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ANALYSIS OF PUBLIC RELATIONS IN CASE STUDY OF
FINNISH COMPANY IN FINNISH-CHINESE BUSINESS

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Public Relations (PR) is the way organizations, companies and individuals communicate with the public. PR specialists communicated with the target audiences through media with a purpose to create a positive image and a strong relationship with the audiences.

The purpose of this thesis is to study how important are Public relations in international business and how public relations did help to improve the case company’s business.

In some cases public relations could mean the difference between profitability and failure for a company. The thesis will illustrate the importance of public relations for case company to maintain ongoing, beneficial relationships, to systematically listen to and understand the concerns of publics. The case also demonstrated that a company could recover its footing and repair its reputation and relationships through Public Relations to achieve a successful business.

With the help of the people who worked as public relations, the Finnish case company – China Tekway Oy Ltd – did the business with China successfully and earned a good reputation in China. As the same time, they improved their company itself for future development.
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1 INTRODUCTION

Whether you have a small business or a big company, people only knows what you show them and what you offer to them. As we know, public relations (PR) can make the best first impression to people and establish a good relation with media. When doing international business with different culture background, having a good PR is very necessary. Public relations is essentially a long-term process, delivering messages to the public, designing to build and developing the reputation of a brand over a period of time.

Above all, public relations must work to a planned program with clear objectives, and it must be sustained. How does PR works in international business, especially with Chinese? Through the introduction and case analysis of the Finnish company China Tekway OY Ltd, will be explained, how big role public relations plays in international business and how could public relations help to improve the case company’s business.

If Finnish and Chinese people want to do business with each other, what should they know? The successful experience of developed countries provided a reference for the Chinese enterprises within the progress of public relations. In the thesis, there are three parts to discuss: the first part is from theory, which introduced what is public relations; the second part of the thesis is talking about how PR worked in Mohe Santa Claus Village building and running; the third part is giving the advice to the case company.
2 THE THEORETICAL PART OF PUBLIC RELATIONS

“Public Relations are about persuading people to consent to the purpose of an organization or person. It achieves this - primarily but not exclusively - through the use of media relations.” (Morris & Goldsworthy 2008, 3).

2.1 What is Public Relations

Public relations (PR) is the practice of managing the spread of information between an individual or an organization and the public. It is about the companies, organization or the people who persuade the people to buy goods, service or a company. Sometimes people use public relations in political events, too. For simple understanding, the purpose of public relations is to give advices to attract and persuade people to do something. Inform and persuade thousands or millions people through newspapers, radio, television and internet. (Morris & Goldsworthy 2008, 3.) PR is one form of communication and understanding. It is creating and understanding between an organization and publics. (The Value of Public Relations 2009.)
2.2 The Basic Characteristics of Public Relations

According to John & Demand, PR can be divided into three basic characteristics. Image supremacy: establishing and maintaining a good image of the company is the fundamental purpose of public relations activities. This image is related both to the company and the public consumers. Companies must have a reasonable business decision-making mechanism, the right philosophy and the spirit of innovation. Make the right products, service and brand clear. According to public needs and social change, the companies need to adjust and modify their behavior and improve their products and services. So they can make a good image in public. (John & Demand.)
Communication oriented: in modern society, social organizations communicate with the public or companies communicate with customers is by information sharing and communication to achieve the double win. Organizations and companies change the ideas with public people or consumers. They can speak freely and exchange the information and feedback. This is also the way to reduce undesirable side effects. (John & Demand.)

Mutual benefit: make a clear target group. The reason for the public relations work is necessary for the organization that public relations can coordinate the interests of organizations and public and maximize the interests of both sides. (John & Demand.)

2.3 Public Relations Sectors and Specialisms

Many companies use Corporate PR in marketing activities. Typically such PR work is controlled by marketing director or CEO. Sometimes corporate PR is marketing PR plus internal PR. Internal PR can range from employee social media, such as a blog, twitter to an focus on employee affairs in the company. Marketing PR for corporations can be vaster and include numerous messages to various publics. They combine to corporate PR. Corporate PR is helping company to deal with marketing issues and to organize big events. Corporate PR people are communicating with the manager and they are responsible to hold a press release. Corporate PR persons also have skills and experience to deal with the difficult situation without guidance. (Morris & Goldsworthy 2008, 19.)

Business-to-business (B2B) PR is about businesses communication with other businesses. B2B PR is different than other kinds of PR. As a B2B PR, you should sell the company before your products. Though the social media, B2B PR makes the trust relationships among the corporations partners by using the good image which they build for their company to achieve the process of business themselves. (Morris & Goldsworthy 2008, 19-20.)
“Investor Relations (IR) is the subset of public relations and corporate communication that deals with a company’s relationship with the investment community. Both current investors (who own a corporation’s stocks and bonds) and potential investors (who might be persuaded to own these stocks and bonds) make the primary audiences for investor relations.” (Doorley & Garcia 2007, 210).

IR exports its importance from the decisive role a company’s reputation plays in determining its share price. IR refers to the enterprise in order to keep the investors, enhance the confidence of investors holding to the stock price and make the good image for company’s investor to launch a series of showcase interpretation, communication and promotional activities. Nowadays, “Investor Relations” the concept is being accepted by more and more Chinese enterprises themselves. (Morris & Goldsworthy 2008, 20.)

Investor relations appeared in the late 1950s in the United States. Investor relationships contain a wide range of meaning. It is not only including the management relationship among the listed companies, shareholders, creditors and potential investors, but also including the relationship management between the various types of listed companies and intermediaries. Investor relations refers to the communication between Management Company and financial community; using the management of financial communications and marketing principles to achieve a maximization profit for company and investors. In China, investor relations are also called Financial Relations. (Doorley & Garcia 2007, 211.)

Many companies have IR officers now, but most of companies the investor relations does belong to the department of management marketing or financial communication. They are reporting to the head of corporate communication or the Chief Financial Officer. Typically the investor relations are responsible to arrange the press releases, shareholders and investors meetings, taking care of the company websites, and company annual financial reports. (Doorley & Garcia 2007, 211.)

