whereas the cabin Kuoppa's target group is mainly couples, due to its small size. Rooms in Jukola are for price sensitive travelers, and Lapinkulta is big enough to accommodate seven persons on each side of the house. In general, the main target group is domestic tourists of all ages. Almost all of the cabins have been renovated to match the needs of today's customers.

Table 2. The Cabins

The cabin	Type	Equipment
Kotikumpu, renovated in 1999	One-storey 45 m ² 4 + 1 persons	Kitchen, 2 bedrooms, sauna, WC, drying cabinet
Kuoppa, renovated in 2002	Loft 30 m ² 2 + 2 persons	Kitchen, alcove, sauna, WC, drying cabinet
Lapinkulta A	Two-storey 75 m ² 7 persons	Kitchen, 3 bedrooms, sauna, 2 x WC, drying cabinet, washing machine
Lapinkulta B	Two-storey 75 m ² 7 persons	Kitchen, 3 bedrooms, sauna, 2 x WC, drying cabinet, washing machine
Jukola	7 rooms 100 m ²	7 twin rooms with beds, wardrobe, table, mini refrigerator Kitchen, living rooms, sauna, 2 x WC, drying cabinet
Lapinhaave	One-storey 83 m ² 6 persons	Kitchen, 3 bedrooms, sauna, 2 x WC, drying cabinet, washing machine
Jokivarsi	One-storey 73 m ² 4 persons	Kitchen, 2 bedrooms, sauna, WC, drying cabinet, washing machine
Välilä	One-storey 45 m ² 4 + 1 persons	Kitchen, 2 bedrooms, sauna, WC

Torppa	65 m ² 4 persons	Kitchen, 2 bedrooms, sauna, WC
Ahkutieva	One-storey 78 m ² 6 persons	Kitchen, 2 bedrooms, sauna, 2 x WC, drying cabinet, washing machine

Mäkelän Mökki- ja Talomajoitus Oy has a strong position in the market due to its long history. Some of the customers have used its services already in the 1960s, when the grandmother of Komulainen ran the business. The company is known for the quality of the cabins and friendly service.

2.3 External Analysis

2.3.1 Target Groups

An organisation should distinguish its target group and concentrate on serving these customers. The company should satisfy the customer needs, which is easier if the needs of the target group are similar. Moreover, the needs of each individual customer can rarely be satisfied in a similar manner. (Grönroos 2007, 362.) Hence, the company should choose the target group according to its strengths.

The main target group of Mäkelän Mökki- ja Talomajoitus Oy is domestic customers in general. Most of the customers come to Äkäslompolo for the opportunities surrounding nature offers. Ylläs and its surroundings attract skiers, snowmobile drivers, hikers, and fishers among other tourists interested in nature based activities. A specific age group cannot be defined; there is something to do for everyone. Mäkelän Mökki- ja Talomajoitus Oy has some foreign customers as well, most of them come from The United Kingdom and Germany. Overall, the customers are mostly leisure travellers; there are not any business customers, which could be a potential target group in the future.

According to the results of the customer satisfaction survey conducted in 2010, most of the customers choose to buy the company's products because they

have had good experiences on their previous visits (Nevala–Ruokamo 2010). Many of the customers of the company are repeat customers, who have visited the cabins several times. Other reasons for choosing the company's cabins are price, location, and service (Nevala–Ruokamo 2010). Most of the cabins are located conveniently in the centre of the village, near ski slopes, ski tracks, shops and other services.

The accommodation is booked well in advance for the peak season, especially for the spring season. The loyal customers come every year in the same week in the peak season; their reservations are made for years forward. In the summer season, there are many walk-in customers. The company would prefer if the customers booked accommodation in advance instead of asking for a cabin on the spot. Customers make reservations by email or phone. A typical customer comes one or two times a year (Komulainen 2010). Komulainen (2010) estimates that the average occupancy rate is 60 per cent, and ten weeks of the year are fully booked.

2.3.2 Competition

The success of a company is affected by competition in the market. Competitor's actions and marketing efforts change the market, and require responding actions from the company. These strategic actions require thorough analysis of competition and situation in the marketplace. Recognising and monitoring the competitors and changing situations create opportunities to plan the company's operations to respond the changes in the marketplace. (Albanese–Boedeker 2003, 51.)

Companies can use the industry point of view in identifying the competitors (Armstrong–Kotler 2006, 528). Mäkelän Mökki- ja Talomajoitus Oy has several competitors in Äkäslompolo and Ylläsjärvi operating in the tourism industry. There are many types of accommodation near the Ylläs ski resort, including hotels, apartments, guesthouses, and cabins. The accommodation services vary in quality, location, capacity, and service. For instance, hotels provide full board

with additional services such as spa and wellness, and conference facilities. Not all competitors are located in the area; other ski resorts in Finland and Europe compete for the same customers.

