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DESTINATION UNKNOWN

– Marketing research and plan for Turku Air Oy

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This thesis basis on the marketing research, made for Turku Air Oy. The research explored current demand for charter-flight services, companies' awareness toward charter-flight services and potential customers of Turku Air Oy. Additionally it was also studied how Turku Air Oy should promote and develop its services in order to meet the needs of potential customers. The results of the research and the conclusions based on the results are not published in this work. Nevertheless, the theoretical framework of this study is told from Turku Air's point of view, so that a reader could approach the topic from the original perspective, which emphasises particular element of services marketing.

For the research method was chosen semi-structured online-survey. 87 companies from districts of Varsinais-Suomi and Satakunta participated to the research. Collected data was analysed by using quantitative and qualitative methods.

This work focuses on the underliying factors behind the marketing plan and marketing strategy, and implementation of a market-oriented operation model. The theoretical framework is formed by using the key factors in the strategic marketing process. SWOT-analysis, strategy creation, product development and Marketing Mix model are brought forth in this study. The marketing strategy is written from service marketing perspective.

The conclusions in this thesis are made to describe what kind of marketing efforts could be used to improve sales of Turku Air Oy. These conclusions can be generalised to serve any company that is in similar situation than Turku Air Oy is.

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Tämä opinnäytetyö pohjautuu Turku Air Oy:n tilaamaan markkinatutkimukseen, jossa selvitettiin tilauslentopalveluiden kysyntää, yritysten tietoisuutta tilauslentopalveluista sekä Turku Air Oy:n potentiaalisia asikkaita.Lisäksi selvitettiin, millä tavoin Turku Air Oy:n tulisi markkinoida tuotteitaan sekä kehittää palvelujaan, joilla voitaisiin vastata potentiaalisten asiakkaiden tarpeisiin. Markkinatutkimuksen tuloksia tai niihin pohjautuvia päätelmiä ei julkaista tässä työssä. Siitä huolimatta taustateoriaa käsitellään Turku Air Oy:n kannalta, jotta lukija voisi lähestyä käsiteltäviä aiheita palvelumarkkinoinnin näkökulmasta.

Markkinatutkimuksen tutkimusmetodina oli puolistrukturoitu kysely, joka toteutettiin internet-surveyna. Tutkimukseen osallistui 87 vastaajaa, jotka edustivat Varsinaissuomen ja Satakunnan alueilla toimivia yrityksiä. Tutkimusaineisto käsiteltiin osittain määrällisiä ja osittain laadullisia menetelmiä käyttäen.

Tässä työssä keskitytään markkinointistrategian ja markkinointi suunnitelman taustatekijöihin sekä markkinalähtöisen toimintamallin toteuttamiseen. Tutkimuksen teoreettinen viitekehys on muodostettu käyttäen strategisen markkinointiprosessin avaintekijöitä. Työssä käsitellään SWOT-analyysia, strategian luomista, tuotekehitystä sekä Marketing Mix -mallia. Markkinontistrategian luomisessa keskitytään palveluiden markkinointiin.

Työssä tehdään pohdintoja siitä, millä markkinointikeinoilla voitaisiin edistää yrityksen myyntiä. Nämä pohdinnat voitaisiin yleistää koskemaan mitä tahansa Turku Air Oy:n kaltaisessa tilanteessa olevaa yritystä.

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1 INTRODUCTION

In March 2012 I took part in meeting held in the smallish hangar and office building next to the Turku Airport's runway. I had come to the premises of Turku Air Oy to talk about the research that I was going to make for the company during the next four months. Turku Air's ownership had changed recently and the renewed organisation was seeking solutions to improve company's current state. Turku Air was known as a smallest route flight service provider in Finland. It had also provided charter-flight services for the companies that have had business trips to Scandinavia, Baltic or further destination in Finland. Turku Air had also offered cargo-flight services to the areas foresaid.

The common competitive advantage of the charter-flight industry, against to traditional airlines, basis on the flexibility and speed. Smaller aircrafts are able to use smaller airports and runways. It enables fast, flexible and direct transportation to the destinations, such as Saaremaa in Estonia, which would be difficult to reach relatively quickly by using any other mode of transportation. Also route selections of the bigger airliners affect on how fast and easily certain destinations can be reached. In Finland all the domestic route flights are operated from Helsinki-Vantaa airport (except route to Mariehamn). In practise it means that if you want to fly for instance to Oulu or Kuopio, you need to travel to Helsinki first. Also most of the direct routes to abroad have been operated from Helsinki-Vantaa. Only Stockholm, Copenhagen, Gdansk and Riga can be reached directly from the Turku airport.

Turku Air's competitive advantage, against similar charter-flight service providers, has based on its location. The company has been the only of its kind that is located in South-Western Finland. Most of the competitors have bigger and more modern aircrafts than Turku Air. However, due the fact that the take off and descending are the most expensive parts of the flight in terms of fuel consumption, intermediate landings should be a weakness for the competitors if they can't pick up all passangers from their home base.

The location of Turku Air had evidently offered opportunity for the company to gain dominance in the market in South-West Finland. The question that came up during the meeting was if Turku Air had tried to exploit the opportunity effectively in the past. The company had not done any promoting activities in the past away from their own webpages and a couple of journals in the local newspaper. The sales of the charter-flight services had dropped during the years and it had become unclear if there was a need for charter flight services anymore. However, the reason why this research was initiated at the first place was that every now and then there had been competitor's planes rolling on runway of Turku Airport. Who was using those services? Where were they going to? Did they know about Turku Air? Would they travel with the company if they knew? Many questions with no answers were introduced during the meeting. My task was to find those answers.

Picture 1 – Turku Air's Piper PA-31-350 Chieftain (Turku Air 2012)

1.1 Turku Air Oy

Turku Air Oy was founded in 1981. The roots of the company can be found from the year 1974 when Veikko Tähtinen establishes the company called Turun Lentotoimintapalvelu, which offered flight training and airplane renting services. When business extended to offer charter-flight services in 1981, the name was changed to Turku Air oy. (Salonen 2011.)

During the 90s there was twelve small airlines in Finalnd like Turku Air, but during the 21 century the amount was dropped to four. The fading competiotion offered Turku Air new business oportunties. In 2006 an airline, which had flyed to Åland went bankruptcy. According to Timo Leino, a managing director of that time, Turku Air was contacted immediatly after the bankruptcy, and the demand seemed to be suitable for Turku Air's small, seven seats planes. Turku Air established its first route flights to Åland, to where it had done postal flights during 13 years. The future seemed very bright for Turku Air that was planning to invest in bigger aircrafts very soon. The Åland was wished to form a backbone for company's business, although that there was no expectations of high short-term profits. At that moment Turku Air had four Piper PA-31-350 Chieftain airplanes. It seemed that Turku Air where in the right place in the right time with the right resources. (Enkvist 2007.) In the picture below are Timo Leino (on right) and Veikko Tähtinen.

