

Promotional Tools for Attracting Russian Customers in the Hospitality Business

Case: Olgarto Oy / Hostelli Hermanni

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<p>Abstract</p> <p>The objectives of this thesis project were to describe features of the marketing mix and its elements (product, price, place, and promotion), to define the significant characteristics of the hospitality business, and to determine the most appropriate promotional strategy to attract Russian customers for Hostelli Hermanni. It was also essential to explore the current situation in the hostel according to customers' and the manager's opinions.</p> <p>The working process was divided into two parts: theoretical and practical. Firstly, the theoretical part consisted of collecting information about the marketing mix, marketing process, and promotion from studies of researchers and experts. There were used different academic articles from journals related to the hospitality business and study books. The obtained information was analyzed and major points were identified. Secondly, the practical part included such research methods as a survey (questionnaire) and an interview. A questionnaire was organized to gather data from Russian customers arrived at Hostelli Hermanni (Kuopio, Finland). After analyzing the results, there was conducted an interview with the manager of Hostelli Hermanni. It was obtained information about the current promotional strategy and future plans. Finally, all the gathered data were analyzed and compared, and a plan of future development was created and presented to the manager of Hostelli Hermanni.</p> <p>The study results indicate the essential characteristics of the marketing mix and elements, and the diversity of promotional tools for attracting clients and increasing profitability. It was discovered that Russian customers are mostly satisfied with the provided services. It was also determined that the current promotional strategy in Hostelli Hermanni is effective; however, there can be applied also other special techniques to attract Russian customers. It was designated which innovations should be initiated in order to become more successful and attractive for Russian guests.</p>			
Keywords Hospitality Business, Accommodation, Marketing Mix, Promotion, Advertizing, Social Media			

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1 INTRODUCTION

Hospitality business becomes more popular and successful industry in the world. It provides accommodation, food and drink for customers. However, to be more successful and profitable, it is necessary to establish clear objectives and reach it applying appropriate tools. Each company should take into consideration and elaborate marketing mix. Production, price, place, and promotion are elements of marketing mix. All the elements include certain feature, and it is important to understand it and develop according to the goals. Promotion is used to attract more customers and obtain profit and benefits. It is also used to create awareness and maintain a good reputation.

The objectives of the thesis are:

- to describe the term “marketing mix” and main elements, such as product, price, place, and promotion;
- to determine features and characteristics of hospitality business, as well as specialties of marketing mix in this industry;
- to define promotion ways in Hostelli Hermannii;
- to organize and conduct the research in Hostelli Hermannii;
- to compose the plan of future development for Hostelli Hermannii for attracting Russian customers.

Hostelli Hermannii is the hostel in Kuopio. It provides accommodation for different types of guests from different countries. Russian tourists have become more interested in travel. At present they visit Finland more frequently than before for several reasons, such as shopping, leisure, or sport. Attracting more Russian customers is one of the most appropriate ways to become more successful and profitable. So, Hostelli Hermannii should take notice to ways of promotion and create the development program to achieve goals. The objective for the research is to receive information about current situation in the hostel, advantages and disadvantages, applied promotion tools, and customer satisfaction with offered services.

Firstly, it is essential to collect theoretical information about marketing mix, its features and obstacles. There is a great number of articles, because of hospitality’s rapid growth and development. However, most of them are directed to the common terms and characteristics, and promotion is not elucidated by different sides. Papers describe the significance of Internet resources and particularly social media in promoting accommodation. This way is effective in this case; however, there are also other types

of promotion used in hospitality. It should be distinguished a book "Hospitality Marketing Management" by Reid & Bojanic (2006). This study discovers marketing process in hospitality business, presenting target market, marketing planning and implementing, as well as marketing mix and particularly promotional strategies.

Secondly, it is organized and conducted the research process in Hostelli Hermanni. The questionnaire is used to receive data from Russian customers, and the interview is the most appropriate way to gather information from the manager of Hostelli Hermanni. First the questionnaire is composed and distributed between arrived to the hostel Russian guests, and then after analyzing responses the interview is prepared and conducted with Mrs Olga Loukkola, the manager of Hostelli Hermanni. Both of these methods are essential to gather information, analyze it, and prepare the development plan.

Finally, based on obtained results, there will be given advice recommendation concerning promotional strategy and improving services in the hostel. It was noticed, that in general the current situation is agreeable, with some advantages and obstacles. However, there are certain ways to increase profitability and develop services to attract more customers, particularly from Russia.

So, the process of preparing the Thesis includes the following stages. Firstly, it is essential to formulate and conceive the topic. The topic should be challenging and problematic. Actual situation should be taken into consideration. Justified objectives should be established and tasks should be designated. There are several challenges concerning this stage. The chosen topic can be too narrow; it is impossible to describe and investigate it. The objectives can be established incorrectly, or misunderstood. So, it can be impossible to reach the goals and make conclusions,

Secondly, the collecting information is organized and performed. This stage includes searching for theory, literature review, and evaluation gathered data. It is important to analyze different viewpoints on the certain topic to understand the concept and investigate the phenomenon by the different sides. Based on the theory, it is possible to conduct researches and obtain necessary information to reach established objectives. This stage can be also difficult. It is necessary to check information, because some of the data can be outdated, or new technologies are already launched. The world is developed rapidly, and it is important to follow renovations.

After theory is analyzed, the practical part can be started. It is important to choose the most appropriate research methods to achieve objective, to establish goals, problems, and questions according to the chosen topic, and to organize the process by contacting to a certain company and its managers and employees. It should be taken into consideration all the possible challenges and alternatives should be prepared to save time and reach established objective using another way of implementation.

Finally, all the gathered theoretical and practical information is analyzed, results are prepared, and it should be created a strategy of future development to improve the quality of services, or attract more customers, or launch new products or services.

So, concerning this Thesis, it should be noticed that the selected topics and objectives are actual at present because if the constant development and modernization of hospitality business and a plan to achieve established objectives and describe the theme is created and implemented.

2 MARKETING MIX – 4Ps

This chapter describes the term Marketing Mix. Generally, according to the common opinion of researchers, it consists of 4Ps: Product, Price, Place, and Promotion. These concepts are determined, and features are investigated.

Marketing mix is a set of activities used to sell products. A company should distinguish product's characteristics, define places of selling and prices, and effective ways of promotion. However, determining marketing mix elements is based on the identified target market.

Along to the traditional 4 Ps, additional new elements, such as Process, Participants, and Physical Evidence, take place in researchers' papers. Concerning service industry, the element People can be used, because the human factor plays an important role in the service marketing. It should be noticed that at present some service companies try to reduce the importance of human interactions, launching and developing online computer services. However, interactions between the personnel and the clients are more important because people prefer to solve problems and discuss ideas in person, by email, or on the telephone. (Pizam 2011)

This paper describes features of the hospitality business; so, it should be noticed that hospitality marketing mix, according to Reid and Bojanic (2006, 16-28) includes five components:

- 1) Product-service mix, which includes products and services offered by a company, such as rooms, facilities, and other services.
- 2) Presentation mix consisted of tangible elements: location, interior, and staff.
- 3) Communication mix, or contacts between the company and customers; feedback, marketing research, and advertising are included in this component.
- 4) Pricing mix consisted of actual prices and special offers.
- 5) Distribution mix including all distribution channels between a company and customers.

Some factors, such as customers' perceptions, competition, legislation, or trends, can have an impact on the effectiveness of the marketing mix. (Reid & Bojanic 2006, 16-28).

2.1 Product

According to Kotler (2013, 238) product is “anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”. However, it is important to differentiate products and services. The most significant difference that products are tangible and services are intangible and consist of benefits, satisfactions and activities. Each product contains such benefits, as quality, features, style and design. (Kotler 2013, 238-239)

There can be defined local and global products. Local products are successful in a single market; global products are created in a local place to be distributed in other markets. When developing the product, identifying the target market is an important objective. Economic, cultural, and legal factor should be considered.

There can be identified three levels of products and services:

- core customer value – the basic level, benefits should be defined on this level;
- actual product – developing product’s characteristics;
- augmented product – providing additional services.

Products are also divided into consumer products and industrial products. Consumer products are intended for personal using and include convenience products (are bought frequently), shopping products (comparing quality and price), speciality products (with unique characteristics), and unsought products (for example, life insurance or funeral services). Industrial products are used for a special purpose in conducting a business. (Kotler 2013, 240-244)

It should be taken into consideration the features of services, which include government, nonprofit organization, and business organizations. Customers expect the high service quality. Clarke and Chen (2007) distinguished five dimensions of service quality:

- tangibility (physical facilities and materials)
- reliability (ability to perform services)
- responsiveness (importance of services for clients)
- assurance (trust and competence)
- empathy (individual approach).