Table 3. The Competitors of Mäkelän Mökki- ja Talomajoitus Oy

Core Competitors	Strengths	Weaknesses
Ylläksen Yöpuu	Location, services, a lakeside sauna, the website	
Tunturioravat	Location, all the cabins are similar	Small cabins
Other Competitors	Strengths	Weaknesses
Private cabin owners	The price is cheaper	No additional services
Lapland Hotels	Services, chain support, packages, well known brand	The hotels are old

According to Komulainen (2010), Tunturioravat Oy and Ylläksen Yöpuu are the core competitors for Mäkelän Mökki- ja Talomajoitus Oy, because they operate in the same market with similar products. Tunturioravat Oy is a family owned business that offers five cabins for rent in the heart of Äkäslompolo. The company website address is www.tunturioravat.fi. The cabins are well equipped, and can accommodate four persons, one of them up to six persons. All of the cabins are similar, which can be considered as strength, but also as a weakness, because they cannot offer accommodation for bigger groups under the same roof. (Tunturioravat Oy 2010.) Ylläksen Yöpuu has seven cabins of different sizes in Äkäslompolo. The company website address is www.yllaksenyopuu.com. The cabins are well equipped and can accommodate up to 11 persons. The competitive advantage of Ylläksen Yöpuu is its service offering, which includes a ski maintenance room, bikes, sledges, fishing trips, a sauna by the lake and ice swimming. The homepage of Ylläksen Yöpuu has been translated into eight different languages and include an online booking system through Ylläksen Matkailu website. (Ylläksen Yöpuu 2010.) In addition,

private cabin owners are considered as one of the main competitors. They compete in price since they are not interested in making a profit; instead, they want to cover the maintenance costs by renting out their cabins.

Lapland Hotels Ylläskallio and Äkäshotelli enjoy the benefits that a hotel chain offers for instance in marketing and price competition. There are ten Lapland Hotels in nine different resorts in Lapland. (Lapland Hotels 2010a.) Lapland Hotels' website address is www.laplandhotels.com. Hotel Ylläs Saaga is the newest hotel in Ylläs, and it competes with its versatile service offering. The hotel's website address is www.yllassaaga.com. In general, additional facilities and services hotels provide are an advantage in competition; especially business customers might require conference facilities and restaurant services. In addition, most of the hotels in the area offer cabins and apartments for rent. (Ylläksen Matkailu Oy 2010.)

As mentioned before, Lapland Hotels benefit from the chain's support in marketing. Lapland Hotels, as well as other hotels in Ylläs, use intermediaries, such as ebookers and Ylläksen Matkailu Oy. Tunturioravat Oy and Ylläksen Yöpuu also use Ylläksen Matkailu's services, which include an online booking system. Furthermore, Ylläksen Matkailu publishes summer and winter brochures; Tunturioravat Oy and Ylläksen Yöpuu have advertisements in both brochures. Both of the core competitors advertise regularly in the local newspaper Kuukkel. Both of the companies use some directories, such as Fonecta, in marketing.

Knowing what the competitors have planned can help Mäkelän Mökki- ja Talomajoitus Oy to make plans for the future. Developing the service is vital for companies when competing in the marketplace. Lapland Hotels have launched a new concept of all-inclusive holiday package, which might be introduced in Ylläs next year (Lapland Hotels 2010b). Since Tunturioravat Oy and Ylläksen Yöpuu are both family owned businesses, children of the owners are likely to take over and run the business. Competition will increase in the future as the

municipality has allocated new lots for cabins, close by the Ylläs fell (Kolarin Kunta 2010). Accommodation capacity will increase, but locals are concerned that there will not be enough services for the increased number of visitors (Komulainen 2010).

2.3.3 The Operational Environment Now and in the Future

For tourism companies it is important to follow economical changes in order to adjust the operations according to the changes. Tourism industry is sensitive to economic cycles, as well as changes in the foreign-exchange rate as price of the product is the most important competitive tool in a short period. (Albanese–Boedeker 2003, 48-49).

Statistics Finland (2009a) reported about a decline in gross domestic product in the beginning of 2009. According to its statistics, Finland's economical growth started to slow down in early 2008. The global economy faced recession, news on unemployment, the declined GDP, and inflation spread across the world. Lapland tourism grew steadily for ten years until mid 2008. Christmas tourism faced problems in 2008, and since then Lapland has received fewer charter flights, especially from Britain, which has been the most important market for Lapland Christmas tourism for a long time. (Marin 2009.) Despite the recession, Lapin Kansa reported in December 2009 that Ylläksen Matkailu Oy (Ylläs Tourism) has reached the best turnover in its history (Liimatainen 2009). Moreover, Komulainen (2010) points out that Mäkelän Mökki- ja Talomajoitus Oy has not suffered from the current economical situation, mainly because the main target group is domestic travellers.

Recent statistics show that Ylläs had fewer overnight stays in the summer 2010 than in the summer 2009. In May overnights in Ylläs decreased 44 per cent, in June 12 per cent and in July 18,6 per cent. (Regional Council of Lapland 2010.) However, Komulainen (2010) mentions that the summer 2010 was exceptional as cooler weather in Lapland attracted many domestic tourists to spend more time in Northern Finland. She points out that the statistics do not include

overnight statistics of private companies. Furthermore, overnight stays in Mäkelän Mökki- ja Talomajoitus Oy did not decrease.

The operational environment is affected by legislative changes. Tourism companies have to follow these changes and adapt the operations according to them. The purpose of the legislation is to protect the rights of the consumers as well as employees, and to guarantee a proper operational environment for the business. The legislation in tourism industry include laws concerning the founding of tourism company, production of tourism services and products, marketing of tourism services, and responsibility of natural environment. (Albanese–Boedeker 2003, 63-65.)

Recently, a new law on traveller registration cards changed the service process. Travellers have to fill in a registration card, and the company has to store them for some time. Due to the new law, Komulainen has to meet each customer. The customer contact is longer, which facilitates the interaction between the company and the customer. Moreover, the law on construction has had a major impact on the company's operations when building new cabins.

The company has to overcome some challenges when planning resources. Human resources are a challenge for Mäkelän Mökki- ja Talomajoitus Oy because of seasonality. The company has to hire a couple of part-time employees during the peak season, but they cannot offer work outside the season. Help is mainly needed for cleaning, and finding professional employees for working part-time is difficult. Another challenge they face in building new cabins. Building materials are not available in the village; they have to get the materials from bigger towns, mainly from Rovaniemi, which is located 180 kilometres south from Äkäslompolo.

