Jarmo Vilander

How Leisure Air Transportation Services Can Be Developed in Kainuu Region.

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School of Tourism
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Air transportation is one of the most important means of transportation in the world. In addition it is highly important for Finland in terms of international reachability and developing business possibilities in the country and outside the border lines. Commercial air transportation is further influencer in tourism industry and development, when it comes to in- and outbound tourism.

Qualitative study “How Leisure Air Transportation Services Can Be Developed in Kainuu Region” is concentrating on outbound leisure travelling by the citizens of Kainuu Region. The study presents the core argumentations why the citizens utilize or do not utilize commercial air transportation services for their domestic or international leisure travelling purposes. The argumentations are presented from various perspectives. Furthermore the research considers consumer behaviour and refers to the model of 5 dimensions of involvement. The commissioning parties for the thesis are Estonian Air Ltd and Kainuu Etu Ltd. Those companies are interested to reveal and understand the customers’ attitude towards commercial air transportation in Kainuu Region.

The results of the survey built the base for the suggestion, given in the end of the thesis. This proposal is concentrating on a flight route from Kajaani (KAJ) with en-route stop in Helsinki (HEL) to Tallinn (TLL). Different consumer segments on various geographic markets would be served with this flight route. On the one hand it is supporting the development of outbound leisure air transportation in Kainuu Region. On the other hand the general progress of commercial air transportation in Kainuu Region is encouraged.
The thesis “How Leisure Air Transportation Services Can Be Develop in Kainuu Region” is focusing on the understanding of the consumer’s utilization of commercial air transportation services. The research was conducted in Kainuu Region, Finland. As it is known that leisure travellers are one of the broadest consumer segments in the industry of commercial air transportation, the research subject is concentrating on the outbound leisure travelling among the citizens of Kainuu Region.

In this study qualitative research method was used. However, the examination further includes features of quantitative research method. The core of the study is the analysis of the research results through theoretical frameworks such as consumer behaviour model and 5 dimensions of involvement. After examining and determining the results of the study, the consumer behaviour can be deduced.

The primarily aim of the study is to support the overall development of commercial air transportation in the region. In the context of outbound leisure travelling, the research gives a broader view and provides data regarding consumer behaviour.

I’m willing to direct my special gratitude for Ms. Anni Yli-Lonttinen (Kainuun Etu Ltd.), Mr. Sven Kukemelk (Estonian Air Ltd.) and Mr. Peter Stricker. They have been supporting the thesis process and made it possible.

Dedicated to the memory of special friendship and the wings for the future.
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1 INTRODUCTION

Flying and aviation have been always inspiring and fascinating human beings since its very beginning. One of the reasons might be that it is not natural mode of transportation for human beings. The thesis researcher belongs to this group of people, who sees something more in aviation and it not just a “mode of transportation”. The high intrinsic interest towards aviation and air transportation is one of the reasons for the selection of the subject. It is hoped that this interest is conducted to the reader throughout of the study.

Kainuu Region in Finland has always been ambitious to cultivate itself. Since several decades, Kainuu has been one of the Finland’s leading tourism destinations on national but also on international level. Although tourism industry has been successful within this region, it is tried to improve its development strategy. Commercial air transportation has been one of the key factors of international tourism in Kainuu on the one hand and in transportation reachability of the Region on the other hand. This made transportation of people and goods feasible. On that way, the development of the region has been possible in several fields of business in the modern world.

Consequently the purpose of this thesis is to find ways how to develop and improve the air transportations services in the Kainuu Region. Therefore, travelling habits of consumers in this certain area are reflected and analysed. This is achieved by comparing the results with the models of consumer behaviour and 5 dimensions of involvement. Furthermore, various studies and articles are used to obtain an overview of the current situation.
2 THEORETICAL BACKGROUND

The chapter regarding theoretical background is concentrating to the theory of the study. It includes presentations of definitions, current state of commercial aviation in Finland and the theoretical frameworks and reflection background. The most crucial for the sake of the study, is the theoretical frameworks and reflection background. Previously mentioned theories are supporting the research by providing core theories for the understanding of the consumer behaviour.

2.1 Definitions in Brief

The definitions are the base for a proper discussion regarding the specific subject. Definitions bring certain professionalism and dedication for the subject that has been discussed. In this chapter, the main definitions of the study are defined in brief.

Leisure travelling

The definition of “leisure travelling” is tightly related to an individual’s working routines and to the time that is consumed off from the work and work routines. The word “leisure” refers directly to free time from work and duties (Britannica 2012). Being aware of the direct classification of “leisure”, the definition “leisure travelling” can be defined as the travelling that individual performs on his leisure time.

Commercial aviation (commercial air transportation)

The term “commercial aviation” is referred to aviation in general that is conducted in commercial basis. Practically that means excluding military- and avocational aviation from the aviation in general. According to Wensween (2008), these types of aviations are passenger- and freight transporting, commuter use of air transportation and rental use of aircrafts. Within the thesis, the synonym “commercial air transportation” is used, when commercial aviation is discussed. (Wensween 2008, 256).
Consumer behavior

The concept of consumer behavior is explained on broader perspective in the chapter that presents theoretical frameworks, but is crucial to understand the phenomenon of consumer behavior. The argumentation for that is the consumer centralized research subject.

In depth, definition of consumer behavior includes a three (3) staged process. The individual has cognition, affect and conation that are interacting with each other. When the previously mentioned process is the base for consumer behavior, personal and environmental factors are inserted into this process and it creates consumer behavior (Blythe 2008). This behavior leads people to obtain, consume and dispose of products and services (Blythe 2008. Cited: Blackwell, Miniard and Engle 2001, 6).

Consumer

A consumer as a definition has strong relation into benefitting of certain products or services (Blythe 2008). According to the previously description of a consumer, it is a universal definition. Furthermore, it can be applied to several industries and service sectors that are offering their products and services.

In the report, a consumer is understood as an individual, who is willing to benefit from commercial air transportation services. Making the previously mentioned more concrete; the consumer is willing to buy flight tickets and in that way benefit from the services and traveling products that are offered.

2.2 Current State of Commercial Air Transportation in Finland

Commercial aviation has a strong position in Finland at the moment. Although during past few years it has had certain image and operational problems in which consumers (business- and leisure travellers) have been the suffering stakeholders. In Finland, the commercial aviation has strengthened and the travelling possibilities expanded, from the researcher’s point of view. The researcher perceives that the main cause for the volatility of the industry has been a part of global economic crisis. It has penetrated world’s aviation industry thoroughly
and there are only few places, where it has not had its effect. One portion of this recession has been the increasing fuel costs due the raise of oil price. Therefore, the aviation industry has been (and still is) suffering for the reason that the main part of airline’s operational costs are consisting of fuel costs. The fuel costs can vary mainly from 20 to 30 per cent per available seat mile (ASM) (Vasigh, Flemings, Tacker 2008). When we are aware of the fact that the major part of airline’s cost structure consist of fuel costs, the impact of increasing flight kerosene prices can be comprised.

To be mentioned, Finland’s flag carrier Finnair Ltd. has also being affected by the increasing fuel costs and it has made it to re-evaluate its operations. As a result of the re-evaluation, the changes have affected into Finland’s domestic commercial aviation. Finnair has had always strong image in Finland, but as a result of difficulties in the markets, its brand value has decreased significantly. It has been proved by a brand image research (Kauppalehti 2012). The research was conducted by YouGov market research company and it was established in Kauppalehti at the beginning of 2012.

From a personal view, the researcher states that the main influencers for domestic commercial aviation of Finland are following three(3) stakeholders:

- Finavia
- Ministry of Transport and Communication
- Finnair

The argumentation for mentioned view is their strong positions in the decision making and influencing to the markets of commercial aviation. Finavia is the operator of all airports in Finland. Ministry of Transport and Communication is regulating the domestic market. Moreover, Finnair has the biggest share of domestic market directly or via alliance with Flybe (Finnair 2012). The mentioned stakeholders are influencing to the development and current state of Finland’s domestic aviation because they are presenting the highest decision making power after consumers in domestic markets.

Regarding the input of Ministry of Transport and Communication for domestic transportation markets, it is able to affect not only to the air transportation, but also other means of transportation. The train-, bus- and passenger car as means of transportation are under its
regulations. The various means of transportation are “discussing” together regarding their market shares and positioning in the big picture of domestic markets. From the following table can be seen the distribution of different means of transportation for domestic travelling. For a reference, the time frame May-August 2012 is presented.

<table>
<thead>
<tr>
<th></th>
<th>Leisure</th>
<th></th>
<th>Business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trips 5-8/2012</td>
<td>Share</td>
<td>Trips 5-8/2012</td>
<td>Share</td>
</tr>
<tr>
<td>Passenger car</td>
<td>1,000</td>
<td>%</td>
<td>1,000</td>
<td>%</td>
</tr>
<tr>
<td>Coach</td>
<td>11,728</td>
<td>100</td>
<td>11,638</td>
<td>100</td>
</tr>
<tr>
<td>Train</td>
<td>9,556</td>
<td>81</td>
<td>745</td>
<td>70</td>
</tr>
<tr>
<td>Aeroplane</td>
<td>516</td>
<td>4</td>
<td>69</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>1,134</td>
<td>10</td>
<td>147</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>140</td>
<td>1</td>
<td>81</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>384</td>
<td>3</td>
<td>.</td>
<td>.</td>
</tr>
</tbody>
</table>

(Finnish Travel, Statistics Finland)

Chart 1; Means of Transportation Used on Domestic Trips, May-August 2012

According the ministry of Transport and Communication, the passenger car is the most dominant in both leisure- and business travelling sectors. When the passenger car is the most dominant, air transportation is the mean of transportation that is significantly considered as a minority with 1 per cent in leisure- and 8 per cent business travelling. These figures are also having their impact into the development of domestic air transportation markets. The comparison with the other means of transportation on different regions leads to certain developmental processes or changes in the domestic commercial air transportation markets.

2.2.1 Airports as Tools of Commercial Aviation in Finland

Finland’s airports can be basically divided into two different categories:

- Regional airports
- Airports that are under utilization of military- and/or avocation aviation
The airports are distributed all around Finland for commercial purposes. The northernmost is located in Ivalo (68°36'26"N; 27°24'19"E) and the southernmost in Mariehamn, Åland Islands (60°07'20"N; 19°53'53"E). As a whole the number of airports that are in operation is 25. The most noticeable is Helsinki-Vantaa (IATA 2012: HEL; 60°19'02"N; 24°57'48"E) due to several indicators; the size of the airport area and passenger flow of approximately 15 million in the year 2011 (Finavia 2012) etc.