It was also determined the special services characteristics, such as following:

- intangibility – services cannot be felt before buying
- inseparability – are not separated with providers
- variability – the quality depends on the provider
- perishability – cannot be stored for later use. (Kotler 2013, 251-253)

2.2 Price

Kotler (2013, 305) defined a price as “the amount of money charged for a product or a service”. Only price in marketing mix produces profit, other elements represent costs. Prices usually depend on customer evaluation; in case when the value is less than a price, the product will not be sold. (Kotler 2013, 305-306)

Pricing is the constant process. A company should understand market and external and internal environment to choose the effective strategy. In most companies a systematic approach is used. It includes follow points: setting objectives, evaluation the sensitivity of prices, and monitoring the environment. Pricing objectives consist of financial performance (controlling profitability and return on equity), volume objectives (related to the market share), competition objectives (to achieve competitive advantages), and image objectives (positioning). (Reid & Bojanic 2006, 549-553)

Every company follows a strategy of price skimming or price penetration. Price skimming is aimed at gaining profits in short time by establishing high prices with quality guarantee. A great number of customers prefer to pay more for a high quality of additional luxury products and services. Price penetration is based on selling products or services at low prices to attract more customers. (Clarke and Chen 2007)

There are three main pricing strategies:

- customer value-added pricing – the key for pricing is customers’ perceptions; assessment customers’ needs is the first step when establishing prices;
- cost-based pricing – determining costs before setting prices;
- competition-based pricing – prices depend on competitors’ strategies. (Kotler 2013, 306-313)

All in all, pricing refers to decision concerning, pricing and discounting strategies, and positioning on the market.

2.3 Place

Place is the next element of marketing mix, because producers mostly sell products using intermediaries. However, some companies do not pay attention to intermediaries, other aiming to gain a competitive advantage build a system of distribution. Some organizations that help manufacturers to deliver goods for using constitute a distribution channel. (Kotler 2013, 365-366)

According to Kotler (2013, 365-367), there are follow steps to design a distribution channel:

- analyzing consumer needs – it is important to control quality of service, delivery promptness, and prices;
- setting channel objectives – every activity should have established goals, the objectives can be to minimize costs, to avoid delays, or to way economical ways;
- identifying major alternatives – it can be chose from different types of intermediaries, determine its number, and define responsibilities;
- evaluating the major alternatives – using economic and adaptability criteria, and control issues;
- designing international distribution channel – to take into consideration unique systems of each country they enter.

Concerning our topic, it should be noticed, that a hospitality business provide services and they are consumed at the same place, in the home or host countries. The identifying the right place is important objective for hotel chains when launching a new project and opening a new hotel. (Clarke and Chen 2007)

2.4 Promotion

Promotion does not consist of advertising only, it includes several activities. Different viewpoints concerning promotion tools are discovered. However, it is important take into consideration cultural differences when promoting on the international market.

Kotler (2013, 447-508) distinguished the next types of promotion: advertizing, public relations, personal selling, sales promotion, and direct marketing.

Advertizing is promotion of goods and services using media and paying. There are four necessary steps for successful advertizing: defining objectives (based on target market and marketing mix), establishing the budget, developing strategy (creating message and selecting media) and evaluating. However, advertizing is the most expensive way of promotion, especially using TV and radio. (Kotler 2013, 447-450)

Public relations is establishing of relations with clients, suppliers, investors, and media. This way is cheaper than advertizing, because it is not necessary to pay for time and place. A company only pays for a personnel participating in events. Tools, such as news, special events, written and audiovisual corporate materials, are used. Companies choose new ways to attract more customers: social media, blogs, and websites. As in

advertising, certain steps are distinguished: setting objectives, defining message, implementation, and evaluation. (Kotler 2013, 461-463)

Personal selling is the interpersonal tool. Salespersons play an important role when using personal selling. The following steps are determined, such as preapproaching, presenting and demonstrating, handling objections, and closing and following up. (Kotler 2013, 475-487)

Sales promotion is used to encourage customers or suppliers to buy or sell products or services. There are certain types of sales promotion: consumer promotion (free samples or coupons for customers), trade promotion (free good for suppliers or an opportunity to push money), business promotions (special conferences and exhibitions for partners), and sales force promotion. Sales promotion develops and grows at present, according to great competition and declining of advertising. This type of promotion is usually used with other tools. (Kotler 2013, 491-495)

Direct marketing works without intermediaries; it grows rapidly and becomes more web-oriented. This type of promotion is attractive for customers because of its interactivity and unlimited selection. It is also an appropriate tool for sellers because of low costs. A company avoids expenses of using a store and associated costs. (Kotler 2013, 507-508)

Another classification was distinguished by MrSpitfire (2012). In his opinion, promotion includes advertising, promotion, personal selling, public relations, and customer service. This researcher defined setting objectives, budget, creating a campaign, selecting media, and evaluating the effectiveness as steps of advertising process. There are different types of advertising, such as informative advertising and persuasive advertising. The first type gives information about the product; another type persuades consumers to buy product they need. Newspapers, magazines, television, radio, billboards, cinemas, leaflets, Internet are determined as media of advertising. It should be noticed that the AIDA model is used by businesses. AIDA model includes:

Attention (customers learn about the product)

Interest (customers should be interested in the product)

Desire (people want to buy it)

Action (they buy the product)

Promotion supports the advertising and is used for attracting new consumers. Promotion includes price reduction, gifts and free samples, competition, demonstrations, and after sales service. Promotion can encourage purchases during off-season; people try this product or buy it in greater quantities. Personal selling is used when price, quality or

customers requirements are varied. It is also effective when giving advices to customers or when selling expensive goods. Public relations improve company's image and include sponsorship or charity. Customer services' main objective is to retain loyal customers by giving advices, delivering products, providing credit facilities and product information. (MrSpitfire 2012)

Reid and Bojanic (2006, 387-400) presented advertizing, sales promotion, publicity, and personal selling as elements of promotional mix. There are features of each of them.

Advertizing is used by companies to establish awareness and positive view, and promote loyalty. There can be national and local advertizing. National advertisements promote the chain; it is not a right way for a small company or subsidiaries – a local advertizing is more appropriate tool. It is identified a special type of advertizing – cooperative advertizing, when two or more companies advertise themselves together to gather benefits. Advertizing process includes key points, such as objectives, audience, benefits and personality. Using advertizing, it is important to determine the most appropriate media. (Reid & Bojanic 2006, 431-441)

Sales promotion is the next element of promotional mix. The purposes of this tool are to increase awareness, to encourage more purchases, or introduce new services or products. There can be distinguished push promotional strategy and pull promotional strategy. The first one refers to distributional channels and uses cooperative advertisements or managers' meetings. Another strategy stimulates customers' interest and presents coupons, free samples, or price reduction campaigns. (Reid & Bojanic 2006, 475-485)

Publicity or public relations include letters, releases, speeches, or open houses and tours to provide detailed information about products and services. Description of the area, details, features, and photographs are components of public relations. (Reid & Bojanic 2006, 492-501)

Personal selling includes communication by telephone, meetings, or appointments. It is identified FAB technique: features, advantages, benefits. It is important to present these key points when communicating personally. (Reid & Bojanic 2006, 509-536)

Concerning promotion on the international market, there can be some restrictions. For example, when advertizing, it should be noticed that some countries prohibit erotic messages; in other countries advertising of certain products is not allowed; or comparing competitors can be also prohibited. (Clarke and Chen 2007) These rules should be investigated and followed when entering and developing activities on the international market. Cultural, legal, and social environment should be taken into consideration. Otherwise, a company will not be profitable and successful.

So, different researchers identify types of promotion using several approaches. However, the essence of each way is related to other and these tools are in close interactions. Applying these approaches and methods will help to be successful on the market and obtain customers' awareness.

3 OLGARTO OY / Hostelli Hermanni

This chapter introduces Hostelli Hermanni: its location, services, conditions, and attractive for Russian customers factors.

Hostelli Hermanni relates to the hospitality business. The goal is to offer accommodation for customers from different countries, different ages, and occupations. The clients can stay there one and more nights. It is situated near the city center and Kallavesi lake; these factors make it more attractive for guests.

Hostelli Hermanni was bought by the present owner and manager Mrs Olga Loukkola in 2008. Firstly, it was only 10 rooms in the hostel; however, in 2010 business was expanded. At present, there are 20 rooms (single, double, triple, 4-bed, 5-bed, and 6-bed) with share bathrooms in the hostel. The hostel includes also two kitchens with all the necessary facilities, where customers can cook. The manager of the hostel tries to make the rest comfortable. The building is protected by the municipality, because in 19 century there was a big factory.

It can be noticed that a lot of Finnish workers stay there, when they have a season or temporary work in Kuopio. During the summer time, when various events are organized in the city, people from other cities in Finland and different countries come to participate there. It was mentioned that there are some loyal customers from Finland (most of them stay in the hostel during their working or studying period in Kuopio) and other countries (for instance, people from Russia go to Finland to shopping or simply to close their visa). Sometimes students from other countries come to Savonia UAS or The University of Eastern Finland to share experience or for exchange, and they stay in this hostel. It is an affordable accommodation with all the important facilities.

This company has different benefits comparing with other hostels in Kuopio. The staff speaks Finnish, English, and Russian languages. Speaking Russian is a big advantage to attract Russian tourists. Some of them come the first time, and they are always wondering and happy to hear Russian language. Most of them reserve rooms again. Some Russian tourists come because they know the opportunity to talk with the personnel in Russian language. Unfortunately, no English language skill is a Russian behavior. So, if the personnel in hotels or hostels speak Russian, more Russian people make reservations.

Another key factor is the cleanliness. All the rooms, toilets, showers, halls, and kitchens must be pure. They are checked and cleaned every day, using necessary scours. It

should be said that people are satisfied with services and cleanliness in the hostel. When writing feedback, it is mentioned constantly that the place is clean.

It should be also noticed that the friendliness is an inherent feature of the staff. The receptionists as well as cleaners and the manager are always glad to meet guests, to answer their questions about Kuopio, different places, timetables and give advice. If a client has any problems, the personnel do as much as possible to find the best solution.

