

SATAKUNTA UNIVERSITY OF APPLIED SCIENCES

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MARKETING PLAN FOR KUUSKAJASKARI ISLAND

Degree Programme in
International Business and Marketing Logistics
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ABSTRACT

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The purpose of this thesis was to compose a marketing plan for the Kuuskajaskari Island owned by the town of Rauma. Marketing plan should help the entrepreneurs of the islands to create services that target groups want and promote them by using the efficient marketing mix.

The theoretical part consists of nature of tourism industry, travel consumers in general, then focus on Rauma areas and its island as targeted destination. Data was gathered from different official Finnish websites, books and from Sanni-Mari Aaltonen and Marija Kairyte's thesis: "Marketing plan for the islands owned by the town of Rauma: Kuuskajaskari, Kylmäpihlaja, Reksaari". The aim of this thesis is to clarify the stages of creating a marketing plan, to analyse current situation of business in Kuuskajaskari Island and island tourism in Finland by using marketing strategy and marketing mix, it also includes implementation and control.

The empirical part was conducted by using a qualitative method. The interviews were done with a face-to-face, semi structured theme interview. The empirical part was done based on the results of these interviews with the entrepreneurs Katariina Saarinen of Kuuskajaskari islands, Sanni-Mari Aaltonen who has worked on the island, and tourist information officer of Rauma Jenna Ylipuranen. The interviews gave knowledge of the problem areas and competitiveness of entrepreneurs' business current activities in the frame of marketing strategy and marketing mix. The purpose of the plan is to develop services by determining the needs of targeted segments and gives ideas to improve marketing seven Ps in Finnish market. The theoretical knowledge and interviews with the key informants' guided formulation of the actual marketing plan, which also draw the finally conclusion and recommendations.

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1 INTRODUCTION

This study was done to create an effective marketing plan to the Kuuskajaskari Island of Rauma for new entrepreneurs Katariina Saarinen and her sister Maija Tuominen.

The primary objectives of the study were to define tourism in Finland in general and then introduce island tourism in Finland, then finally to focus on Rauma areas and its archipelago, especially on Kuuskajaskari Island as targeted destination, to find out what targeted customer wants and needs. The other objectives were to analyse already established services and to suggest new service possibilities in order to attract more customers as well develop marketing plan. The following objectives were to determining existing challenges for the island tourism, such as seasonality and to suggest how to explore them. The final objective was to determine the elements of the marketing mix and to offer a new marketing plan for the Kuuskajaskari Island.

This bachelor's thesis was written following a theoretical part that presented the tourism in Finnish market and focus on island tourism in Finland, especially concentrated on Kuuskajaskari Island of Rauma as the destination; marketing plan and travel consumers. The key elements of the marketing plan were segmentation, targeting group and positioning and the seven P's of service marketing mix, which consists of product/service, place, price, promotion, people, physical evidence and process, then finally the methods of implementing and controlling them effectively.

The empirical part follows the theory, by summarizing the interviews with new entrepreneur Katariina Saarinen of Kuuskajaskari islands and employee Sanni-Mari Aaltonen who has worked many years for Kuuskajaskari islands and tourist information officer of Rauma town Jenna Ylipuranen. Finally gave my point of view in marketing strategy and marketing mix in order to improve the whole picture of marketing plan. The research method is following qualitative norms, and the results and conclusions will be based on the answers from the interviews.

2 NATURE OF TOURISM INDUSTRY

Tourism generally includes travel, which is done for pleasure, business and personal reasons. It requires inputs of an economic, social, cultural and environmental nature. The major attractions for tourism can vary between countries, such as accommodation and transport, restaurants and shopping facilities etc. Business tourists may go to this place for a conference, a workshop or further education. Private tourists may go there for adventure, recreation, education, pilgrimage or other purposes.

The distance traveled by air grew exponentially. The choice of mode of transport used is part and consequence of the general decisions during holiday planning. Low cost airlines have significantly reduced the cost of travel, people have more alternative in choosing destinations. The growth of the tour operators began to change the nature of the industry from individual business activities to more integrated activities. The changing nature of demand was one of the factors which changed the structure of the tourism industry. Specialism has been one of the features which have helped change the structure and the nature of the travel industry.

In Europe, the aging population has provided a reservoir of mature tourists with both the leisure time and disposable income to travel. It remains an important segment of international tourism demand. The package travel, accommodation and service arrangements sold at a single price, has become more flexible. The growing interest in the long-distance market by the large tour operators is further evidence of the changes taking place in the tourist industry. The large tour operators are diversifying into market segments formerly the preserve of small, specialist tour operators, and also airlines have developed its own holiday businesses. Tourism's development often provides an economic and social catalyst for change. Its development and diversifies is often possible to bring more accommodation modes into the market. (Oelkers 2007, 9; Lickorish & Jenkins 1997, 1-7)

2.1 Tourism in Finland

Finland is famous of lakes, green deep woods and endless forests around the sea, rivers, and the waterways. The country is situated between Sweden, Russia and borders Norway to the north. Finland's maritime borders with Sweden, Estonia and Russia extend over more than 1,100 kilometers. Lapland is a popular zone for visitors. Rovaniemi is a place to see the Aurora Borealis or Northern lights. Tourists in the north of the country in winter often enjoy trips in reindeer sleighs with Sami drivers, or in dog sleighs. There are many ski tracks with downhill resorts at Saariselkä and Levi. There is a large snow castle built every year in the northern town of Kemi. In Finland, tourists can sit on the shore of a lake, fishing, watching reindeer or moose and enjoying silence. Downhill skiing and cross-country skiing are popular activities at Iso-Syöte Fell. The well groomed slopes have something to offer to everyone. The ski trails that meander in surroundings entice skiers into the nature.

Turku on the south west coast is the oldest city in Finland and the former capital. In 2011 Turku will be the European City of Culture. Along the coast in Naantali is home to the famous Moomin world theme park. (Visit Finland's Many Faces. 2009; Salokorpi 2004, 12)

Tourism to Finland from the EU27 countries grew by three per cent. As Finland held the EU Presidency in 2006, it increased the demand for hotel services. Within EU15 countries, tourism to Finland increased most from the Spain, United Kingdom and Germany, while of the new EU countries, growth came mainly from the Baltic States, Estonia, Latvia and Lithuania. Tourism from outside Europe increased as well, by six per cent from America and five per cent from Asia. Inbound tourism from the United States rose again after a couple of years' decline. Japanese and Indian visitors maintained the growth of tourism from Asia and compensated for the waning tourism from China, South Korea and Taiwan. The growth in inbound tourism increased Finland's tourism by nearly 10 per cent from the year 2006. In 2007, Finland's tourism rose to 2.1 billion EUR. Most of the growth in tourism income came from Russia which is 27 per cent of Finland's total tourism incomes in 2007.