2.2.2 Passenger Traffic Through The Airports in Finland

As revealed in the previous chapter, there are 25 operational airports in Finland and those are distributed all around Finland. The main task of the airports is to serve passenger traffic and besides that, freight traffic. The most important of mentioned two is the passenger traffic. The following graphs present (Chart 2) the number of travellers on eight airports in Finland and the number of travellers in the airport of Kajaani and overall development of passenger traffic in Finavia’s airports (Figure 1):

<table>
<thead>
<tr>
<th>Airport</th>
<th>Domestic Passengers</th>
<th>International Passengers</th>
<th>Total Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helsinki</td>
<td>2,659,867</td>
<td>6,977</td>
<td>2,707,044</td>
</tr>
<tr>
<td>Oulu</td>
<td>869,432</td>
<td>873</td>
<td>870,629</td>
</tr>
<tr>
<td>Tampere</td>
<td>309,16</td>
<td>109</td>
<td>319,909</td>
</tr>
<tr>
<td>Rovaniemi</td>
<td>329,742</td>
<td>247</td>
<td>329,990</td>
</tr>
<tr>
<td>Turku</td>
<td>111,816</td>
<td>5,018</td>
<td>116,831</td>
</tr>
<tr>
<td>Vaasa</td>
<td>225,473</td>
<td>1,458</td>
<td>226,931</td>
</tr>
<tr>
<td>Kupio</td>
<td>243,830</td>
<td>830</td>
<td>244,672</td>
</tr>
<tr>
<td>Kajaani</td>
<td>105,640</td>
<td>844</td>
<td>107,484</td>
</tr>
</tbody>
</table>

(Finavia 2012)

Chart 2; Passenger Traffic by Airport 2011
When the passenger traffic from the year 2005 is compared with 2011, there can be seen certain fluctuation in the total number of passengers. As presented, the volatility of airline business can be seen from the graphs. In the years of 2009 and 2010 the number of passengers decreased by -8 per cent (2009). In the next year the development of number of passengers was not noticeably high with 2 per cent (2010). The reason for such variations was the global economic crisis that took place on mentioned years. The economic crisis is a perfect example how global issues can affect to the airline business. Penetrating further the example, the crisis is generally affecting on two (2) stakeholders in commercial aviation business; (1) airlines’ profits and (2) expenditures of consumers. Mentioned issues are in tight relation and a major change on one of the stakeholders is immediately seen in the other. In the mentioned case, these changes can be seen in the development of commercial aviation in Finland. A certain quantity of passengers is coming from the other areas than Southern Finland, when the fluctuations and impacts of global events can be seen on the regional airports. On that way it affects to the businesses of airlines that are operating on domestic routes. In the case of Finland, such airlines are Flybe and Norwegian and their operations on national markets.

(Finavia 2012)
2.2.3 Freight Traffic at The Airports in Finland

Besides passenger traffic, annually the airports are handling freight for more than a hundred tons (Finavia 2012). Freight might include mail, spare parts and raw materials for different businesses and industries etc. From the following graph, the amount of freight and distribution among domestic and international freight in Finland will be perceived:

(Finavia 2012)

Figure 2; Air Transported Freight and Mail in Finland 2002-2011

From the chart can be seen that the quantity of freight has increased at the year of 2011 since the beginning of the century. This matter states (besides the fact that air transportation of freight has become more common way for transporting goods) that the development of air transportation has advanced also in the markets of freight transportation. This very development is affecting to the market of passenger transportation. The argumentation for that is the airlines might be more willing to increase the number of flights to certain regional airports to be able to carry out better freight transportation services. But it has to be kept in mind that previously mentioned scene is secondary reason for increasing the number of domestic flights. The primary income of airlines’ comes from passenger transportation, not freight transportation. Although it has been discussed that the positive progression of freight transportation compared to passenger transportation might turn airlines from “passenger-
driven” income structure into “freight-driven” income structure. That means simply the airlines would receive their main profits out of freight, not from passenger transportation (Wensseen 2007).

2.3 Theoretical Frameworks and Reflection Background

This chapter will give an in-depth clarification of the theoretical frameworks and backgrounds that are utilized for the thesis study. In the context of the study, following theoretical frameworks and backgrounds are utilized:

Theoretical framework

- Consumer behavior
- Dimensions of consumer involvement

Theoretical background

- Air Transport Clearance of Kainuu (Kainuu Entrepreneurs 2007, 2011)

The academic study is referring to mentioned theoretical frameworks and backgrounds when it is able to state proofed argumentations for the outcomes of the study.

Basically, the researcher is conducting a market research that is concentrating on the current state of outbound leisure travelling in Kainuu Region and how it can be developed. The main goal of mentioned developments is to provide better commercial air transportation services for the region. In that way to make the citizens to utilize the air transportation services for their leisure travelling on a broader scale. The two (2) stated issues are supporting each other; when the utilization level of commercial air transportation can be raised; there will be better travelling possibilities for consumers in leisure- and business consumer segment. As a side effect of mentioned development, the inbound reachability of Kainuu Region will be advanced. That progress will be beneficial for tourism service providers in the region. The previously mentioned matter is not under the thesis.
As mentioned in the previous paragraph, the thesis study is a market research. The study will inspect behavior of consumers in the region in terms of their leisure travelling habits (“consuming habits”) and consumer involvement in the context of commercial air transportation. The survey outcomes are also reflected to statistical information that is collected by Kainuu Entrepreneurs. The survey, Air Transport Clearance of Kainuu (2011), is concentrating on travelling habits of local entrepreneurs and businesses in terms of business travelling. An issue that must be mentioned in the context of Kainuu Entrepreneur’s Air Transportation Clearance is, although the clearance is concentrating on business travelling, a part of the quantitative survey was for open comments and suggestions. These open comments and suggestions can be applied for leisure travelling. That has been the reason, why mentioned Clearance has been taken as a part of the theoretical background of the study.

2.3.1 Consumer Behavior

The following model by Hayden (2009) explains the consumer framework and its different factors that are affecting consumer behavior.

The concept of consumer behavior can be defined in the following way: “The study of consumer behavior examines the products and services consumers buy and how these purchases influence their daily lifes” (Hayden 2009). As Hayden states, the consumer behavior is about purchasing a product or service and how it affects daily life of an individual consumer. This issue can be understood clearly according to the model of consumer behavior.

When the model of consumer behavior is opened, it consists of three (3) main processes; external- and internal processes and post-decision processes. All these processes are parts of consumer’s behavior and factors that have the power to influence to purchasing decisions. As it can be seen, various parts of the model are related on certain volume into marketing-, cultural-, socio-economical- and psychological issues, just to name few. (Hayden 2009)
External influences

**Firm’s marketing efforts**
- Product
- Price
- Place
- Promotion

**Consumer’s culture**
- Religion
- Reference groups
- Social class
- Ethnicity

Internal processes

**Psychological processes**
- Motivation
- Perception
- Attitudes
- Knowledge

**Decision making**
- Problem recognition
- Information research
- Judgment
- Decision making

Post-decision processes

- Purchase
- Post-purchase behavior

(Hayden 2009, 15)

Figure 3; Consumer Behavior

External Influences

The first influencers that have an effect on consumer’s behavior according to the model are external factors. This influencer includes two separate categories of factors:

- Firm’s marketing efforts; Product, Place, Price, Promotion (The Four Ps)
- Consumer’s culture; religion, reference groups, social class and ethnicity
When the firm’s marketing efforts are discussed, “The Four Ps” are the key issues how the firms are presenting (marketing) their services and products. The Four P’s give the guidelines for firms how they should conduct their marketing efforts and on that way gain as much as possible awareness among the consumer target groups of their products or services. According to Hayden (2009) “external influences focus on the various factors that impact upon consumers as they identify which need to satisfy and which products and services to use those needs”. The external factors are a part of the linking process, when the need and the demand for certain products and services confronts.

Basically, it can be stated that The Four Ps concentrate on the timing and how services or products are directed into the markets. At the same time, consumer’s culture directs consumers to the certain markets. This process is based on the external factors; i.e. when consumers have needs those might vary according the culture. One of these factors might be reference groups. These sets of close social contacts often direct consumers and customers with socio psychological influences towards certain services and products.

Providing an example; if the reference group that the consumer belongs or wants to belong is a worker in an airport, maybe this individual consumer is also more willing to travel than a sibling, who is working in a local grocery store. The key issue in the given example is the environment of consumer. In what kind of environment he is living, it influences his purchasing behavior. The environment affects a consumer’s decision making that he is willing to travel and is driven by the environment. Of course there might be “overlapping” factors in consumer’s culture that might restrict behavior towards certain services and needs. There can be also more or less dominant factors among the consumer’s culture. It is considered that these overlapping factors are a proof that the theory of cultural factors is present and they certainly have influence into the purchasing decisions of individuals.

Internal Processes

The internal process that is occurring at the moment of consumer’s purchasing decision making, it is purely individual driven process. It is totally depending of consumer’s decisions. The factors that have role in internal processes are following:
Psychological processes; motivation, perception, attitudes, knowledge
Decision making; problem recognition, information search, judgment, decision making

The researcher perceives the internal factors in consumer’s buying behavior are highly interesting. The factors can tell much about the consumer. The reason for this opinion is the psychological processes that the consumer is going through, when he or she is processing the purchasing decision. According these factors, the service providers or product producers are able to notice for example, what other services or product innovations the consumers might need. On that way, the firms are able to answer to the demand that might have not yet even appeared. Previously mentioned issue is purely concentrating on forecasting.

As referred to in previous paragraph; psychological processes of consumers and customers are providing information regarding the habits of them as individuals. These factors include psychological issues such as motivation, perception, attitudes and knowledge. All these factors have effect in consumer’s behavior on their own, unique way; i.e. an individual is performing individually on preferred way. There are also tight relations between psychological factors and firm’s marketing efforts. For example, perception is a factor that includes the assumption and perception–based view regarding the product or service that the consumer is considering or willing to buy. In this factor, the service provider or product producer is able to influence through it’s the Four Ps marketing guidelines. Mentioned situation is a good example regarding the tight relations that the different factors (internal- and external factors) consumer’s buying behavior includes.

Hayden refers in his book, Basics Marketing – Consumer Behavior (2009), that “Internal processes are the psychological factors inherent in each individual”. Hayden’s statement contains crucial fact that must be kept in mind while considering and planning marketing operations. Basically, every consumer and customer has to be considered as an individual that has individual needs and characteristics. Based on this fact, the service providers and product producers must not categorize and generalize their consumers and customers on too rigid manner.
Decision making from the perspective of consumer or customer is a process. The duration of the process depends on the product or service that it is related to. Good examples regarding mentioned issue are the cost–driven factors or the level of need of service or product that is bought. But this process includes stages that are in relations with psychological- and external factors, especially from the firm’s side.