These factors help to make the hostel and accommodation there more attractive for different types of customers.

However, it should be noticed that successful of hospitality business and Hostelli Hermanni mostly depends on external factors, such as cultural, social, and also season and weather. Some people cannot accept the lack of showers and toilet in the room. The opportunity to cook is an attractive factor for choosing Hostelli Hermanni for others. Concerning weather conditions, it should be said that there are off-seasons (from November to February mainly) in a year. For this reason some hostels are opened during the summer only. However, Hostelli Hermanni works all the year round.

So, there is a great number of advantages and factors attractive for customers in Hostelli Hermanni.

4 HOSPITALITY BUSINESS

This chapter defines the concept Hospitality Business. At present this industry is developed constantly, and it is important to distinguish its features to reach objectives and gain profit and success. It is also necessary to define the ways of promotion in Hospitality Business because of its characteristics and activities. In addition, there should be investigate the current situation in Hostelli Hermanni and obtain information about the promotion at present to come to a decision which tools are the most appropriate in this company.

4.1. Description and Features

Hospitality originated in USA in 1970-1980s; this word is used mostly to describe industry and determine the field of study. (Lashley 2007) Hospitality has become more popular according to the people's desire to use their free time. It is important that the hospitality marketing should be focused on the customers, because the success depends on the demand and a great number of variations and competitors. (Williams 2006)

There are different ways to define the concept of hospitality. Some researchers describe it in the social, commercial, and private environments. Indeed, this industry is based on the human factor, dealing with guests. In the other hand, companies should generate financial return providing services. Guests' security is one of the most significant objectives of each hotel. Different explanation of hospitality can be found in dictionaries: reception or entertaining guests, or providing accommodation, food and/or drink. Hospitality services are based on customers' demand – companies should respond to their needs. (Hemmington 2007) However, explanations in most resources are given in the narrow way, without distinguishing parameters. According to Brotherton (1999) there are four significant "characteristics:

1. It is conferred by a host on a guest who is away from home.
2. It is interactive, involving the coming together of a provider and receiver.
3. It is comprised of a blend of tangible and intangible factors.
4. The host provides for the guest's security psychological and physiological comfort."

Staying in the hotel should not remind a guest that he is at home. He changes the atmosphere, travels, eats in the restaurant, and he prefers to gather new feelings, even his home is comfortable.

Returning to the issue of definition the term “hospitality”, Brotherton (1999) took into consideration Tiderman’s definition: “the method of production by which the needs of the proposed guest are satisfied to the utmost and the means a supply of goods and services in a quantity and quality desired by the guest and at a price that is acceptable to him so that he feels the product is worth the price”. However, this definition explains the term in an economic way. Another definition in Borhterton’s paper (1999) related to the hospitable behavior when the staff deals with clients: “A contemporaneous human exchange, which is voluntarily entered into, and designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation and food or drink”. So, the term hospitality includes accommodation, food and drink; hospitality business consists of hotels, restaurants, catering, cafes, and travel organizations. However, in this paper only accommodation will be included to the hospitality, because only hotels’ and hostels’ activities are discussed.

As other industries, there can be met some challenges in hospitality. One of the problems related to qualified personnel. The job in the hotel implies long work day with low wages. Another challenge is to reduce costs retaining the high quality of services. Based on great competition in this industry and availability of rooms, price cutting can be a good solution to attract more customers. Hotels also provide various additional services, such as breakfast, tickets, transfers, excursion or tours. The value of a competition is launching new projects and innovations. At present people gather information from different resources and they know their desire. Online reservation systems become more popular and important factor for customers to choose the certain type of accommodation and this service save their time. (Jung 2009)

As was identified in the previous chapter, there are differences between products and services. Hospitality businesses provide services, and they are unique. There were explained already main key points of services. However, it should be distinguished key differences:

- customers cannot be the owners of services;
- there are self-services in hospitality industry, so clients are involved in services;
- service evaluation is a difficult process – it depends on personal feelings;
- it is important to manage supply and demand because of instability and lack of inventories for services;
- time is important, because producing, selling, buying and consumption of services occur simultaneously. (Reid and Bojanic 2006)

So, hospitality business is an industry with certain features and characteristics which should be taken into consideration when studying it.

4.2. Promotion in Hospitality Business

According to the current situation, such as growing tourism industry and a great competition in the hospitality business, hotels and hostels search different tools to attract more guests.

Firstly, it was denoted that promotional mix in hospitality business includes advertizing, sales promotion, public relations, and personal selling. The feature of these tools is to be clear, concise, and accessibly for people. Reid and Bojanic (2006, 387-399) identified the follow functions of promotion in hospitality. Firstly, promotion tools provide information about new services. Then, they consolidate relationships with customers. They are also impact on new customers. Finally, promotion techniques improve a company's reputation.

Secondly, it should be noticed that choosing of promotion strategy depends on the production life cycle. Certain techniques are recommended on a certain stage.

The first stage of the production life cycle is introduction stage. The most significant objective of promotion is to inform customers about new service or a new company and create awareness. All the mentioned promotion tools are used. Advertizing and publicity are the best ways to create awareness. Personal selling establishes relationships with intermediaries. Sales promotion (discounts, prizes, press releases) is also applied. (Reid & Bojanic 2006, 390-400)

The next stage is growth stage. On this stage attracting more customers and earn a good reputation are the important objectives. Advertizing is a good way to develop business. Personal selling is applied to contact with intermediaries. (Reid & Bojanic 2006, 390-400)

On the maturity stage a company has advantages. The goal of promotion is to continue developing and remind customers of benefits. Reminder advertizing and sales promotion (coupons and discounts) are used on this stage of production life cycle. (Reid & Bojanic 2006, 390-400)

Decline is the final stage. Different promotion tools are used to launch new services, based on gathered authority. It is important for a company to control marketing expenses and minimize advertizing costs. Sales promotion is seldom applied. Thus,

each company should monitor its development and apply the most appropriate and effective tools to promote services on the market. (Reid and Bojanic 2006, 390-400)

Finally, there are defined features of the most effective at present promotion ways.

Internet becomes more and more popular. It is the most effective, but economical tool. A creative and well-designed website allows people to obtain all information about rates, discounts, rooms, and other facilities. Loyal and potential customers should view accurate and clear information. However, it should be noticed that information and pictures excess could lead to sales and clients loss. (Bizymoms 1997) It is also important to provide an option to make a reservation online saving customers' time. There was organized a survey Portrait of American Travelers (2013) by the MMGY Global. Based on this survey, it should be noticed that people search on hotels' websites information about the lowest rates and compare different rates. They expect to see photos and use the easy booking system. Some of respondents mentioned the opportunity to share photos and leave feedback on the hotel's website, other prefer to get notifications about discounts and special offers. (Yesawich 2013). So, these kinds of surveys and analyzing existing data help companies to improve facilities of their website according to wishes of customers.

Using social media and the Internet is the effective way to attract new clients and be successful. Before making reservation people consider possible options and check information carefully. Technological innovations help hotels and hostels to be competitive and have a success. Each hotel website should include information about the area, facilities, contacts, and ways to make a reservation. Specialized websites, such as TripAdvisor, Booking.com etc. are used for finding the most appropriate accommodation, making reservations, and implementing researches. It should be also noticed that hotel website and social media are integrated and close interrelated. (Inversini 2013) The system Booking.com obtained a significant position as an Internet Distribution System. Through this system, each hotel or hostel regardless of size and business activity gains customers' awareness and interest. It is the most appropriate way to receive customers' feedback and therefore good reputation and quality warranty. (Gustavo 2013) It should be also noticed that people can chat about hotel's facilities, problems and own experience using Twitter. So, monitoring feedback in social media is important to improve the quality of services (Leposa 2013). Some hotels create someone's position to establish networks with potential customers or assign a person really existed in the certain media. (Feiertag 2012) However, Russian people are not interested in Twitter, According to TNS Russia (2013), Twitter is not included to the Top-10 of the most popular social media in Russia. So, hotels dealing with Russian

customers should pay attention to this fact and use other appropriate channels to gather information.

Another tool is using magazines and brochures. Advertising attracts attention to find more information about the hotel or the hostel. However, in my opinion sometimes it is difficult to choose the most appropriate edition. In case of using local magazines, this tool could not be effective. When travelling, people mostly choose the hotel and make a reservation in advance. On the other hand, entering to the international market by the advertising is an expensive way. The next tool for attracting customers is inviting tour operators or travel agencies to stay in the hotel or the hostel as the guest. Viewing hotel's facilities will help representatives to promote services to the clients. (Bizymoms, 1997).

Increasing of sales and hotel's promotion depends also on the professionally organized telephone selling process. There are special rules how to carry on a conversation by phone. The number of rings is the important factor for a potential client; after three rings he can hang up and make a reservation from another company. When a loyal customer calls, it is allowed to respond more personally. It is necessary to show the client's importance. When selling on the phone, a company's representative should have an ability to control the conversation to get all information he needs. Every reservation should be confirmed by the seller. Voice, speed, and tone should be flexible depending on each case. The properly constructed telephone negotiations attract customers to make more reservation by phone and earn a good reputation. (Taylor 2001, 113-126)

It should be necessary to mention also Special Event as a way of hotel's promotion. There can be determined two types of events: business (created by others) and own events (created by the certain hotel).