Technical development offers opportunities for tourism companies. For instance, internet marketing has increased the number of people a small company can reach without huge investments in advertising. The development of online

booking systems has made reservation easier and faster for customers. (Albanese–Boedeker 2003, 57-59.) As people can look for information online and book services straight from producers, the role of travel agents has become less significant in holiday planning. An online reservation system could bring more customers for Mäkelän Mökki- ja Talomajoitus Oy, because some of the customers prefer booking accommodation online due to the flexibility of the systems. The company does not have to invest in own online booking system; the service can be bought from Ylläksen Matkailu or other intermediaries.

The social situation has also affected on the operational environment and development of the service product. In industrialised countries are more experienced in travelling, they require more information and better service for their money. The quality of services and products has to be good. (Hokkanen et al. 2006, 13.) The social factors bring challenges in marketing planning. Marketing communications has to be informative and truthful and to attract customers.

3 MARKETING COMMUNICATIONS

3.1 Communications Objectives

Clear communications objectives are essential in planning marketing communications. Communications goals help in choosing the right marketing communications mix, determining the budget, and measuring the effectiveness of a campaign, which is why the objectives have to be chosen carefully. Overall company goals, such as making profits, have an influence on the marketing communications objectives; they have to contribute to the company's strategic goals. Hence, the ultimate objectives are to increase the market share and to create long-term sales. The objectives have to be realistic and achievable, but also challenging. They should be relevant to the current problems identified in the company analysis. Communications should also be targeted to existing customers. (De Pelsmacker et al. 2007, 147,149.)

Mäkelän Mökki- ja Talomajoitus Oy wanted to set only a few objectives for this marketing plan: improving the visibility and accessibility of the company, particularly the company's website. The commissioner also wanted to increase sales in the summer seasons, which means aiming at gaining more customers in the summer. Finding the most cost-effective marketing tools is an important aspect in choosing the communications tools. The improvement of the website leads to improved visibility and increased conspicuousness of the company. However, these goals alone are not enough to give the direction in choosing the right communications mix and setting the budget. In addition, even though the improvement of the website is easy to accomplish and evaluate, measuring its effects in sales is difficult without conducting a survey related to the information acquisition methods of the customers.

A few more objectives had to be set. According to the satisfaction survey, approximately 75 per cent of the customers in the spring season 2010 have used the company's services before (Nevala–Ruokamo 2010). Therefore,

developing and improving the customer relationship management process was added to the objectives. Efficient customer relationship management will contribute to the most important objective, increasing sales. The company has set a strategic objective to increase sales by five per cent annually. For measuring the success of this marketing communications plan, the writer of the thesis decided to set a quantitative goal to increase sales by seven per cent over a 12-month period after implementing the marketing communications plan. A quantitative objective can be expressed as a specific numerical term, which makes it measurable (Monash University 2010). This helps in judging the effectiveness of this plan.

3.3 Target Groups and Segmentation

It is more beneficial for companies to define the target groups to which they try to sell the products. The target groups are decided by segmenting the market and choosing the most profitable segments. The choice of target groups has an influence on which marketing communications instruments are used. (De Pelsmacker et al. 2007, 119.)

Through market segmentation, heterogeneous markets are divided into smaller subgroups. Segments consist of people who share the same interest to buy the product (Hokkanen–Pesonen–Siltanen 2006, 34). Members of a segment should have similar reactions towards marketing efforts, but different reactions compared to other segments. (De Pelsmacker et al. 2007, 119). Markets can be segmented by using several variables, such as geographic, demographic, psychographic and behavioural variables. In geographic segmentation, the market is divided into geographical units, such as nations, regions or cities. Demographic segmentation refers to dividing the market into different groups based on age, sex or family life cycle to name a few variables. Psychographic segmentation divides the market into subgroups based on lifestyle, social class or personality characters. Further, behavioural segmentation is based on consumer knowledge, attitude or use. (Armstrong–Kotler 2006, 195–202.)

In segmenting the market of Mäkelän Mökki- ja Talomajoitus Oy, geographic and demographic variables are used. The market is easy to divide geographically based on the nationalities that visit Äkäslompolo. Therefore, the market is divided into nations, Finland being the most important segment. Other geographical segments are the neighbouring countries Sweden, Russia, Norway, and other countries in Europe the United Kingdom, Spain, Italy, Germany and France. These other geographical segments were chosen according to the article of Statistic Finland (2010). In demographic segmentation, the family life cycle is used. The segments are young, single; young, married, no children; young married with children; older, married with children; older, married, no children under 18; older, single; other.

3.4 Choosing the Segments

After segmenting the market, the most attractive segments are chosen. Purchasing power, size and growth potential are the most important criteria in choosing the most profitable segments. As mentioned, Finland is the most important segment of the geographical segments. The current economical situation has increased domestic tourism, in January and February 2009 Lapland received 23 000 domestic tourists more than in 2008 (Torvinen 2009). As one of the objectives is to increase sales in the summer season, domestic tourists are in the key role since Ylläs does not attract as many international tourists in the summer. The geographical segment is divided into demographical segments based on the family life cycle. The chosen segments are young, married, no children; young, married with children; older married with children and older, single.