Picture 2 – Turku Air's founder and ex-MD (y-lehti)

1.1.1 Turku Air in turbulence

Turku Air's great flight decended very soon after the takeoff, when Åland posting flight route was taken over by a competitor. The competitor from Sweden took over the post flights, which was unfortune set back for Turku Air. According to Timo Leino the post route had been the main source of income for over thirteen years (Orell & Mustikainen 2009).

In figure 1 below are represented Turku Air's turnovers, net profits and employee rates from the year 2007 to 2011. Turku Air's economical growth dried up after 2007. The route to Åland required new investments, for instance in manpower, which decreased profitability. It's also possible that world wide financial crisis started affect on Turku Air's operations in 2009, especially in charter flights. In many companies the travel expenses have falled significantly from the year 2009. Companies have more and more travel policies, which are made cut travel expenditures Companies have, for instance, specific manual for how early certain travel arrangement should be made (Henttula, Niemi & Sandberg 2010.) Perhaps the continuum of company's financial decline was the reason why Turku Air faced changes in ownership in 2012.

Turku Air's turnovers from 2007 to 2011

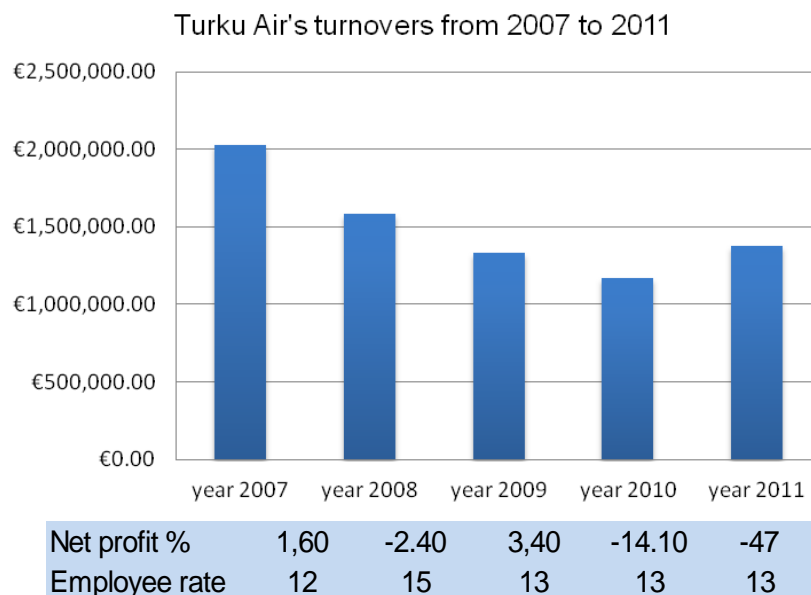|	year 2007	year 2008	year 2009	year 2010	year 2011
Net profit %	1,60	-2.40	3,40	-14.10	-47
Employee rate	12	15	13	13	13

Figure 1 – Key figures (Taloussanomat)

Ownership was not the only thing that had changed during the decline. Jussi Kivelä worked as a directing manger instead of Timo Leino. At that time the company had already golf trips to Saarenmaa on its product line that had otherwice staid the same from the 2009. The product line included charter and cargo flights, route flights to Åland and golf trips to Saaremmaa. The nubmer of airplanes were, however, cut to half. Before the summer 2012 Turku Air faced set backs again, when it lost the Åland route to a competitor. During the summer 2012 changes took place again in the company's leadership and Tommi Saarinen started as a directing manager.

1.1.2 Turku Air today

Today Turku Air's situation looks brighter. During the autumn 2012 it got the Åland route back. Company has added two new offerings to its product line. Besides the golf trips to Estonia, the company arranges also hunting trips and rally trips to the country foresaid. It's still operating with the two Pipers and besides of the website, the company can be found also from Facebook. (Turku Air).

1.2 Objectives of the research

This thesis was created to serve two purposes. Firstly it is a marketing research for Turku Air Oy. Secondly it is an example of strategic marketing planning. The results of the research and the conclusions and recommendation, which base on the results, are not published with this thesis. However, this thesis is built in such a way that it could serve the reader even without the actual results. The intention of this study was not to deliver any solid and complete plans and strategies that could be brought for implementation as they are shown. However, this study aims to provide certain options and strategic ankles for marketing, which could be considered in further decisions making and planning.

In the research for Turku Air the objectives were to get information concerning companies' business travel to Scandinavia, Baltic and Finland, and map out

companies' knowledge, opinions and attitudes toward charter-flight services. The research also examined customer buying behaviour and the factors behind it. The research investigated the demand for Turku Air's current services and to what kind of demand the company should provide supply in the future. Aim of the research was also to increase knowledge about Turku Air and charter-flights in general, and to find out how the company should improve, develop and promote its offerings.

1.3 Research questions

Before starting data collection it's important to know to what the collected data should provide answers to. So that the right answer could be reached the right questions need to be asked. The questions then represent an approach for the research problems. General guideline for the research questions making states that the questions should be clear and can be brought in to the practise. Good advice is to build a question that expresses relations of two or several variables and in a way which enables building hypothesis behind the questions. (Ghauri & Grønhaug .) For example one hypothesis could be that customer who knows about charter flights in general and Turku Air's services might be interested in using their services. In Turku Air's case the problem was that company did not know what customers' need was, and how the company could meet those needs. It was also very unclear how well customers were aware of charter-flight services and Turku Air.

The research question was formed as follows:

1. What kind of demand there is for charter-flight services and what should Turku Air do in order to answer the demand?
2. What is the level of knowledge toward Turku Air and charter-flight services in general, and how it is connected to attitudes towards charter flights?

3. What kind of companies would be potential customers for Turku Air and how marketing should be targeted to those companies?

1.4 Theoretical framework

A theoretical framework for this study is formed by using the elements behind the marketing plan and strategic marketing process. A definition for the marketing plan goes: *"The marketing plan entails a careful analysis of your current internal strengths and the external market (the prospects, the competition and the demand) so that you can develop the right awareness in that market so that your subsequent sales efforts are received favourably."* (Tasso 2003, 14) .

The strategic marketing process pursue to highlight the certain steps and point of views, which should take place when the marketing plan is made. The steps of the process include development of Swot analysis, mission statement, organisational goals, corporate strategy and marketing strategy (Danyi 2008, 5). In this study we will go through those steps and focus on point views, which should be important for any service companies to

2 SWOT FOR BUSINESS ANALYSIS

The SWOT analysis is an analytical tool, which is often used when assessing company's strategic profile and highlighting its distinctive competences, which helps the company to gain competitive advantage. The strategic profile is assessed through company's strengths, weaknesses, opportunities and threats, where the weaknesses and threats imply company's internal environment, and opportunities and threats imply its external environment. Internal environment is composed of the organisational functions, such as customer relationships, distribution, staff, production and so on. External environment is related to the forces, such as competition, economical situation in society, development in technology, and statutes and legislation, which are affecting on company's business from outside of the organisation (Morrison 2006, 31 - 33.)

2.1 SWOT in use

According to Philipp Kotler (1999, 222) the assessment of strategic profile should start by defining the possible opportunities and threats. By doing so the company may obtain perspective to what are the strengths that it should develop, and weaknesses that it should try to remove.