Derek Taylor (2001, 293-295) distinguished six elements "for a successful Special Event:

- an expert
- a way of publicizing it
- a sponsor
- a programme
- a piece of promotional material
- enough time to get it off the ground".

This is a good way of promotion in off-season. Guests can get benefits, such as spending time with interesting people or with people with same hobbies; learning more about interests; opportunity to spend time in other towns in nice places. (Taylor 2001,

295-303). So, this promotion tools is also applied in hospitality industry and particularly in hotels.

Generally, promotion tools used in hospitality business are similar with common ways described in previous chapters. There are only certain features based on industry's activities. Different promotion tools are applied in different stages of company's life cycle. The choice depends also on the season. The development of promotion methods is related to the technical development. Increasing demand for consuming the latest technologies, such as Internet and social media, leads to improve tools and adjust methods to these conditions.

4.3. Ways of promotion in Hostelli Hermanni

The interview with the Hostel Hermanni's manager Olga Loukkola was organized. There were six questions concerning promotion tools used and future plans to attract more Russian tourists. Before interviewing it was noticed, that there is the hostel's advertisement in some free magazines in Kuopio in Finnish, English, and Russian language. Hostelli Hermanni has a good evaluation and feedback on the system Booking.com, especially from Russian guests. The information on the own website is updated regularly. However, there is no opportunity to make a reservation directly on the website. Customers can reserve a room via email or phone or using the special bottom "Book now" automatically move on Booking.com.

It can be said that the personnel works according to customers' desires and preferences. Using social media and Internet resources, such as the system booking.com and own website, helps to get more information about guests' opinions. Mrs Loukkola (Interview 9 February 2014) noticed that viewpoints of other people are the most important factors for the Russians. Russian people discuss their experiences with relatives and friends, and it is the common situation, when a person recommends accommodation opportunities. However, there can be some challenges and misunderstandings. The service sector is mostly subjective sphere. Evaluations depend on customer's mood, health, and disposition. People can leave negative messages, even they are not satisfying with an unimportant thing. If feelings are negative, it will be discussed more, and other people will think more and decide to use another way. Concerning feedback on booking.com, it should be also noticed, that sometimes competitors posing as anonymous customers can write negative ideas. So, a company should offer as much as possible good services to get a high evaluation.

At present, the company uses also other ways to promote services to Russian customers. Advertising in local newspapers and magazines is carried out, but it is not so effective when saying about Russian target market. It can be explained that these local magazines and brochures are available for Russian tourists when they are already in Finland and made a reservation in advance. There can be cases, when people organized their one-day trip, but they were tired or need help. In this situation magazines and brochures are used. These editions will be taken away, and if conditions were suitable for customers, they will go again to this hotel or hostel when coming to Finland. Using Russian print media is expensive, and most people prefer to get information from other resources, such as TV or Internet. The advertising on TV-channels is more expensive than in print media. In Russia there are federal and local channels. There can be a possibility to advertise services on Karelia TV; however, the manager of the hostel noticed that there are a lot of guests from Petrozavodsk, Kondopoga and other Karelian cities. Considering the feature of Russian people to share information face-to-face, it is not necessary to use this form of advertising. Advertisements on federal channels are expensive and are not applicable for a small-sized company.

The hostel's manager has only started to deal with Russian travel agencies. Travel agencies from Petrozavodsk make reservations for their customers when organizing special tours (for shopping mostly). However, it is not a permanent cooperation with agreement and paying commissions; these companies operate as normal customers. At present, there is a plan to deal with companies from nearby Russian cities, such as Petrozavodsk, Vyborg, and St.-Petersburg, and a twin-town Pskov. Mrs Loukkola (Interview 9 February 2014), as was noticed, is not interested in travel exhibitions, because firstly, they are not popular in Russia, and secondly, people are not interested in such events. The manager said that she participated in the travel exhibition in Helsinki in 2012. However, this event was for representatives from booking.com and other Finnish hotels and hostels. Companies shared experience and learnt more ways of cooperation with booking.com. Another exhibition was organized in Vyborg, Mrs Loukkola (Interview 9 February 2014) presented the hostel and promoted it by giving brochures and business card to visitors. However, it was noticed that this activity did not produce results. Monthly reports and observation showed that guests from Vyborg are not loyal clients in the hostel, and the number has not increased. Organized questionnaire will help to collect customers' opinion about exhibitions and decide, is it beneficial and valuable way of promotion services.

Mrs Loukkola (Interview 9 February 2014) also noticed the importance of telephone negotiations with customers, especially with Russian clients. Firstly, a personnel use the most appropriate language. If the phone shows the Russian number, a receptionist or even the manager started talking in Russian language. This point attract more

customers, because Russian people discuss many things with their relatives and friends, and a great number of Russian people know in advance that it will be easy to communicate with the hostel. When talking with customers from different countries in English language, there can be some difficulties to understand a write down a name of a client. In this case, personnel should ask to repeat or spell the name politely. However, some customers know in advance possible difficulties and spell their names without any questions. Phone calls are also important when a reservation was made via phone or booking.com. A receptionist rings to clients to confirm the reservation and clarify the arrival time. There can be clients who forget to cancel a reservation or change plans: so, it is a right point to remind them about their reservations.

Therefore, this interview helped me to get information about used promotion tools. Advertisement in magazines are applied; direct marketing by reserving rooms from customers via email and phone is also carried out; the Internet and social media support to attract more Russian tourists. The manager pay attention to given customers' feedback on booking.com, via email, or even by phone. Russian people believe opinions and it necessary to take comment into consideration and improve services according to them.

5 RUSSIAN'S BEHAVIOUR AND REFERENCES WHEN CHOOSING ACCOMMODATION

This paper is closely related to Russian customers. So, it is essential to define the cultural features and behaviors of Russian tourists. It is important to investigate the reasons to visit foreign countries, especially Finland, and ways of hospitality business development to attract more Russian people considering these features.

5.1 Ways of making reservations

There was organized the conference concerning online-reservations E-Travel 2013 in November 2013. Such international online-reservation systems as TripAdvisor and Momondo participated there. However, there were also representatives of Russian companies: Ekskursiopedia, Ostrovok.ru and others.

The CEO of Ostrovok.ru Sergei Fage observed that the hotel reservation market have become the most popular and important segment in Russia. He also noticed that the new generation is not interested in package tours; however, this direction can developed in 5-6 years. It was discovered that the system Ostrovok.ru is more consumed than Booking.com to choose accommodation and make reservations when travelling in Russia. Only 17% of Russian people make reservations via Internet. (Runet Media Holding 2013).

Online reservations are used more frequently. There is a great number of articles with several ways of reserving hotels, shared experience, and explaining the most important and interesting features of online systems. Most sources take into consideration the issuing and using of bank cards. Bank cards have become more popular at present; however, only a few numbers of people use it frequently particularly buying goods and services from the Internet.

Online reservation systems are promoted to create awareness of Russian people. It is explained that these systems do not take any payments or commissions from customers; hotels pay for services. There can be also discounts and special offering for people on the website. Online systems include a large database of hotels and hostels around the world; the search for the most appropriate accommodation can be executed by different criteria, such as country, town, dates, rooms, services and location. The most popular systems in Russia are Booking.com, Agoda.ru, and Hotels.com. However, Booking.com is the most appropriate system when choosing accommodation in Europe, and Agoda.ru mostly consists of hotels in Asia. (Geleosan 2012). It is also important for Russian tourists to use the simple and convenient website. The reason is that Russian

people have only started to consume Internet resources and plan the trips independently. Reliability and security, the opportunity to cancel the reservation free of charge, additional discounts influence on the choice. (Oktogo.ru 2012)

Online search using yandex.ru, rambler.ru, google.ru presents variations from the different databases simultaneously. These services only provide information, and based on obtained results, the hotel and rooms can be chosen and reserved on the special website. As was discovered from the survey conducted by Oktogo.ru (Oktogo.ru 2012), about 76% of residents of Moscow and St.-Petersburg use these search websites to find the most appropriate accommodation, and 81% make a reservation from the most popular online reservation systems. So, there are two ways of making a reservation:

1. find information on the search websites, checking prices, and booking a room;
2. search for information on the local websites in the country of destination.

There is also a possibility to find accommodation when arriving to the country. (Geleosan 2012)

Feedback, opinions, and previous experience of other people is very important when choosing accommodation, especially for Russian tourists. Some articles propose to inspect negative feedback and take into consideration that two or more similar opinions are the reason to think more about importance of this service or comment before making reservation. (Eritso 2011)

There can be distinguished pros and cons of making reservations online.

The advantages are:

- the reservation is made in advance; it is not needed to spend time to find accommodation when arriving to the place of destination;
- there can be special prices and discounts when making reservations online;
- sometimes there are not any available rooms in hotels;
- the printed version of the reservation is needed when applying for a visa.

The disadvantages are the follow:

- there are only photos in the Internet; it is impossible to obtain the real information;
- online systems do not include all the hotels and hostels; when arriving, it is possible to find the inexpensive accommodation. (Geleosan 2012).

When making a reservation online, Russian people should pay attention to the correctness of data, such as family name, address, email, phone number, and bank card

number and the date of expire. The confirmation of reservation obtained via email should be in some cases presented when arriving in the hotel or hostel.