The choice of segments is also based on the product offering: which segments the products serve well. According to the satisfaction survey, every third of the respondents travelled with family or relatives (Nevala–Ruokamo 2010). This suggests that couples with children travel and use the kind of accommodation

services, which the Mäkelän Mökki- ja Talomajoitus Oy offers. The company can offer affordable accommodation for tourists travelling alone. A customer-oriented approach in marketing considers the product offering in the customer's point of view, what kind of benefit the company can provide to its customers (Hokkanen et al. 2006, 35).

In addition, loyal customers of the company are an important target group. Komulainen (2010) estimates that 65 per cent of the customers have used the company's services before. The results of the satisfaction survey suggest the same (Nevala–Ruokamo 2010). Today, maintaining existing customer relationships is equally important as acquiring new customers. Unfortunately, it is usual that only a small part of the marketing budget is allocated to customer relationship management. (Grönroos 2007, 24.) Loyal customers are usually more profitable to a company than new customers are, because the company does not have to invest in acquiring customers. Furthermore, loyal and satisfied customers increase positive word-of-mouth, which is a cost effective way to attract new customers. (De Pelsmacker et al. 2007.)

3.5 Defining the Budget

A budget is a plan that defines how much money is used for a specific purpose or during a specific time period. Companies tend to ignore the importance of the communications budget when they are looking for ways to cut expenses. Many companies see the marketing budget as a cost instead of an investment, which usually is profitable in a long run. Planning the budget should be based on the objectives set in the communications plan. After applying a budgeting method, the budget and objectives should be evaluated and possibly revised to ensure that money is used as efficiently as possible. Furthermore, long- and short-term effects of marketing communications efforts on sales and profits should be taken into consideration when deciding on the budget. (De Pelsmacker et al. 2007, 173.)

There are different techniques to define how much money will be spent on marketing communications. Inertia is not considered a strategic method; it means keeping the budget constant every year, and ignoring changes and opportunities in the marketplace. Still, it is an easy budgeting method for companies with no experience in marketing planning. Arbitrary allocation is the least appropriate method, usually used by small companies. The general manager decides how much money is spent without any critical analysis or strategy. The affordability method is often used in small and medium sized companies. In this method, the amount of money that is left over after all input costs are invested in marketing communications. Usually a company, which uses this method considers marketing communications as a cost instead on an investment, and has not defined any concrete goals for communications. (De Pelsmacker et al. 2007, 178.) The problem with all of these methods is that they do not take changes in the marketplace into consideration.

In the percentage of sales method, a certain percentage of the sales of the last year or the projected sales of the next year is used for the budget. The problem is that sales are a function of communications, not contrariwise. In competitive parity, the amount of money that competitors are assumed to spend is used as a base for the budget. The problems are that the difference between own and competitors' resources and objectives are not considered, and the assumption that competitors' budget is set in an effective and efficient way is incorrect. (De Pelsmacker et al. 2007, 178.) In the objective and task method, the budget is set according to the objectives of marketing communications. It requires strategic planning and analysis, which makes it difficult to use. (De Pelsmacker et al. 2007, 182.)

The budgeting method that Komulainen has used is inertia. The amount of money invested in marketing is the same every year. The reason for using such a method is simply lack of knowledge and experience in strategic marketing planning. Another reason behind the choice could be lack of marketing research. The efficiency and effectiveness of each marketing method has not been

measured, which is why money is allocated to the same marketing tools each year. However, Komulainen has found some new marketing methods over the years, and invested in them. She is willing to invest in the methods that will be introduced later in this thesis if they are effective. (Komulainen 2010.) The investments will be decided on according to the proposals of this thesis. Even though judging the effectiveness of each marketing method is not easy, investing in some of them can be beneficial for the company. In this way, the company can invest as much as they can afford.

Table 4. Marketing Communications Budget Allocations

The marketing tool	Amount per year
The local newspaper Kuukkeli	1330–1425 euros
Intermediaries	500–600 euros
NetMonitor	600 euros
Telephone directories	50 euros
Total	2480–2675 euros

The company has invested in marketing in the local newspaper, in some intermediaries and in telephone directories. In addition, they have invested in an analytics solution to monitor the traffic on the website. The local newspaper, called Kuukkeli, is released 19 times a year (Kaulanen–Rajala 2010), and the company has an advertisement in each issue. According to Komulainen (2010), they invest 70-75 euros per advertisement in the newspaper. The company invests a lot of money in three intermediaries. Investing in two intermediaries and using the rest of the money for another marketing tool could be more effective. The company has invested 600 euros in NetMonitor, an analytics monitor. There is a free analytics monitor by Google, which could be an alternative for this investment. Altogether, the company invests 2480–2675 euros in marketing per year.

3.6 Accessibility

Accessibility refers to the availability of the products of the company. Accessibility ensures that the product or service is available for the customers, and information acquisition, reservation, purchase and consumption is easy. The product has to be available in the right place, at the right time and at the right price. Online accessibility refers to reaching the website of the company. The customer has to recognise and find the company online. Moreover, finding the website through search engines and other intermediaries has to be easy. (Puustinen–Rouhiainen 2007, 266, 267.) The internet and online reservation systems improve accessibility. Further, reaching the company by telephone and email is another important aspect of accessibility. (Hokkanen–Pesonen–Siltanen 2006, 44,45.)

Mäkelän Mökki- ja Talomajoitus Oy has a website, but according to the results of the satisfaction survey, finding it is not easy and information available online is limited. Hence, developing the content and improving the visibility of the website are important aspects of planning the marketing communications. Most of the respondents thought that making a reservation is easy and the company is accessible by telephone. Komulainen (2010) estimates that 70 per cent of the customers contact the company by telephone and 30 per cent by email. Moreover, one third of the respondents were satisfied with the speed in responding to their email enquires, which indicates that the customers find the company accessible by email. (Nevala–Ruokamo 2010.) Accessibility by telephone is especially important when the company does not have an online reservation system.