Among mentioned factors on this phase, the most important stage of whole process from the perspective of individual is the problem recognition. On that stage, an individual notice that its existing state differs from the ideal state (Hayden 2009). This recognition is the kick-off reason for the purchasing decision and all the other influencers of consumer behavior – model are affecting to the outcome of this individual recognition.

As mentioned, decision making is a process from the problem recognition, via information search and judgment to making the decision itself. Through this process, individual consumer or customer becomes more aware of the problem at the state of existence and is seeking the parts for the solution. The solution itself for the problem is the service or product that is purchased. On this step we are able to see several connections from the other influencers and factors to the current stage of consumer behavior. For example, with right marketing operations (the Four Ps), the firms are able to affect to information search that the individual conducts, psychological factors of individual. These factors are affecting to the duration of the process as a whole and reference groups might have effect over the information search process and the purchasing decision. The decision making stage can be stated to be the “crystallization” of all the factors that are influencing consumer behavior.

Post-Decision Process

This process is the last stage of consumer buying behavior and it comprises of two (2) stages:

- Purchase
- Post-purchase behavior
The most important issue at the stage of post-decision process is the post-purchase behavior after the purchase of the service or product itself. Post-purchase behavior can be stated to be the “feedback” for the firm how it has managed with its marketing actions towards its customers and consumers. The main issue at this stage is following; the consumer or customer is willing to come back to the firm and purchase again in the future. This decision from the individual can be interpreted as a “feedback” for the firm of its operations and services or products that are supplied.

According Hayden (2009), the most important question on this stage is the question regarding consumer or customer’s satisfaction, i.e. is the individual satisfied with supplied service or produced product? The answer to mentioned question presents the level of satisfaction that the firm has managed to perform for the consumer or customer in the form of tangible product or intangible service. To make mentioned situation more simple: is the need satisfied or not?

2.3.2 Dimensions of Involvement

The dimensions of involvement are crucial part of consumer behavior. According the five factors the consumer behavior can be examined and the reasons behind consumer behavior in the future can be understood.

The framework of dimensions of involvement was cited by Blythe in his book Consumer Behavior (2008), but it was developed by Laurent and Kapferer in 1985 and it is visualized according following model:
Involvement

Involvement is the core issue in the framework. The involvement presents the present state of the relationship between the consumer and service or product that is being consumed. Basically, the framework provides a view into the relation that a consumer or customer has towards the product and what are the categorized features that the consumer receives through from the product or service. (Blythe 2008.)

The researcher perceives that the consumer involvement can be benefitted from the supplier side as a tool for forecasting the future. The reason, why a term “future” was presented is simple; the product- or service supplier is willing to promote involvement for the consumer in its product or services that are offered into certain markets.

A good example regarding involvement can be presented from the thesis; airlines are willing to involve and create a relationship through the factors of involvement that the consumer would come back for the offered services and products. For example, offering dense route networks and punctual schedules, the airlines are able to create consumer relationships and make them long-term relationships.
Risk Importance

According Laurent and Kapferer’s framework (1985), the risk importance dimension is presenting the probability of negative consequences that the consumer sees while making purchasing decision the product or service (Blythe 2008). This dimension can be in the context of airline business as simple as the certainty of delayed flight. If the consumer experiences that he or she might be late from the connection flight to his or her vacation destination, this matter has effect into decision making.

Sign Value

The dimension that is being discussed, presents the features that the consumer receives through the product or service. The matter is highly related to the culture where the consumer is living and to the personal characteristics that the consumer owns. In every culture different matters are appreciated and evaluated on their own way and every person has own values regarding surrounding matters.

A good example regarding this dimension is the value that a consumer sees in the air transportation as a mean of transportation. This dimension might vary from high appreciation to ignorance of air transportation for leisure traveling and it might have also effect to the level of utilization of commercial air transportation.

Probability of Making A Bad Purchase

The mentioned dimension explains how a consumer or customer sees the probability of making a bad purchase while executing the purchase decision. As it can be noticed, the dimension is highly-related to the moment of decision making and has also influences from economic factors. (Blythe 2008)

When consumer is processing the decision of purchasing flight tickets, the overall picture about reliability of an airline might have influence to the probability of making a bad pur-
chase. Previously explained is an example that refers to the picture that the airline has managed to create for consumers and consumer segments.

Personal Interest

The personal interest towards the product or service that is offered affects also to the involvement. The personal interest is mainly intrinsic factor that has role in decision making. The dimension presents the interests of an individual and that way has a role in the purchase decision making because it is quite clear that consumer’s interests have major role in decision making process as a directing –factor of consumer’s decision making process. (Blythe 2008)

Mentioned dimension of involvement can be explained through example from leisure travelling. When a consumer has strong background for some activity, it is more willing to buy flight tickets to the destinations, where it can practice that activity that belongs to consumer’s interests.

Pleasure Value

The pleasure dimension has the same common feature as the previously mentioned, it is highly intrinsic dimension. The pleasure value presents the pleasure that the individual receives out of the product or service that is purchased. (Blythe 2008).

This very factor is highly individual dependent factor that varies among individual consumers and customers. The basic reason for the mentioned variety is that every individual is unique persons and has more or less different needs. Although every individual has different needs, the individuals can be divided into certain segments based on some common feature or features.
2.3.3 Air Transport Clearance of Kainuu (2011)

Commercial air transportation has major role for Kainuu as a mean of transportation and through its presence in the region. Through reachability that can be conducted through commercial air transportation, Kainuu Region can be connected into a major network of commercial aviation. In that way the region can be connected to Scandinavia, the Baltic countries, Europe and other parts of the world. From researcher’s personal perspective, the existing air connections build also the self-esteem for a remote region.

Being aware of the issue with utilization and its features in the context of the state of Kainuu’s commercial air transportation, Kainuu Entrepreneurs conducted broad investigation concentrating on its present state and future scenarios. The research was conducted 2007 and the follow-up stage was accomplished 2011. The study was directed to the members of Kainuu Entrepreneurs and it was concentrating on business travelling and how the entrepreneurs see the state of commercial aviation in the region for their travelling purposes. The research was based on quantitative research methods, but it includes also qualitative data.

For the thesis study and evaluating its research, the Air Transport Clearance is utilized. More closely, the open (qualitative) answers are considered to reflect the outcomes of thesis study (qualitative research) and on that way the outcomes gain more arguments and support. Although the target groups and concentration of the researches are different in terms of consumer segments, there are similarities that can be applied for both consumer segments. At this part of thesis, the results of open questions are considered.

Content of Survey

The main part of the Air Transport Clearance of Kainuu (2011) is concentrating on the needs of the businesses that are utilizing air transportation possibilities. The survey includes questions regarding the quantity of business trips (domestic and international) annually, which airports the businesses are utilizing for travelling, which means of transportation the
businesses are utilizing and the development of need of travelling for business purposes (Kainuu Entrepreneurs 2011).

For the sake of thesis, the most significant ones are the open answers (comments) regarding commercial air transportation in Kainuu Region. The comments in the context of the topic are categorized into following categories:

- New operators
- Price level on the flights of Kajaani
- Frequency of flights
- Problematic issues with Flybe
- The connections to the airport

Within mentioned categories of open comments lie several issues that can be applied and brought up in a relation to leisure travelling. Good examples are the frequency of flights and price level on the flights that can support the findings of thesis study and help to understand the consumer behavior in the context of outbound leisure travelling.
3 RESEARCH METHODOLOGY

When the theoretical background has been observed in the context of thesis, the research methodology can be explained and tied to the subject that has been studied. On this way, the chapter will supplement the theoretical background by referring to research methods in practice. Therefore the research process is portrayed from the research position to analysis procedures.

3.1 Hypotheses

Hypotheses are part of academic study. In the context of thesis, the researcher sets hypothesis regarding the outcomes of its research. The main characteristic of hypothesis is to provide researcher’s own views and opinions concerning the state of commercial air transportation in Kajaani and to compare those with research results.

Hypothesis #1

Passenger car and train transportation are the most dominant means of transportation among the survey respondents.

Based on researcher’s specialized knowledge and experience, the citizens of Kainuu Region favor both a passenger car as well as a train as a prior mean of transportation for their leisure travelling. This assumption is related to hypothesis #2 (the high price level of flight tickets) and the common impression that the most of leisure trips are done domestically by Kainuu citizens.

Hypothesis #2

The high price level of flight tickets is the most common reason for refusal to utilize commercial air transportation for leisure travelling.

Hypothesis #2 occurs from two (2) different reasons: (1) travelling in Finland is commonly expensive and (2) respondents are mostly travelling with their families when transportation
costs exceed the budget. Both reasons are based on researcher’s common impression concentrating on the travelling habits in Kainuu Region and Finland.

**Hypothesis #3**

Most of the respondents perceive that socio-cultural influences have effect on the travelling habits of respondents.

Socio-cultural issues are based on certain scale into socio-psychology of human beings and cultural factors that together have impact on the individual’s behavior (Encyclopedia Britannica 2012). The researcher believes that the influence of environment (other individuals) has determination power over choices of decision maker (the individual, who is willing to travel). Furthermore this influence has impact on individual's behavior (the issues that are related into travelling decision).

However, it needs to be stated that this thesis is not emphasizing on the accuracy of the mentioned hypothesis. It should only give the reader an extra vision and dimension for the research. The validity of hypotheses is provided in chapter 4.11.

### 3.2 Research Position

Commercial aviation as an industry has been within past two-three decades extremely fluctuating and a demanding field of businesses according its profits world-wide (Vasigh, Fleming and Tacker 2008, Figure 1.1, 2). This field of business demands noticeable amount of data and expertise specialized in consumer markets, technical applications of aircrafts and individuals market’s governmental regulations. The “key pillars” of success in the markets in commercial aviation, and also in other industries, are the level of market expertise and – knowledge of each operator in the market. One way how to understand and gain data regarding of the markets and their present structure is market research. When comparing qualitative and quantitative market research methods, it can be noted that the first one is more likely to gather data from smaller sample of individuals and the analysis are rather focused on subjective-based and interpretation (McDaniel, Gates 2001, 109).
According to McDaniel and Gates (2001), qualitative research is the best way to understand the motivations and feelings of consumers. Further consumers are able to present verbally their own views and feeling concerning an examined subject. The verbal views and feelings create the picture of the current state of commercial aviation in Kainuu Region and how consumers perceive the current state.

In order to point out the benefits of the qualitative research McDaniel and Gates view will be brought in. They state that this certain method of research is:

- Less expensive than quantitative research
- The best way to investigate in-depth the motivations and feelings of consumers
- Able to improve the efficiency of quantitative research

Due to the previously mentioned reasons the qualitative research method was chosen for this thesis study. The researcher is highly interested in in-depth –perspective regarding consumers’ motivations towards commercial transportation. Not only the leisure travelling habits in Kainuu Region are displayed through this thesis, but also the question, why citizens are using air transportation possibilities.