However, it should be also noticed that using services of travel agencies is also one of the best ways to obtain information about hotels and hostels and make a reservation. As a rule, the representatives of travel agencies visited offered hotels and checked services. So, a customer can obtain information about the real situation in the hotel and based on the opinion of the professional agent make a reservation and enjoy the staying.

So, there are three the most useful ways to make a reservation for Russian customers: via special online reservation systems, by the search in the Internet, and contact the travel agency.

5.2 Types of leisure activities

Russian tourists prefer to plan the trip in advance. Some of them can organize it spontaneously according to special offers. However, as was noticed by travel agents, at present more customers make reservations and buy package tours in last moments, not in advance. Hot tours are inexpensive, and the economic situation in Russia is unstable; so, these factor influence on people choice. (Spelova 2012)

When reserving a room, it is essential to choose the type of leisure. If the reason to go to another country is to swim and sunbathe, it should be chosen the hotel located near the beach and with own swimming pool. Hotels and hostels in city centers offer services for people who prefer sightseeing.

A large number of Russian people prefer the leisure on the beach. This kind of leisure has become more popular in the last seven years. It can be explained by the long cold winter in most Russian places; so the opportunity to sunbathe and relax without any activities is very attractive. Sightseeing is the second reason for leisure. (Spelova 2012). People learn more about history of different places, and discover mountains, museums, and theatres. When travelling in foreign countries, Russian people endeavor to understand the local culture and traditions, and taste cuisine. However, most of tourists choose convenience in the hotel and eat traditional dishes. (Vojazh 2013) There is also a popular place for leisure is a sanatorium, where people can relax, obtain medical procedures and special treatment. (Spelova 2012) The main reasons to stay at home are lack of money and challenges in receiving a visa. Some people do not want to go anywhere; it is also the reason to spend holidays at home or in the summer cottage.

Without reference to the country of destination, Russian tourists prefer to speak Russian and obtain information in Russian language. This is the reason for hotels and hostels to improve services by hiring Russian speaking personnel and offering Russian TV-channels. (Vojazh 2013)

All in all, there are different types of leisure. The choice depends on many factors, such as desire and willingness, received visa and weather.

5.3 The most preferred directions

As was discovered by different surveys, only 30% of Russian people prefer to go for holidays to foreign countries, and about 50% spend their free time at home or in the summer cottages. (Spelova 2012) However, the choice of the country of destination depends on the season and holidays in Russia.

Generally, as was detected by The Visa Center of Moscow (2012), the most popular country is Turkey. The second is Egypt, and China is the third place. Russian people visit Germany and Spain, Mexico and Japan, Austria and Netherlands, and others. Finland's position fluctuates from fifth to ninth.

The most popular places during the year 2012 are displayed on the image 1.

Countries Russian people visited in 2012

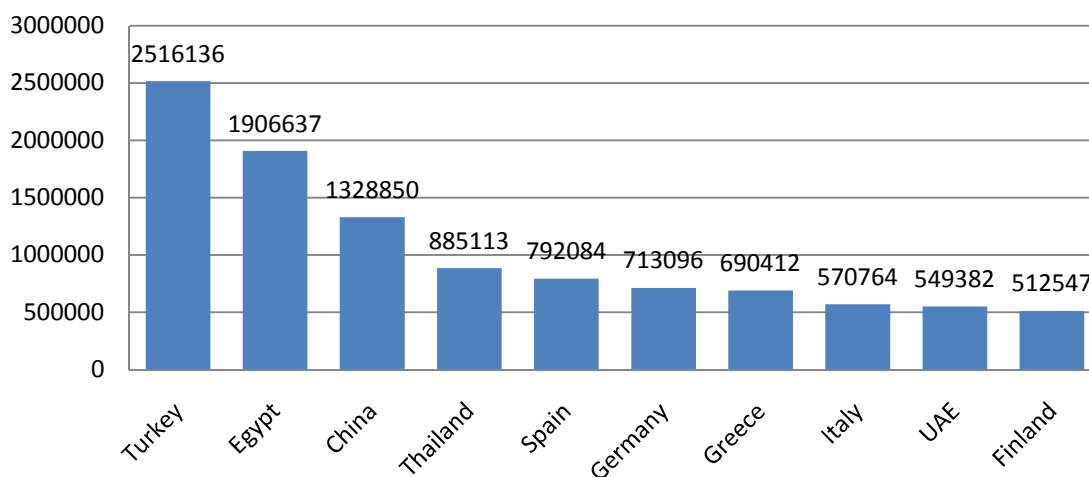


IMAGE 1. Countries Russian people visited in 2012 (Tambov-Inform)

Russian people have an opportunity to vacation in January. The preferences depend on the region of residence and weather conditions. Tourists visit Thailand, Egypt, India, and United Arab Emirates. Finland is the most popular country for Russians in Europe. This choice can be explained by the location, convenient visa policy, and an opportunity to

communicate with Joulupukki – Finnish Ded Moroz. Russian tourists also visit Cuba, Dominicana, and Mexico, as well as Austria. The demand usually increases by 15-20% during the winter holidays. (RIA Novosti 2011)

There are also long holidays in May. Russian people are divided into two parts: one part has summer cottages and gardens, and they spend these free days there. Another part visit different countries. People start to plan their May vacation already in February-March. Russian tourists make reservations frequently in Italy, France, Spain, and Czech Republic. The destination depends on the duration of holidays. Every year there is different number of days. Russian people organize their leisure even in Tenerife, the Caribbean, and the Maldives. So, it should be noticed that May holidays used as a city holidays with visiting capitals of European countries. At present, Russian people are interested in staying in London, Milan, and Antalia. (Ryzhov 2013)

Most Russian people take their annual vacation in summer. There is a great number of entertainments, opportunities to gain a new experience in new places, or even spend time at home or in the summer cottage. Family spends time together, and the most popular places to visit are Spain, Italy, Greece, France, and Great Britain. People make reservations for 9-15 nights. Spain is attractive for leisure country because of climate and long-term visa. Italy is the most appropriate place for families with children, because most hotels provide special services for young tourists, such as children menu, kindergarten, and different entertainments. Italian beaches are one of the cleanest places in the world. Each child is interested to visit French Disneyland. There are different attractions and souvenirs in this place. (Interfax 2013)

Generally, November starts season-off; however, there are also some free days in Russia, and people try to visit foreign countries in this period. Helsinki is one of the most attractive city, as well as Amsterdam, Tallinn, Prague, Paris, Riga, and Budapest. There are different events are organized in November to attract more tourists. (RB 2013)

Concerning Finland, it should be noticed that people choose this country regardless of the season. Each person can find different kinds of activities. The summer cottage in the forest near the lake is the best vacation for some people; modern European cities are preferred by others. There are also different places with reach history. The Finnish nature is the most attractive factor for Russian tourists: lakes, rivers, forests, clean air, animals, mushrooms, and berries. People prefer to stay in Finland in winter, because the air and the climate are softer than in other countries. There is an opportunity to ski and skate. "White nights" attract tourists in summer time. This time is the most appropriate for fishing, walking, and boating. (TopHotels 2014)

Thus, it should be noticed that Russian people travel during the year. The place of destination depends on the weather, season, reasons for travelling, duration of the holidays, and personal preferences.

6 RESEARCH METHODOLOGY

This chapter discovers the practical part of this paper. The most appropriate methods to reach objectives are presented, the objectives are defined, the research process is shown from different sides, and results and plan of future possible improvements are composed.

There are different methods applied to the research process in hospitality business. Researchers use mostly quantitative methods, such as surveys, observations and questionnaires, for distinguishing market segments and gather information about customers' behaviour and preferences. When researching target market in hospitality, qualitative methods are used. Interviews and focus group help to investigate reasons for choosing a certain type of accommodation, identify differences between business and leisure travellers, or the importance of attributes. (Bowen 1998)

When organizing practical part, it was decided to use quantitative (questionnaire) and qualitative (interview) research methods. The quantitative methods allow to obtain more statistical or numerical data, it is essential to collect information from a great number of customers. Qualitative methods involve understanding person's own opinion, evaluation, and experience.

The questionnaire for the Russian tourists came to Hostelli Hermanni was prepared. It helped to investigate the current situation and gather more information about Russian customers. Questionnaire is the most appropriate method in this case, because there is an opportunity to gather a great number of answers during the short time. Based on the questionnaire, there were defined the most attractive for people when coming to Finland and to this hostel factors, the most important criteria for choosing a hotel or a hostel and sources where Russian people find information about Finland and Finnish services. Customer satisfaction is the most examined topic of questionnaires in the hospitality industry. So, it was also important to receive this information and create a plan of action to improve services. An interview with the manager helped me to collect information about current ways of the promotion, and the manager's viewpoint concerning Russian tourists and their preferring. Using these two methods, I achieved my objectives and created a clear picture concerning attracting Russian customers.

Concerning another qualitative method – focus group – it should be noticed that the best way to use it is in the large research program. The essence of the focus group is to organize and implement a discussion within a small group of people. O'Neill (2011) mentioned that this method is effective “when researchers are seeking to identify a

range of ideas or feelings that people have about something and to later design a larger quantitative study". However, it should be noticed that some information cannot be shared in groups. Focus group is applied to employees to search for information about work-family issues or discuss common problems. In our case, this method is not appropriate because there was not a goal to gather employees' opinion or interview guests. It is not necessary to complete clients in group and discuss different topics. The research in our case should be implemented anonymously and confidentially. Another method – observation is not also used to reach these established objectives. Observation intends to observe the current situation by videotaping. The process of buying products, communication between employees and customers, their behaviours, and habits can be investigated. However, the objectives of this research do not include observation, only information gathered from customers directly is essential to create a strategy of the future development. Case study is not also an appropriate method, because it was impossible to gather data constantly and systematically. Obtained data can be used in other hotels or hostels.