Consumer PR has only appeared in recent years. It is helping to sell consumer goods. Consumer PR is controlled by company’s marketing director. Consumer PR let consumers to know the products through promotions, organizing promotional
activities, consumer experiences, the image products, inherent quality of products, performance, and so on. After they know this product, the buying behavior is made. Reasonable and effective consumer public relations can affect consumers when they want to buy some products. Therefore, consumer PR is related to a product promotion, business marketing or business success. Conducting consumer public relations, company should treat consumers as the most important part and get to know the consumers’ thinking way. Generally, when consumers see a product, they will think if they need it or not. If they need it, then they will find the brands they had used or the brand they have heard. If this product is new for consumer, they don’t have a familiar brand in their mind, and then they would like to listen to the advice from the seller. So the purpose of consumer PR is letting consumers to get familiar with your product and company. (Morris & Goldsworthy 2008, 20-21.)

Political PR is working for political events. It can be a PR who holds a political press release or a media announcement. Political PR is helping the government leaders or countries make a good image and announce financial situations to public themselves. (Morris & Goldsworthy 2008, 26.)

2.4 Public Relations Tools

In order to make a good relationship with the target publics and maintain it in a high level, PR specialists use a lot of tools. Such as, press release, investor relations, media relations, blogs, and sending newsletters and so on. (The value of public relations, 2009.)
2.5 Public Relations and Marketing

Public relations (PR) works to create an impressive and good image of a company or a product and let people to get to know the company or product. Sell products without paying the expensive advertisement fee. (Morris & Goldsworthy 2008, 17.)

Nowadays, PR becomes an integral part of enterprises, especially in marketing area. The key of public relations aimed to promote mutual understanding between the general public and to stimulate their enthusiasm and desire to buy consumers. The ultimate goal of marketing communications is to increase the visibility and reputation, so that it will be a good effect to let people know the products and business. Through the analysis of consumer psychology and behavior, such as the needs, in-
terests, purchasing habits and cultural backgrounds, religious beliefs, social class, etc., to get the further information of market segmentation and select a target market. Therefore, Public relations and corporate marketing strategies can be the target market as the focus of attack. (Morris & Goldsworthy 2008, 17.)

Public relations opens a vast field for marketing. In this field, wise planning, wisdom claims and the ability to attract public attention can be exerted very well, then forming a unique and powerful competitiveness. In general, public relations can help complete the following tasks in marketing.

(1) Involved in new product development: to make a public relations plan can make a product, business and an idea to be mystery. Some products can be elaborated after the implementation of public relations and swept the market before they are published in the market.

(2) Assist in the repositioning of old products: to find out the new market and new way of using the old products through the researching when products do not have a good sales performance.

(3) Establish interest in certain products: using the public entertainment and sport activities to connect with products, to give an impress image to consumer.

(4) Maintaining the product in question: If the product has problems, we must find out the reason. From the negative adverse circumstances, discover favorable factors and seize the opportunity to carry out a convincing propaganda, maybe can turn the bad image to good one (Scott 2012, 123-148).
3 BUILDING UP PR THROUGH MOHE SANTA CLAUS VILLAGE CASE

3.1 The Case Company China Tekway Oy Ltd

China–Finland business cooperation and communication have increased dramatically in recent years. China has become the biggest import country of Finland, and has also become one of the Finnish fastest growing export markets. Finland imports from China are goods and industrial: machinery equipment, clothing, furniture, and toys. Finland exports to China are concentrated on agricultural and forest machinery, environmental technologies, energy industry, food processing and packaging industry, paper and pulp industry, health care facilities and equipment and also education system. (Countries and regions 2013.)

With the development of business communication between Finland and China, more and more Finnish and Chinese companies and local governments want to cooperate with each other, not only in business cooperation, but also in traditional culture.

China Tekway Oy Ltd is located in the World Trade Center, which is in the center of Helsinki, Finland. They provide business service and consulting on Chinese and Finnish market entry or set up a business and company in China, Nigeria and Finland. China Tekway Oy Ltd was established in 1994 by CEO PhD. Mr. Erlin Yang. China Tekway Oy Ltd gives high evaluation to western clients who want to enter Chinese market and build up the trust and confidence in doing business with the Chinese. CEO Erlin Yang and his colleagues aim to promote Nordic and Chinese business companies to achieve commercial and cultural cooperation as well as doing business consulting and making specific business solutions. They try to create trust and confidence with different cultural backgrounds, Finnish and Chinese culture in particular, through effective and efficient intercultural communication skills. They provide their customers fresh and oriental technology and marking information which customers give high evaluations and reliabilities. (Website of China Tekway Oy Ltd 2013.)
Finland is not the main export market for China. Chinese people don’t know much about Finland. In China, there are not so many people who can speak good English and Finnish, so China Tekway Oy Ltd plays an indispensable role in Finnish and Chinese business communication and negotiation.

3.2 The Overview of Finland and China

Finland’s land area is about 330,000 square kilometers and around five millions population. A third of the land area is in the Arctic Circle. Finland has more than 55,000 lakes and numerous ponds. More than 90% of Finns speak Finnish, 7% of Finns speak Swedish, and in addition, there are some ethnic minorities, such as reindeer-herding people who lives in Lapland and some Gypsies. Finland is one of wealth countries in the world. Helsinki the capital of Finland is located in south part of Finland; it is the largest city and main commercial harbor, cultural, manufacturing center of Finland. Even though the manufacturing sector is booming in Helsinki, it is not an industrial city. Apart from the modernization, the city also holds many historical buildings. (A Quick Introduction to Finland 2013.)

The People’s Republic of China is located in the eastern Asia, has 9.6 million square kilometers and more than 1.3 billion of population. China is the world's second-largest country by land area and enjoys one-fifth of population in the world. China’s north neighbors are Mongolia and Russia. The Pacific Ocean is in the east of China. The main language in China is Chinese. China has more than 4,000 years’ history and rich for different kinds of culture background. Such as, The Great Wall building technologies from Ming Dynasty, silk-making skill, terracotta history from Qing Dynasty more than 2,000 years ago. Therefore, China is the birthplace of paper-making, gunpowder-making, printing and compass country. Beijing, the capital city of China is the political, industry, publishing, economic and educational center. There are more than 6 million people are living in Beijing. (Sabath, 1999, 31.)