In 2007, the total number of nights spent by Finnish tourists rose to 13.7 million. Finnish visitors spent more nights in holiday villages than in the year before, while demand for camping site services declined. Rented holiday homes have become an increasingly popular type of lodging, but they are not included in the accommodation statistics. According to the Finnish Travel survey, Finnish residents spent 3.6 million nights in rented holiday homes in 2007. The number of recorded nights spent by foreign tourists at Finnish accommodation establishments in November 2008 was a good 306,000, which was one per cent down on November 2007. (Tourism statistics. 2009)

The biggest decrease in nights spent, at 17 per cent, was recorded for British visitors. The overnightings of Swedish and Japanese visitors also showed a strong decrease. Visitors from the United States decreased by 11 per cent, whereas the number of nights spent by Spanish visitors show a corresponding increase from the year before. Nights spent by Russian tourists increased by 22 per cent and as expected they were the largest group of foreign visitors. Second largest group was Swedish tourists with 29,000 overnightings. Germans came third with 27,000 overnightings, which was 5 per cent down on November 2007. The number of nights spent by French tourists stayed on level with the year before. The number of nights spent by French tourists stayed on level with the year before.

Year-on-year change in nights spent in November 2008/2007, Twelve main countries of residence of non-residents having spent nights, share in 2007 in brackets.

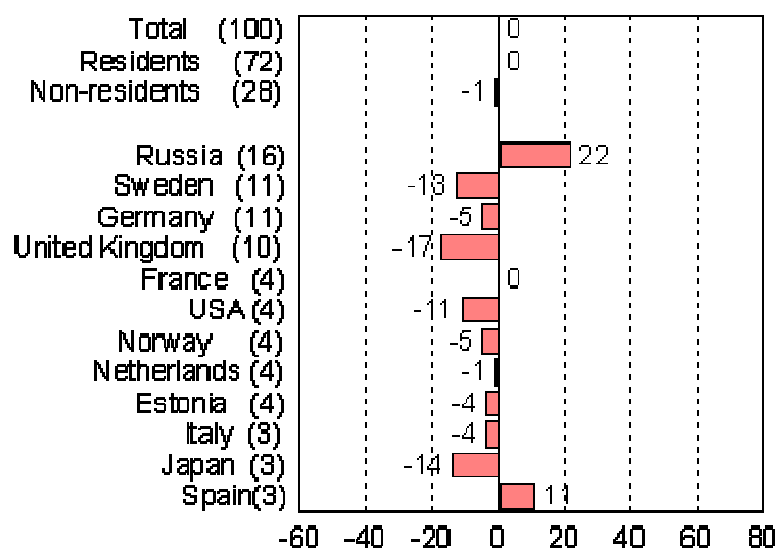


Figure 1. Tourism Statistics. Statistics Finland. (Tourism statistics. 2009)

2.2 Island tourism in Finland

Finland has over 20,000 islands in total. There are 6,500 islands in the Åland archipelago. The towns along Finland's West Coast from south to north, they include Uusikaupunki, Rauma, Pori, Kristiinankaupunki, Kaskinen, Vaasa, Uusikaupunki, Pietarsaari, Kokkola, Raahе and Oulu, and each has its own character and historic story to tell.

Western Finland is a unique region, where the sea and numerous islands augment a nature landscape of untouched wilderness inland. It is a landscape that has nurtured a rich culture, with all the ingredients for a whole multitude of pursuits at any time of the year. For example, the international Jazz Festival at Pori, now in its 40th year, is one of the highlights of the jazz aficionado's year, bringing the riverside town to musical life each July. The annual Pori Jazz festival, attracting top stars from around the world, is the highlight of every summer, while the six kilometers of wild sands at nearby Yyteri form one of the best beaches in Finland. The Yyteri camp ground and year-round cottages, surf centre, 18-hole golf course and horseback riding school, are other attractions, while the idyllic Reposaari island, with its timber houses, has a guest harbor and the Merimesta fishing centre.

In the summer, the sandy dunes at Yyteri are the setting for seaside picnics and windsurfing competitions. Bird-spotting is a popular pastime up and down the coast, especially at Liminganlahti bay and Hailuoto island near Oulu: enthusiasts are attracted by the abundance of resident and migrating species and by the extended opportunities offered by light nights of summer.

To the south of Pori, the old wooden town of Rauma is rich in culture and history, and a uniquely UNESCO World Heritage place. Sample the hospitality of a Finnish farm, rent a bicycle, and explore the towns and villages at leisure. Especially walking inside of historical old town of Rauma, where the unique wooden architecture is presented.

The Ostrobothnian coast and Vaasa region offer the traveller a mixture of experiences where the vast plains and the sea, countryside traditions and archipelago islands meet. Finnish and Swedish cultures mingle in small villages and cozy old wooden towns. The Vaasa region is mixed Finnish and Swedish cultures among small villages and old wooden towns. There is wide variety of accommodation, from luxury spa hotels to archipelago cottages, from well-equipped guesthouses in the countryside to small hotels in the cities.

The Tropiclandia Spa at Vaasa, tailored especially for family outings. Tropiclandia serves tourists all year round, while Wasalandia amusement park and the Tropiclandia Water Park attract young families throughout the summer season. For the tourists service is provided also by high class hotels and restaurants. Tango Market at Seinäjoki and dance the summer night away. Board one of the archipelago cruise boats to discover the archipelago and its lighthouse islands, or rent a bike to explore the countryside or the small towns along the coast.

Vaasa is Ostrobothnia's window to the west. Vaasa is the biggest town in the area with over 57.600 inhabitants 72 % Finnish-speaking, 25 % Swedish-speaking and 3 % with other languages as their mother tongue. Vaasa is located at the narrowest point of the Gulf of Bothnia, only 80 kms from Umeå in Sweden. By boat the journey takes four hours. Vaasa today represents the educational, cultural and tourist centre of Western Finland.

Kaskinen, a city with sea atmosphere, is the smallest of Finnish towns with approximately 1700 inhabitants. Kaskinen founded in 1785, it represents the over 200 years old town building skill with regular square plan, wide streets and wooden houses with large yards. For the traveler Kaskinen is an idyllic and summer town where tourists can find peace and relaxation.

Korsholm has an area of approximately 2800 km² surrounding the town of Vaasa and an extensive archipelago. Of the 16500 inhabitants 75 % have Swedish and 25% have Finnish as their native language. Replot Bridge in Korsholm is the longest

bridge in the country. Beautiful nature and island environment can be found in Korsholm. There are several local museums to visit.

Summer in Merikarvia excites the senses at Krookka's harbour, Meri camping and in the locality's many summer events. Off the coast of Merikarvia is the unique Oura Archipelago; the barren but beautiful islands are about 8 km off the mainland. Boat cruises, fishing excursions, fishing in winter through holes in the ice, boat and water-bus excursions, boating and quest marina, campsite. Merikievari Dance Hall is well known through the country, lots of possibilities for farm house accommodation, largest wooden church in Finland that is being used through the year, fishing museum.