6.1. Organizing the Process, Objectives

To understand the current situation and to see how many Russian tourists visit the hostel, I started my professional internship there. I obtained information about the hostel's facilities, rules, and loyal clients. It was an opportunity to observe how other employees work and what are the main points and objectives in the hostel's activities.

I created a questionnaire for the Russian tourists and gave it personally to each Russian person (or family or group) coming to the hostel from 1 January to 31 January 2014. However, people had an opportunity to fill in the questionnaire in their rooms, therefore I did not receive all the answers.

The objectives of the questionnaire were:

- To define customers' satisfaction with Hostelli Hermanni and its services;
- To learn how Russian people get information about hotels and hostels in Finland;
- To distinguish the most appropriate ways to promote the hostel;
- To propose ways to improve hostel's services and increase the popularity.

I prepared questions for the manager and organized the interview. The main objective was to understand her viewpoint on the current situation, to get information about the current ways of promotion the hostel and future plans. It was difficult to set the time of our interview; however, I organized and implemented it. A source for audio-taping was prepared, after that interview was transcribed.

6.2. Description of the Questionnaire and the Interview

The questionnaire was composed according to established objectives. The questionnaire consisted of 19 questions. The first two questions included the common information, such as the age group and sex and the frequency of visits to Finland. It was also important from which cities tourists come to Finland, particularly to Kuopio. There were questions about travel exhibitions, because the effectiveness of this promotion tool should be defined. Other questions were related to ways of receiving information about Finland, used transport, and main criteria when choosing the accommodation. Based on the objective to determine the customers' satisfaction with Hostelli Hermanni, there were asked questions about reasons to choose this hostel, ways to make a reservation and improving services. There were used multiple choice questions. Some of them offered to choose only one the most appropriate answer, other supposed some possible answers. When answering questions concerning exhibitions, recommendations, or ways of reserving rooms in Hostelli Hermanni, respondents had an opportunity to choose only one answer. However, most of the questions offered people to mark more than one answer, because different resources to receive information about Finland and accommodation can be used simultaneously, or there can be many purposes to visit Finland, or many criteria are significant when choosing the hostel. A few numbers of questions were open-ended: to present reasons for visiting Finnish cities, give opinion about exhibitions, and offer ways to improve services in Hostelli Hermanni. However, it should be noticed that according to culture behavior, Russian people are not interested in describing and arguing their point of view. In most cases respondents leave space empty, without answers. In this situation it becomes impossible to receive enough responses to attain a clear vision of the situation. They also prefer to give a positive feedback. However, if a person paid for services, he prefers to get as much as possible, even if the price is not high. Another reason to use mostly questions with given answers is the opportunity to gather accurate statistical data. All in all, well prepared and sufficiently flexible questions that may be adapted to various situations are effective in reaching the goals. Questionnaire is presented in Appendix 1.

Concerning interview, there were asked questions about the current situation in the hostel, valuable factors, promotion, and future plans. The interview is the most appropriate way to gather information from the manager, because there is an opportunity to give advice, ask additional question if necessary. It is a right way to discuss the topic personally. The following questions were asked:

1. How do you think, which factors are the most important for Russian tourists when choosing accommodation in Finland?
2. Please, list and explain the most attractive for Russian guests factors in Hostelli Hermanni.
3. Please name the promotion tools you use in your business.
4. How do you think which tools are the most effective: advertizing, social media, travel exhibitions, dealing with travel agencies or others? Please, explain why.
5. Please, describe sources and methods applied to improve your services.
6. Please, describe your strategy and objectives for the near future.

The interview was performed in Russian language, because the manager came from Belarus, and Russian language is her mother tongue. The interview was audio-taped and then transcribed.

6.3. Analyzing the Answers

Firstly, it should be noticed, that 40 answers out of 50 were received, or 80%. In my opinion, it is a good result, because a great number of answers will present clearer picture.

Concerning sex and age group of respondents, it was seen that there is about the same amount of men and women stayed in the hostel. It should be noticed that on some papers more than one age group were marked. It can be explained, that a questionnaire was partly given to the group of guests (for instance, when a family arrived). So, 30 persons out of total 49 were in age group 21 – 40. Only one of the guests was older than 61 and another one was younger than 20.

It was defined that approximately 70% of respondents arrived from Petrozavodsk.

Your city

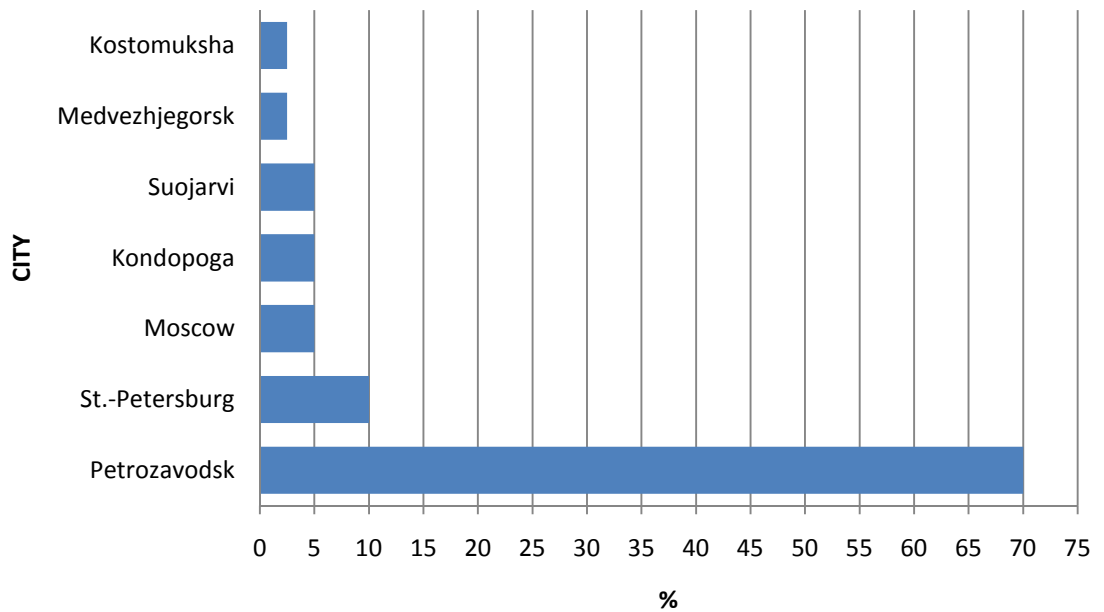


FIGURE 1. Cities where Russian tourists come from

The reason can be that a city is situated near the border of Finland. Actually, this reason for coming to Kuopio was mentioned in a question to name the most visited cities and reasons for that. Guests from Petrozavodsk more often visit Finland – once per month or even 2-3 times in a month. There were also people from neighboring Kondopoga, Suojarvi, Kostomuksha, and Medvezhjegorsk. However, St.-Petersburg's and Moscow's inhabitants also visit Finland and particularly Kuopio (FIGURE 1).

The most popular purposes to visit Finland were shopping and leisure (28 and 20 answers out of 42 respectively). It can be explained by the season sales (a questionnaire was implemented in January). However, considering the weather in January 2014, only two guests arrived for sport. So, this information cannot be used objectively, because in another season and weather conditions, the purposes can be changed.

According to our objective to define the effectiveness of different promotion tools, the information about travel exhibitions was received. These exhibitions take place in Moscow, St.-Petersburg, and Petrozavodsk. Respondents mostly do not have any information about these events, 21 answers out of total 35 (on some papers there was no answer) were "I don't know". The negative answer dominated in the next questions about the interest in such activities (16 answers out of 39), and 11 respondents did not write anything. Using hotels seldom, no interest, available information on the Internet,

the opportunity to find the information without any help were called as reasons to choose the negative answer. People interested in travel exhibitions wrote that it can be interesting or give more information about accommodation. So, it should be said that in our case the organization of travel exhibition is not effective tool to promote Finnish hotels or hostels.

All the respondents, excluding one person, visit Finland regularly, 2-3 or 4-6 times in a year (17 and 10 answers out of 38 respectively). It was interesting to know that one guest from St.-Petersburg came to Finland the first time. However, in opinion, he meant his visit to Kuopio, because in other questions he mentioned that he visits Rovaniemi and Luosto.

People receive information about Finland mostly from the Internet resources and asking friends and relatives (numbers are in the TABLE 1).

TABLE 1. Ways of receiving information about Finland (%)

	Offerings	Sales	Accommodation	Services
Using the Internet	50	38	52	54
Using special Finnish websites	16	13	10	14
Using Russian travel agencies	2	0	4	2
Using TV-programs	0	2	2	0
Using magazines and brochures	10	15	5	6
Asking friends and relatives	22	32	27	24

The hostel's manager also said (Loukkola Interview 9 February 2014) that Russian people pay attention to feedback and opinion of other persons, they discuss the information with relatives and friends, and recommendations play an important role in their decisions. This statement was confirmed also in questions about reasons of choosing Hostelli Hermanni and information sources. About 30% of respondents said that they knew about Hostelli Hermanni from friends' recommendations, and a hostel's good reputation was the main factor for choosing this kind of accommodation for about 14% of respondents.