The assessment of the strategic profile can be done also from the marketing perspective. Then the strengths and weaknesses should be pointed out purely from the perspective of customer satisfaction. Opportunities and threats should be listed then as anticipated events that might have impact on company's performance (Jobber 2007, 47-48.)

The SWOT analysis is very often shown as a matrix, where two boxes on the top represent internal environment, and boxes below represent external environment (Morrison, 2006.) Below is a typical model of SWOT matrix.

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	Strengths	Weaknesses
Internal environment		
External environment	Opportunities	Threats

Figure 2. SWOT matrix

When assessing the SWOT- analysis, there are certain questions that are seen to address the some of the key issues from the both environments.

The common questions arising from the external environment are:

- What are the main factors in societal environment (political-legal, economic, sociocultural and technological?

- What is the market strength of competitors?

- What new own and competitor's products or services are coming to the market?

- What is the level of demand and is it going to remain the same?

- What is the threat of new entrants? (Morrison 2006, 32.)

The common questions arising from the internal environment are:

- Does the company structure help to achieve company's goals?

- Does the company have clear marketing objectives and strategy?

- Is IT used effectively in all company's functions?

- Are the investments in R&D the same or bigger than competitor's?

- Are the financial goals achieved?

- Is there clear HRM objectives and strategy? (Morrison 2006, 32.)

2.2 Opportunities in scope

A market opportunity does not concentrate only on the current demand of the market, but also on the demand that can take place in the future. The opportunities are not just something that a company can pump into and try to exploit, but also something that they should create for themselves. When shaping the opportunities for the future it's seen important to make predictions of how the forces in external and internal environments behave under the years. Changing conditions in economy and competition, technology development, and population growth are phenomena taking place in external environment, whereas company's resources, product decisions, research and development, distribution, marketing activities etc. are part of the internal environment. So that the opportunities could be exploited, both of these environments need to complete each other. In practise this happens when the company's offerings meet the customer's needs. As a conclusion it can be said that the destiny of the company and the strategies and policies it's carrying out are determined by the opportunities in sight. (Danyi, 2008, 329.)

3 STRATEGY CREATION

Strategy is seen as a plan, a group of procedures, which are defining company's main direction in the long run. The purpose of a strategy is to work as a guideline that company uses in order to maintain and develop competitive advantage in changing business environment. In all simplicity strategy implies how a company is going to use its resources in the way that customer's needs and expectation can be fulfilled (Laukkanen 2007, 144). Strategy involves all the functional dimensions of the company affecting on the actions of marketing, finance, human resources and product development etc. (Morrison 2006, 36.)

3.1 Mission and vision statements

Mission and vision statements are important tools when delivering a strategy for the employees. The mission statement is simplified statement about the purpose of the business, and it includes three key elements: Customers needs, target groups and solution. For the mission statement the company should define: what are the needs that have to be satisfied? Who the company is going to satisfy? And how the company is going to satisfy them? It is vital that the company monitors the business environment and revisits its mission regularly. Due the changing world the mission may face moment when it should be updated to ensure that the strategic competitiveness remains (Swaim 2011, 35). Jobber (2007) states strategic competitiveness as: "When a firm successfully formulates and implements a value-creating strategy."

Vision statement embodies company's long term strategic direction. It recognises the business actions that company should carry out. It defines what the company is going to become, what is its further positioning in the market, and who the customers are going to be. The mission and vision should be work as a compass, showing the managers where the company should be heading to and what is important so that the right decisions could be made. Mission and vision strive employee commitment and enhance to establish objectives, preparing the company for the its future. (Swaim 2011, 38.)

3.2 Conventional logic or Value innovation logic

When formulating the strategy there are certain approaches that company may consider adopting before continuing forward. According to Chan & Mauborgne (1997) there are two logics that differ from each other distinctively; Conventional logic and Value innovation logic.

Conventional logic sees that industry conditions are given and unchangeable, where the strategy is focusing on creating competitive advantage over the competitors. With the conventional logic company focus on retain and expand its current customer space rather than explore new segments. Company uses its current resources as effectively as possible in order to maximise the value of its products within the boundaries that are set by the industry. (Le Grand 2010.)

Value innovation logic suggests that the conditions of the industry are possible to shape and company does not use competition as a benchmark, but focus on improving and developing customer value in order to gain dominance in the market. The value innovation logic allows letting some customers to go, and aims at the mass of buyers by concentrating on the common key trends in customer value. The logic encourages the company of not using their resources as they are, but think how could be rearranged if the company would start over, so that the products could be produced to offer total solution for the customer's needs, even though meeting the needs would take the company beyond the boundaries of the industry. (Le Grand 2010.)

3.3 Strategies in scope

As presented earlier, the strategy that company establishes depends on the opportunity it has recognised and the resources that can be used when reaching the opportunities. The way how and to what the resources are used is related to the logic mission and vision. Below is presented snapshots from four different strategy models that company could consider to use depending on company's targets.

Market penetration strategy

Market penetration strategy can be used for market expansion. The company using this strategy pursue increases in sales of the existing products. The objective is to build brand loyalty and reputation by and provoke current customer to use the products more, which can attract also other consumers to use company's products (Jobber 2007, 50).

Product development strategy

With the product development strategy a company tries to increase sales by bringing renewed or new products into the market. The strategy seeks higher sales and bigger market shares from its current markets (Jobber 2007, 50).

Market development strategy

Market development strategy is helping company to move into other market segments. The strategy recognise the differences in consumer behaviour and bring those into product development in order modify the product to suit to serve different needs (Jobber 2007, 51).

Blue Ocean strategy

Blue ocean strategy can come into the picture when the competition within the industry becomes impossible to beat and there is no room anymore in the market. The name blue ocean stands for the market situation without competition, which can be achieved by seeking the new opportunities that competitors don't see, using the customers that competitor don't use and developing and providing solution for the needs that aren't yet recognised by the industry. The key function of the Blue ocean strategy is to create new value curve. In order to do that company should think which factors should be reduced below of the industry standards and which one should be raised above it, which factors that industry has taken granted should be removed and which are the factors that industry hasn't ever provide and should be create. The benefits of this strategy are gained by being the first in the market. (Chan & Mauborgne 2005).

3.4 New product development and innovation in scope

Due the changes in external environment companies have develop new products in order to answer the completion and stay in business (Jobber 2007, 419). As mentioned earlier the external forces such as development in technology, changes in consumer behaviour and in legislations may create new opportunities, but at the same the ones that brought the success stop existing anymore. Jobber (2007, 419) points out the importance of the new product development by saying: "*The life-blood of corporate success is bringing new products to the market place*".

3.4.1 Innovation

Management consultant and educator Peter F. Ducker (1909–2005) has described innovation: "*As the task of endowing human and material resources with new and greater wealth-producing capacity*" (Swaim 2011, 103). Very often innovation is confused to mean the same thing than invention. Innovation takes place when the invention is commercialised and produced for the consumption in the market. Innovation requires capabilities that every inventor doesn't have. The commitment, innovative and nurturing *company culture, combined with the supporting management, have a great impact on the outcome, but the success of innovation relies on the hands of marketers (Jobber 2007, 419–422). The last claim is supported by Drucker who stated that "*If the consumer does not understand what the product does, the innovative product will not sell.*"(Swaim 2011, 111). He has also stressed that: "*the business enterprise had two—and only two—basic functions: marketing and innovation*" (Swaim 2011, 103.) Below are presented Drucker's five principles of innovation:

- Analyze the sources of innovation for opportunities

- Determine customer needs, wants and expectations.