Kokkola is an historic town and the provincial centre of Central Ostrobothnia. Old Kalle's Town Walk is an exploration route of this small but lively town, through Neristan (Downtown), Kokkola's expansive old timber house district, with visits to the K.H.Renlund Art Gallery, the History Museum and Veikko Salkio Natural History collection.

Kokkola is home to the Central Ostrobothnian Chamber Orchestra and has a great musical tradition. Take a cruise from Kokkola to the lighthouse island of Tankar and the 7 Bridges archipelago, and visit the Mustakari Yacht Club, the Arctic Museum Nanoq, the main attractions on the coast. The 7 Bridges Archipelago, where the islands are still gradually emerging from the Baltic is an exciting coastal area where visitors can paddle, row, sail, cruise, fish, swim, hike, bike, ski and skate.

Oulu, on the coast of the Gulf of Bothnia, with its population of 130,000 is the biggest city in the northern Nordic region. It is a university town as well as a lively centre for science, research and high technology.

Iso-Syöte is one of the Ski Centers in the Oulu region. Located approximately 150 kilometres from the Arctic Circle, Iso-Syöte is Finland's southern most fell region, and it also happens to be the Finnish region that gets the most snow. The blanket of snow covering the trees and landscape transforms nature into a fairy tale land.

The historical town of Raahе is located by the northern Gulf of Bothnia. This old town has its rich maritime heritage but, at the same time, steel industry, information technology and culture contribute to its modern appearance. Memories of an eventful history, picturesque wooden quarters, the sea and offshore islands, colorful events, interesting places to visit and excursions offer plenty of activities especially in summer.

A walk along the narrow lanes of Old Raahе will take the traveller back to the life of a 19th century seaside town. Raahе founded in 1649, has a long history of seafaring and trade, which still in many ways is to be seen in the town. Today Raahе is a modern town of 17.500 inhabitants. The sea and the archipelago, idyllic wooden quarters, rich history, many annual events and interesting places to see, make Raahе worth visiting for travellers.

The old wooden quarter of Raahе is laid out according to the classical grid plan. Most of the buildings postdate the great fire of 1810. The layout reflects the social structure of the day, with the grander houses of the bourgeoisie in the centre being replaced by the more modest homes of craftsmen and seafarers towards the surrounding. (Finland's West Coast 2007)

The town of Rauma on the Gulf of Bothnia was founded in 1442. Old wooden buildings and a distinctive dialect are its special features. Rauma is the largest complete wooden town in the Nordic countries and is famous for lace making.

Pori is a cultural town hosting festivals, such as annual jazz festival attracts visitors from all over the world. Pori has a sandy beach called Yyteri.

The Kvarken Archipelago is a UNESCO World Natural Heritage site and this is the area where land is uplifted as land rises up from the sea on average 8 mm every year.

Lake district includes Tampere, the oldest public city sauna in Finland, named Rajaportti in the Pispala district of Tampere. Savonlinna castle has the famous summer opera festival. The world's largest smoke sauna is at Kuopio. The Karelia

region has an untouched wilderness in addition to waters. The culture maintains traditions originating from the Russian Orthodox history.

The Kajaani region has different activities, such as bear watching safaris, quad biking, fly-fishing, cross country skiing. Rovaniemi is the provincial capital and is right on the Arctic Circle. The Santa Claus lives there and it is home to Arktikum. (Finnish Tourist Board 2008; Kvarken Archipelago becomes Finland's first site on UNESCO's world natural heritage list 2005)

2.3 Rauma and its archipelago

Rauma founded in 1442, is an idyllic seaside town, it has 36,044 populations, Age structure in year 2005, there are 15.5% between 0-14 year-olds, 67.2% between 15-64 year-olds and over 17.3% are 65 year-olds. Foreign citizens 343 people, which is 0.9% of the total population, there are 40 different nationalities.

The heart of the town is Old Rauma, which is the largest preserved coherent medieval wooden town area in the Nordic region. In 1991 the area was selected for UNESCO's World Heritage Sites. Old Rauma is demonstrated by the market place and two hundred shops selling specialties. During the summer months, the marketplace is a popular meeting place. In the town structure of Old Rauma with an area of 30 hectares, medieval features like narrow, winding streets and lanes and irregular shaped yards are still evident. Some buildings in Old Rauma have preserved features from the 18th century, others from the first half of the 20th century. Most buildings have the appearance of the New Renaissance style of the active renovation period in the 1890's. The views of the River Raumanjoki and the Church of the Holy Cross from the end of the 15th century with medieval frescoes on the walls and vault are an essential part of Old Rauma.

The area of the Bronze Age tumuli, Sammallahdenmäki in Lappi, also belongs to the UNESCO world heritages. It is a unique entity in Scandinavia and was accepted on the list of the world heritages as the first archeological site in Finland. Within a distance of one kilometer, there are 36 tumuli with totally different shapes and sizes. (Rauma town; Rauma Region)

There are many summer events in Rauma, such as Lace Week of Rauma, Black Lace Night (carnival night), Rauma Blues, and music festival in Rauma, Blue Sea Film Festival and the Baltic Herring Market. The sea and beautiful outer archipelago are distinctive features of the islands are used for recreation and are accessible, for example by water bus. During the summer time, there is a water way connection from Rauma to different islands. (Rauman kaupunki/a, Rauma Cultrual Heritage and Modern Industrial Town)

The Rauma Archipelago reaches out about 10 km from the shore. There are “south-western Finnish” rocky shores in the archipelago, but most distinguishing are first of all large wooded islands and outer sea gravel islets. A part of the archipelago is a network of sheltered long straits. (The Rauma Archipelago)

Close to the town of Rauma there are three tourist islands which are the lighthouse in island of Kylmäpihlaja, the fort island of Kuuskajaskari and the island of Reksaari with its magnificent nature. In summer there is a regular water bus connection to those islands.