4 MARKETING COMMUNICATIONS TOOLS FOR MÄKELÄN MÖKKI- JA TALOMAJOITUS OY

4.1 Introduction

82 per cent of Finns use the internet almost daily according to Statistic Finland (2009b). They use it for buying products, communicating with friends and searching for information. Domestic customers are easy to reach in the internet, and it is convenient as they can look for information at any time of the day. The results of the customer satisfaction survey also indicate that most of the customers found the company through the internet.

In addition to acquiring information on the internet, the customers received information from their friends. (Nevala–Ruokamo 2010.) Word-of-mouth has more and more effect on people's buying behaviour today (De Pelsmacker–Geuens–Van den Bergh 2007, 248). Potential customers seek information on the service provider, and customers who have had personal experiences with the company are considered as an objective source of information (Grönroos 2007, 308).

4.2 Internet Marketing

4.2.1 The Company Website

In general, e-communications focus on specific marketing goals, which are generating brand awareness, shaping brand image and brand attitudes, generating trial, and creating loyalty (De Pelsmacker et al. 2007, 495). One of the goals in this marketing communications plan is to increase the visibility of the company, in other words create brand awareness. Another goal is to improve customer relationships, that is create loyalty. Hence, using e-communications as a part of the marketing mix is justified.

A company website is the most common form of e-communications. It has several special characteristics compared to other media. A website can facilitate interaction between the company and its customers, as well as between individual customers. It is a great marketing tool as the website is available all the time, information can be updated, and it provides opportunities to use multimedia as a part of visual communications. (Isohookana 2007, 273.) This is especially important in marketing of services. Marketing communications aims at building images for customers to make an intangible product tangible. (Puustinen–Rouhiainen 2007, 192).

When planning a website the user group should be considered, as well as the motive and purpose of the user to visit the website. Other important aspects in maximising the usability are how to provide the best possible service for the user, how to build the interaction, and how to motivate the user to visit the website again. (Isohookana 2007, 274). As mentioned before, facilitating interaction and users' content production are characteristics of a good website. Usability also means that the website works well and using it and navigation on it is easy. (Hänninen 2005).

Mäkelän Mökki- ja Talomajoitus Oy has a company website on www.yllasmakela.fi. The website is visually appealing, the appearance is consistent and navigation on the site is easy. However, the content of the website is not carefully considered. The site contains pictures of each cabin, but there is no written information on facilities. The purpose of visiting a website of a company providing accommodation is usually finding information on cabins, prices and reservation situation. Respondents of the satisfaction survey pointed out the need for information on the website. According to the results, 40 per cent of the respondents thought the usability of the website was good, compared to 56 per cent of the respondents who did not have an opinion. (Nevala–Ruokamo 2010). Komulainen (2010) has planned to improve the content by adding descriptions of all cabins, as well as pricelists to the website. Users visit the website to find contact information which can be found on the company's

website.

To develop trust with customers, the website should present a credible organisation. To gain credibility, the website should include contact details, provide details of employees to make the company real, include the company's email and data protection policies, and have customer endorsements. (Charlesworth, 2009, 91.) These issues should be considered when developing the content of the website of Mäkelän Mökki- ja Talomajoitus Oy.

The website requires constant updating, because visitors expect that information on the website is correct. Outdated information has a negative impact on company image whereas a dynamic, functioning and interactive website creates a positive company image. (Isohookana 2007, 275.) Mäkelän Mökki- ja Talomajoitus Oy can improve the reliability of the company website by adding update information on it.

Adding information on the website is a good start. To reach foreign customers, the information could be translated first into English, and later into German and Swedish. To avoid confusion with customer contacts, the contact information should be in English as Komulainen, who handles reservations, does not have fluent language skills in German and Swedish. The translation could be done in co-operation with Rovaniemi University of Applied Sciences in example. A tourism student could translate the website as a project to get project points.

An online reservation system could improve the accessibility of the company as customers would be able to make reservations at any time. It would also provide information on the reservation situation without contacting the company. A few of the respondents of the satisfaction survey pointed out the need for an online reservation system (Nevala–Ruokamo 2010). The company could purchase an online reservation service through an intermediary, such as Ylläksen Matkailu. On the other hand, when reservations are made via telephone or email, the service is personal and facilitates interaction.

To facilitate interaction on the website, the company can insert a feedback form on a webpage. By including specific questions in the form, the company receives more detailed feedback. (De Pelsmacker et al. 2007, 518.) The questions could concern the products, but also marketing efforts, such as the layout and information on the website. Another tool for facilitating interaction is a guestbook on one of the web pages. The feedback received through the guestbook can be regarded as referrals, and it creates credibility for the website. The company can write replies to the feedback; especially responding to negative feedback facilitates relationship building. Free tools for creating a guestbook can be found on the internet.

4.2.2 Search Engine Optimisation

Having a company website is not enough if it does not attract visitors. Search engine optimisation is an on-line technique to create traffic to the website. Search engines are used to find on-line information, and the top 10 websites, listed by the search engine, receive 78 per cent more traffic than others. (De Pelsmacker et al. 2007, 497.) Some on-line advertising companies are specialised in search engine optimisation and search engine marketing. Their services include content building on the website, link building and defining hidden keywords (NoframE 2010). However, the same techniques can be used without buying such services.