Referring to “in-depth” –perspective, McDaniel and Gates (2001) define the high utilization of surveys for market research based on three (3) key aspects:

- The need to know why
- The need to know how
- The need to know who

These three (3) main needs for collecting data of markets are the base for the thesis research.

The study includes the need for “why”, which is referring to research problem. “How” is referring to consumer based view; i.e. how a consumer is making the purchasing decision. The last one, “who”, refers to knowledge about the consumers; i.e. who is the consumer – from lifestyle- and demographic perspective (McDaniel, Gates 2001, 173).
While carrying out the survey distribution –phase, the researcher was aware of one of the major threats of the success of mentioned thesis study. However, McDaniel and Gates (2001, 111) add that research methods can also be related to some difficulties. For instance, the quality of answers and is the research population vast enough that academic conclusions and suggestions can be stated. Regarding the problem of optimal respondent sampling, one of the “corner stones” is to be aware of consumer orientation. McDaniel and Gates (2001, 4) define “consumer orientation” as “striving to identify the people or firms that are the most likely to buy a product”. How to choose the consumers from a major population that are likely to purchase the product or service, which markets are being researched?

The market research was targeted and conducted in Kainuu Region, Finland. Due to the history of commercial aviation and the level of its success in the region, it is crucial to gather research data concentrating on the state of commercial aviation and how it can be developed. The main aim of development is to raise the utilization level of commercial air transportation and thus improve the reachability regarding out- and inbound travelling. However, the thesis study was concentrating only on outbound leisure travelling and does not in-depth investigate inbound leisure travelling.

The logical reasons for the thesis research are followed:

- To understand better the state of commercial aviation in Kainuu Region
- To develop beneficial air transportation possibilities for the region outbound and inbound leisure travelling
- To increase the air reachability of Kainuu Region

As mentioned the overall state of commercial aviation in Kajaani and whole Kainuu Region has been fluctuating in the past few years. Finnair (and its predecessor Aero Ltd.) has been the main operating airline in Kajaani by transporting passengers and goods since the airport was established in the region 1956 (Hakola 2007). Therefore, Finnair has the longest operating history. Due to the lack of demand, Finnair had to withdraw the Kajaani – Helsinki route in 2011. Nowadays Finnair is operating under Flybe Ltd.

In 2011, Finnair withdrew from flying the Kajaani – Helsinki route and since Finnair’s decision, it has been under the operations of Flybe Ltd. (Kainuun Sanomat 1.3 2012).
Estonian Air Ltd. (EA) established a flight route between Kajaani and Tallinn, Estonia, on 3th of April 2012 (Kainuu Sanomat 31.03 2012) with four (4) flights on a weekly–basis. The last change in the big picture has been the low success of the route and EA withdrew from the route on autumn 2012 (Kainuu Sanomat 20.07 2012).

The thesis study is concentrating on the consumer behavior on a large scale and more closely consumer involvement in the context of outbound leisure travelling by utilizing air transportation. In the light of explained history of commercial air transportation in Kajaani, it is simple to see the research problem where the thesis study is referring to. What are the reasons for the fluctuations from the consumer -level and how the services could be improved?

3.3 Data Collection Procedure

The survey was published on Wednesday 31” of October to the target group and conducted through email. The researcher set up an invitation and sent the link to the survey webpage to the staff of Kajaani University of Applied Sciences. The procedure how the survey was distributed for the staff of Kainuu Etu Ltd. was following; the researcher generated an introduction email message and sent it to Ms. Anni Yli-Lonttinen (Project coordinator, Kainuu Etu Ltd.) and with her help, the introduction email with the link to the survey were distributed. As a whole the survey was distributed to two reference groups that consisted of 304 individuals.

Previously explained actions respected one of the main benefits of Internet –based surveys; speed of creation of survey, distribution and data returned (McDaniel, Gates 2001, 191). Mentioned features are in the center of the features of Internet –based research methods.

However one of the disadvantages of Internet –based surveys is the unknown return of samples (McDaniel and Gates 2001, 194). This was tried to avoid by defining the target group according to a specific manner and by distributing the questionnaire only to the two (2) reference groups (target population). This means that the questionnaire was not available to all Internet users but only to the participants of the target groups.
The survey was available to the target group from Thursday 1st till Wednesday 7th of November. However due to the proper amount of responses, the research questionnaire was closed on 5th of November. All in all the research survey gathered 106 responses (the sample) which is 34.9 per cent rate of response. This amount of response is known to be good response rate for qualitative emphasized research survey, where there has not been any earlier connection to the respondents regarding the survey (Oxford Journals 2003).

3.4 Selection of The Respondents

The selection of respondents was done through certain reference groups. This decision was based on practical reasons of execution and the reference groups included individuals who were in the center of consumer profile that has been studied:

- Age of 20-70 years old
- Male or female
- A working consumer

At the beginning of the thesis study process, it was decided to direct the questionnaires to the mentioned critaria. Besides the set criteria, the reference groups were the staff of following institution and company:

- Kainuun Etu Ltd. (regional development company of Kainuu)
- Kajaani University of Applied Sciences

As the thesis subject to be studied is focusing on outbound leisure travelling, the reference groups include consumers, who primarily are individual consumers with their own buying behavior and they have previously mentioned profile as a consumer. The research took into consideration that the target population is relatively broad and mentioned age groups present also the majority of Kainuu’s population (Appendix 3. Joint Authority of Kainuu Region 20.03 2012).
3.5 Number of Respondents

The total number of respondents was 304 individuals, who consisted of those mentioned reference groups. The number of responses that was received out of the whole research was 106 responses. Through this questionnaire qualitative and quantitative data regarding leisure travelling behavior and utilized means of transportation was determined.

3.6 Instrument of Data Gathering

The instrument of data gathering was Internet-based qualitative questionnaire. The questionnaire was chosen to be the instrument of data gathering for the sake of practical matters in terms of distributing the research survey and evaluating the results. Those issues are based on McDaniels and Gates (2001) statements regarding benefits of utilizing Internet as a tool of research execution.

The Internet-based survey programme, Digium, was beneficial for the execution of the survey. The programme made it possible to generate quantitative- and qualitative questions and the combination of both. Further the survey tool also provided some basic tabulation, that were utilized to analyze the results.

In this particular study, the structure of questionnaire was consisting of following categories of questions:

- Demographic questions
- Leisure travelling habits –related questions
- The preferences of means of transportation for leisure travelling
- Questions regarding consumer involvement in the context of leisure air transportation
- Prizing –related questions
- Operations of Estonian Air in Kajaani
3.7 Analysis Procedures

The results of thesis study will be examined and analyzed through consumer behavior model (Hayden, Noel. 2009) and dimensions of involvement (Laurent and Kapferer 1985). These two theoretical frameworks built the base for the analysis of the survey results. And that way the consumer –level perspective can be perceived and final suggestions can be drawn.

When the survey results are quantitative and qualitative responses, the analyzing methods are also differing. Qualitative responses were categorized into certain categories on question–basis. This was done in order to get a clear overall examination of the responses as the content of the asked questions differed. Further, questions with open space were integrated in the survey to achieve individual responses that might present current situation and problems.
4 ANALYSIS

The incipient chapter will present the outcomes of thesis survey and discuss about the outcomes in detailed. As mentioned in the chapter 2, the survey outcomes are reflected to the theoretical frameworks of consumer behavior and the five dimensions of consumer involvement. Referring to these theoretical frameworks, the research outcomes with theory will create a bond between the theory and practice as well as provide concrete directions for the suggestion that will be stated at the end of thesis.

4.1 The Background Reasons for Thesis Study

As it has been mentioned earlier, the state of Kajaani’s commercial air transportation has been extremely fluctuating within couple past years. These fluctuations have happened due to service quality and certainty of service. The reasons for these fluctuations can be divided into two segments; consumer –based reasons with demand -aspect and the reasons that can be lead to governance and strategic decision making of airlines. Purely based on researcher’s own experiences and involvement in tourism sector in Kainuu Region, the main reasons for the fluctuations can be divided into detailed reasons:

- Inadequate marketing actions by service providers (airlines)
- The low level of competition that has direct impact into consumer prices
- Low level or lack of consumers current intrinsic willingness and need to travel

The background reason for thesis study comes from previously mentioned matters. Besides the reasons with researchers own interest towards the field of commercial air transportation has created the motivation for the thesis. But above all has been the willingness of Estonian Air Ltd. and Kainuu Etu Ltd. to gain more understanding regarding the consumer behavior in the region.
4.2 General Information about Respondents

The survey that was conducted in the thesis research had 106 respondents out of the population of 304 individuals. The distribution between the genders of respondents was followed:

![Distribution of Respondents by Gender](image)

**Figure 5; Distribution of Respondents by Gender**

From the graph it can be seen that the contribution rate of female respondents (total 63.2 per cent) were more than the male respondents (total 36.8 per cent). Based on the findings regarding the distribution of genders, it is assumed that females are more interested in developmental work for commercial aviation in Kainuu –region and more willing to travel and contribute to the overall development. It might be also possible that the sample group included more females than males. As such, these matters do not have significant positive or negative influence to the results of the thesis study.
The figure 6 presents the distribution of age groups of respondents;

![Age of Respondents](image)

Figure 6: Age of Respondents

From the table, it can be seen that the majority of respondents are 41-55 year old. This finding might interpret that these age groups are willing to travel and they afford more than younger age groups.

4.3 Travelling Habits of Respondents

Travelling habits of respondents were asked through three (3) questions. Those were concentrating on the companion of leisure travelling, the respondent usual travel destination and what the desired destination of the respondent. Through these factors of travelling habits, the survey managed to gain data regarding overall travelling habits of respondents and create certain big picture about the travelling habits of the survey population.

The graph below shows the distribution of respondents according to their travelling companion. As it is seen, the most respondents are travelling with their families (44 per cent) and spouses (33 per cent). This very data can be interpreted that most of the respondents have more than two (2) members in their ménage and they are usually travelling with the members.
Figure 7; With Whom You Usually Travel on Leisure-basis

If the family and spouse travelling companions are presenting the largest majority of respondents according the travelling companion, the partner is presenting the minority of travelling companions. Furthermore travelling individually is not a common phenomenon, as it is only presented with 8 per cent.