The lighthouse island of Kylmäpihlaja is an excursion site at the open sea open to all people. In the lighthouse building there are hotel rooms, café-restaurant, sauna, chapel, meeting rooms and a lookout platform. The lighthouse rises 36 meters from the sea level. Tourists can admire the views from the upper platform of the lighthouse. During the summertime there is a guide on the island, who is prepared to tell about the lighthouse island and the archipelago. (Town of Rauma-Departement of Environment, 2005)

Reksaari has archipelago groves and nature trails offers opportunity to study the rich flora and fauna of the area. The Kaffetupa (Coffee house) of the over one hundred year old fishing estate of Karttu, serves for example real archipelago fish soup. It is allowed to camp on the island and also lodging in cabins or in an old-fashioned granary hut. A cosy room on the shore, Ranthuane, provides a pleasant place for small festivities. Children's guided activity hours are arranged daily. In the resort of Reksaari in the Rauma archipelago, swimming, hiking, walking and fishing are all

possible. However, Reksaari is the only island that cannot be reached by bigger sailboats as the waterway is not deep enough. (The Rauma Archipelago)

The island of Kuuskajaskari is an old defense fortification controlled by Finnish military until the year 2000. Rising up to 15 meters from the sea, the island is nearly 30 hectares, combines the open sea and the covered with forest. Kuuskajaskari can see the old barracks, coastal artillery guns and changing firearms displays. The island has four 152mm coastal artillery cannons; one of them is still functional. There is an observation tower which is opened to public. The Kuuskajaskari fortress island is now owned by town of Rauma, in the year 2008 new entrepreneurs Sirpa Saarinen won the bid in Kuuskajaskari and in year 2009 Sirpa Saarinen hand over Kuuskajaskari island to her two daughters: Katariina Saarinen and her sister Maija Tuominen, meanwhile company name changed to Rauman Kopse Oy. (The Rauma Archipelago)

Throughout the summer season the Rauman Saaristokuljetus line water buses Apollonia are going to Kuuskajaskari twice a day from June to August, there is one additional trips daily made by Don Quijote line waterbus. There is a possibility to book the cruise ticket for the trips to the island by telephone waterbus or telephone directly to Kuuskajaskari island for reservations. For the boat travelers Kuuskajaskari is offering number of services. The harbor can welcome about 20 small boats, the parking fee is about 10€ per day. There is electricity, fresh water, WC, several campfire places, food, beverage (soft drinking, beer and strong alcohols) and cigarettes. The Sotku café house offers visitors fresh doughnuts and coffee or tea.

The island has accommodation at both the barracks, complete with metal army beds, have capacity for 160 people in terraced houses. Tourists can spend the night in the row houses once built and decorated for the army personnel and in the former barracks. In one of the barracks there is a small movie theatre. Theatre can also be rented for various occasions as an alternative for meetings and conferences, with full service including catering and the right to sell alcohol. Visitors are able to rent former personnel cottages. Function facilities are available for 20, 50 and 100 people and the sauna can also be booked in advance. The conference facilities are equipped with internet connection, TV, video, overhead projectors and flap board. There are

also changing exhibitions. Kuuskajaskari gives its visitor at the same time the excitement of the sea and the shelter of an island covered with woods. For leisure active, there are several orienteering tracks around the island for adults and own tracks for children. The island offers the possibilities for all kinds of outdoor activities such as volleyball, football, jogging, dart game, pétanque, diving and fishing. For children there are also small domestic animals (e.g. rabbits, chicken, and roosters) and playgrounds.

The cottage with four rooms and the kitchen costs 330€ per weekend or 500€ per week. There are three smaller cottages with three rooms and the kitchen. The weekend rental price is 250€ and the week price is 420€. The eight smallest cottages have two rooms and a kitchen, they cost 210€ per weekend and 310€ per week. The sauna can be heated on the request, it costs 7€ per person, or 50€ per group.

Function facilities are available for 20, 50 and 100 people and the sauna can also be booked in advance. The conference auditoria space is for 100 people and it costs 80€ per day. There is a conference hall for 50 people and smaller meeting room for 10 to 20 persons. The conference hall costs 60€ per day and the meeting room costs 40€ per day. (The Rauma archipelago; Interview with Katariina Saarinen and Sanni-Mari Aaltonen)

3 TRAVEL CONSUMERS

3.1 Characteristics of travellers

The characteristics of customers are an important influence factor on channel design. Their number, geographical distribution, income, shopping habits, and reaction to different selling methods all vary from country to country and therefore it requires different channel approaches. In general, regardless of the stage of market development, the need for multiple channel intermediaries increases as the number of customers increases. (Warren & Mark 1997, 330)

A traveller means a wide range of person's movement. Travelling involves any amount of time away from one's home region, motivated by business, refreshment, hobbies, studies, shopping, friends etc. rarely there only one reason for travelling, thus the motives of travel consumers are extremely numerous. International traveling is all about moving beyond one's own comfort zone; physical and cultural borders. The interest to explore new areas of the world originates from openness to learn and discover new regions, lifestyles, and cultures. The distribution of the world's population is changing, while it is growing rapidly, and this tendency impacts on tourism. Firstly, there are and will be new traveling nations, as tourism in developing countries become more and more popular. This drives new challenges and gives indicator for marketers, as the cultures in the structure of travel industry will change. The rapidly increasing and diversifying tourist industry has encouraged marketers to study travel consumers more profoundly, their consumption patterns, and characteristics. To understand better behavioral factors of travel consumers, it is necessary to apply a psychological point of view to the marketing concepts. (Oelkers 2002, 81; Crouch, Perdue, Timmermans & Uysal 2004, 1-2)

3.2 Consumer buying behaviour

Consumer buying behavior is influenced strongly by culture, subculture, social class, personal factors, and psychological factors as shown in figure 2. Culture is the most fundamental determinant of a person's wants and behavior. Subcultures include nationalities, religions, racial groups, and geographic regions. Many subcultures make up important market segments.

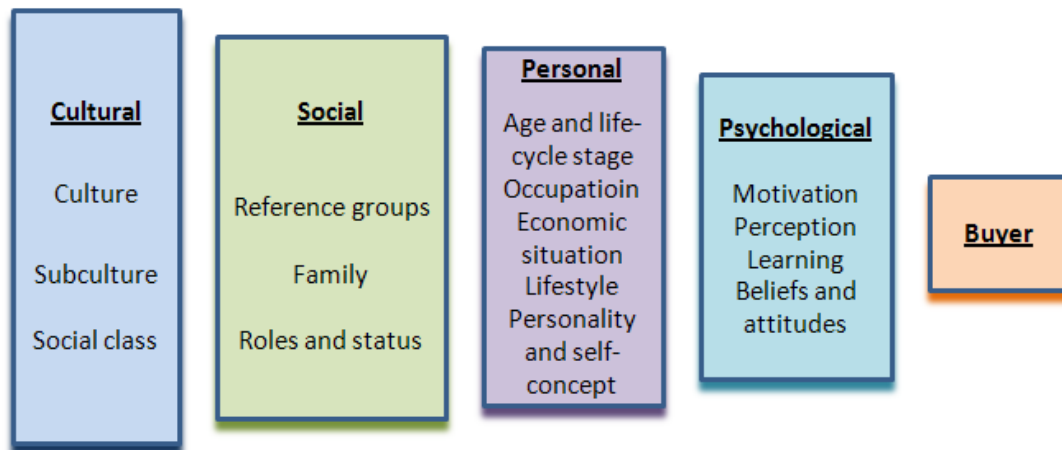


Figure 2. Factors influencing consumer behavior. (Kotler & Armstrong 2001, 221)

In addition to cultural factors, a consumer's behavior is influenced by social factors as reference groups, family, and social roles and statuses. Reference groups consist of all of the groups that have a direct or indirect influence on a person's attitudes or behavior. Some primary membership groups are family, friends, neighbors, and co-workers, with whom individuals interact fairly continuously and informally. Secondary groups, such as professional and trade-union groups, tend to be more formal and require less continuous interaction. Reference groups expose people to new behaviors and lifestyles, influence attitudes and self-concept, and create pressures for conformity that may affect product and brand choices. People are also influenced by groups to which they do not belong. Aspirational groups are those the person hopes to join. The family is the most important consumer-buying organization in society. From parents, a person absorbs religion, politics, and economics as well as a sense of personal ambition, self-worth, and love. A more direct influence of buying behavior of adults is the family of procreation—namely, one's spouse and children. A person participates in many groups, such as family, clubs or organizations. In general, people choose products that communicate their role and status in society.