China became a membership of The World Trade Organization (WTO) in December of 2001. The socialist market economy of China (GDP) is the second largest economy in the world which is $8.939 trillion in 2012. The GDP growth 7.8% in
2013 compare with 2012. China is the largest exporter and second biggest import country of the world.

3.3 The Comparison in Business Culture Between Finland and China

The difference in business culture between Finland and China:
Finland is a monoculture society. There has been immigration into Finland throughout its’ history, and immigrant numbers remained not so high nowadays. If you know Finnish people, you will notice that they are similar both in behavior and values. Finns are shy and modest, they do not speak too much, but they say some directly. (Sarkki 2000, 15.)

Generally, Finnish people are very polite, calm and educated, when they have business meetings or issues. They are always showing their good manners. They may have discussion during the meetings, but they will not shout or scream when they are disagreeing. Finnish people believe that they live in an equal and classless society. The government put more money on education, practical training and education facilities than any other things. Finnish business people are willing to learn all their career lives. (Davidsson 2003, 98.)

Unlike Finland, to deal successfully with Chinese businesses demands an appreciation of the culture of China, in both the social and business. Western interpreters should understand the Chinese communication ways and thinking styles in business matters if they want to do business with China. That requires good PR. Contact with business partners and government is essential when doing business in China. To have a good PR can teach you and help you to deal with different kinds of situations. (Wang 2010.)

China is a very demanding market for western countries. You need amount of time, money, relationship, energy, and patience to build trust with Chinese people. Culture difference is one of the difficult problems for western people when they are doing business with Chinese. When doing business, Finnish people are straightforward, but Chinese are indirect. Chinese people do not tell you straight what they
want; everything can be negotiated in China. In China, they do not do business with strangers. If you want to do business with Chinese, you have to build trust with them first. Chinese people like bargaining, which is similar with negotiation. In China, if you cheat your business corporations, you are not trustable. After that you will have problems to do business with others. (Sikorski 2007.)

The economy of China is growing fast. This is bringing enormous opportunities for western companies. Most western businesses feel China is in a hurry to do everything; actually the Chinese business person is not. They are patient and careful. In China, if you do business, you need time to build up a good relationship with your potential partners and governments. This relationship is called “guanxi”. (Morris & Goldsworthy 2008, 8.)

For Chinese business people, guanxi is the most important asset while doing business in China. If you have a good "guanxi" with your business partner, it is very easy to do business. Chinese people believe that "if you support me in this business event, I will support you back if you need help". A good PR can help the company to build the right relationships with others which will minimize the risks in business venture. In China, the right guanxi that makes business succeed. Sometimes the right guanxi will determine the long term competitive potential of doing business in China. That is why good relationships are so important to all kind of business in China. You need to do lots of researches if you want to choose a good partner and have a trustable relationship. (Wang 2010.) A reputable consultancy like China Tekway Oy Ltd is not only can provide you the trust information, but also can take away the worries about the culture and language.

The Similarities in business culture between Finland and China:
In Finland, women have very high position in Finnish society. When you meet Finnish business women, it is better you give out your hand first for shaking. Finnish people use a lot of emails in business. When you talk about something with them, they will listen to you carefully and at the end they will let you send an email and tell the details to them on email. When you want to sell product to Finnish people, if they want to have a meeting or discussion with you, it means they are interested in your products. Before the meeting or interview you should prepare every-
thing they may need. The most important thing in Finland is “Do not lie”. If you don’t know something, you could ask, Finnish people are patient answering you. But if you do not know and pretend to know, Finnish people will not like you. (Haigh 2003, 125.)

Chinese society is changing very fast, especially in the younger generation. More and more women are in important positions not only in government, but also in business world. They are friendly, generous, interesting, curious, wise and thoroughly rewarding people to have as friends and business contacts. In China, if people want to do business with you, they will make friends with you. They are always interested in asking you’re the detail and personal questions. Like, how old are you? How much do you earn? These are really private things for western people, but in China it is only way the local people to show they want to be friends with you. (Wang 2010.)

The rule “Do not lie” is not only exist in Finland, but also in China. Westerners often misunderstand the Chinese. Western people think Chinese do not believe religions, so Chinese do not have any beliefs. That is not real. China has around 5,000 years history and China has Buddhism, Taoism, Islam, Catholicism, Protestantism, etc. Therefore most of Chinese are believe ethics, if you do not have a good ethics value, such as, you are dishonest when you are doing business, and Chinese people will not trust you anymore. When dealing with potential partners, if you are prepared to understand and respect the business culture of China, you have a realistic chance of genuine success. (Wang 2010.)

3.4 Mohe County

Mohe County locates in the northwest of Heilongjiang province with the latitude of 52°10’-53°33’. Mohe County has the population about 96,000 and the land of 18.233 square kilometers, which makes Mohe County the largest land area but the lowest population density at county level in Heilongjiang province. The County is named after Mohe, a Tungstic people of ancient Manchuria. (China Tekway Oy Ltd 2009, 17.)
Mohe County area belongs to cold temperate continental monsoon climate. Winter is long and cold with lots of snow; summer is rainy and warm. The annual average temperature is at \(-5.5^\circ C\). However, the highest temperature in the summer can be as high as \(38^\circ C\), while the lowest temperature in the winter can go down to \(-52.3^\circ C\) as the record lowest. On average, there are about eight months of a year that the average temperature is below zero degree. The period of ice season is as long as 230 days, and accumulation of snow period is up to 240 days. Mohe is known as “Chinese Arctic Village”. In the summer, the daytime will become longer, the evening is correspondingly shorter. Especially in the midsummer, there is only one or two hours’ dark time. In the winter, the situation is reversed. In the north part of Mohe, the colorful northern lights showed up in the winter’s sky sometimes. It is one of facts which attract the tourists. Now, the winter solstice was designated as the Mohe County, "Northern Lights Festival" every year around the winter solstice. The tourists from China and abroad are getting together in Arctic Village, waiting for the northern lights. (Eimer 2010.)