- Innovation should be simple and focused.

- Innovation should start small.

- Innovation should aim at leadership (Swaim 2011, 111).

3.4.2 Three types of innovation

Innovation can take place in three different forms. Innovation can be social, managerial or it can be a product. The social innovation happens in market place and shows up as changes in consumer's behaviour and values. In the managerial innovation the innovation take place in company's human resources, affecting on the knowhow that is used to produce solution for consumers needs. Product innovation is related to the product itself, would it be a good or service (Swaim 2011, 29.)

3.4.3 Open innovation and co-innovation

Like presented earlier innovations are developed to bring value for the consumers. Before innovation sells the consumer has to understand the value it brings. An innovation rises as a result of value-creative activities, which are supported by the company's resources. The knowledge for innovations comes from the outside and inside of the company, when the internal and external knowledge are used to develop innovations. When pursuing open innovation the company recognises and supports the both sources of knowledge. In practice open innovation means that ideas for innovations can come from anywhere and the innovations can enter the market through anyone. (Chesbrough 2003, 43.)

According to professor of marketing, David Midgley: *"Developing a successful innovation needs empathy with the potential customers and their view of the world."*(Midgley 2010, 54.) Co-innovations refers to making innovation in co-operation with the customer in order to create unique value that customer prefers (Norman & Vaidaynathan 2009). Co- innovation is outshining and often

most beneficial when customers are taken part for whole innovation process. It means that the customers, their ideas and opinion affect from the state of innovation development to the point of launching the innovation (Midgley 2010, 54). Professor C.K Pradalah (1941 – 2010) established a model called DART. The model shows four different actions that are required in succesfull co-innovation. DART states for dialogue, access, risk-return relationship and transparency. The actions in DART are explained below.

Dialogue – *Create meaningful dialogue between the customer and the company*

Access – *Provide mediums for customers to communicate with the company and fellow users*

Risk-Return Relationship – *Manage the risk/benefit relationship for the customer and thecompany*

Transparency – *Share all relevant information with customers.* (Norman & Vaidaynathan 2009)

If we think about the benefits of the co-innovation, we can conclude, (according to what is told earlier) that the only benefit is not only the customer added value in product, but also the fact that the customers involved already know the product thoroughly. They might introduce the innovation for consumers ,and in the best case, be the first source of sales.

4 MARKETING MIX – STRATEGIES FOR PRODUCT, PRICE, PLACE AND PROMOTION

History

Marketing mix is one of the basic marketing concepts. When the concept was introduced by Neil H Borden in 1960s it was highly appreciated and recognised by practitioners and academics. Borden saw the marketing mix as a compact and graphic way to describe and combine marketing ingredients, techniques, and policies when making a marketing plan. (Banting & Ross1974.)

The idea and name for the marketing mix came from Borden's associate James Culliton, who described executives "as a 'mixer of ingredients', who sometimes follows a recipe prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or invents ingredients no one else has tried." Borden's marketing mix concept was simplified by E Jeromy McCatrhy, who developed the 4 Ps classification (product, price, place and promotion), which rooted its place in pedagogical use. (Banting & Ross 1974.)

Today

Definition of marketing mix has shaped under the five decades. However, the core idea has stayed the same. Marketing mix combines the product, price, place and promotion, creating comprehensive and consistent way to fulfil customer's needs (Morrison 2006, 47). Sometimes costumers don't know their needs before they are persuaded to need it (Jobber 2007, 505). In this light I think that the definition stated by Philip Kotler suits quite well to put the old concept to the modern environment. Kotler stated that marketing mix is *"the controllable, tactical marketing tool that the firm blends to produce the response it wants in the target market"*. (Kotler 20011, 76.)

So that marketing mix could be done correctly and used to gain competitive advantage, it requires that customer is understood. In practice this means finding the target customers (segments) and understanding the factors, which affect in buyer behaviour. In order to gain the understanding it's important to know; how, when and where consumers buy, what are their choice of criteria and who is important in buying situation. (Jobber 2007 21,117.) According o Jobber (2007, 25) competitive advantage is gained when: *"The achievement of superior performance though differentiation to provide superior customer value or by managing to achieve lowest delivered cost"*.

4.1   Product

"Product is anything that is capable of satisfying customer needs" (Jobber 2007, 326).

Product can be tangible or intangible. In general tangible products are goods and intangible products are services (Jobber 2007, 20). In this study we will focus on intangible products. When the product is a service it has to be explored differently than tangible products. In order to do so, it is seen very important to add three other dimensions to the marketing mix. These dimensions are people, process and physical evidence (Jobber 2007, 27).

Although goods are described as objects, devices and things, and services are described as needs, efforts and performances (Joshi 2010) , it's sometimes very difficult to define the service and make the difference between service provider and goods provider. In a spectrum of tangibility different products can be placed differently depending on how tangible or intangible they are (Joshi 2010). Today many companies, selling goods, provide also customer service, which has become distinctive part of the product. For these reasons there is no one and ultimate definition for the service (Gröönroos 2007, 52). However, one proposal for the definition is:

"A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interaction between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems" (Gröönroos 2007, 52)

4.1.1 Characteristic of the service

Intangibility

Although many services might have some tangible features, such as a seat of the airplane, the service performance experienced by the customer is always intangible. When consumers buy goods the received benefits are tied to the physical characteristics of the goods, whereas in services the benefits depend on the nature of the service performance in the whole service process. Due the intangibility, consumers have very often difficulties when evaluating and comparing different services, which may cause the using of the price as a main benchmark (Gilmore, 2003, 10.)

Inseparability

Inseparability is related to the simultaneously occurring production and consumption of the service. In practise the production and consumption take place at the same time in interaction between the consumer and service provider. This raises the people to the central position in the service process. Other customers have also impact on the service experience, and they are seen as co-consumers. Sometimes co-consumers might affect to the service experience negatively unless service provider has knowledge, skills and ability to prevent it. (Gilmore 2003,11.) According to Gröönroos (2007, 90) one of the factors affecting on service quality is '*Professionalism and Skills',* which refers that service provider is capable of solve consumers problems in professional way.

Prishability

Perishability is more or less connected to the intangibility. In practice it means that the service cannot be stored or re-used. This can cause problems when trying to match the demand and supply. If the air plane takes off with some seats empty it means that the service, which included the seats, does not exist anymore. It's possible that demand exceeds the supply or stay well below it. To avoid demand problems the product line should enable the use of several target groups. (Palmer 2004.)