The third factor is personal characteristics, including the buyer's age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept. For example, a working couple in may have fewer constraints and therefore more money to spend on holidays. People from the same subculture, social class, and

occupation may lead quite different lifestyles. A lifestyle is the person's the way of life as can be seen in activities, interests, and opinions. Personality can be useful in analyzing consumer behavior. Personality is usually described in terms of such traits as self-confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability.

Psychological factors are the fourth major influence on consumer buying behavior. In general, a person's buying decisions are influenced by the psychological factors of motivation, perception, learning, beliefs, and attitudes. Some needs are biogenic; other needs are psychogenic. A motive is enough to drive the person to act. Experience often influences one's behavior. Beliefs are based on knowledge, opinion, or faith, and they may or may not carry an emotional decision. Especially buyers often hold distinct beliefs about brands or products based on their country of origin.

Marketer needs to be aware that consumer decision making varies with the type of buying decision. It consists of complex buying behavior, dissonance-reducing buyer behavior, habitual buying behavior and variety-seeking buying behavior as shown in figure 3. Consumer buying behaviour concerns the way tourists as purchasers of products and services behave in terms of spending, their attitudes and values towards what they buy. Their age, sex, marital status, educational background, amount of income, where live and other factors such as their interest in travel directly affect this. Marketers should divide tourists into groups as consumers so that they can provide specific products that appeal to each group. (Kotler 2001. 89-96; Hatton 2000, 160; Page 2007, 78-80)

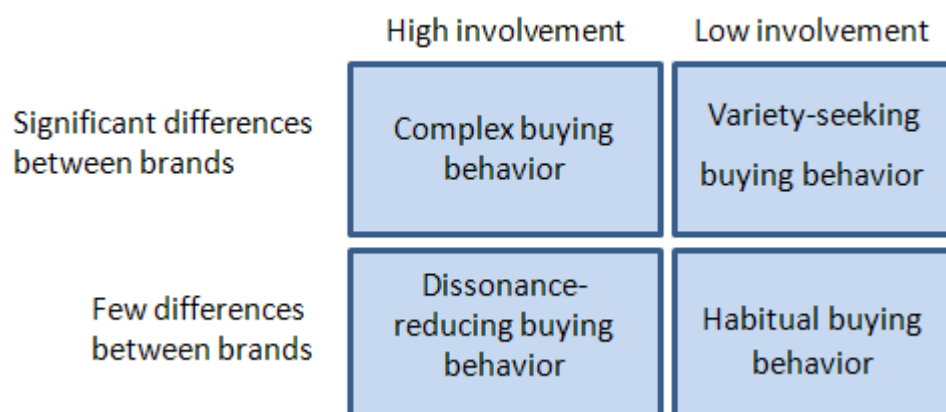


Figure 3. Four types of buying behavior. (Kotler & Armstrong 2001, 191)

The standard model of the purchase process is a rational, five-step progression of need identification, search for information, evaluation of alternatives, purchase, and after purchase evaluation. Consumer decision making can be either a quick-and-easy or a lengthy and complicated process, depending on the consumer's level of involvement with the process. When consumers realize they have an external problem that needs to be solved or a desire that internal needs to be met. The internal dissatisfaction a consumer may feel as the result of an inner state rather than from a problem caused by external circumstances.

Consumers take the time and effort to research which product will most likely fill their need or meet their desires. In general, information search obtains product information from the company and other sources. Consumers can search for information by evaluating promotional material provided by the company. Consumers will also seek out additional information from objective sources, such as magazine rating and newspaper reports. In addition, consumers will ask friends and family who have already purchased the product for their opinions. While the company's promotional material may attract consumers' initial interest, it is often the more objective sources of information that will most effect the purchase decision.

Potential tourists will search the printed and broadcast promotional information produced through the tourism office. They will also check the city's website and read travel magazines, books and also search the internet for any information about visiting the city. Evaluation of alternatives determines which product provides the desired benefits.

Consumers will analyze all the information on different products to determine how closely each available product provides the benefits desired. For tourists, this evaluation of alternatives will involve matching the core product and supporting services provided by each destination again their travel preferences. Potential tourists will decide which destination provides the product benefits that will most meet their needs.

Purchase process completes the transaction by exchanging money for the product. If the product is expensive and the consumer is unfamiliar with its features, the purchase process will become more involved. Purchase process can be a multistep purchase process. If at any stage of the purchase tourists are not provided the necessary assistance and information, the process might be end and they may decide to travel elsewhere.

Postpurchase evaluation decides if the product provided the desired benefits. If the purchase has been for a tangible good, it will often be sold with a return policy that will allow the consumer to return the product if not satisfied. Because services such as travel are consumed when purchased and are not returnable, they involve more purchase risk. Therefore tourism marketers must be very careful to ensure that the experience of visiting has to be satisfactory. (Bonita 2006, 129-133)

4 MARKETING PLAN

A marketing plan is a written document that details the necessary actions to achieve one or more marketing objectives. Marketing plan is also the structured process that links the mission, organizational strategy and business strategy to marketing decisions and actions, such as research and analyse the marketing situation, markets and customers; develop marketing direction, objectives, strategies and programmes for the targeted customer segment; determine how to support marketing strategies through customer service and internal marketing; and finally implement, evaluate and control marketing programmes to achieve the desired objectives. It can be for a product or service, a brand, or a product line. The marketing plan implements the marketing strategy; it is a blueprint for communicating the value of the products and/or services to its customers. Marketing planning described as the structured process of research and analyzing the marketing situation; developing and documenting marketing objectives, strategies, and programs, and implementing, evaluating, and controlling activities to achieve these objectives. The marketing plan consists of several factors, such as selecting target markets, developing marketing

objectives and strategies. The market planning process is a delicate balance of creativity and structure. This systematic process enables companies to identify and evaluate any number of marketing opportunities that can serve as path to organization's goals, as well as potential threats that might block these paths.