Mohe has a long history. There has already been human activity in the Neolithic Age. Mohe was set up in May 14, 1981 at a county level of administration by China State Council. Forestry, coal mines and power plant are main local industries. Mohe owns a total area of 16,281 square kilometers of forests with wood accumulation of 14,647 million cubic meters. The main species are larix, pinus sylvestris and birch, as well as a small amount of poplar and willow, elm and other trees. Forestry and wood processing have always been Mohe pillar industries. Mohe is not only rich in natural resources, but also extremely rich in underground mines. As early as the Qing dynasty, gold has become one of the most import industries in Mohe. Wheat, oats and potatoes are main local agricultural products. (China Tekway Oy Ltd 2009, 18.)

In 2008, Mohe received around 217 thousand tourists with an income of 14.6 million RMB Euro. In 2009 between January to October, Mohe received 403.6 thousand tourists with an income of 33.3 million Euro. The increase of the number of tourists and income reached 96% and 139% respectively comparing to 2008. It is estimated that the tourist amount will reach 430.5 thousand by the end of 2009. In
2010, Mohe had 651,800 tourists with the income was 54.1 million Euro. Their goal is to attract 2 million tourists in 2015 and then make the income around 200 million Euro. (Xu 2011.)

3.5 Mohe Santa Claus Village

As a famous brand of Finland, Santa Claus is well-known by Chinese. Lots of Chinese come to Finland and visit Santa Claus village. PhD. Mr. Erlin Yang the CEO of China Tekway Oy Ltd had noticed this business opportunity and planned to build up a Santa Claus Village in China, since he established his company in 1994. From that time he kept this idea in his head and waiting for the right opportunity to make it happen.

Starting from 2006 China Tekway Oy Ltd has been working with the Ministry of Employment and Economy of Finland on Ministry’s project of “Business Opportunities in Northeast China”. Two study reports were published in 2007 and 2009, and the seminars had been held in Helsinki, Shenyang, Dalian, Changchun, and Harbin in the past four years. More than 100 Finnish companies and organizations, and 800 Chinese companies and organizations had participated in these seminars.

During the project, China Tekway Oy Ltd has built up solid business networks in Northeast China with the government, and has been promoting business, culture and economic cooperation between Finland and northeast China. The concept to build up Santa Claus Village in Mohe city, which is located in Heilongjiang Province, has been developed as well. Local governments and Chinese investors have shown high interests in this business idea. (China Tekway Oy Ltd 2009, 6-7.)

In 2009, Erlin Yang and his colleagues of China Tekway Oy Ltd visited Heilongjiang Province and discussed the Santa Claus project with the Vice Governor Mr. Sun Yao, who is in charge of Heilongjiang provincial economic affairs including tourism and Mrs. Bo Xiru, the director General of Heilongjiang Provincial Tourism Bureau. It shows that the time and conditions in Mohe county is now excellent to build the Finnish brand “Santa Claus Village”. (China Tekway Oy Ltd
The Santa Claus Village is divided in two parts in Mohe: an indoor recreation center and an outdoor adventure park. The size of indoor recreation center is 2000 square meters. The outdoor part of Santa Claus Village in Mohe is 50,000 square meters. China Tekway Oy Ltd has developed the idea of layout plan which is to combine Finnish and Chinese culture as well as winter and mysteriousness elements. As reindeer has a very positive image in China, the layout therefore relates to the concept of reindeer. (China Tekway Oy Ltd 2009, 14.)

In indoor recreation center, there is Santa Claus Home where you can visit Santa Claus and take picture with him. China Tekway Oy chooses native Santa Claus from Finland every half year. Beside the Santa Claus Home, there is post office. Visitors can send Christmas cards with a special Santa Claus postmark to their family and friends from there. Nearby post office, Santa Claus Pizza and Stage always have Santa Claus show to public. Next to Santa Claus Pizza and Stage is the Fairy-tale World where you can take your children to enjoy the western fairy-tale world. Beside the Fairy-tale world is the children’s playground. Shopping and restaurant streets are on the other side of Post office where you can eat traditional Finnish food and buy Finnish brand. Santa Claus Square is in the middle of indoor recreation center.
(1) Santa Claus Home
(2) Post Office
(3) Santa Claus Pizza and Stage
(4) Fairy-tale World
(5) Children’s Playground
(6) Shopping Street
(7) Restaurant Street
(8) Santa Claus Square

Figure 3. The layout of indoor recreation center of Santa Claus Village in Mohe Santa Claus Village

The outdoor adventure park is surrounding the indoor recreation center. There you can see the reindeers in reindeer farm, take reindeer and dog sledding, drive snowmobiles, skate and ski in the winter time.
(9) Reindeer Farm and
(10) Reindeer Sledding
(11) Dog Sledding
(12) Snowmobiles
(13) Skating and skiing activities of the winter

Figure 4. The Layout of Outdoor Area

3.6 Public Relations Impact in Mohe Santa Claus Village’s Running

Before established Mohe Santa Claus Village, the CEO of China Tekway Oy Ltd, Erlin Yang with his colleagues made adequate preparation and did lots of PR work. Because Mohe Santa Claus Village would use the same name and same idea as Rovaniemi Santa Claus Village, China Tekway Oy Ltd needed to get the permission from Rovaniemi city first. They did lots of work to persuade the City of Rovaniemi to agree to build the Santa Claus Village in China. Based on the successful story of Finnish Santa Claus Village in Rovaniemi, Mohe Santa Claus Vil-
lage in China should have similar content as in Rovaniemi. However, the success of Mohe Finnish Santa Claus Village in China should be the combination of Finnish brand Santa Claus Village concept with Chinese local social and cultural customs as well as Chinese way of understanding of western culture. (China Tekway Oy Ltd 2009, 6-7.)

The way to apply the Santa Claus Village project from Chinese government of Heilongjiang province and Mohe County to agree that seemed easier. Chinese people cannot go abroad so easily. Visa is always a problem. Chinese do not have long holidays and they earn less. In that case, the people in China who dream to see the real Finnish Santa Claus can go to Mohe. Most south parts of China cannot see snow in winter. So the people who live in the south of China can come to Mohe to see snow and feel the cold winter.

Therefore, from tourism points of view, the Finnish brand Santa Claus Village in Mohe offer an ideal tourist attraction for most Chinese people. Furthermore, there is one important traveler group: business travels, including visiting clients, business meetings, attending conferences and convention. China’s business travel market is increasing every year. (China Tekway Oy Ltd 2009, 12.)