Heterogeneity

Due the intangible nature of the product, and people involved in the process, the service is seen to have heterogeneous characteristics. In practise this states that the level of service (quality) varies and is inconsistent (Gilmore 2003, 11). In order to decrease the variation in quality the company can turn to product standardisation or customisation. Standardisation can be seen for instance; when a company replaces the person working as phone operator with computerised systems. In customisation the focus is on meeting the needs of individual customers. Customization is seen to be easier when the amount of the customers is small. (Palmer 2004.)

4.1.2 Brand

Brand is an important part of the company's product. Brand is seen as an augmented part of the product, which reflects the emotional and functional values of the offerings that company provides for the consumers. It's a distinctive part of the product, which makes the product unique in the eyes of consumers, and separates it from the offerings of the competitors. All the dimensions of the marketing mix affects on the brand image that customer perceives (Jobber 2007, 326–336). When the product has intangible characteristic the brand creates physical evidences for the consumers by working as a surrogate that illustrate what the service entails. It also facilitates

marketers' job when positioning the services in the market (Gilmore 2003, 12). All the tangible elements such as staff's appearance and behaviour, the names of the company and its products, slogans, colours, labelling etc. are part of the brand (Frow, Payne & McDonald 2011, 238).

Although one of the main purpose of branding is to reduce intangibility aspect as much as possible in order to increase the effect of 'physical evidence' it's important understand that these tangible clues, that are made to deliver certain image about the product, can be encouraging one consumer, but encouraging the other. This may have an impact when deciding if the company should build the brand on the specific service or entire company (Frow et al 2011, 238–239.)

Everything for everyone

As mentioned earlier product line should be made to serve different target groups. According to Jobber (2007, 327) the product line can be seen as "a group of brands that are closely related in terms of their functions and the benefits their provide". How deep the product line goes depends on "the pattern of customer requirements" (Jobber 2007, 327). Effective branding through product line decisions may help a company to grow without massive inputs. For instance in the beginning of the 20th century Starbucks expanded their brand by offering Starbucks airline coffee, office coffee, coffee bear, coffee ice cream etc (Klein 2005, 20). Similar branding can be adopted by the service companies as well, and nowadays many airlines have recognised the opportunities in different customer segments (Frow et al 2011, 239).

Co- branding

Co- branding can be product-based or communication-based. In product-based co-branding two or more companies can link their products under the one brand that is already known by the consumers. Company can, for instance, add its product to another's as an ingredient. This method is called ingredient co-branding. The product-based co-branding may help the company in product positioning and may enable to find new segments (Jobber 2007, 353 - 355.)

In communication co- branding companies link their brands to the same communication, such as advertising campaigns or sponsorships, in order to build joint communication that offer benefits for every party. Benefits can be, for instance lower costs in advertising when the costs are shared, or endorsement that is gained when the reputation and image of two brands are reinforcing each other (Jobber 2007, 353, 356.).

4.2 Price

Price has an essential role in marketing mix because it's not only affecting to the unit based receivables that company gets from the products it produces but also to the value that the customer receives when buying the product. Customer's evaluation of the value basis on the sacrifice required from the customer in order to enjoy the product and the benefits gained through the sacrifice. When the perceived value goes high, the price should follow to the same direction (Jobber 2007, 473.) Very often executives overlook the value perspective and concentrate on the costs in production and logistics when setting the prices (Tasso 2003, 16). It is understandable, especially when it comes to the services where, according to Gilmore (2007, 12) "*Customers' perceptions of value may be different and the intangible nature of the service product will make it difficult to evaluate. Therefore for managers, costing is difficult and imprecise*".

Perishability solution

As we discussed earlier in product section, changes in demand cause problems for the service companies due perishabilty issues caused by the intangible nature of the service. Creative prising can offer solutions for the problems by helping the company to control the demand. Company can for instance use premium prices when the demand is high and lower prices when it's low (Frow et al 2011, 268).

Objectives and methods

The reason why the price has its own separate position in the marketing mix is the result from its impact to affect to whole business of the company. For that prising should be the place where accountants and marketers "meet" in order to build profitable and sustainable solutions, understanding that the pricing decisions affects to both; profit margin through the revenue and sales through the demand.

Very often the objectives in the prising are not clarified sufficiently, which reflects to the chosen methods for prising. When choosing the prising method it's seen vital that the chosen method strives for corporation objectives. Prising can be planned, for instance, in order to gain bigger market share and customer base, or to reinforce company's position in the market. In that case the company can choose the loss leading- method for the short time basis in order to build long term success. Later on, company may hope for profit maximization and choose the cost-plus- method and mark-up prices. Eventually company may use return rate- method and steer the prices to bring returns on investors of the company According to Jobber (2007, 27.) marketing mix is very often criticised from its nature to bypass the customer relationship issues. However, customer relationship can be blended in to the prising solutions. Company may offer certain prices to the certain customers in order build or maintain long term customer relationships. Relationship-methods can be seen as a sacrifice that company makes in order to enjoy the profits, gained through the customer lifetime value, in the long run. (Frow et al 2011, 389 – 392.)

Value based prising and product positioning

Price can be also enhancing the product positioning. Like presented earlier, branding can be used to attract different target groups in terms of product line variations. Similarly pricing should be aimed to reinforce the product line decisions. Because even though price is not the only tangible feature of the service, it is the major one and has impact on the brand image that company is persuading. As said before, the depth of the product line was depending on the

patters in customer requirements. As well company can use the price range, matching the prices with the requirements by setting the highest and lowest prices for the consumer to see. In valued based prising the focus is on the amount of value that the product entails. More value is delivered the higher the price can be (Frow et al 2011, 288.)

4.3 Place

"Place refers to the processes which link together to deliver the product to the targeted consumers" (Morrison 2007, 47)

Place is a special element of the marketing mix, especially when the product is a service. The place element covers the whole service environment. It assembles the physical evidences together for the customer and works as scenery for the whole service process, where the people have their own role to play. In the service environment the process is experienced through the technical and functional dimensions. Technical dimension refers to 'what' is concretely delivered to the customer during the process, and functional dimension refers to 'how' the delivering takes place (Gilmore 2007, 12, 14.) According to Gröönroos (2007, 81): "moment of truth" occurs when the quality, created by of the technical and functional outcome, reach the customer in the service environment. The concept refers to the company's "opportunity to demonstrate to the customers the quality of its services".

Accessibility and quality

Accessibility is one of the factors that affect on the service quality. The way how a customer gets access to the services has influence to the perceived quality. Location, opening hours and operational systems should be planned to enhance accessibility (Gröönroos 2007, 90). It is important that the service company is ease to approach and the service is available when needed. All the communication systems, such as company's e-mail, service phones, and also

all other distribution channels, such as intermediaries etc. are all part of the functional dimension of the service (Gilmore 2007, 14).

Today the development in IT systems has brought new opportunities to the service processes. The systems have enabled the customer to access the services very quickly. Also different kinds of reservation systems have offered solutions to the perishability issues, when the demand can be adjusted more efficiently (Gröönroos 2007, 90, 191).