According to Statistic Finland, Finns have made over 4 million trips to abroad and 4.5 million domestic trips till August 2012 (Statistics Finland 2012). It might be assumed that the total number of domestic travelling will be almost 5 million and travelling abroad noticeable over 6 million at the end of current year. The assumption of the researcher is based on the comparison of figures of the previous and current state in terms of destination (domestic- or foreign destinations). The thesis research dealt with the issues concentrating on the travelling destinations of respondents in context of domestic and international travelling. The results can be seen from following graph:
Figure 8; Where Do You Usually Travel on Leisure Purposes

The graph indicates that the major part of leisure trips of respondents is made domestically and abroad. The percentage of previously mentioned travelling destinations is 57 per cent of whole research sample and the minority is domestic destinations with 16 per cent.

Figure 9; The Most Desired Traveling Destination

In the survey, the respondents were further asked to mention two (2) desired leisure destinations, where they would like to travel the most on their next leisure trip. From the graph above, it can be seen that Greece, Thailand and Spain are the most desired holiday- and leisure destinations. Previously mentioned destinations are “traditional” leisure- and sun holi-
day destinations and they have strong influence in the awareness of Finnish people as the desired leisure destinations on general level. Regarding city destinations, Helsinki (Finland) and New York (USA) were the most preferred ones.

Considering mentioned preferences, there would be a demand for leisure flight route/routes from Kajaani. The air transportation to the destination could be operated through charter- or scheduled flight route air transport operations. The researcher considers that the demand regarding air transportation to certain leisure destination could be further examined due the popularity of certain destinations.

4.4 Socio-cultural Factors

The socio-cultural factors are factors that are combination of socio-psychological and cultural factors that has affect into individual’s behavior and routines (Encyclopedia Britannica 2012). Examples are influences that individuals receive from social contacts with other individuals and peers and cultural factors such manners, ethics and norms. The factors have also influence in leisure travelling habits of individuals. From the following graph can be seen that the distribution among the respondents, that does the socio-cultural factors have influence in leisure travelling habits.

![Figure 10; Influence of Socio-cultural Factors](image)

**Does Socio-cultural Factors Have Influence in Your Leisure Travelling Habits?**
- Yes, socio-cultural factors have influence in my leisure travelling habits.
- No, socio-cultural factors have not influence in my leisure travelling habits.

31% Yes, 69% No
According the survey results, it can be noticed that majority of respondents stated that socio-cultural factors do not have influence in their travelling habits. As the percentage seems rather high, the researcher had a doubt regarding such a high percentage of “no” answers. The reason for the doubt comes from the cognition of human beings. The researcher believes, that the most of the decision making that individual conducts, comes from the processes that individual is unaware of. This matter might has affected into the percentage of “no” answers.

If a closer look is taken to the “yes” answers is made, the following response categories were brought up:

- Trends
- Values that are important for the individual
- Sociological reasons
- Activities
- External references

When considering trends, individuals mentioned travelling trends and new leisure destinations that have influence into leisure travelling habits. It is believed that these factors are in relation with external references; i.e. both trends and external references are conducted by other individuals and on that way belong to socio-psychological factors.

According to the survey, ecological values were the only values that were brought up in the survey results. Nowadays those have a significant role nowadays in all parts of life. In commercial aviation the values might be seen as fast development of reduction of air transportation’s emissions and other matters that the air transportation could be as “green” as possible mean of transportation. (IATA 2012)

Sociological reasons had a major role in the big picture of all responses regarding socio-cultural reasons of leisure travelling habits. The most common affecting factors were the respondent’s family and the life situation that the family has. According to the results the life stage has one of the strongest influences into travelling habits of respondents if socio cultural factors have affect at all.
Relating to the tourist’s life stage, the nature of the trip can be divided into two (2) separate factors: life style and life cycle of tourist. These factors have strong relation to the nature of the travel and under which criteria the tourist is willing to conduct the leisure travel. (Cooper, Chris et al 1999)

Another major influencer for the travelling habits was the references that respondents receive from other individuals, for example from their friends. From the responses it can be seen that the “word of mouth” and other information sources have significant role in respondent’s leisure travelling habits.

The factor that affected the leisure travelling habits the least, was activities that the respondents were interested in. One of the activities was interests towards food culture of different cultures and destinations. Also other activities such motor biking, having a second home abroad were mentioned in the responses. Having a dog was also mentioned as a factor that is affecting travelling habits. The researcher considers that previously mentioned factors (a second home abroad and having a dog) are not socio-cultural factors that has influence in individual’s travelling habits, but they are factors that might be directing the travelling. Just to be mentioned, motor biking can be extremely strong factor that has influence to the choice of holiday destination. The reason for this is that motor biking can be social activity through get-to-gather meetings of motor bikers’ and on that way seen as socio-cultural factor.

4.5 Comparison of Means of Transportation by Utilization

The following graph visualizes the utilization rate regarding different means of transportation that are utilized on leisure travelling purposes.

The respondents were asked to rate the means of transportation according to the utilization. The means of transportation are the main means of transportation that are offered in commercial basis, except passenger cars that are the most common mean of transportation in Finland (Statistics Finland 2012).
As it can be seen from the graph, the passenger car as a mean of transportation was rated the most or one of the most utilized. It not surprise when considering the stable position of passenger cars as the most common mean of transportation. One major reason why the passenger car has been the most common mode of transportation for leisure travelling is that the respondents of the survey favor domestic leisure- and holiday destinations (see figure 8) and the distances in Finland can be noticeably long.

In the previous chapter it was mentioned that the distances in Finland are noticeably long, this very reason might be the result of railway transportation being on the second place. In the graph, railway transportation has the highest number of cases, where it was ranked as often used or one of the often used mean of transportation. It is assumed that, the reason for mentioned result is the location of Kajaani and the fact that Kajaani has good transportation connection to North (Oulu) and to South (Kuopio). From these locations, the railway transportation has significant connectivity to mentioned parts of Finland.

Among all of the means of transportation that are being under the research, air transportation is emphasized for the sake of thesis study. From the graph it can be seen that airplane is located into the “middle” of all means of transportation. The reason for mentioned posi-
tioning is the almost equal number of ratings as the most utilized and often utilized mean of transportation. The researcher considers mentioned issue interesting because the result tells about the destination orientation of consumers. Then the air transportation is combined with passenger car for leisure travelling. In practice, this issue means that the respondents are dividing their trips into different sections of transportation, when it means utilization of two or several means of transportation.

Coach and ferry were positioned as the least utilized means of transportation. Considering the result of cases, where the water based mean of transportation (ferry) was rated into two different categories; often utilized and occasionally or never utilized, tells about the location where the survey was conducted and the travelling habits of respondents. Regarding the location; the location where the survey was conducted, has no commercial water based mean of transportation. The respondents, who are willing to utilize water-based means of transportation, they must transport themselves to the harbors on Baltic Sea or Gulf of Bothnia (the most utilized ones) by passenger car or other mean of transportation and then utilize ferries for leisure travelling or as a destination itself. Previously explained process visualizes concretely the travelling process of leisure travelling, where different means of transportation are utilized within the whole journey. From the perspective of travelling habits; utilization categories raises an assumption that the respondents might conduct leisure and recreational trips, where the main destination is a cruise ship. From the statistical side, the popularity of them in past few years has been increasing (Statistics Finland. 2012).

4.6 Arguments Regarding Utilization of Air Transportation

In previous chapter the survey results that were concentrating on the overall picture of different means of transportation and the utilization of them in the survey sample. The chapter provides a view into the reasons, why the respondents utilize or do not utilize air transportation on their leisure trips.

First the categorizations of the argumentations have to be presented;
The reasons, why air transportation is utilized:

- Attributes from the practical perspective
- Convenience of mean of transportation
- Destination –based reasons
- Cost of travel –based reasons

The reasons, why air transport is not being utilized:

- Time –based and practical reasons
- Cost –based reasons
- Destination –based reasons
- Ideological reasons
- Activity –based reasons

The Argumentations Why Air Transport Is Utilized - Relation to Consumer Behavior.

In this very chapter, the argument categories and individual arguments are tied and speculated in the context of consumer behavior –theoretical framework (Hayden 2009, 15). This framework provides a view into the consumer behavior and factors that are influencing on the individual consumer.

The practical attributes related the mean of transportation are a significant why air transportation is utilized. Positive features that the respondents have brought up in their argumentations for utilization are speed, time saving and direct routing to the destination(s). Those mentioned characteristics of air transportation are further related to aeronautic benefits. These attributes are in relation to two (2) stakeholders of consumer behavior. First of all, external influences of a consumer and secondly internal processes that consumers are processing on conscious or unconscious –levels. The attributes of air transportation such speed, is part of the perception how the consumer sees the service because it connects the speed as a natural feature of air transportation. When the attribute of “speed” is further discussed, it can be also one of the marketing factors that the service providers are utilizing in their marketing actions as one of the benefits of service or product that is offered. (Blythe 2008; Hayden 2009).
When the external influences are discussed within the service provider’s marketing operations, offering direct routing to the desired destinations can be used as a feature of marketing operations. On given way, the consumers more aware of the benefits of air transportation services and products. Mentioned features are part of product attributes that belongs to the Marketing Mix of firm’s marketing efforts (Hayden 2009, 15). The concept of Marketing Mix is one of the external influences that affect to consumer behavior and has influence into the consumer’s purchasing decision making. (Hayden 2009)

Another major categorization of argumentations for utilizing air transportation is the convenience of air transportation. The respondents mentioned attributes such easiness, safety, travelling convenience, travelling flexibility and the air transportation is the most practical mean of transportation for their leisure travelling purposes. Those are related to “cultural and social differences” which are a part of “uncontrollable variables”. That is why it has to be taken into consideration while marketing air transportation services and products (Wensseen 2007, 260). Basically this relation expresses the fact that certain attributes of the service (such travelling convenience) are partially cultural –related. The most mentioned attributes in this category were easiness and convenience of travelling. According this research data, an assumption can be conducted that these attributes of air transportation services are the “corner stones” of the service and attributes of air transportation services.

Besides the discussed external influences is the internal processes and more closely, psychological processes. The level of convenience of air transportation is basically based on the individual perception of the service. On practical level, this issue is about how consumer sees the service and what the “feeling” is created by the consumer during the conduction of service. Referring to Wensseen (2007, 261), in-flight cabin services, ground handling including ticketing and luggage handling are parts of airline products and services. These product- and service attributes are naturally affecting consumer’s perception and the “feeling” about the products or services. The perception of service can also affect to the motivation of service utilization. (Hayden 2009)
The destination-based reasons are in tight relation with the two previously mentioned reason categories. The reason category includes several factors that can be equated with the matters that affect to practical- or convenience of travelling-based reasons. Regarding the destination, the argumentations were such as; travelling abroad on leisure purposes, the length of journey and broad coverage of different destinations. The answers also included a comment that reflected to the outermost location of Kajaani that tells about the significant dependence of air transportation in terms of leisure travelling and maybe in the other purposes of travelling.