It was not easy to get public opinion behind establishment of the Santa Claus Village in Mohe. They cannot accept that you would cut their forest and use their farm lands to build a Santa Claus Village. Some of them even did not know who Santa Claus is and why they need to make a village for him. After the PR from China Tekway Oy and government explained them, they still did not understand everything. Then the employees tried to explain them how much profit the locals can get.

First of all, when they used the lands, the same time, the company would pay the local people for that. Second, After Santa Claus Village was constructed, more and more people would come to Mohe. With the tourists, plenty of business opportunities would come. Third, Mohe is a small county; some of the local people even never go out from there. This is a good chance to get to know more people around the world and open their eyes. After a long time persuading, the local people finally accepted to build the Santa Claus Village there.
The most important thing for Mohe Santa Claus Village was money, how could they get such huge capital to set up the village was a problem. Then they went to China Development Bank which is a financial institution in the People’s Republic of China and showed the manager of the bank their project statement and explained to the manager everything about it. Then the bank decided to take a loan to this Santa Claus Village project.

During the Mohe Santa Claus Village setting up, the CEO of China Tekway Oy Ltd Mr. Erlin Yang and his colleagues were trying doing some PR works to attract the visitors. They advertised the village on local newspapers and made a press release.

3.7 The Comparing Invest Relations (IR) in Finland and China

In Finnish securities market, investors have become a dominant force. If listed companies want to become a core part of the Fund's investment portfolio, companies need to clarify their own values to fund managers and attract them to become long-term investors. If investor relations are not doing well, investors may suspect the company, then the investors will not so easy to invest them. That also affects the company's stocks share price. (China Tekway Oy Ltd 2009, 48.)

In the Chinese capital market, IR is still unfamiliar to many people. With the development of Chinese securities market expansion, IR concept has been introduced, meanwhile, some IR works has been carried out, such as publishing annual reports on newspapers and websites, and answering shareholders’ questions online. Comparing with western countries, investor relations in China is at the beginning.

As a developing market, Chinese capital market does not have too many investment products and market system is lack of flexibility. Investor relations does not have chance to improve and develop. However, with the further development of Chinese securities market and changing of investment, IR will become a very important part in Chinese listed companies’ management. (China Tekway Oy Ltd 2009, 49.)
The cost of capital expenditure of Mohe Santa Claus Village project can be categorized into four parts: the land development cost; building and construction cost; facilities development costs and other costs of construction projects on behalf of the municipalities and other organizations. The investment income of the Santa Claus Village is calculated on the total annual sales subtracting from operating costs.

According to Rules for the Implementation of Income Tax Law of People’s Republic of China for Enterprises with Foreign Investment and Foreign Enterprise, the computation of the minimum useful life in respect of the depreciation of fixed assets is for houses and building: 20 years; for machinery, mechanical apparatus, and other production equipment: 10 years. For building Mohe Santa Claus Village, the useful life could be expected at 40 years. Moreover, the minimum residual value is 10%.

According to Chinese local taxation system, the taxation of entertainment and recreation facilities mainly consists of sales tax 5%, as well as urban construction tax 5% and education tax 3% from the sales tax, which is charged on monthly basis. Profit tax is charged at 25% on an annually basis. However, if the Finnish Santa Claus Village project is a joint venture with international investment, the Village may apply and enjoy the favorable taxation policies and treatment on profit tax. This means that the tax of the first two years from the profitable operating year may be exempted, and the tax may be the half of the local profit tax rate between the third and the fifth operating year. (China Tekway Oy Ltd 2009, 50.)

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<tr>
<td>Annual sales</td>
<td>49.19</td>
<td>63.51</td>
<td>85.84</td>
<td>120.20</td>
<td>174.51</td>
</tr>
<tr>
<td>Sales tax</td>
<td>2.66</td>
<td>3.43</td>
<td>4.64</td>
<td>6.49</td>
<td>22.69</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>29.66</td>
<td>32.50</td>
<td>35.62</td>
<td>39.05</td>
<td>42.81</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2.21</td>
<td>2.02</td>
<td>1.84</td>
<td>1.67</td>
<td>1.52</td>
</tr>
<tr>
<td>Profit</td>
<td>16.87</td>
<td>27.57</td>
<td>45.58</td>
<td>74.66</td>
<td>109.02</td>
</tr>
</tbody>
</table>
There are many reasons why to invest in Mohe Santa Claus Village project:

(1) Tourism is a promising and growing industry in China. There are many investment companies and investors in this field.

(2) The China Development Bank is a financial institution in the People’s Republic of China under the direct jurisdiction of the State Council; it is the only bank in China whose governor is a full minister. It is one of the three policy banks of the PRC, primarily responsible for rising funding for large infrastructure projects, including most of the funding for Three Gorges Dam and Shanghai Pudong International Airport. The bank was established by the Policy Bank Law of 1994. In the last decade alone, China Development Bank has issued 1.6 trillion RMB Yuan in loans to more than 4000 projects involving infrastructure, communications, transportation and basic industries.

(3) The Mohe Santa Claus Village project is promoted among Finnish financial institution as well. This is important particularly when Finnish companies plan to set up sales outlets in Mohe Santa Claus Village, as well as set up production in China which supplies goods to Chinese local market. Possibilities of loans and investment from Finnish financial institutions are studied further soon after the project officially takes off.

(4) There are many construction and building projects going on in Mohe. They gave technical support and manpower support. Local building technologies have been
developed fast. The Chinese construction standard can meet the requirement of Finnish building technologies. Technical staff and worker are available for the construction work. Concrete building and construction work needs to be agreed with all project stakeholders, in particular the main investors.

(5) Construction materials: Mohe government supports the construction materials as cheapest price. Like sands, woods, stone and so on. (China Tekway Oy Ltd 2009, 51).

The Mohe Santa Claus Village project was promoted among Finnish financial institutions as well. This was important particularly when Finnish companies plan to set up sales outlet in Mohe Santa Claus Village, as well as set up production in China which supplies goods to Chinese local market. The same time, Finnish Nordic Investment Bank, CapMan Group, Nordea Management Oy, Pohjola Capital Partners Oy, and Suomen Teollisuussijoitus Oy showed their interests in supporting Mohe Santa Claus Village (China Tekway Oy Ltd 2009, 56).