Inseparability and sacrifices

Due the inseparability characteristic of the service the production and consumption of the service happens at the same time. It also very often causes that the customer need to travel to the certain place in order to use the service (Gilmore 2007, 11). Although the price is the major part of the sacrifice that customer pays when being a customer, there are also other factors, such as time and energy, involved on the sacrifices (Jobber 2007, 15). Like mentioned earlier, customer perceived value was the difference between of benefits perceived and sacrifices given. If a company could develop solutions that enhance customer's journey to the service point, would it mean that the sacrifice would be smaller and the percievd value would increase? From the prising point of view, would this mean that greater value could enable greater prices? Could this affect also on the product line decisions?

4.4 Promotion

"Promotion refers to all the means whereby the company communicate with consumers, encouraging them to buy the product" (Morrison 2006, 47).

 The promotion part of the marketing mix is tied to product features, meaning that there is no tangible product to promote when the product is a service. This raises the image to the very important position in promotion. Due the fact that

the service cannot be stored the promotion message should be aimed not only to spread the demand but also to create it. (Gilmore 2003, 12.)

Promotion components

Promotion can be divided to six major components/ promotion tools; advertising, personal selling, direct marketing, internet promotion, sales promotion, publicity. Which components are suitably for the company depends on the company's audience (target group) and resources. Every component has own strength and weaknesses. When selecting the right tool for the promotion the company should think about, along with the resources, market size and concentration, also customer's information needs and product characteristics (Jobber, 2007, 498.)

Impersonal communication

Advertising can be very effective way, when sending messages to the large audience. It can be aimed to build the brand awareness and sales. However, advertising is often impersonal and does not take place in interaction between the buyer and seller. Advertising, such as TV ad, can be very expensive and requires certain resources from the company. It's also an inflexible way to communicate and does not embrace relationship building between the buyer and seller. Internet promotion is seen as very cost-efficient and offer various benefits. Website may enable wider audience, visitor measurement and direct purchasing. It also facilitate consumer's information search and helps the company to shape the information quickly and cheaply. Internet promotion is also impersonal, and it calls for the approach from the consumers behalf. Sales promotion is connected to the prising methods. Discounts can used to gain sort-term sales-peak, but the lavish use of the method may hurt the brand in the long run (Jobber 2007, 498 – 499.)

Personal communication

The benefits of direct marketing are that the promotion can be personalised and the results of the promotion can be measured in the short run. Direct marketing

facilitates also relationship building, especially when the contacts are periodically. One advantage of the direct marketing, compared to advertising, is that the message is not visible for competitors. Messages are very often persuading to make a purchase. If the messages are not targeted well in terms that the receiver doesn't want to be promoted, it can cause customer annoyance (Jobber 2007, 499). When the market is small and concentrated and/ or the product needs to be explained thoroughly for the customer, the personal selling may be the best tool to use. In personal selling the buyer and seller interact and communication flow stream both ways, enabling the questions and answers to follow each other. Personal selling is adaptable and the seller can make the promotion to meet the different needs depending on the audience. (Jobber 2007, 489-499.)

Sales techniques in communication

One very traditional and perhaps a little bit old-fashion technique called AIDA may serve marketers still today. The name comes from the certain pattern of actions that have to be evoked in order to make a sale. These actions are called Attraction, Interest, Desire and Action. AIDA refers that promotion should be planned to attract the consumer and evoke his/her interest for the product in the away that it makes him/her to desire it and in the end takes actions to get it (Jobber 2007). AIDA has been used often in advertising, but it can be adapted to many sale situations (Tasso 2003, 132 - 133).

According to Gilmore (2003, 15) the customer communication should include educative contexts. The communication should educate customers of what the offering holds in and how it can solve customers' problems, if they decide to participate in the service. Frow et al (2011, 239) support Gilmore's statement by revealing that the success of many companies arise from the effective communication of the benefit that customer gets form his/her participation.

FAB-technique can be used for educative communication. The name comes from the words Features, Advantages and Benefits. Features refer to product characteristics, and with Advantages the sales person should explain the

abilities of the product according to its features. Benefits represent the value that the customer can experience through the abilities of the product. (Tasso 2003, 135 -136.)

Publicity and word of mouth

Publicity as a promotion means all the communication flow about the company and its business that streams to the consumer's awareness without that the company has to carry out direct payments for it. In publicity the actual promoter is a third party, such as newspapers, tabloids or some other media. It has ability to send messages to large audience. The negative aspect in the publicity is that it can be uncontrollable. It may release messages that can harm the business. On the other hand it may work also other way around. Third party has a very credible role as a messenger (Jobber 489–499.) According to Gröönroos (2007, 308) the word of mouth has a huge affect on company's reputation. Its role as a promoting communication is often bigger than the communication that company has planned for the consumers. With the word of mouth Gröönroos means the: "*messages about the organization, its creditability and trustworthiness, its way of operating, its goods and services and so on communicated from one person to another*"

Very often consumer, who are regular users of the company's products, emphasise the value that they have perceived when telling about their experiences to the others. For the new potential customer the positive message, the good word of mouth, may work as an encouragement when they are thinking about using company's products. Company may use references in order to capitalise the good worth of mouth. (Gröönroos 308 - 309.) Two factors that affect on the quality of the service are creditability and trustworthiness (Gröönroos 2007, 90). Thus the references are not just good word of mouth, but also the messages for the consumer about the quality of the service.

5 GLOSERY

Synthesis

In the empirical part of my research, which is not published in this paper, I blended the information that was gained through the data collection to the Swot analysis and Marketing mix. This way I was enable to build my own suggestions about the marketing planning and product development of Turku Air.

The following conclusions that are presented below are not related to the actual research results in anyway. They are general instruction, and built to serve any company that find itself from the same situation like Turku Air.

5.1 Against the turbulence – destination market-oriented business

It can be possible that the previous success of Turku Air basis on the lack of competition, which has created oligopolistic market environment. It's hard to say if Turku Air has stayed "in the air" due its capabilities to create valuable services, or has it survived because customers haven't had other option. Nevertheless, the same changes in competition, during the 21st century have had a great impact on Turku Air's profitability. In every time the loss and profits have been brought by the same product. This fact should urge, and it has already urged the company to seek other possible buyers and develop new offerings based on their needs and wants.

According to Peter F. Drucker: "*The purpose of a business is to create a customer*" (Swaim 2011, 9). In that light company should be constantly focus on product development and marketing, which should be the two basic functions of the company, in order attract customers to use their offerings. Very often different definitions emphasise the importance of meeting customer's needs. However, the fact is that a need can be fulfilled with the various ways depending on the customer's choice. When there is a choice, customer chooses the one that it wants to use to meet his/her need. The modern marketing activities should also pursue to create demand. It means that the offerings

should not be just something that customer need, but also something that customer wants.

5.2 "All for one and one for all"

Although this old slogan of musketeers can sound a cliché and a little bit naive, it is suitable for any company building a commitment inside and outside of the organisation. The meetings with Turku Air staff revealed that in many cases the sales are depending on the personal human relations of the individuals. This can explain how the company have had customers, even though it has not been promoting its services in the past.

The question is what happens to these customer relationships, when human capital of the organisation faces changes? Does the change in ownership or leadership affect on customers behaviour? I dare to claim that In Turku Air's case it has. For that reason all the employees should be committed to serve and build the brand, and all the customers should be attracted by the brand that company serves.