Russian travel agencies are not popular when receiving data about Finland, and Russian TV-channels cannot provide any information too. That is the reason that only few numbers of respondents chose these two answers. However, some of the guests receive information about Finland from magazines and brochures; so, advertizing

services in these editions can be effective to promote hotels or hostels, particularly Hostelli Hermannin.

As we can see on the TABLE 2, different Finnish cities were called by respondents.

TABLE 2. Cities of Finland which are visited more than others (N)

City	N
Joensuu	28
Kuopio	23
Helsinki	14
Savonlinna	6
Kajaani	4
Lappeenranta	4
Tohmajärvi	3
Luosto	2
Turku	2
Jyväskylä	1
Lahti	1
Levi	1
Oulu	1
Sotkamo	1
Tampere	1
Varkaus	1

The most popular places are Joensuu, Kuopio, and Helsinki. The convenient location to the border is the reason to go to Kuopio and Joensuu. Some of the respondents noticed that their relatives or friends live in Joensuu. Kuopio is chosen as a good place for shopping. There is an airport and a harbor in Helsinki helped to go to other countries; therefore Russian people go to this city.

Concerning the used transport, a car was chosen by a great number of respondents (40 answers out of total 46). In my opinion, it is the best way to go to Finland, because respondents mostly are from nearby cities. Thereby car parking is very important and important factor when choosing hotel or hostel; it was detected in the corresponding question. An airplane and a train were not defined as the most appropriate transport when going to Finland.

Almost half of respondents indicated that they prefer to stay in the hostel. This answer was expected, because the survey was carried out exactly in the hostel. However,

hotels and summer cottages were chosen by 23% and 19% of respondents respectively. It should be noticed, that people mostly chose two or three answers simultaneously.

Two approximately equal questions were asked about the main criteria when choosing accommodation and particularly Hostelli Hermanni. It was defined, that the price/quality correlation is the main criterion for choosing accommodation for 45% of respondents and for choosing Hostelli Hermanni for 25%. A good location is the Hermanni's advantage for 25% of respondents, but it is not the main criterion when choosing accommodation (about 11% of answers). Low prices are also criteria of choosing accommodation and Hostelli Hermanni (15% and 23% respectively). The opportunity to cook was not defined as the main criterion when choosing accommodation, but it was called as one of the reasons to choose Hostelli Hermanni; about 13% of respondents chose this answer. Russian speaking personnel is the main criterion to choose accommodation for 16.25% of respondents. However, for 50% it is the most important in the hotel or hostel, and for 20% it is very important; this result can be detected when a question about different services in hotels and hostels was asked.

Continuing analyzing important services, food services, SPA/swimming/sauna, renting equipment, money exchange, paying in RUB, and Cleaning room on the request are not important services in hotels and hostels – each answer was chosen over 50% of respondents. As was said before, car parking is important and very important service (50% and 47% of answers respectively). For all the respondents, the convenience is very important and at least important. Free Internet is important for 54% and very important for 26% of respondents. It was interesting and important to know respondents' opinion about Russian TV-channels. This question was asked by guests many times before the survey was organized. So, in total 56% of respondents think that it is important service, but 44% chose the contrary. The difference is not significant. However, launching Russian TV-channels was called by 9 respondents in the questions about the ways of improving services in Hostelli Hermanni.

The results of the question about sources of receiving information about Hostelli Hermanni verified the significance of recommendations and feelings of other people – the answer "friends' recommendations" gained 30% of votes, and for 13.5% of respondents it was the reason to choose Hostelli Hermanni. However, it was confirmed that the Internet resources become more popular – the system booking.com and the Internet search gained the same percentage of votes (35% and 35%). Other ways to receive information about Hostelli Hermanni are not significant and there were no chosen other answers.

Different ways to improve services in the hostel, such as discounts for loyal clients, check-in time earlier, the possibility top-up mobile phone, offering breakfast, and sauna,

were identified. As was mentioned before, the hostel can provide Russian TV-channels. However, there were nothing noticed or written that everything is good on six answer lists.

All the respondents marked that they will go to this hostel again (yes or maybe) and they will recommend Hostelli Hermanni to their friends and relatives. The reasons to come again are good location, price/quality correlation, the easy and fast procedure of check-in, and comfortable conditions. All the gathered results are presented in Appendix 2.

6.4. Results and Plan of Actions.

Based on the comparison of gathered interview and questionnaire data, the follow results were obtained.

Firstly, it should be said that the manager of Hostelli Hermanni takes into consideration guests' feedback and tries to improve services according to them. As was noticed before, usually guests prefer to gather new experience than feel themselves as at home. However, concerning Russian tourists, it should be said that the existence of kitchens in the hostel and the opportunity to cook and talk together in the hall is one of the most important factors. Guests do not want to spend money in the restaurant when there is a possibility to prepare home dishes. However, there are also rules in Hostelli Hermanni, and a staff check the following them. As an example, guests should be quite at 10pm or clean dishes after themselves. There are refrigerators in the kitchens, and customers should eat only their own products. However, problems with this feature can exist, when a guest takes someone's food. There can be also a low temperature in a room in winter, and a customer asks to solve this problem by increasing temperature or offering heater or additional blanket. In these cases the manager discusses problems with customers personally; so, the hostel's activity is developed in closed relations with clients.

According to guests' responses, people receive information about services and offerings mostly from the Internet. Mrs Loukkola (Interview 9 February 2014) reviews Hostelli Hermanni's website adding more information and photographs to provide detailed information about services for customers. However, some changes will be created innovations, such as online reservation form on the website and customers' feedback with the opportunity to give explanations and responses. These changes will help people to save time reserving rooms and maintain relationships with clients.

There is a special place on booking.com where guests can leave their feedback. However, there is no opportunity for a company to answer, inform about improvements, explain difficult situations, and help when a customer need it. Adding this option,

booking.com and the hostel's personnel indicates the importance of clients' opinions for a company, and each comment will be taken into consideration.

A great number of customers go to Finland by cars and car parking is very important service in hotels and hostel; so, Mrs Loukkola noticed in the interview that more parking places for them will be offered in the near future. These places will be free of charge, as at present.

A certain number of respondents specified that they prefer to receive information about Finland and Finnish services using magazines and brochures. The manager of Hostelli Hermanni stated that advertizing in local magazines is one of the promotion tools to provide more information about services, prices, and offerings. Mrs Loukkola (Interview 9 February 2014) intended to publish special coupons with discounts on accommodation. However, based on gathered data from researchers and previous experience, this promotion technique is more efficient in off-season to attract customers. During the summer, there are organized different events in the city. Therefore, a great number of tourists arrive in this time, and it is not effective to reduce prices.

Concerning future plans, the hostel's manager (Loukkola Interview 9 February 2014) also shared some ideas, such as improving services by giving discounts in a certain lunch restaurant and setting up a snack automat in the hostel. These services will be launched also according to customers' feedback.

As was noticed before, Mrs Loukkola (Interview 9 February 2014) and a staff communicate with customers personally. It is also important for Russian customers that personnel speak Russian language. Language barriers usually lead to misunderstandings and mistakes when reserving a room or solving the problem. The reservation is a complicated process. Dates should be chosen carefully, the number of guests should be identified correctly, and availability of lack of services should be understood properly, and a problem should be solved immediately. So, the manager of Hostelli Hermanni maintains a good reputation by hiring and motivating Russian speaking personnel.

Increasing profit is an objective for the next few years. This goal will be achieved reducing water consumption in the hostel, attracting more customers, while keeping low prices and high services quality, what is also very important for customers.

So, gathered data based on questionnaires and interview discovered new opportunities for improving services and satisfying clients in Hostelli Hermanni.

7 DISCUSSION AND CONCLUSIONS

Generally, the chosen topic is very substantial at present. Hospitality business grows and develops constantly. There is a great number of competitors in this industry. It was noticed before that this study concerned only accommodation, although hospitality business provides food and drink services as well. There are also different types of accommodation, such as hotels, hostels, camping, apartments, and others. The most valuable objectives for these companies are to increase profit and attract more customers. Russia is a rapidly developing country, and Russian people currently have larger opportunities to travel around the world and choose the most appropriate accommodation. Therefore, it was vital to analyze current activities of Hostelli Hermanni and determine the most effective ways to reach the goals.

The process of collecting theoretical data was informative. Researches study hospitality business and its features. However, based on people's possibility to apply Internet resources more frequently, studies explore marketing and particularly promotion tools by improving websites, online systems, and social media.

The decision to use questionnaire and interview as research methods was justified by characteristics of these techniques. Questionnaire was used to gather information from customers. A great number of people were participated in the survey, and 80% of distributed papers was returned with answers. An interview was organized with the manager of Hostelli Hermanni to obtain her viewpoint on activities and future plans. It was necessary to give her opportunity to present detailed information, using open-ended questions and asking additional questions for advice.

Some difficulties were occurred while composing and analyzing the questionnaire. Firstly, it was a new experience. There were exercises to compose questions according to certain situations and tasks during studying on several courses. However, it was impossible to check completed work in practice. Therefore, when organizing this survey, it was significant and complicated to select and formulate questions and possible answers to gather necessary information and analyze it. It should be noticed that this goal was mostly achieved. However, some questions could be changed, and certain answers should be added to attain a clear vision of the situation.