Previously mentioned argument category can be understood through external influences and internal processes that the consumer penetrates while conducting the purchasing decision. Regarding external influences; the reference group and geographic location of living are influencing to consumer behavior towards air transportation. The argumentation for that it is perceived as the “only and the easiest way” to travel in leisure purposes from Kajaani. On the side of internal processes, the argument category of destination based-reasons refers to the decision making. More closely problem recognition of consumer; i.e. why people utilize air transportation for leisure travelling (Hayden 2009). According the research results, the outermost location of Kajaani and Finland drive the consumers to utilize air transportation for their leisure travelling and, especially, when travelling abroad and to most desired destinations (See the figure 8 and 9).

Cost–reasons were also stated, when asking factors, why perceive air transportation beneficial for their leisure traveling. The respondents mentioned reasons such; the overall benefit out of prices in the relation with flight route networks, special prices of flight tickets and affordability of flying on leisure purposes. Those results are slightly surprising due to the fact that air transportation in domestic and international-basis are generally known to be expensive in certain cases. Previously mentioned matter is in relation to number of competitors and uncontrollable variables (Wensween 2007, 260). Moreover it is assumed that the reason why the flight tickets are perceived to be low from the cost–perspective by some of the respondents, is the fact that consumers are generally becoming more aware of different ways of purchasing the flight tickets. On that way the consumers are purchasing more inexpensive tickets compared with general price level.

Furthermore the respondents were asked to mention the reasons why they are not utilizing air transportation in leisure travelling basis. The most common reasons were related to time with practicality of travelling and the costs of travelling. These answer categorizations were the most common ones and included “stereotypical” reasons, why consumers are not utilizing or holds back from utilizing air transportation.

The first category, “time with practicality of travelling”, includes reasons like wrong scheduling of flights from consumer’s perspective, uncertainty of service conduction, inflexibility of services and inconvenience that is caused for consumer due air travelling. These reasons are maybe the most “stereotypical” features of air travelling, when it has been brought up in negative light.

Mentioned matters are in relation with consumer behavior and how consumers perceive the service that is being purchased and conducted. In other words, it is about consumer’s internal processes of consumer behavior. All the stakeholders that were mentioned in previous paragraph are related to factors of psychological processes. They have influence on decision making and post-decision processes of consuming a product or service. (Hayden 2009, 15)

Briefly, it is seen that when a service or product supplier has willingness and wants to affect into psychological factors of consumer’s decision making about its’ products and services, it has to rethink the service features and supply services. These are affecting consumer’s “psychological perception” about the service when it is being consumed. This change can be done practically trough consumer oriented marketing concept that specializes into the needs of varying market segments (Wensween 2007, 269).

The cost –based argumentations for non-utilization of air transportation services for their leisure travelling, included matters that were related into high travelling costs generally and in the case of Kajaani (flight ticket prices) and complicated Internet booking procedures. It is interesting to see how the respondents’ opinions were varying in the travelling cost issues within the survey results. Although some respondents were mentioning the price as a criteria
for using air transportation services, other respondent see the financial matter as a reason for not using (it) air transportation services. Apparently there are two (2) different perspectives regarding the price – level of flight tickets among the research sample.

The cost-based argumentations have roughly considered two different stakeholders; the consumer and the airline. The price of the flight tickets are mainly created within the communication of these two stakeholders due market forces. One key matter in this context from the airline – side (service or product supplier) is yield management. It is a system, which calculates the forecasts of demand for number of seats that should be available for each flight and these forecasts affect into the consumer prices (Page 1999, 23). Yield management with the service demand has partial effect into the consumer prices, but it is purely the pricing tool of airlines. On described way, the costs have also major effect into the consumer’s behavior as one of the external influences of consumer behavior (Hayden 2009).

Concerning the destination – based reasons, for non-utilization of air transportation on leisure travelling – basis, the poor route network from Kajaani was stated. Further other means of the transportation were seen more beneficial and easier to be utilized. This very reasoning category is in tight relation with the benefits of other means of transportation and the location of the most visited leisure destinations from the perspective of respondent’s home.

When the consumer behavior is applied for this argument category (destination – based arguments), the category has relation to external influences. These influences are such service supplier(s)’ marketing efforts, and internal processes, such knowledge about consumed service and information research and problem recognition. Marketing efforts of service supplier are seen as the major factor for these argumentations, why consumers do not utilize the air transportation services. If the marketing efforts and products itself are wrong for the particular market segment, in this case highly geographic market segment, the consumers are not consuming the services that are being offered. In the other words; consumers do not feel the services as “their own services” and that is the reason, why they do not consume the offered services for their leisure travelling.
The ideological –argumentations were divided basically in two (2) major types of arguments; respondent’s view regarding ecological aspects of air transportation and experience –based reasons. The second-one is referring to perception why the other means of transportation are more suitable for this individual consumer. The ecologic –reasons were about the CO2-emissions of air transportation. Experience –based reasoning included argumentations that brought up other means of transportation and how they can be more experiential for the travelling experience as a whole than travelling by airplane. This argumentation is highly based on individual’s own experience and how it perceives different means of transportation.

As mentioned, experimental –argumentations and ideological argumentations as a whole are highly based on individual consumer’s own perception; i.e. internal processes and especially to the psychological factors. On the other hand, ecological argumentations why not to utilize air transportation on leisure travelling basis, are leaning partially on the external factors. When having a look on the big picture of ideological –factors, they can be fusions of external- and internal influences for consumer behavior. Due the ideological decision making is based on perceptions of individual and external influences. (Hayden 2009, 15)

As a last category of argumentations were their activity- and lifestyle based reasons. There were two argumentations that were mentioned; having a dog and motor biking as a leisure time activity. Concentrating on the first-one, having a dog, the respondent experienced ferry more practical than airplane as a mean of transportation on their leisure trips. The second one, motor biking as activity and also as a lifestyle, was brought up in the context of willingness to conduct a holiday on motorbike. As we can see from these argumentations, the activities and different lifestyles might direct the utilization of different means of transportation.

In the argumentation category of activity- and lifestyle, the category can be seen under the influence of external- and internal influences as the ideological argumentations. In the light of the replies, both individual argumentations are fusion of external influences (reference groups etc.) and internal influences (problem recognition). In this case, the individual is willing to live according the reference groups, which it wants to belong and recognize the prob-
lems and solve them that he or she is able to life according the lifestyle and/or activity – based life. (Hayden 2009, 15)

4.7 5 Dimensions of Involvement

As discussed earlier in the chapter, there are five (5) varying dimensions of product- or service features that consumer sees in the product or service that is purchased. During the survey, the sample group was asked about the dimensions and to state the argumentations regarding each dimension. The results are analyzed in detail in this chapter.

![5 Dimensions of Involvement](image)

Figure 12; 5 Dimensions of Involvement in research outcomes

To be mentioned, the five (5) dimensions of involvement (Laurent and Kapferer 1985) are major part of consumer behavior, and especially post-decision process (Hayden 2009, 15). According to the dimensions of involvement, consumer evaluates consumed product or service and executes the decision of loyalty based on these dimensions and how these dimensions have met the expectations before the consumption (Hayden 2009, 23). This very process creates certain continuity or product or service consumption from the side of consumer and consumer loyalty (Blythe 2008, 305).
4.7.1 Personal interest

One of the five (5) dimensions was personal interest to purchase the product or service, in this case air transportation services for leisure travelling. The responses were categorized into three (3) different categories that are:

- Service attribute–related interests
- Intrinsic interests of consumer
- Destination–based personal interests

The largest category was the service attribute–related personal interests. Service attributes like the speed of air transportation, flexibility of travelling, easiness and practicality, are mentioned by the respondents.

The pure personal interests, meaning intrinsic interests of consumers’, were presented with the factors as personal connection to airline personnel and willingness to travel more to abroad. In this very interest category, answers included remarkably negative argumentations for personal interest like; unpleasantness of flying and “what less utilization of air transportations that better”. From these argumentations, the level of personal interest can be noticed to be seemingly low. Maybe the same situation can be noticed from the argumentations that air transportation as “the only mean of transportation to abroad in terms of leisure travelling”. From these statements can be realized that utilization of air transportation is a necessity for consumers, when travelling on leisure basis. In this argument category the personal interest towards ecologic values was mentioned, but the respondent did not specify in which light, positive or negative, he or she wanted to bring up this very argumentation.

Regarding destination–based personal interest, the most common argumentation was the need and willingness to travel overseas. In these interests, the respondent justified the personal interest coming from this very need of travelling, where the air transportation was generally the best alternative for long-distance travelling. The destination–based category included also a response that interpreted the air transportation to have the best connectivity in terms of time and destination network. This argumentation for personal interest is in rela-
tion to practicality of air transportation, when it satisfies a need and on that way gains personal interest.

4.7.2 Pleasure Value

Another dimension of involvement is the pleasure value. It describes the level of pleasure and varies stakeholders who are compiling the overall pleasure dimension (Laurent and Kapferer 1985). It is assumed that the correlation between pleasure value and personal interest is quite significant because of basics of human behavior. It means e.g. an individual refuses to conduct certain actions when not perceive pleasure or not having personal interest towards it.

The argumentations for pleasure value were classified into three (3) categories as follows:

- Positive factors for overall experience
- Negative factors for overall experience
- Values of consumer

Positive- and negative factors for overall experience are the two most dominant categories. In those the respondents named service attributes and practical factors as positive influencers. Uncertainty of service conduction, poor route network in Finland and inconvenience on airports were the influencers that had negative effect to the pleasure dimension. This very argumentation regarding factors that are affecting to pleasure value of air transportation, describes the concrete and practical side of receiving pleasure out of the service or product. This is also highly vital for businesses operating in the service sector, where the quality of service is one of the key issues for the success of the business because the business (Encyclopedia Britannica 2012).

Description of pleasure dimension included an argumentation that was based on consumer’s own values, more specifically into the ecological matters and the way of thinking. Unfortunately, the respondent does not specify the overall impression regarding this very argument
that is it positively or negatively pointed argumentation regarding pleasure value of utilization of air transportation.

4.7.3 Sign Value

Sign value is the dimension of involvement that presents the overall meaning that the consumption of product or service provided to the consumer or customer (Laurent and Kapferer 1985). Concerning this dimension the respondents’ replies were categorized into following segments:

- Sign values out of service attributes of air transportation
- Sign meaning of air transportation for success of a leisure trip
- Individual comments regarding sign value of air transportation
- Special needs

Out of these categorizations, the respondents provided only some argumentations for the sign value seen in air transportation. Interesting was one answers of a respondent, who felt him- or herself wealthier while utilizing air transportation. The researcher assumes out of own experiences that this sentiment is still commonly present in Finnish society and culture.