5.3 "Getting rid of yesterday"

Peter Drucker has stressed that: "*the first step in strategic thinking and planning and developing a vision for the future of the organization must start with getting rid of yesterday.*" In many companies the resources are used to implement the same strategies and visions that are set in the past. Instead of living in the past companies should concentrate on how to use its resources in order to create tomorrow (Swaim 2011, 127).

Rebranding

When a company decides to change the name of the brand, the act is recognised as rebranding. Rebranding can take place in product level and

organisational level. It means that rebranding can concern the changes in particular brand in product line or entire name of the company. it goes without saying that rebranding can be risky, and decisions if company should do rebranding should be made carefully. Very often rebranding is used in mergers or acquisitions, but it can be also useful act when a company wants to create new image and/ or position in the marketplace, which might nessessary if company's old name evokes, for instance old-fashion or even negative images (Jobber 2007, 346–347.) Even though rebranding is seen to have positive impact on company's sales, there is no ultimate evidence from positive correlation between the sales and name chancing. However, the economical value of the rebranding is more often taking place in terms of investors to whom the rebranding is a message that there are restructuring efforts going on, and the company is planning to move forward (Kalaignanam & Bahadir 2012.)

5.4   Topics for further researching

Although the purpose of this research was to explore the external environment from the demand perspective, I could not stop myself from analysing the Turku Air's internal environment during this process. The organisational changes that the company has gone through could offer an excellent case opportunity someone who liked to explore organisational behaviour. This kind of research could help the company, for instance to improve its company culture, enhancing its possibilities to success.

5.5   Epilogue

I want to thank Turku Air for providing me this great opportunity to look inside of this challenging line of business where it's operating. I feel that the knowledge, skills and abilities gained while doing this work have increased my own competitiveness and evoked my interest toward the industry that has not been in my view so often.

Like mentioned in the beginning, the purpose of this thesis was not to deliver any complete plans or strategies for Turku Air. However, I hope that the knowledge gained through this research, and the thoughts and ideas presented could be used as an introduction, when the company starts to rewrite its future.

6 METHODS

"Research methods refer to systematic, focused and orderly collection of data for purpose of obtaining information from them, to solve/answer our research problems or question" (Ghauri & Gronhaug 2002, 85)

The chosen method

Although my research can be considered to be quite explonatory, due the fact that it tries to find explinations for certain phenomena (Saunders, Lewis & Thornholl 2003, 97), the methods that I have used are quantitative. The use of structured questionnaire for data collection is seen as a quantitative method (Saunders et al 2003, 89). However, because the survey had discripive and explanatory purposes, and was planned to reveal causality between the variables, the method can be seen to back up also qualitative approaching.

6.1   Data Collection

Data collection for this research was implemented by descriptive online-questionnaire, which included 47 questions. Questions were constructed to collect quantitative and qualitative data. During the May 2012 161 companies were contacted by phone. The aim of the phone calls was to find the representative of the company who knew the most about the company's

business travels. With the permission of the person the link for the questionnaire and cover letter were sent via e- mail to him/her. From the 161 representatives ten refused to receive the e-mail. From the 151 representatives 87 responded to the questionnaire. The response rate was then 58 %.

Respondents

The contacted companies represented different industries and company sizes. The companies were from the provinces of Varsinais-Suomi and Satakunta. From the companies, which answered to the survey one was a micro-size company, 28 were small companies, 40 were medium size companies and 17 were big companies.

A company is micro-sized when its annual turnover doesn't over two million Euros and it has less than ten employees. A company is small when its annual turnover is not bigger than ten million Euros and it has less than 50 employees. A company is medium- sized when its annual turnover is not bigger than fifty million and it has less than 250 employees. A company is big when the annual turnover and employee number are bigger than aforesaid. (Euroopan komissio 2003.)

6.2 Questions

Business travels in Scandinavia

Question 1 found out respondent's position in the company, company's annual turnover, number of employees and line of business. The aim of the question was to gather certain background information, which could affect company's business trips and also find out if for example the size of company would predict whether the company is a potential customer for Turku Air. In question 1 it was also attempted to investigate if certain industries would be more likely to use the services of Turku Air. Altogether the question 1 tried to find out if there is a particular segment were the company could target it's marketing and services.

Because in question 1 was also asked in what is the position of the respondent in the company it is possible that after this research the company would know who has the power of making decisions concerning travelling in the companies, who could be the possible influencer or initiator concerning the business travels, and by knowing that Turku Air could also target their marketing for those persons.

Questions 2–9 asked about company's business travels to Scandinavia. Question 2 measured the company's annual travelling frequency to the area. Question 2 was a closed multiple-choice question where respondent could choose one of the fifth frequency alternatives; "never", "1–3", "4–6", "7–9", and "more".

Questions 3–9 were constructed to gather information about company's travel arrangements. In question 3 it was asked how many employees had joined the business trip to Scandinavia. The question was open multiple-choice question, where the respondent could choose several options from the given alternatives; "1–2", "3–4", "5–6" and "more". By giving many alternatives to choose was hoped that respondent could recall and tell the passenger number from several business trips in Scandinavia and not just the one that came up instantly to respondents mind. One purpose of the question 3 was to adjust the respondent to think about company's business trips more closely. Question 4 was an open question. Respondents were asked where the business trips were made in Scandinavia. Question 4 was also an open question. Respondents were asked what kind of route was used during the trip in Scandinavia, and how much time it had taken to travel the route. Speed, flexibility and easiness are the most visible features of the taxi flight services. The question 5 was built to find out if there were long and inflexible routes that companies have used. One purpose of the question was to adjust the respondent to think about the amount of time spent on the journey. The same theme continued in question 6, where were asked what modes of transportation had been used on the trip in Scandinavia. The question was a multiple-choice question where respondent could choose many options from different transportation mode alternatives. This way made it

possible to found out, which transportation modes were used mostly during the trip in Scandinavia. The question 6 aimed also to show how many transportation modes had been used during the one trip. Big amount of modes could be interpreted as a sign of unease and inflexible trip. The aim of the question 6 was also to get the respondent to think about the easiness of the trip. Question 7 was a dual question, where only one option from the alternatives "yes" or "No" could be chosen. Respondents were asked if the traveller/s had had to stay overnight in destination, even though actual business matters had not required that. The question 8 was an open question, and it was an extension for the question 7. In question 8 respondents were asked to clarify the reasons for staying overnight. The purpose of the questions 7 and 8 was to explore company's travel and business arrangements and bring forth the benefits of the taxi flights: makes the homecoming possible within the same day. Question 9 was a closed multiple-choice question where company's travel expenses per person on the business trip in Scandinavia was asked. Respondents were able to choose one option from the given expense alternatives. An alternative "I don't know" was given so that respondent, who didn't know about the expenses, wouldn't give misleading information by guessing the suitable answer.

Business travels in Baltic

Similar questions types than in Scandinavia section were used also in Baltic and domestic business trips sections in questions 10–17 and 20–27. In questions 18 and 19 were asked if companies had business trips to other parts of Europe, and if they had, where the trips had been directed to.