Secondly, another problem was related to the questions. They needed to be explained carefully and be more detailed in order to receive more clear answers. Some answers can be understood wrong or respondents can present different meaning than was suggested. As an example, Mrs Loukkola stated that cleanliness is one of the advantages in Hostelli Hermanni. She receives positive feedback personally and via

email and the system booking.com constantly; guests notice that all the rooms and common places are cleaned every day. A staff takes care of facilities, equipment, and furniture in the hostel. However, cleanliness as a main criterion to choose accommodation or Hostelli Hermanni was missed, and there were no answers there cleanliness was marked as an addition.

Finally, people answered the questions on papers, so it spent more time to calculate numbers and prepare results. However, it was impossible to compose questions using Webropol, because the survey was organized for Russian tourists and they participated in Hostelli Hermanni. It should be taken into consideration also cultural traditions. Russian people are not interested in participating in surveys and researches. They do not write any comments via Internet. They prefer to discuss situations and experience with others personally. So, the organized survey by Webropol or another computer or online system would not lead to success.

There were identified some limitations. The research was organized and conducted in January, when there are holidays in Russia and Russian tourists visit Finland to shopping, leisure, skiing and skating, and for other reasons. It should be also noticed that in January shops and shopping centers open sales and offer special prices and great discounts. It is also a reason to visit Finland by Russian people. However, December 2013 and January 2014 were very warm and snow-free; there were arrived less tourists than was expected. In other weather conditions, it would be opportunity to gather more responses and opinions concerning established discussion topics.

Concerning interview, it should be noticed, that there were not any difficulties with creating questions for the manager of Hostelli Hermanni. Questions were composed in accordance with established objectives. It was comfortably to communicate with Mrs Loukkola. Her mother tongue is Russian, so the interview was conducted in Russian language. However, the questions firstly were composed in English language and then translated into Russian. Back translation was also applied to check the correctness and the sense.

This study and research are reliable. The theoretical part is based on results of different experiences and studies of famous experts. There were examined different sides of selected questions and topics. Viewpoints of different researchers were taken into consideration. The practical part included responses of real guests arrived from Russia and interview of the present manager of Hostelli Hermanni. Gathered data were analyzed according to rules, and conclusions were composed based on obtained information. Gathered data, results, and plan of actions can be applied not only to Hostelli Hermanni. Respondents visit also other cities in Finland and stay in hotels and hostels. This idea was confirmed obtained answers concerning visiting Finnish cities and

reasons of choice. Most questions were related to common factors and criteria, and some conclusions and improvements can be applied by other hospitality companies.

Thus, the most important challenges concerned formulating and explaining the questions and choice of time of collecting data. However, considering these limitations, it should be noticed that generally the working process was interesting and some results were obtained. So, established goals were achieved, the research was performed accurately in accordance to objectives, and obtained results and composed plan of the future development were presented. Promotion in hospitality business and particularly in accommodation is very important, well organized and implemented promotion process will reach a success and a profit, and attract more customers.

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Dear guests!

This survey is organized by Hostelli Hermann and Savonia UAS. It will help us to understand the level of your satisfaction with our hostel. We will learn how to improve our services. We also will get information which way is better to promote our hostel on the Russian market.

You will spend about 5-10 min. to answer these questions. All the opinions are important for us. Your answers are anonymous.

Thank you!

1. Your age group

- < 20
- 21 – 30
- 31 – 40
- 41 – 50
- 51 – 60
- > 60

2. Your sex

- Male
- Female

3. Your city

4. Are there organized some travel exhibitions in your city, where foreign hotels and hostels take part?

- Yes
- No
- I don't know

5. Are you interested in these exhibitions? Why?

6. Is it your first visit to Finland?

- Yes (go to the question 8)
- No

7. If no, how often do you visit Finland:

- Once in a year or less
- 2-3 times in a year
- 4-6 times in a year
- Once per month
- 2-3 times in a month
- Other: _____

8. How do you receive information about Finland:

	offerings	sales	accommodation	services
Using Internet				
Using special Finnish websites				
Using Russian travel agencies				
Using TV-programs				
Using newspapers and brochures				
Asking friends and relatives				
Other:				

9. The purpose to visit Finland (this time):

- shopping
- leisure
- sport
- spend weekends
- other: _____

10. Which cities of Finland do you visit more than others? Why? Choose 3 cities

- 1) _____
- 2) _____
- 3) _____

11. How do you usually go to Finland:

- By airplane
- By train
- By bus
- By car
- Through travel agency
- Other: _____

12. Where do you prefer to stay:

- In the hotel
- In the hostel
- In the camping
- In the summer cottage
- Other: _____

13. What is the main criterion to choose accommodation:

- Low prices
- Price / Quality correlation
- High quality
- Location
- Russian speaking personnel
- Conveniences
- Additional services
- Other: _____

14. Which services you think the most important in the hotel/hostel:

	Not important	Important	Very important
Convenience			
Russian speaking personnel			
Room equipment (WC, shower)			
Free Internet			
Food services			
SPA / swimming / sauna			

	Not important	Important	Very important
Renting equipment			
Money exchange			
Car parking			
Paying in RUB			
Russian TV/channels			
Cleaning rooms – on request			
Offer other important			

15. How did you know about our hostel:

- Through system booking.com
- Via Internet search
- Friends' recommendations
- Through travel agency
- Through travel guide
(which one _____)
- Other: _____

16. Why did you choose Hostelli Hermanni?

- Low prices
- Opportunity to cook by itself
- Price / Quality correlation
- Good location
- Good recommendations
- Other: _____

17. Will you go to Hostelli Hermanni again?

18. What would you like to improve?

19. Will you recommend our hostel to your friends and relatives?

- Yes
- No

Thank you!

Question 1. Age group (N)

Age	N
<20	1
21-30	10
31-40	20
41-50	9
51-60	8
>60	1
Total	49

Question 2. Your sex (N)

Sex	N
Male	23
Female	24
Total	47

Question 3. Your city (%)

City	%
Moscow	5.00
Petrozavodsk	67.50
Kondopoga	5.00
Suojarvi	5.00
St./Petersburg	10.00
Medvezjegorsk	2.50
Kostomuksha	2.50
Total	39.00

Question 4. Are there organized any travel exhibitions in your city? (N)

City	Yes	No	I don't know
Moscow	2	0	0
Petrozavodsk	5	2	16
Kondopoga	0	0	2
Suojarvi	0	2	0
St./Petersburg	2	0	2
Medvezjegorsk	0	0	1
Kostomuksha	0	1	0

Question 5. Are you interested in these exhibitions? (N)

	N
Yes	12
No	16
No answer	11

Question 7. How often do you visit Finland? (N)

	N
Once in a year or less	2
2–3 times in a year	17
4–6 times in a year	10
Once in a month	4
2–3 times in a month	4
Other: 8–10 times in a year	1
Total	36

Question 8. How do you receive information about Finland? (%)

	Offerings	Sales	Accommodation	Services
Using the Internet	50	38	52	54
Using special Finnish websites	16	13	10	14
Using Russian travel agencies	2	0	4	2
Using TV-programs	0	2	2	0
Using magazines and brochures	10	15	5	6
Asking friends and relatives	22	32	27	24

Question 9. The purpose to visit Finland (N)

	N
Shopping	28
Leisure	20
Sport	2
Spend weekends	1
Other: transit	1
Total	52

Question 10. Which cities of Finland do you visit more than others? (N)

City	N
Joensuu	28
Kuopio	23
Helsinki	14
Savonlinna	6
Kajaani	4
Lappeenranta	4
Tohmajärvi	3
Luosto	2
Turku	2
Jyväskylä	1
Lahti	1
Levi	1
Oulu	1
Sotkamo	1
Tampere	1
Varkaus	1

Question 11. How do you usually go to Finland? (N)

	N
By car	40
By bus	4
Through travel agency	2
By airplane	0
By train	0

Question 12. Where do you prefer to stay? (%)

Place	%
In the hotel	23.00
In the hostel	48.50
In the camping	8.00
In the summer cottage	19.00
Other: friends' place	1.50

Question 13. What is the main criterion to choose accommodation? (%)

Criterion	%
Price/Quality correlation	45.00
Russian speaking personnel	16.25
Low prices	15.00
Location	11.25
Conveniences	10.00
Additional services	1.25
Other: kitchen	1.25
High quality	0

Question 14. Which services you think the most important in the hotel/hostel? (%)

	Not important	Important	Very important
Convenience	0	79	21
Russian speaking personnel	31	49	20
Room equipment (WC, shower)	36	47	17
Free Internet	20	54	26
Food services	66	29	5
SPA/swimming/sauna	70	24	6
Renting equipment	85	15	0
Money exchange	91	6	3
Car parking	3	50	47
Paying in RUB	85	12	3
Russian TV-channels	44	46	10
Cleaning rooms on request	76	19	5

Question 15. How did you know about our hostel? (%)

Way	%
Through system booking.com	35.00
Via Internet search	35.00
Friends' recommendations	30.00
Through travel agency	0
Through travel guide	0
Other	0

Question 16. Why did you choose Hostelli Hermann? (%)

	%
Price/Quality correlation	25.00
Good location	25.00
Low prices	23.00
Opportunity to cook by itself	13.50
Good recommendations	13.50
Other	0