The opportunity to think creatively and explore market issues outside the realm of day-to-day business is an important part of developing a proactive marketing plan. A marketing plan has to have enough structure to ensure that it is comprehensive, accurate, marketing strategies, resources and performance objectives are credibly linked to the marketing situation. Both creative insight and structure are necessary to paint a meaningful picture of the market situation, marketing strategy, and logic-based path that leads to desired performance objectives. (Wood 2004, 11; Wood 2003, 3-5; Best 2004, 330; Hunter 1997, 66)

The outcome of this process is the marketing plan, a document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives. A marketing plan is not only helping the managers to have concrete information of the market situation, but it also gives information to other member of the organization who might be involved in the decision-making processes. (Wood 2003, 3-5; Proctor 2000, 41; Winer 2000, 33)

In most developed countries there is no formal tourism planning mechanism and whatever planning is done is usually incorporated into regional rather than national plans. Planning at national level is usually a function of the size of the country. Estimating demand is a problematic exercise, but it is the foundation of tourism development planning. (Lickorish & Jenkins 1997, 175)

4.1 Marketing strategy

Marketing strategy is used to determine how each unit well used in the marketing mix tools which supported by customer service and internal marketing strategies to compete effectively and meet objectives. Marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It shows how strategies for target markets and positioning build upon the firm's differential

advantages. There are three basic categories of target marketing strategies: standardized marketing, concentrated marketing, and differentiated marketing. Standardized global marketing is analogous to mass marketing in a single country. It involves creating the same marketing mix for a broad mass market of potential buyers. The appeal of standardized global marketing is lower production costs. Concentrated global marketing strategy involves devising a marketing mix to reach a single segment of the global market. Differentiated global marketing strategy represents a more ambitious approach than concentrated target marketing. (Wood 2004, 6; Kotler & Armstrong & Saunders & Wong 1996. 99; Keegan & Green 1997. 185)

Marketing strategy consists of specific strategies for targets markets, positioning, the marketing mix and marketing expenditure levels. Target consumers are at the centre of the marketing strategy. The company identifies the total market, divides it into smaller segments, selects the most promising segments and focuses on serving them. The company engages in marketing analysis, planning, implementation and control to find the best marketing mix and to take action. (Kotler & Armstrong & Saunders & Wong 1996. 92; Kotler & Armstrong 2001, 71)

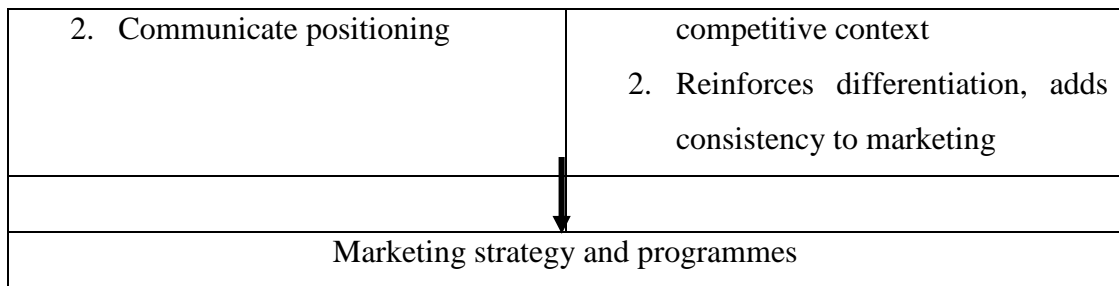
Marketing strategy identifying segments of the market might be targeted to achieve the marketing objectives, selecting the most appropriate and determining how best to position their offering to satisfy the needs of this group. Once segmentation and positioning are agreed then the marketing strategy is in place. Forecasts of potential earnings must be made so that the likely contribution of each strategy to the overall objective can be quantified. The market segmentation is critical to the effectiveness of the marketing plan. It is a process that must be undertaken with thought, creativity and skill. It provides one of the major ways of implementing the marketing concept; meanwhile it directs a firm's marketing strategy and resource allocation among different markets and products. Marketing strategy is about striking the right balance between many various and conflicting forces which act on the organization, then turning these into long-term profits. (Hatton 2000, 45, 140; Hollensen 2003, 307; Fifield, P. 1998, P180-181)

4.1.1 Segmentation

Marketing segmentation involves grouping consumers or business customers within a market into smaller segments based on similarities in needs, attitudes or behavior that marketing can address. By eliminating inappropriate markets and identifying appropriate market segments for more research, the company can better understand customers in these segments and more effectively respond to their needs. Finally, it helps to determine how to create a meaningful and competitively distinctive position in the minds of customers in each targeted segment. Table 1 show how segmentation, targeting and positioning are applied in marketing planning, along with the major benefits. (Wood 2004, 95-96)

Table 1: Applying segmentation, targeting and positioning (Wood 2004, 96)

Market and customer research	
Market segmentation	Benefits
<ol style="list-style-type: none"> 1. Choose a market 2. Apply segmentation variables 3. Evaluate and select segments 	<ol style="list-style-type: none"> 1. Eliminates markets that are inaccessible or inappropriate 2. Creates segments of customers with similar needs or behavior yet different responses to marketing
Targeting	Benefits
<ol style="list-style-type: none"> 1. Rank segments for marketing activity 2. Determine target market coverage 	<ol style="list-style-type: none"> 1. Identifies opportunities and threats; sets marketing priorities 2. Guides development of effective marketing strategies and activities
Positioning	Benefits
<ol style="list-style-type: none"> 1. Decide on point(s) of differentiation 	<ol style="list-style-type: none"> 1. Highlights attributes that customers find meaningful in the



Market segmentation allows marketers to serve their needs specially and more effectively than the competitors. Geo-demographic variables are the most commonly associated with segmentation. Age, sex, ethnic background and geographic location represent variables that are easy to identify and that in consumer markets do influence behavior. The social groups indicate preferences, tastes and aspirations which go on to influence what each group would buy and how much it could afford to spend. (Hatton 2000, 157-158)

Gender has a powerful impact on participation in tourism, very often women in households are the holiday decision-makers. With changes in the existing of two-parent households and the growth in single-parent households, the notion of the nuclear family is changing in many western societies, family with children influence greatly on parents in the selection holiday destinations. Gender has also become a defining feature in the identification of the gay and lesbian market. Ethnicity has also been identified as important factor shaping tourist travel behaviour and consumption patterns. Race and ethnicity assume a prominent role in travel markets.

Psychographic segmentation involves socio-economic, geographic data and life-cycle data to predict a range of consumer behaviors or purchasing patterns. By combining the behaviour of tourists and their value system comprising their beliefs and how these affect their decision to purchase, the marketers can communicate more effectively with potential consumers by understanding what motivates their decision to purchase certain types of products and services. Psychographic segmentation is a specialized product such as ecotourism (such as traveling to engage in wildlife viewing, visiting natural areas and having a concern with the natural environment). (Page 2007, 80-82)

Segment must have something in common, something which allows marketers to serve their needs specifically and more effectively than the competitors. If age, sex, company size or customer's location significantly influences buyer behaviour, then these will be useful dimensions for segmentation. If not, new bases for the segmentation need to be found. (Hatton 2000, 157-159)

Segment can be based on either external or internal characteristics. The external characteristics, or demographics of consumers, such as age, income, ethnicity, gender, and family stage, will vary. Consumers differ internally, or psychographically, in their values, interests and lifestyle. Those factors distinguish in consumers' purchasing different types of products. The market can be divided into segments based on the consumer's geographic location, whether local, regional, national, or international. For tourism, it would be the purpose tourists have for travel, whether a weekend trip, a long-planned family vacation, or business trip.