3.8 SWOT Analysis of Mohe Santa Claus Village and Rovaniemi Santa Claus Village

As early as 2003, Mohe County had already made a preliminary feasibility study on building the North Pole Christmas Village with the concepts of Santa Claus, and Snow-white. As the North Pole Village has become popular tourism place in China, it is a good way to build Santa Claus Village brand there. This means, Chinese people not only can visit North Pole, but also Santa Claus the same time in China. (China Tekway Oy Ltd 2009, 57.)

The Mohe Finnish Santa Claus Village is becoming the County’s official tourist destination spot. Local governments and Mohe County are determined in setting up the Finnish Santa Claus Village. Furthermore, at provincial government level, Mohe is more favorable location for traveling, skiing and spending holidays. (China Tekway Oy Ltd 2009, 57.)
Mohe County provided some funds to support the project. All construction materials supplied locally would be offered only at basic cost, such as sand, stone, wood windows, doors and other woods products. The cost of land could be at the level of free of charge, because the land transfer fee paid by investors will be returned back for land development of project. (China Tekway Oy Ltd 2009, 58.)

On the other side, Mohe is located in the most north part of China, if people want to visit there from south part, they need traveling a lot. The cold winter will be a negative fact for their trip. As a small and unknown Chinese countryside town, there are not so many international travelers know Mohe. With the building up of Santa Claus Village, more and more people will heard about this county and Santa Claus becomes a well-known brand for it. (China Tekway Oy Ltd 2009, 58.)

Chinese people are always curious on new things, when Santa Claus was set up, the Santa Claus Brand must be known for Chinese as soon as possible. It is a good opportunity for the city of Rovaniemi to export its brand, arctic building technologies as well as environmental concepts. However, the business process shall be handled in a careful manner as Mohe is very determined in building Santa Claus Village. According to that, the branch-marketing effect of Santa Claus Village and the city of Rovaniemi is made. (China Tekway Oy Ltd 2009, 59.)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Mohe</th>
<th>Rovaniemi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Government support</td>
<td>1. City government support</td>
</tr>
<tr>
<td></td>
<td>2. Investors are easy to be found</td>
<td>2. Technologies and brand export</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. International practices</td>
<td>1. Capital investment</td>
</tr>
<tr>
<td></td>
<td>2. Application of new technology</td>
<td>2. Communication</td>
</tr>
<tr>
<td></td>
<td>3. Environment protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Communication</td>
<td></td>
</tr>
</tbody>
</table>
On the other side, even though China has lots of people who can work in the Santa Claus Village, the skilled labor force who know how the village works and living conditions management are still not too many. After few years running of the village, the communication between Santa Claus and other stuffs and are still problems. Until now, Mohe Santa Claus village is still not as famous as the Santa Claus Village in Rovaniemi.

Figure 6. SWOT for Mohe and Rovaniemi

3.9 PEST analysis of Mohe Santa Claus Village and Rovaniemi Santa Claus Village

<table>
<thead>
<tr>
<th></th>
<th>Mohe</th>
<th>Rovaniemi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Strong support</td>
<td>Positive support</td>
</tr>
<tr>
<td>Economical</td>
<td>Driving force level</td>
<td>Added value with profitable income</td>
</tr>
<tr>
<td>Social</td>
<td>Impact to all over China</td>
<td>Significant to brand building and export</td>
</tr>
<tr>
<td>Technological</td>
<td>High added value</td>
<td>New market and business opportunities</td>
</tr>
</tbody>
</table>
The city of Rovaniemi and Mohe share general similarities in climate, natural resources, personalities and persistence. The Finnish brand Santa Claus Village in Mohe is a good opportunity for the City of Rovaniemi to export its brand, arctic building technologies as well as economic and environmental concepts. However, the business process should be handled in a careful manner as Mohe, is very determined in building Santa Claus Village. Chinese and Finnish governments are highly supporting to this project.

4 IMPROVEMENT OF COMPANY’S BUSINESS AND VISITORS IN MOHE SANTA CLAUS VILLAGE BY USING PR

4.1 Press Releases Strategy

Press release, news release, media release, press notices are actually the same thing. They are organized by organizations, governments or companies to recognize or announce news or events through media. Normally, before the press releases, the organizers will send the invitations journalists or the people who will come to the press releases by emails, letters, internet, TV or newspapers. In the invitations, there is the topic of the event which includes head line, place and date. Then the instructions and contacts come after these. The purpose to send the information is to let the people know about the events and separate the information of press releases to other PR communities and the people who are interested in the events. Before the press releases start, the people who come to the press releases need to sign their names on the name lists. (Morris & Goldsworthy 2008, 153.)

Press releases in China are different with western countries. Lots of western websites in China are blocked, so when PR publishes the events or information try to put them on some popular Chinese websites. Because not many Chinese can speak
good English, it is important to remember translate the information and press releases into Simplified Chinese.

During the summer 2013, Mohe Santa Claus Village was not running as well as the company expected. The PR specialists in China Tekway Oy Ltd told the CEO, Mr. Erlin Yang that they should have the press releases when the fifth Santa Claus was chosen to go to China from Finland. Chinese people should know the Santa Claus was coming from Finland to Santa Claus Village in Mohe, you could not just send the Santa Claus there without telling the local people the new Santa Claus is coming. Therefore they needed to know the details and the journalists not only in China, but also in Finland needed to know how to write the news to attract tourists to Mohe Santa Claus Village.

In the same time, when people come to the press releases, they could introduce our company China Tekway Oy Ltd. To let them know they can do business between Finland and China, they can help and give advices for both Finnish and Chinese people who want to have business in China and Finland. Because Chinese people need visa to go abroad, it is hard for them to go outside of China without reasons. China Tekway Oy Ltd has certification of applying Chinese people come to Finland to study and doing technical visits, as well as China Tekway has good relationship with Chinese embassy in Finland and Helsinki city, so these make the company have an advance to do business between China and Finland. After listening to the author’s opinion, Mr. Erlin Yang readily agreed they should have one press release in China Mohe Santa Claus Village when the fifth Santa Claus arrived there. Then the author would write the invitation of press releases and will send it to the journalists and business corporate companies in China.