Rests of the arguments were related to time consumption of the overall feeling of holiday. Some respondents announced that flying brings more value for the vacation because the holiday begins already at the airplane. When considering these attitudes, the sensation of holiday holds longer and creates certain sign value for the customer.

Concentrating now on the category “Special Needs”, one of the respondents stated the sign value of air transportation as follows; if the respondent could utilize air taxi as a way of transportation on his or her trips to wilderness, those services might have a sign value. Considering the mentioned response as one of the primary examples regarding the sign value that air transportation is able to produce for its consumers.
4.7.4 Risk Importance

The dimension of risk importance interprets the hazards from the consumers side that might occur when the service or product (Laurent and Kapferer 1985). The survey results are categorized into following categories:

- Economic risks that are related to economic issues
- Uncertainties while consuming the product or service
- Intrinsic uncertainties from the individual
- Trust that is proposed towards the provider

The vastest categorization in terms of number of arguments was the trust that is proposed towards the provider. This issue the researcher considered surprising as a survey result, but it interprets about the level of trust that the consumers have towards airlines and its stakeholders. The trust was announced as a “pure” trust towards airlines and their operations and wholesalers of travel packages. Most of the argumentations for the trust were based on own experiences of respondents.

The uncertainty factors towards were also brought up in the responses. The reasons for hesitations towards service delivery were basically related to experience- and the basic problems of delivering the services. These matters included cancelled flights and flight delays (respondents own experiences) and financial problems and difficulties cause by nature phenomenon such storms.

Furthermore economic risks that consumers perceive as the risks for consuming air transportation services were stated. In this category, the respondents were not sure that do they receive compensation (flight tickets) for the invested money. As a solution for this very uncertainty of service or product compensation, the respondents brought up purchasing method through credit cards, when they experienced certain certainty about the purchase.

Intrinsic risks towards service or product consumption were also brought up in the responses. In this category the respondents experienced uncertainty about their holidays and the
timings. Those might cause a risk for their service or product consumption of air transportation.

4.7.5 Probability of Making A Bad Purchase

The last dimension discussed interprets the perspective from consumer point of view about their decision making process. This could either be a good decision or bad one (Laurent and Kapferer 1985). The answers were categorized as followed:

- Disadvantages that are caused for holiday experience
- Disadvantages that are caused for individual’s ideology
- Consumer’s intrinsic factors

In the first category the answers were mostly related to flight delays and other uncertainties of service delivery. The customer sees those issues as a probability of bad purchase. From the answers it’s being able to notice the weak spots of airline’s service delivery towards consumer’s overall experience. By noticing these weaknesses, the service suppliers (airlines) are able to improve their performances and make consumers more satisfied with the delivered services. This results also in a decrease of the probability of bad purchase.

The argument categories that do not well directly from the purchased services or products are related to ideological disadvantages and consumer’s intrinsic factors. The ideological argumentations, why consumers perceive probability of making a bad purchase, were mainly related to ecological reasons and the ideology or assumption “you never know what might happen”. From the ecological argumentations it can be seen the general trend of present time, when consumers becomes significantly more aware of ecologically and environmentally aspects of transportation.

In intrinsic factors, an argumentation fear of flying was mentioned. As this factor causes major stress for the consumer and its’ overall experience, the offered service cannot be appreciated. That raises the level of probability of making a bad purchase.
4.8 Cost of Flight Tickets

Another question asked during the survey was related to the costs of flight tickets. In particular, the respondent had to rate the prices of a round flight ticket to KAJ-HEL-KAJ –route (IATA 2012). The results of the preferred prices can be seen from the following graph:

![The Most Preferred Price for A KAJ-HEL Return Flight Ticket](image)

Figure 13; The Most Preferred Price for A KAJ-HEL Return Flight Ticket

As it can be seen from the figure, the distribution of prices is quite clear and coherent. The most “desired” price category for a return flight ticket is 101-160€, which is most price category for a domestic flight ticket in Finland. Furthermore 35 per cent of the respondents prefer tickets under 100€. In order to compare the wants of the consumers with the real market situation a reservation test was conducted. It showed that a round trip from Kajaani to Helsinki with Finnair add up to 4314,63€ per adult, when booking the ticket one month in advance (Finnair 2012). Through this examination, it can be seen that there is a remarkable difference between the actual prices and the “desired” prices of the consumers.

However, it should also be mentioned that price differences may occur depending on the airline operator. The examination further states that similarities of the desired price level of consumers can arise. Flybe Ltd, for instance, offers the same round ticket for 165.88€.
During comparison the question of consumers’ price awareness was raised.

Are consumers refusing to use those flight routes when they are aware of the actual market prices? This reason might be answered positively when considering the research results that most of the respondents are travelling with their families (see the figure 9). When market prices for tickets are high it will be rough to afford for a family, as travelling cost are increasing per person.

Figure 14; The Most Preferred Price for A Return Flight Ticket to Europe from Kajaani

After discussing the KAJ-HEL (IATA) –domestic route, the research survey gathered data regarding the desired prices of international outbound flight tickets from Kajaani. In the survey, the respondents were asked to propose their most desired price category for a return flight ticket from Kajaani to the Central-Europe. The Central-Europe is as a geographic term, but it presents the nations that stayed overnight in Kainuu Region (Tourism Statistics of Kainuu Region August 2012). In the other words, there is travelling movement between Kainuu and Central-Europe in the form of in- and outbound tourism.

From the figure 14, it can be seen that two (2) main price categories are preferred by the customers. For 50% of the respondent the most favored price category is 181-270€. The second largest price group preference is 271-360€. As a summary, almost 75 per cent of the
respondents are willing to purchase a return flight ticket at the price range from 180€ to 360€.

Model of consumer behavior can be applied to flight ticket price and when it provides deeper knowledge. Basically, the pricing issues are related to two (2) different parts of consumer behavior. Those are external influences and internal processes. In external influences, the marketing effort of service provider are affecting to the perception of consumer regarding the service or product that’s offered. Especially price –factor of marketing efforts has direct influence. (Hayden 2008.)

Concerning the internal processes of consumer behavior, price has a significant influence on the service or product perception. This means when the consumer sees the price of the service or product noticeably high, it might result in the refusal to consume it.

The high prices of product or services are also part of internal processes due the problem recognition and information search. Problem recognition is in relation with individual’s current state and the state that is desired. When the individual notices the problem (problem recognition) it starts to seek for information (information search), how it is able to get to the desired state. This very part of larger process can be related to leisure travelling and its cost issues. The consumer might see a problem in high prices, when the next natural step is to seek for cheaper prices that it is able to perform to the desired state. In this context by desired state is the main objective is to carry out leisure trip with not remarkably high costs. (Hayden 2008, 15)

4.9 Reflection with Air Transportation Clearance of Kainuu (2011)

As mentioned in the theoretical background, the thesis study results will be reflected with other research that has similar emphasis as this one thesis. The study that will be reflected is Kainuu’s Air Transportation Clearance (Kainuu Entrepreneurs 2011).
The Air Transportation Clearance was conducted by the entrepreneurs to the entrepreneurs. According to this targeting of the survey, it can be assumed that the survey was concentrating on business travelling and not on leisure travelling as the thesis. Although the target groups of the researches are different, there are some similarities that are supporting the overall development work of Kainuu’s commercial air transportation. The similarities of studies are coming from qualitative -sides of the studies. These responses can be compared and seen as strength for both studies and overall development work.

One of these similarities is related to flight routing from Kajaani and to other parts of Finland and Europe. For example, in the both studies a certain demand for flight route between Kajaani and Tampere was discovered. Also so called possibility for “West-East transportation” in Finland was mentioned in terms of flight transportation. Of course while considering these similarities of both studies, the difference in targeting of studies must be beard in mind, but the researcher considers such similarities interesting for overall development of air transportation reachability.

Concerning travelling possibilities in the form of better route network from Kajaani, this issue is brought up also in Kainuu’s Tourism Strategy. The strategy was planned by Mr. Tuomo Tahvanainen, Kainuu Etu Ltd., Kainuu’s regional development company (2011). In this strategy the better route network is mentioned, more concretely to Europe’s main markets. The researcher considers that this aspect strives to the same the direction with the suggestions. The most of the preferred leisure destinations according the respondents (see figure 9) are presented as countries in the tourism statistics of Kainuu –region as the overnights in Kainuu by the nations of the tourists (Kainuun Etu Ltd. 2012). The researcher is willing to throw an open question regarding the development of air transportation reachability of Kainuu Region; are these countries the “weak signals” of the future’s development? (Forbes 2012)

Another major connection and similarity due the responses between thesis study and the Air Transportation Clearance (2011) has been the demand for cheaper flights to Helsinki. It is perceived as one of the most important travelling destinations for leisure- and business travellers. Based on the suggestions for direct improvement in thesis study and in open feedback –section in the Clearance, the respondents are highlighting the importance of affordable and
practical flight route to Helsinki. In this case also the difference of travelling purposes are varying among the leisure- and business travellers, but both consumer segments would be transported with the same aircraft, concretely. From all the responses that are dealing with this issue, the need of competition is high-lighted. While considering previously mentioned issue, have to be aware of the airline’s side that does the airline or airlines see this very flight route as a route that is worth to be competed with another operator.

4.10 Operations of Estonian Air (EA) in Kajaani

As it has been mentioned earlier, Estonian Air Ltd. had scheduled flight operation in Kajaani. The flight route was created between Kajaani and Tallinn in four (4) scheduled flights in weekly-basis. The operations begun with good level of success, but the flight route had to be cancelled due the low level of utilization.

In the thesis research, the researcher referred to these very operations by asking the respondents about EA’s operations. The questions were regarding utilization of the flight route and level of awareness of the flight route.

Common awareness about the flight route

It is visible from the graph below that there was high level of awareness among the consumers. According to the results, it can be stated that most of the consumers were aware of the existence of flight route. In other words, the airline had certain level of success in its marketing operations.
To be mentioned in the context of previous graph, the number of respondents was 98. Out of these 98 respondents, who knew about the flight route, 16% utilized it. It can be seen that according to the respondents, the level of utilization is noticeably low. The main reasons why the flight route was not utilized were based on timing, willingness to travel and cost-based reasons.
Most of the respondents mentioned that they did not have time or willingness to travel. They mentioned that, for example, the timing of holidays did not match with the travelling plans and Helsinki was pointed as the most important travelling destination (not Tallinn). Cost reasons were often involved when the argumentations for refusal of utilization was mentioned in the survey outcomes. The argumentations included also notes regarding the scheduling of the flights in terms of timing. The researcher assumes that the timing of flight departures decreased more the willingness of consumers to use the scheduled flight route.

4.11 Hypothesis - Aftermath

In this chapter the stated hypothesis in the beginning of the work will be proved or rejected based on the research outcomes.