Segmentation is the process of dividing potential consumers into groups based on shared characteristics. The choice of which method to use when segmenting consumers depends on the features of the product and the benefits it provides. Geographic, demographic, psychographic, and usage segmentation are the most important segmentation methods to consider when segmenting the market of potential tourists. (Bonita 2006, 103-109)

Table 2: Segmentation Methods (Bonita 2006, 109)

Method	Description	Example
Geographic	Local, regional, national, international	Regional versus national visitors
Demographic	Gender, ethnicity, age, family stage, income, occupation	Single professional Asian woman, age 22-35, with incomes over € 75,000
Psychographic	Values, lifestyle, social class	Independent, adventurous

		tourists, interested in winter sports
Usage	Business travelers, those visiting family/friends, day/weekend tourists, traditional vacationers	Business travelers who wish to add additional activities to their agenda while visiting

4.1.2 Targeting

Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. Targeting group consists of a set of buyers who share common needs or characteristics that the company decides to serve. There are four alternative market-coverage strategies that the firm can adopt.

Undifferentiated marketing is a mass-marketing approach, means targeting the entire market with the same marketing mix, it is a market-coverage strategy in which a firm decided to ignore market segment differences and go after the whole market with one offer. It assumes that all customers in a particular market, regardless of any differences in characteristics or behavior, will respond in the same way to the same marketing attention. Undifferentiated marketing is less expensive than other coverage strategies, due to the lower costs of developing and implementing only one marketing mix.

Differentiated marketing is a strategy either a firm decides to target several market segments or niches and designs separate offers for each. Differentiated marketing needs different marketing mixes to each segment's unique characteristics and behaviours. It increases customers' satisfaction and encourages customer loyalty because their specific needs are being provided. Developing a stronger position within several segments increase more total sales than undifferentiated marketing across all segments by tailoring the marketing mix.

Companies that target multiple segments generally use differentiated marketing to create a separate marketing strategy for each segment. It requires considerable

investments in marketing research to understand each segment's needs, as well as higher costs due to different products, different advertising campaigns, and so on. These costs must be taken into account when preparing the marketing plan and related budgets.

Concentrated marketing is when company resources are limited, instead of going after a small share of a large market; the firm goes after a large share of one or a few segments or niches. A company might also choose to serve several related segments, perhaps those with different kinds of customer but with the same basic wants. The idea is to compete more effectively and efficiently by understanding and satisfying one set of customers, rather than spreading organizational resources across multiple marketing activities for multiple segments.

Customized marketing is when company providers tailor marketing mixes to individuals within certain targeted segments. If company has the right technology, it can opt for mass customization and create products tailored to individual customers' needs on a larger scale. (Wood, 2004, 107-109; Kotler & Armstrong 2001, 265-266; Wood 2003, 64; Lovelock 2001, 138)

To succeed in competitive marketplace, companies must be customer centered-winning customers from competitors by delivering greater value. Before it can satisfy consumers, a company must first understand their needs and wants. Companies cannot satisfy all consumers in the same way. Therefore, companies must divide the total market, choose the best segments, and design strategies for profitably serving chosen segments better than its competitors do. This process involves five steps: demand measurement and forecasting, market segmentation, finding a differential advantage, market targeting and positioning. (Kotler & Armstrong & Saunders & Wong 1996. 93)

4.1.3 Positioning

A product's position involves implanting the brand's unique benefits and differentiation in customers' mind. A product's position is the complex set of

perceptions, impressions, and feelings that consumers have for the product compared with competing products.

The positioning consists identifying a set of possible competitive advantage upon which to build a position, choosing the right competitive advantages, and selecting an overall positioning strategy and tactics. The company must then effectively communicate and deliver the chosen position to the market. Effective positioning must satisfy three desirability criteria; be competitively distinctive, relevant and creditable, as well as three deliverability criteria; the positioning must be feasible, able to be communicated and sustainable.

The company should first identify possible competitive advantages in order to build its product position. To gain competitive advantage, the company must offer great value to chosen target segment, either by charging lower prices than competitors or by offering more benefits to justify higher prices. Once company has chosen a desired position, it must take steps to deliver and communicate that position to target consumers. The company's entire marketing programme should support the chosen positioning strategy. (Kotler & Armstrong 2001, 269-271; Wood 2004, 110-112; Kotler & Armstrong & Saunders & Wong 1996. 93)

4.2 Marketing mix

Marketing mix is defined as the element for an organization controls its customer's satisfaction and communication. Marketing mix is the set of controllable marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix is also the set of marketing decisions that management make to implement their positioning strategy and achieve its objectives. Traditionally the 4Ps are product, place (i.e. distribution), price and promotion. In the services marketing mix, the product is the service and there are three added elements relevant to services: people, physical evidence and process. The marketing strategy of an organization must be the development and the execution of the marketing mix. (Kotler & Armstrong 2001, 67; McColl-Kennedy 2003, 11; Fifield, P. 1998, P180-181; Doyle 2002, 88)

4.2.1 Product/Service

Product or service means combination of product or service classifications and price points within a company's product or service mix. Company needs to understand what the target customer is willing to pay and the cost of providing that product or service. The companies seek to satisfy consumer needs with its products. A product in this sense is anything that the organization offers to potential customers which may satisfy a need, whether it is tangible or intangible. It covers both tangible goods and intangible services. (Oelkers 2007, 133; Lickorish & Jenkins 1997, 139)

The basis of any business is a product or offering. A company aims to make the product or offering different and better in some way that will cause the target market to favor it and even pay a price premium. In general, product marketers understand that the challenge is to create relevant and distinctive product differentiation. The differentiation may be based on: physical differences (e.g., features, performance, conformance, durability, reliability, design, style, packaging); availability differences (e.g., available from stores or orderable by phone, mail, fax, internet); service differences (e.g., delivery, installation, training, consulting, maintenance, repair); price differences (e.g., very high, high, medium, low, very low price); image differences (e.g., symbols, atmosphere, events, media). Two effective physical differentiators are features and design. (Kotler 1999. 97-99; Lancaster & Reynolds 1995, 44-45)

Customer decisions will be potentially influenced by the range, style and presentation of the product. There are three dimensions that offer customer benefits. In the more affluent, advanced economics where customers have choice, it is the physical evidence and image of a product which are most likely to influence demand positively. Without core and expected benefits, customer would consider others as a potential supplier. It is the augmented or differentiated benefits that win customer loyalty. (Hatton 2000. 177-179)