Recreational trips

Questions 28–30 dealt with company's recreational trips. In questions 28 was asked if companies had done recreational trips to Scandinavia, Baltic or they have had domestic trips, where the length of the one-way direction had got over 300 km. The number of participants in the recreation trip was asked in question 29, and the question 30 dealt the transportation modes on the trip. The

questions 29 and 30 were similar to the corresponding questions in the previous sections.

Air cargo

In questions 31–33 the topic was a company's freight. In question 31 (dual question) were asked if the company had airfreight to Scandinavia, Baltic or Finland. In question 32 (dual question) were asked if the company had faced problematic situation/s, which has required fast, within a day organised, airfreight transportation. In question 33 which was an open question respondent was able to tell how the situation was handled. The aim of the questions in the freight section were not only to find out the market potential for the Turku Air's cargo product but also put the respondent to think about the abilities of the taxi flights in certain situations.

Customer experiences

The questions 34–38 investigated the taxi flight experiences of the companies. The aim was to get information about competitors and test and compare their and Turku Air's and the whole business sector's competitive advantage. In question 34 (dual question) was asked if companies had ever used taxi flight services. In question 35 (open question) respondents were asked what service provider the company had used. Question 36 was open multiple-choice question where were asked how the company/respondent had heart about the service provider. The respondent was able to choose many options from the given media alternatives, and if none of the alternatives were suitable, respondent was able to write the suitable answer. The question 37 was a semantic scale question where were represented different claims concerning the service that the company/respondent had experienced. The claims were implementing the main features, abilities and benefits of the taxi flight services. The respondent was able to evaluate the claims by grading them using the scale from 1 to 5, where 1 meant "disagree" and 5 meant "agree". In question 38 (open question) respondent had a possibility to express some other pros or cons about the service with his/her own words.

Attitudes and prejudices

Questions 39–41 measured respondent's attitudes, suggestions and opinions toward taxi flight services. In question 39 (multiple-choice question) respondents were asked to choose from different adjectives according their own opinions toward taxi flight services. The adjectives had both positive and negative impression. Respondents had also able to add their own adjective to the answer. In question 40 (dual question) respondents were asked if they could consider using the taxi flight services in the future. In question 41 was asked if respondents were ready to pay more from the fast and easy travelling than slower and inflexible travelling if it could decrease the length of the business trip remarkably.

Turku Air's offerings

In questions 42–47 the focus was in Turku Air and its products. In question 42 (dual question) respondents were asked if they had ever heard about Turku Air and its services. In question 43 respondents were introduced five trip examples to five different destinations. In each example respondents had to choose from two different trip alternatives, where two variables; the length of time used when travelling the route and the price of the trip differed. The one alternative described the journey with taxi flight, and the other alternative described the same trip with traditional transportation modes. All in all, in examples the taxi flight alternative was faster, but the price level was depending on the amount of passengers on board. In question 44 was asked if respondents knew any destinations in Scandinavia, Baltic or Finland where their company liked to travel quickly and directly, but it hasn't been possible. Respondents were also asked to name the destination. In question 45 (multiple-choice question) respondents were asked which media they would prefer in order to get information about Turku Air and its services. Respondents were able to choose many options from different media alternatives, and write their own answer as well. In question 46 (dual question) was asked if respondents wanted to take part in Turku Air's raffle, where the prize was a taxi flight with half a price. In the question respondents had a chance to leave their contact information. In

question 47 (dual question), where was asked if respondents wanted to receive information about Turku Air's services by e-mail. At the end of the questionnaire respondents were able to comment the topic or questionnaire if they wanted to do so.

6.3 Reliability

It is possible that some of the respondents have understood the questions, which measure amount of passengers (in Scandinavia, Baltic and Finland sections) incorrectly. It's possible that the question has double meaning, which can cause that anwers are given in different understanding, which reflects negatively to conclusions (Ghauri & Grønhaug 2002, 99). One comment revealed that the respondent understood that the question measured the overall amount of employees having business trips (to the mentioned areas). This means that answers where respondent has chosen just one alternative, for instance "5–6", don't necessarily mean that there have been this amount of employees taking part the same trip. However, nothing really indicates that it hasn't happened (except the one respondent) or couldn't happen in the future. Many respondents had understood the question as it was meant.

Not all the companies of the respondents can be considered to be in Varsinais-Suomi or Satakunta, even though they have operations in these regions. Many respondents represented global companies or companies, which have minor operations in the explored areas. Thus, it's possible that the decisions making, concerning company's travel management, does not take place in Varsinais-Suomi or Satakunta. It's also possible that respondents have used different approach for announcing the turnover and employee number of the company. Some of the respondents might have used the figures of the whole company, and some of them have used, for instance, the figures of the branch or the factory where they work. There is also possibility that respondent has given the employee rate of branch, but the turnover of the whole company, or other way

around. Thus, it's possible that there can be errors in company sizes among of some respondents.

The whole questionnaire was built in a very provocative way, which was planned to encourage the respondent to think about the taxi flights. The nature of the questionnaire was educative. However, there is no doubt of if this questionnaire had not been carefully planned for direct marketing. This so called "sponsor factor" can cause suspicion and lead to incorrect answers (Ghauri & Grønhaug 2002, 93). At least one respondent express annoyance because of the promoting nature. However there were also many respondents that expressed positive emotion toward the questionnaire.

According to Ghauri & Grønhaug (2002, 93) the questionnaire format factor, such as the length of the questionnaire, may have inpanct if respondent anwers properly or not. The questionnaire included 47 questions, so the questionnaire can be considered to be quite long. Even though the questions and the structure of the questionnaire were build to be logical, easy and light, one respondent expressed irritation caused by the length. I had told the respondent on phone that the survey can be done within ten minutes to answer the questions, but it had taken more than that.

The questions included options such as "I don't know". Ghauri & Grønhaug (2002, 93) states that these kind of questions should not be used because they give to respondent possibility to "escape" the question. The "I don't know" options was given so that it would prevent respondent from guessing the answer. By doing so was removed the possible factor of unrealistic demand. The factor can occur if a question requires too much knowhow, memory or willingness to be answered (Ghauri & Grønhaug 2002, 98). Very small portion of the respondent choosed the escaping option.

6.4   Data Analysis

The collected data was analysed by using Micrsoft Excel software. Most of the data required modification before it could be use in analysing. Due the open

questions the answers included qualitative and quantitative data. Most of the qualitative data had to be transformed to quantitative so that it could be investigated. In practice this ment that the data collected by open questions was changed to numberic data. This decding made the data more meaningful and enabled its use in tabular and graphical presentations.

Frequency distribution was used throughout the analysis. The use of the method offered insights about data, which would be hard to understand other vice. Both relative and percentage frequency distribution was in use they were demonstrated with graphical tools such as bars and pie charts. Crosstabulation method was used during the analysis in order to summarise tthe data of the variables (questions). Crosstabulation was used to show the frequencies of two variables, and also to find and demonstrate possible relations between the variables.

7 RESULTS

Not published

8 CONCLUSIONS AND RECOMMENDATIONS

Not published

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