4.2 Media and Advertising Strategies

The content of the media determines if the people like to concentrate or not. The media content is at the heart of public relations. So a media plan is necessary before making press releases. Even though the PR industries in China is younger than Fin-
land, they are still a few groups of PR are growing fast and doing very well in China business markets. (Morris & Goldsworthy 2008, 72.)

Because of China Tekway Oy Ltd are doing business with both Chinese and Finnish companies, it is better to let Finnish corporations and potential corporations know how is going and what is happening in the company. Maybe they can find more chances for company. So after discussing with CEO, Mr. Erlin Yang, the author wrote a short article to the local newspaper in Helsinki to announce the fifth Santa Claus going to China. This is a double win, not only put a free advertisement in Finnish media, but also published the company to readers.

4.3 The use of social networks to enhance the company's reputation

Facebook: as a new social network service, Facebook is popular and convenient among different averages of people. It is a good way to let people know you. During the summer 2013, the employees in China Tekway OY Ltd started to arrange the company Facebook and update company’s news. After few weeks it worked. More and more Finnish people notice that and chose to like the Facebook pages.

Weibo: as we know, Facebook is blocked in China. But China is a big market for China Tekway Oy Ltd; they do not want to waste the chance to let Chinese people know the company. After comparison among different kinds of social networks in China, they decided to apply Weibo which is quite popular among Chinese people now. You only can write 140 Chinese characters for one update, but this enough for them to publish information about Mohe Santa Claus Village and the company. They update events and news there. Try to connect with different people. Even though Weibo has limited for numbers of words but it separates fast. They still remembered how they are excited when they got the first phone call from a Chinese girl who knew the company from Weibo and wanted to translate her driving license.

Visithelsinki.cn: the same situation as Facebook, in Chinese version of the website:
visitihelsinki.cn had not been updated for a long time. Visitihelsinki.fi is the biggest tourist website in Finland. The people all over the world would like to check it when they plan to go to Helsinki. The Chinese version is the main route for Chinese to check the information in Helsinki. They applied money from Helsinki city and used two months to translate and update the website. From there, Chinese people can find more information and corporation chances about Helsinki and China Tekway Oy Ltd.

4.4 Government Relations

Government relations are a wide process including all forms of activities that affect public policy. Political people do not always understand the business process and business people do not know too much about political events in the country. Government relations are also an educational process: letting business and industry leaders to know about the governmental process and teaching political leaders how to run a business. Furthermore it is educating people to deal with the problems when the business issues meet the governmental rules. (Morris & Goldsworthy 2008, 204.)

The heart part of government relations is lobbying which is the act influencing the government decisions. Dealing with the government relations, lawyers, lobbyists are helping people to build and leverage sound positions which advance their policy goals. Successful government relations can achieve a multiplier effect, helping to establish a good image of the government to improve the government's reputation, accessing public to understand and support government works. (Doorley & Garcia 2007, 161.)

Although the global economy remains uncertain, corporate executives are faced with the pressure of aggressive growth market. Government put more strength in the economy than before; corporations have limited freedom in business. So the government decisions make a big effect for business profits and companies’ development. To have good relations with government is really necessary when companies’ are doing business. (Doorley & Garcia 2007, 162.)
Government relations are new for China, western PR organizations affect Chinese PR and also western PR predicts strong growth in China. In China, government plays an important role in public affairs; business people not only get familiar with government policy, but also need to know the government thinking way and the direction. (Morris & Goldsworthy 2008, 204.)

To make a good government relations with Finnish and Chinese governments and embassies are very necessary and important for China Tekway Oy Ltd. First of all, if Chinese people want to come to Finland, they need visa and the reasons for apply a visa. China Tekway Oy Ltd has good relationship and has good cooperation with Helsinki city; they can provide the formal invitations from Helsinki city to invite the Chinese customers to come to Finland for business visiting or technical study. Second, when Chinese people want to do business or set up a company in Finland, they need some advices. The first thing they will call the Chinese embassy in Finland to ask information about Finland and how to set up the company. In this way, to build a good relationship with Chinese embassy in Finland is helping them to get more customers from embassy. Chinese embassy is the highest government institution in Finland and it is trusted by Chinese, so the potential customers would come in this way.

In Mohe Santa Claus Village case, both Finnish government and Chinese government were making important roles. In the future, development of Mohe Santa Claus Village need to rely on the Chinese local government’s help and advocacy (What is government relations 2013).

4.5 Crisis Communication and management

Risks can happen in everywhere at any time. A severe crisis can make the company breakup and company reputation destroyed. A good management of a crisis and a good plan for preventing the crisis can help a company to achieve a long term development. A crisis comes always quick and suddenly and it comes in different forms. Like, the problems of products, the transportation accidents, lacking of mon-
ey for production, staff strike, marketing problems and so on. (Morris & Golds-worthy 2008, 125.)

How to avoid having a crisis? This is the question from all companies the same as China Tekway Oy Ltd. The richest man in Hong Kong is named Jiacheng Li who has business everywhere in the world. When people asked him how you can run your business so well, even though there is a crisis coming all over the world, you still keep your business earning money. His answer is to make a crisis plan before the crisis come.

This is needed to be done also by China Tekway Oy Ltd. Have a PR meeting so that everyone can talk about their ideas. How can they deal with the crisis if these happen in the company? The answer is to try to prepare for all types of crises and renew the crisis plan often along with the changes of economic world.
A crisis management plan (Appendix 3) is designed to provide guidelines for a company to adapt for any crisis situation. A crisis management plan should include safety and emergency plan for the company and a standard strategic planning process for the business. Normally, companies make the mistake of waiting until a crisis comes, then they can make a plan for against the crisis. This will give the company the biggest chance to get damage in the crisis. To prepare before the crisis, you company has the greatest chance to survive. (A Guide to Developing Crisis Management Plans 2003.)

First, you should identify the issues. PR crisis team should identify every imaginable issue and list them, starting with the most damaging one. Such as, accidents, violence, fire, illness, earthquakes, weather problems and so on. The PR crisis team should develop a plan of action should that issue become a reality. (A Guide to Developing Crisis Management Plans 2003.)