Search engines analyse the written content of the website, so the use of keywords improves the listing of the website. In practise, it means that the written content should be planned carefully. The website of Mäkelän Mökki- ja Talomajoitus Oy should contain information on the cabins, but also on Ylläs ski resort. Keywords should be used in the text, especially in the beginning of the text area. As the search engine takes the frequency of keywords into account, the content should be short and include keywords less than five per cent of all words (Nettibusnes.Info 2010).

Google Analytics is a free tool for measuring and analysing website traffic (Google 2010a). It has been installed to the website of Mäkelän Mökki- ja Talomajoitus Oy. According to the results, 44 per cent of the traffic comes through search engines. The three top keywords used for the search, were mökki (cabin) + äkäslompolo, äkäslompolo + mökit (cabins), and äkäslompolo + majoitus (accommodation). This indicates that search engines find the website when these keywords are used. However, when testing these keywords, it was noted that search engines (Google, Yahoo, and Bing) did not list the website on the first page when using majoitus + äkäslompolo.

To create more traffic to the website, also other keywords should be used in the written content. Other keywords used in the text should include Ylläs, because people are looking for accommodation in that area. Since search engines did not list the website on the first page when using majoitus + äkäslompolo, majoitus should be used in the written content. Other keywords could include kesä (summer), tapahtumat (events), and names of the biggest events in Ylläs. The website could include the latest information on the events in the area, which would improve the listing of search engines when using names of the events as keywords.

When translating the website into English, the same keywords should be used. Cabin + äkäslompolo/Ylläs, cottage + äkäslompolo/Ylläs, and accommodation + äkäslompolo/ylläs could be the most used keywords in English. Moreover, the written content should include words Finland, Lapland and ski resort of Ylläs.

Link building is another way to improve the ranking. Inbound links improve the search engine validity, as they make the website more reliable (Charlesworth 2009, 199). There are numerous techniques to get inbound links, but the most applicable ones are creating FacebookPage including a link to the website, and exchanging links with co-operating companies, such as restaurants and cafés. Moreover, the websites of the village, Ylläs ski resort and the municipality of Kolari should be used in link building. The company is listed on the website of

the municipality of Kolari, but the website address is not in the contact information. The company is listed also on the website of Ylläs, but the link is missing. In addition, the new address of the website should be updated in telephone directories and intermediaries.

4.2.3 Intermediaries

Marketing intermediaries are used to draw attention and interest of potential customers. Marketing intermediaries that are specialised in tourism marketing help companies reach potential customers efficiently. (Puustinen–Rouhiainen 2007, 268.) Moreover, the companies that use marketing intermediaries benefit of the marketing efforts of the intermediaries. Therefore, marketing through intermediaries is cost-effective as the companies can reach more potential customers by investing in one intermediary than investing in separate marketing tools, such as newspaper advertising. (Hokkanen et al. 2006, 48.)

As mentioned earlier, Mäkelän Mökki- ja Talomajoitus Oy uses three intermediaries in marketing. Mökkiloma, Mökkihaku and Suomen Lomapalvelu provide similar services for companies. Navigating in the websites of these intermediaries is easy, and the search options are easy to use. However, investing in two intermediaries could be more effective as the rest of the money could be invested in other marketing tools. When using the keywords mökki + äkäslompola, the search engine (Google) listed only the website of Mökkiloma on the first page, which indicates that it is easy to find and hence should be used. In writer's opinion the website of Mökkihaku is easier to use, and it is translated into five different languages, which is why Mökkihaku should be the other intermediary to invest in.

TripAdvisor is the world's largest travel online service with reviews and opinions on tourism companies, which are listed on the site. TripAdvisor receives approximately 32 million visitors each month, who look for information on tourism businesses and destinations. Trip Advisor is a cost-effective marketing tool as it is free. A company has to request listing, and after manage it by writing

responds to reviews and adding information and photos. (TripAdvisor 2010.) Hence, TripAdvisor facilitates interaction between customers and the company. This marketing tool is effective when trying to reach younger segments and especially potential foreign customers. However, the company's website should be translated into English before requesting a listing on TripAdvisor.

4.2.4 Google

Google Maps is a free marketing tool from Google. By signing up, the company gets a free listing on Google Maps. When people search for information on Google Maps, the address of a company is listed. Signing up for Google Maps is easy, and most importantly, it is free. (Google 2010b). Local accommodation companies in Ylläs, such as Ylläksen Yöpuu, have signed up for Google maps.

Keyword buying is targeted online advertising on large search engines. When users of the search engine use specific keywords and search terms, paid advertisements are listed alongside the results. (De Pelsmacker et al. 2007, 498.) Google provides a service called AdWord for companies that want to advertise in the search engine. The company pays for the ad only when people click the ads. (Google 2010c.) Mäkelän Mökki- ja Talomajoitus could use AdWord in the summer months to attract more customers. Search words mökki + ylläs and majoitus + Ylläs could be the best keywords to buy from May until the end of August.

4.2.5 Social Media

Social media as a marketing medium provide new opportunities for companies as a cost-effective marketing tool (Charlesworth 2009, 288). Companies should use social media for spreading positive message, and utilise its opportunities for developing customer relationships. The downside of marketing in social media is losing control over the brand. Customers can share their experiences online with even millions of people, and one dissatisfied customer can cause a lot of harm. (Charlesworth 2009, 291.)

Facebook is the largest social media with more than 500 million active users. It

was originally founded as a network for Harvard students. Nowadays it is popular among all age groups and nationalities, which makes it an effective marketing tool. More than a half of the users spend on average 19 minutes per day on Facebook. (CrunchBase 2010.) Through Facebook, companies can reach larger audience than in any other media. The most effective free advertising method through Facebook is an application called Facebook Pages, which is a public profile on Facebook. The company can add photos and news on the pages, and discuss with fans of the pages. (Facebook 2010.) Facebook Pages facilitate interaction between the company and the customers, as well as between individual customers. Pages bring several advantages to marketing. Facebook Pages are listed high in search engine positions; Pages are visible for people who do not use Facebook. When the Page is updated, it will be shown in the fans' page feed. (Squidoo 2010.)