**Hypothesis #1**

Passenger car and train transportation are the most dominant means of transportation among the survey respondents.

Hypothesis #1 can be proved by the research survey results. According the survey results, the utilization level of passenger car and railway transportation were brought up with the highest levels of utilization. Especially passenger car was the most dominant as the most utilized or one of the most utilized means of transportation (75 ratings). Railway transportation was positioned after passenger car due the highest number as the most or one of the most utilized mean of transportation (56 ratings).

**Hypothesis #2**

The high price level of flight tickets is the most common reason for refusal to utilize commercial air transportation for leisure travelling.

Hypothesis #2 is proved by the research survey results. Based on the results of research survey, the high price level was stated to be the most common reason for refusal for utilization.
It was also mentioned that when the travelling companion includes several members, the refusal was even more common.

**Hypothesis #3**

Most of the respondents perceive that socio-cultural influences have effect to the travelling habits of respondents.

Hypothesis #3 is rejected by the research survey results. According the survey responses, the minority of 31 per cent stated that sociocultural influences have effect to their travelling habits in terms of leisure travelling.
5 SUGGESTIONS

As the final part of the thesis, the researcher is able to state suggestions that are based on the academic research and the outcomes of the research. The following flight route map displays the base of the researcher’s suggestion.

Figure 17; KAJ-HEL-TLL Flight Route (Great Circle Mapper 2012)

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
<th>INITIAL HEADING</th>
<th>DISTANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 SEGMENTED PATH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KAJ (64°17'08&quot;N 27°41'33&quot;E)</td>
<td>HEL (60°19'02&quot;N 24°57'48&quot;E)</td>
<td>199.0 (S)</td>
<td>464KM</td>
</tr>
<tr>
<td>HEL (60°19'02&quot;N 24°57'48&quot;E)</td>
<td>TLL (59°24'48&quot;N 24°49'58&quot;E)</td>
<td>184.2 (S)</td>
<td>101KM</td>
</tr>
</tbody>
</table>

(Great Circle Mapper 2012)
The thesis research suggestion is based on the possibilities that Kajaani-Helsinki-Tallinn – flight route could create. The improvement is directed to service supplier –side (Estonian Air Ltd.) and the argumentations for that are as followed:

- Discussed flight route could serve two (2) consumer segments;
  - leisure travellers
  - business travellers
- Create competition and market coverage for Kajaani-Helsinki –route and in Finland as a target market
- Connectivity from Kajaani to Russia via Tallinn and visa versa

Additionally:
- Easiness of connectivity of the three (3) cities (Kajaani-Helsinki-Tallinn) due to geographic locations.

When previously mentioned arguments are combined, this chrystallizes the possibility and demand for a flight route. Although the flight route has already existed in its’ basic form (KAJ-TLL; Estonian Air Ltd. 2011), the enroute stop in Helsinkin (HEL), could lean to an improvement of serving two (2) destinations at the same time and subsequently gaining more consumer potential with the connections to Russia and the Baltic countries.

As it was proved by the survey results regarding utilized means of transportation and the desired leisure destinations, Helsinki was stated to be the most desired leisure destination and passenger car the most utilized mean of transportation. Based on the results, it can be assumed that there lies a link between these two (2) outcomes. That matter supports the targeting of the flight route for business and leisure travellers and how it could fullfill the existing need for the domestic route between KAJ and HEL (IATA 2012).

Taking into cosideration the thesis results, if Estonian Air would consider establishing route enlargements to Mediterian countries, it could gain consumer potential from Finland. As the research results states (see figure 9), the citizens of Kainuu would utilize Mediterian route for their holiday trips. In that way Estonian Air could gain more consumer potential for these enlargements from Kainuu and close regions.
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APPENDICES

APPENDIX 1 “Lomalle Lentäen Kajaanista 2012” Research survey

APPENDIX 2 Age structure statistics of Kainuu – region
APPENDIX 1

LOMALLE LENTÄEN KAJAANISTA 2012 -SURVEY

Sukupuoli
☒ Nainen
☐ Mies

Mihin seuraavista ikäryhmistä kuulut
☒ 20-25 vuotta
☒ 26-30 vuotta
☐ 31-35 vuotta
☐ 36-40 vuotta
☐ 41-45 vuotta
☐ 46-50 vuotta
☐ 51-55 vuotta
☐ 56-60 vuotta
☐ 61-65 vuotta
☐ 66-70 vuotta

Kenen kanssa yleensä matkustat lomamatkoillasi?
☐ Perhe
☐ Puoliso
☐ Ystävät
☐ Elämänkumppani
☐ Yksin

Lomamatkakohteet
Minne lomamatkasi yleensä suuntautuvat?
☐ Kotimaahan
☐ Ulkomaaille
☐ Kotimaahan ja ulkomaaille
**Lomamatkakohteet**
Minne tahtoisit seuraavan lomamatkasi suuntautuvan?
Nimeä kaksi (2) eri kohdetta.

**Matkustusmuoto lomamatkoilla**
Mitä matkustusmuotoja suosit lomamatkoillasi?
Numeroi eri matkustusmuodot käyttöasteen mukaan.
1 - käytän eniten
2 - käytän satunnaisesti
3 - käytän vähiten/en ollenkaan

Henkilöauto [ ]
Juna [ ]
Linja-auto [ ]
Lentokone [ ]
Laiva [ ]

**Matkustusmuoto lomamatkoilla**
Edelliseen kysymykseen viitaten; miksi suosit eniten käyttämääsi matkustusmuotoa lomamatkoillasi?
Edelliseen kysymykseen viitaten; jos et sijoittanut lentomatkustusta käytetyimmäksi matkustusmuodoksi, minkä vuoksi näet käytetyimman liikennemuodon hyödyllisemmäksi omiin lomamatkustustarpeisiisi kuin lentomatkustuksen?

Mainitse vähintään yksi (1) syy.
Syy #1: __________________________
Syy #2: __________________________

**Sosio-kulttuuriset vaikutteet**
Onko sosio-kulttuurisilla vaikutteilla vaikutusta matkustustapoihisi?

Esimerkiksi:
kuninka usein ja miten ystäväsi/läheisesi matkustavat,
miten ystäväsi/läheisesi suhtautuvat matkusteluun, sidorsyhmät, matkailutrendit jne.

☒ Kyllä, sosio-kulttuurisilla vaikutteilla on vaikutusta lomamatkusteluuni.
☒ Ei, sosio-kulttuurisilla vaikutteilla ei ole vaikutusta lomamatkusteluuni.

**Sosio-kulttuuriset vaikutteet**
Jos edellämainituilla vaikutteilla on vaikutusta lomamatkusteluusi, nimeä kaksi (2) eri tekijää jotka vaikuttavat matkustustapoihisi.
Vaikuttaja #1: 
Vaikuttaja #2: 

**Lentoliikenne lomamatkailussa**
Onko sinulla henkilökohtaista kiinnostusta käyttää lentoliikennettä lomamatkoilla?

☐ Kyllä  ☐ Ei
Miksi? 

**Lentoliikenne lomamatkailussa**
Näetkö lentomatkustamisen lomamatkoillasi miellyttävämmäksi kuin muilla kulkuvälineillä matkustamisen?

☐ Kyllä  ☐ Ei
Miksi? 

**Lentoliikenne lomamatkailussa**
Kun olet ostamassa lentolippua(ja) lomamatkallesi, näetkö kyseisen sijoitukseen riskisijoituksena?

☐ Kyllä  ☐ Ei
Miksi? 

**Lentoliikenne lomamatkailussa**
Onko lentomatkustamisella symbolista-arvoa lomamatkoillasi?

Esim. koet lomamatkasi kokonaisvaltaisemmaksi kokemukseksi kun matkustat kohteeseen lentäen.

☐ Kyllä  ☐ Ei
Miksi? 

**Lentoliikenne lomamatkailussa**
Näetkö että lentomatkustamisesta lomamatkoillasi voi koitua sinulle jotain haittaa?

Esim. myöhästymisiä muissa loman suunnitelmissa, stressiä loman onnistumisesta jne.

☐ Kyllä  ☐ Ei

Jos "Kyllä" - miksi?

**Lentoliikenne lomamatkailussa**
Mitkä ovat syyt, joidenka vuoksi hyödynnät lentoliikennettä lomamatkoillasi?

Mainitse kaksi (2) eri sytä.
Syy #1:  
Lentoliikenne lomamatkailussa
Mitkä ovat syyt, joiden vuoksi et hyödynnä lentoliikennettä lomamatkoilla?

Mainitse kaksi (2) eri syytä.
Syy #1:
Syy #2:

Lentoliikenne lomamatkailussa
Millaisia suoria parannuksia Kainuun lentoliikennepalveluissa tulisi olla, jotta käyttäisit lentoliikennettä enemmän lomamatkoilla?

Mainitse vähintään yksi (1) kehitysidea.
Kehitysidea #1:
Kehitysidea #2:

Lentoliikenne lomamatkailussa
Kuinka paljon olisit valmis maksamaan aikuisen meno-paluu lentolipusta Kajaani-Helsinki välille?

☐ 40-100€
☐ 101-160€
☐ 161-220€
☐ 221-280€
☐ 281-340€

Lentoliikenne lomamatkailussa
Kuinka paljon olisit valmis maksamaan aikuisen Kajaanista Keski-Euroopaan (kohdema Saksa) meno-paluu lentolipusta?

☐ 90-180€
☐ 181-270€
☐ 271-360€
☐ 361-450€
☐ 451-541€
Case Estonian Air
Olitko tietoinen, että Estonian Air liikennöi kuluvana vuonna (2012) Kajaanista Tallinnaan usealla viikkovuorolla?
☐ Kyllä ☐ Ei

Case Estonian Air
Viitaten edelliseen kysymykseen; jos olit tietoinen Estonian Air:n liikennöinnistä KAJ - TAL välillä, käytitkö kyseistä lentoreittiä?
☐ Kyllä ☐ Ei

Case Estonian Air
Viitaten edelliseen kysymykseen; jos vastasit edelliseen kysymykseen "ei", miksi et hyödyntänyt lentoreittiä?
### Age Structure Statistics of Kainuu Region

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Kainuu</th>
<th>Vaara</th>
<th>Siunissalmi</th>
<th>Sotkamp</th>
<th>Anjala</th>
<th>Ristikari</th>
<th>Polvamaa</th>
<th>Palandam</th>
<th>Karja</th>
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**Notes:**
- The data includes the age distribution for various regions within the Kainuu region.
- The table represents the population distribution among different age groups.

**Data Source:**
- Vasten Han Jau Sukupuolen Mukana Kuntttiin 31.12.211

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**APPENDIX 2/1**

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**APPENDIX 3**