Second, you should have a crisis team who can make the plan. The crisis team can identify different kinds of crisis that could adversely affect the company and develop a plan to solve the problems. They can prepare the press releases, notification of media to control the crisis situation. (A Guide to Developing Crisis Management Plans 2003.)

Third, prepare a policy statement. This policy statement should be honest, direct and in time when you respond a crisis situation. Think about how to deal with the media when you have a crisis. It is important to have background information of your company and other important information on the plan. (A Guide to Developing Crisis Management Plans 2003.)

Fourth, prepare how to response when you have a crisis. How can you deal with the crisis? How can you solve the crisis? How can you response to media when you have press releases? For all these questions, the crisis team should have a detail plan. (A Guide to Developing Crisis Management Plans 2003.)
Fifth, compare with other issues and evaluate your plan. Check different kinds of crisis issues which happened before and see if there is possibility to happen in your company. Then make the comparison and conclusion. (A Guide to Developing Crisis Management Plans 2003.)

4.6 Other Ways to Improve the Company’s Business

China Tekway Oy ltd should also focus on improving customer service to increase the company’s profit, which is quite important to company’s development. When China Tekway Oy ltd is running Santa Claus Village in Mohe, they should listen the opinions for the tourists and local people. Such as to have quick response for requests, fast and good service delivery and to have a high efficiency to solve the problems. If a company doesn't implement and sustain good customer service, then customers may feel disappoint for the company's service and the attitude of problems solving. Then the company probability loses the loyalty of customers. When the company focus on the customers, they need to make sure that they have answered and solved all the problems the customers met, and, at the same time the company should offer more information about the service or products. This will help the company keep the customers, then lead to increased profits.

Furthermore, try to attract more Finnish brands to settle down in Mohe Santa Claus Village is a way to improve their business. Finland has lots of famous brand, such as Marimekko which has shop in Shanghai of China now and known very well among Chinese people; moomin brand which is loved by children

5 CONCLUSION

The main aim of the thesis was to analyze of public relations in business between Finland and China and how was public relations working in the case company. The PR specialists who work in international company will help you become acquainted with other cultures and customs prior to settling down; it will also help you decide
if you really do have the passion for international business. The case company is playing this role as an international PR to build up the business relationship between Finland and China.

Through the thesis, the case company has more clear goals to improve their business. According to this, there is a clear understanding of the company’s situation to observe Chinese and Finnish economic development trend, the international PR has a big impact for Finnish and Chinese companies in the international business communication development.

Above all, this thesis is an analysis of public relations issues of a Finnish company. It is also a case study to find out the suitable ways to improve the business and deal with the difficulties in order to improve PR work.
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APPENDIX 1

The press releases invitation of fifth Santa Claus went to China

INVITATION

China Tekway Oy Ltd would like to invite you for “Santa Claus Comes to China” Press Conference which takes place on

Date: 30th May, 2013 at 10:00
Place: Mohe Santa Claus Village

China Tekway Oy Ltd organizes on May 30th, 2012 the “Santa Claus Comes to China” Press Conference in Mohe Santa Claus Village, beginning at 10:00. On the occasion of this event China Tekway Oy Ltd will inform journalists and media about this event, the Santa Claus trip in China, the development of Santa Claus village, the cooperation plan between the local government and China Tekway.

Program:

· 09:30: Registration
· 10:00: Start of the Press Conference
· 10:10: speech by Erlin Yang CEO of China Tekway Oy Ltd
· 10:40:Q&A session

Confirmation: please confirm the name and company of the participating journalist by email or phone call.

Ms. Kun Zhang, B.B.A.

Project Coordinator

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FI-00100 Helsinki, Finland
Tel. +358 9 2783 208
Fax +358 9 2783 128
E-Mail: kun.zhang@chinatekway.com
APPENDIX 2

The article of Santa Claus went to China

Santa Claus Goes to China
By Kun Zhang
May 30, 2013
China Tekway Oy Ltd- China Tekway Oy announced that the fifth Santa Claus will go to Mohe, Heilongjiang Province of China today.

Since the Santa Claus World has opened at 22th of December 2012, the Santa Claus home, Post Office and Santa Claus Shop have been built already inside the village. In 2013, the “Little Snow-White” theme park and the theatre are built up. Inside Santa Claus World, road and traffic are basically constructed.

China Tekway is leading the Finnish Santa brand and willing to expand it in China. The purpose of this event is to send the fifth Santa Claus to Mohe Santa Claus World to build the Finnish Santa brand in China and improve the local tourist market in Mohe.

China Tekway Oy Ltd had trained the Santa Claus already in Finland including behavior training, Chinese culture training and also the Chinese language training. With the coming of Santa Claus, new services and products will be set up in Santa Claus World in Mohe. Such as hotels, spas, sports, venues, Santa resorts. Finnish products related to Santa Claus will be produced by the factory and will be showing up in the shop in the village. Of course, China Tekway Oy Ltd wants to use the Santa Claus World to publicity Finland and also hopes that China and Finland will have a good cooperation with each other in the future.

Contact:
To learn more about this event, please contact the project coordinator
Kun Zhang
Tel: +358 9 2783 208
Fax: +358 9 2783 128
kun.zhang@chinatekway.com
www.chinatekway.com
APPENDIX 3

<table>
<thead>
<tr>
<th>Subject</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Introduce the background and why PR plan is needed for company</td>
</tr>
<tr>
<td>Objectives</td>
<td>What kind of plan you are making and what are goals you want to achieve.</td>
</tr>
<tr>
<td>Message</td>
<td>Identify the issues and list them.</td>
</tr>
<tr>
<td>Audiences</td>
<td>What’s group of audiences you want to get? Such as, public and media. Then list the target media.</td>
</tr>
<tr>
<td>Strategy</td>
<td>Prepare a policy statement to respond a crisis situation; How to deal with the media.</td>
</tr>
<tr>
<td>Tools</td>
<td>Use the tools we have introduced</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Compare with other issues and evaluate the plan, then make a conclusion.</td>
</tr>
</tbody>
</table>