The target group of advertising in social media is difficult to define, because Facebook reaches 500 million people around the world. Any Facebook user can become a fan of the Pages. On the other hand, the Pages serve as a platform for interaction for all of the customers as well as all of the potential customers. Today, the decreased credibility is not an issue in advertising in social media, because so many public figures and companies have joined Facebook. If used efficiently, Facebook is another cost-effective and efficient marketing tool for Mäkelän Mökki- ja Talomajoitus Oy, although it requires constant updating which is somewhat time-consuming and hence not free for the entrepreneur. Further, constant updating of the Facebook account can seem to be waste of time in the minds of the owners of the company.

4.2.6 Games

Advertising in games has been described as more diverse, innovative, accountable and targeted than some other competing venues. Gaming is expected to continue growing. (Adweek 2009.)

Fantastec is a Finnish company that makes 3D virtual environments for learning

purposes for children and parents. Santa Playground is a virtual and educational environment for children. In the game, children interact with other players and complete tasks in a virtual world, which is based on real destinations. For tourism companies, Fantastec offers cost-effective in-game advertising services, such as product placing and sales promotions. (Fantastec 2010.) As children cannot be the target of direct advertising (Consumer Agency 2010), marketing in Santa Playground is targeted to parents (Väisänen 2010). The main target group of the game itself is 3-9 year-old children in Europe and Russia. The destinations in Santa Playground are located in Finland, for instance the ski resort of Levi is cooperating with Fantastec. Ylläksen Matkailu Oy is also one of the possible partners in the future. In practise, Mäkelän Mökki- ja Talomajoitus Oy would purchase in-game advertising services from Ylläksen Matkailu Oy. (Väisänen 2010.)

As innovative as in-game advertising is, there are some risks involved in collaborating with Fantastec. The idea of a reality based virtual world is great, and as a marketing tool it serves small companies well, because in-game marketing is cost-effective. However, if the game does not reach the audience, and become popular, investing in it is not profitable. In addition, the internet is full of online games; hence creating a successful game is a challenge. Also Charlesworth (2009, 311) suggests that opportunities in marketing in virtual worlds seem to be limited. Marketing of the game should be very efficient in order attract users. The game can be popular for a while, but lose its attractiveness rapidly.

Despite of the risks, Santa Playground should be considered as one of the marketing tools for Mäkelän Mökki- ja Talomajoitus Oy. If Ylläksen Matkailu Oy starts cooperating with Fantastec, and the price of the services are reasonable, investing in it could be profitable.

4.3 Advertising

4.3.1 Newspapers

Newspapers reach a high number of people at a short period of time, which makes advertising efficient. Other advantages of newspaper advertising are flexibility, as advertisements can be modified at the last minute; high credibility, as context is objective and informational; and broad accessibility (Armstrong–Kotler 2005, 464). Disadvantages of newspaper advertising are the short life of the newspaper and poor reproduction (De Pelsmacker et al. 2007, 242). If the reader misses the advertisement, the marketing effort has been meaningless.

Local newspapers are distributed only to a small area; one or two municipalities. They are popular as news and stories are close to readers' daily lives. Advertisements catch readers' attention efficiently in local newspapers because they are smaller in size and scope. (Isohookana 2007, 145.)

The local newspaper of Äkäslompolo is called Kuukkeli. It is issued 19 times a year and distributed to Kolari, Ylläs, Kittilä and Levi ski centre. In the spring seasons Kuukkeli is distributed to each cabin in Ylläs and Levi ski resorts. (Kaulanen–Rajala 2010.) Mäkelän Mökki- ja talomajoitus has an advertisement on each newspaper. The advertisements are mutual with Kiinteistöhuolto Raimo Pitkäniemi Oy.

4.3.2 Brochures

Leaflets and flyers are a popular promotional tool for companies. They are a convenient marketing tool because they can be targeted to the target market by handing them out directly into the customers' hands. (Marketing Minefield 2007.) Brochures can be placed in the same group of traditional marketing as leaflets and flyers. Moreover, according to the results of a research conducted in Spain, some features of a brochure can have influence on the destination choice (Esteban–Molina, 2006, 1046).

Ylläs publishes two brochures a year, one for the winter season and one for the summer season. The brochures are available in local companies and in R-Kioski around Finland. (Ylläs 2010.) Ylläs Travel takes part in Nordic Travel Fair MATKA in Helsinki, and the Ylläs brochure is available in their stand. The Travel Fair 2010 received over 80 000 visitors together with Caravan 2010 (Suomen Messut 2010.) Advertisements in both brochures reach a big audience as it is distributed around Finland. One of the objectives of this plan is to get more customers for the summer seasons, and advertising in the summer brochure is definitely a good marketing instrument.

4.4 Relationship Marketing

As mentioned before, loyal customers are usually more profitable to the company than new customers are. The challenge in relationship marketing is to integrate quality, customer service and marketing in order to form beneficial relationships with customers. (De Pelsmacker et al. 2007, 402-403.) Relationship marketing is not only a set of marketing tools; it is a perspective of how the company can create value for its customers. In relationship marketing, marketing tools are used to support and facilitate the customer relationships, in example, encouraging communication between the company and customers. Implementing marketing thinking in all business functions lead to improved relationship marketing. (Grönroos 2007, 42.)

According to Grönroos (2007, 8) a customer relationship emerges after several service encounters if both parties, the customer and the service provider, want it. If the customer perceives the contact with the company valuable, the customer relationship can lead to customer loyalty, in other words to a profitable relationship with the customer.

In contrast to a traditional approach to marketing, which is acquiring customers and achieving sales, relationship marketing aims at retaining customers and developing the customer relationships. At the first level of customer commitment, the customer makes a trial purchase. At this stage, the marketing

objective is to make the customer choose the company's product. (Grönroos 2007, 267, 268.) Hence, marketing communications is in an important role at the first level. The second level of customer commitment is a share of the "customer's wallet". The company has to convince the customer to buy again by ensuring the good quality of the product to satisfy the customer. The third level of customer commitment is, in addition to the second level, a share of the "customer's heart and mind". The third stage is creating a trusting relationship and emotional connection with the customer. (Grönroos 2007, 268.)

The company can increase customer retention by being better than the competitors, in other words ensuring superior quality of products and services (De Pelsmacker et al. 2007, 404). The company has to maintain the quality of service in each customer contact, regardless of the type of the contact. Personal service is one of the strengths of Mäkelän Mökki- ja Talomajoitus Oy, which should be fostered in the future to create a competitive edge. In addition, the cabins of the company are in good condition, which is another competitive advantage. This is a good starting point for creating long-term customer relationships.

The owners of the company are not very active in sales operations. Marketing messages are not tailored or targeted. As mentioned before, the company uses a few marketing tools, but the active sales service is missing. The company achieves sales through customer-initiated contacts rather than contacting the customers actively. (Komulainen 2010.) Through the relationship marketing perspective, the company could find a way to initiate sales more actively.

Marketing tools that facilitate interaction are used in building relationships with customers. Email is one of the tools used for direct marketing and building relationships. It is fast to use, and the messages can be tailored for groups or even individuals. (De Pelsmacker et al. 2007, 507.) In relationship marketing, email is an easy way to communicate with customers. It can be used for selling more, in example, when sending a confirmation letter; the company can

introduce other services. Mäkelän Mökki- ja Talomajoitus Oy has a tepee fireplace that customers can rent, mentioning the tepee in the email can create additional sales. Email is also a great tool for after marketing. Thanking customers by email and asking for feedback can develop the relationship further.

Creating a customer database is a good start for relationship marketing. Nowadays technology provides opportunities for developing customer databases including personal information on customers, which can be used for personalised and direct customer contact (De Pelsmacker et al. 2007, 25). A customer database can be built by using Microsoft Visio, for instance. By including information on sales with a customer, the most profitable relationships can be distinguished. The customer can be grouped in the database according to the level of profitability. It would help in deciding which customer relationships should be fostered.

Improving customer loyalty does not need to be costly, time-consuming and difficult. Simple techniques include regular contact with customers, giving good deals to loyal customers, surprising customers, keeping a customer database and communicating with customers. (Abrams 2009.) As all customers should not be made loyal, it is important to identify the most profitable customers, and target these techniques to them. Surprising the best customers by taking a bottle of wine or a fruit basket to the cabin for them could increase customer retention.

5 CONCLUSIONS

This marketing communications plan can be used as a framework in planning marketing of Mäkelän Mökki- ja Talomajoitus Oy. The objective is to find cost-effective marketing tools, which is why the focus is in internet marketing. The need for the development of the website of the company is evident. Therefore, the aim of this plan is to give guidelines for the content development of the website. The importance of the development of the written content is highlighted, but detailed instructions for website contents are not given, because further research into the subject would be needed. The website content should be developed in co-operation with a professional of the field of ICT to ensure the high quality of the content. In addition, the results of the satisfaction survey indicate the need for search engine optimisation, which can be implemented according to the suggestions of the plan.

Relationship marketing is included in the plan because of its important role in the organisational success. Furthermore, according to the results of the satisfaction survey, many of the customers are repeat customers in the company. Komulainen (2010) supports the notion of the number of the repeat customers. Moreover, the author's own interest in service management and marketing affected the choice of this tool. It is the commissioner's choice whether it will be implemented and practised or not. Relationship marketing requires devotion to the subject and adoption of the service perspective in order to gain the full benefit of it.

The author did not criticise some of the less efficient marketing tools used by the company, because they serve another purpose in the local culture. For example, the commissioner wants to support the local newspaper by advertising in Kuukkeli. Some suggestions were made to allocate some investments more efficiently. The limited marketing budget itself had an effect on the marketing instruments selected for the company. If the commissioner had defined the budget for this marketing communications plan, the selection of marketing tools

could have been different.

This marketing communications plan does not include the plan of implementation, because some parts of the plan have been implemented during the process. The company is now listed in Google maps, and Komulainen is aware of the missing links on the website of Ylläs and the directories. Therefore, the schedule of implementation is not included either. Moreover, the commissioner will consider which parts of the plan will be implemented and in which schedule. Finding the time to implement the plan can be challenging for the commissioner, because both of the owners operate in the business full-time. However, the author will help with the implementation of the plan, if needed.

The objectives of the plan are measurable, but judging the effectiveness of the plan can be difficult if it is not implemented as a whole. However, the next summer's sales can indicate the effectiveness of the marketing tools that are implemented according to the suggestions of the plan, as a few of the tools were chosen to increase the customer flow in the summer season. A new marketing communications plan should be done in a few years time to ensure the effectiveness of the marketing tools in use. Moreover, the changes in tourism trends can influence the choice of the target segments in the future.

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