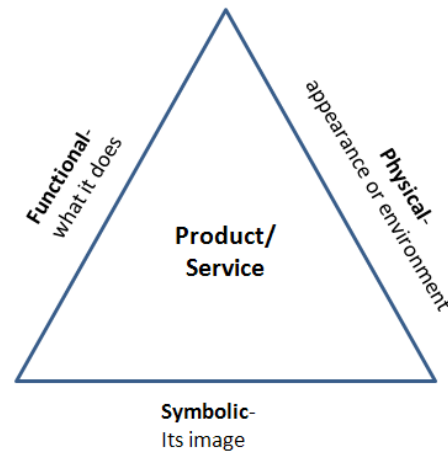


Figure 4. The three dimensions of customer benefits. (Hatton 2000. 178)

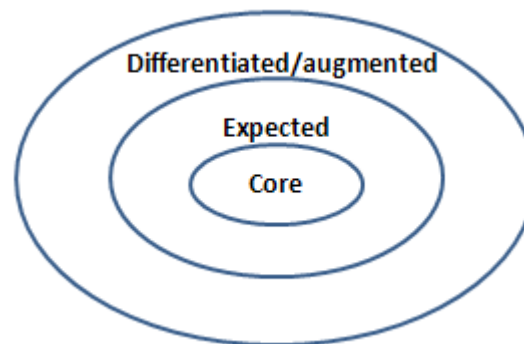


Figure 5. Total product concept. (Hatton 2000. 179)

Product decision facing a service market can be very different from those dealing with goods. The intangible or pure services such as entertainment, airlines and hotels can only be defined using process descriptions rather than tangible description of outcomes. Quality becomes a key element defining the service. Seasonality is marketing challenge. (McColl 1998, 19; Lickorish & Jenkins 1997, 139)

Product strategy is probably the focus that is most important for cities new to developing a tourism industry. Product differentiation revealed the city's core product and the benefits it provides are similar to those other, competing tourist destinations. Tourism marketer needs to use product differentiation to stress how this city is unique. Tourism marketers can differentiate their city by promoting the unique

cultural or ethnic entertainment. This difference may lead potential tourists to change their purchase behavior and to travel to the new destination. Tourism marketers should focus on extending their product by developing additional supporting or augmented products that the city is missing and that potential tourists want.

For this strategy to be effective, the city must already have a solid core product capable of attracting tourists. The core product must already be differentiated from what is offered by competing cities, such as unique history, local culture, active nightlife or scenery, which is attractive to a segment of potential visitors. (Bonita 2006, 88-89)

4.2.2 Place

Place includes company's all activities that make the product available to target consumers. Companies use place strategy when they have the product available to purchase at the most convenient location for the customer. Of course this strategy has limited use for tourism marketing, in that the city cannot be relocated. The tourism could communicate the promotional message that the city can provide the visitor with the same experience as more distant cities, with less travel. This will save tourism time and money while providing them with a similar but more convenient visit experience. Another strategy would be to promote the low cost of visiting the city because of inexpensive transportation. (Kotler & Armstrong & Saunders & Wong 1996. 96; Bonita 2006, 91)

4.2.3 Price

Price is what customers pay to get the product. Price plays a pivotal part in the marketing mix of a service because pricing attracts revenues to the business. Pricing decisions are significant in determining the value for the customer and play a role in the building of an image for the service and it also gives a perception of quality in the eyes of a customer. The image of a service, its availability, functionality, the customer care, user-friendly booking system and attractive physical environment would all contribute to the satisfaction which gained from a service experience.

Terms of payment can change a customer's perception, as can discount, loyalty bonuses and special promotion offer. Tactical use of pricing can be very effective. (For example, the 9,99€ price is seen to be more attractive than 10€.) Nevertheless, pricing decisions need to draw on information from across the whole organization. (Kotler & Armstrong & Saunders & Wong 1996. 96; Payne 1993, 136; Hatton 2000. 172, 179-180)

Price may be the easiest component of the marketing mix for a business to adjust, but this is not true for a city. Tourism officials do not have direct control over prices charged by attractions, restaurants, or lodging establishments. However, there are pricing strategies, including competitive pricing, prestige pricing, and promotional pricing, that a city can use to attract tourism. Competitive pricing is when companies charge less than competitors for similar product. Prestige pricing encourage businesses to price high-quality, unique products above the cost of competing products. Promotional pricing are selectively lowered to attract purchasers. Tourism marketers should not employ this strategy to increase the number of visitors at already-busy times of the year, because there is no sense in cutting prices when visitors are willing to pay full cost. However, tourism marketers can use promotional pricing to increase visitor numbers during the off-season. (Bonita 2006, 90)

4.2.4 Promotion

Promotion means activities that communicate the merits of the product and persuade target customers to buy it. It must include developing an appropriate promotional message, using the right promotional method and the appropriate choice of media. The message must identify the benefits in such a way that it attracts the interest of the targeted market segment. The promotional method chosen, whether advertising, sales incentives, or direct marketing, to communicate the message must be correct. If advertising is to be used, the choice of media, whether print or broadcast, must also be appropriate for the targeted segment. Promotion in marketing terminology actually represents communication. Open and effective communication channels are prerequisites for a responsive organization, whatever its size. (Kotler & Armstrong & Saunders & Wong 1996. 96; Bonita 2006, 92; Hatton 2000. 203)

4.2.5 People

People are all people that are directly or indirectly involved in the consumption of a service and added significant value to the total product or service offering. Excellent service companies know that positive employees attitudes will promote stronger customer loyalty. An essential ingredient to any service provision is the use of appropriate staff and people. Recruiting the right staff and training them appropriately in the delivery of their service is essential, offer a career rather than just a job, provide solid training and support, and offer rewards for good performance if the organisation wants to obtain a form of competitive advantage. They also reinforce customer-centred attitudes at every opportunity. Consumers make judgements and deliver perceptions of the service based on the employees they interact with.

In the delivery of a service it is the people who make the difference. Front-line staff, such as delivery drivers, waiters or receptionists, they have impact strongly and directly on the customer's perceptions of the service delivered. In a customer oriented business, company must empower staffs to tackle customer problems, support them to make improvements in service delivery, motivate them to care, provide the back-up of management and systems to do the job right first time. (Extended Marketing Mix 7Ps, 2009; Jobber 2004, 816; Kotler 2003, 231-237; Hatton 2000. 109)

4.2.6 Physical evidence

Physical evidence is the ability and environment in which the service is delivered. Tangible goods help to communicate and perform the service, and the intangible experience of existing customers and the ability of the business to relay that customer satisfaction to potential customers. Physical evidence is the element of the service mix which allows the consumer to make judgements on the organisation. (For example appearance of buildings, vehicles, equipment, interior furnishing, staff members, signs, printed materials, websites, meaningful symbols etc.) In some service, like hotels and restaurants, the quality and cleanliness of the environment are critical to the positioning of the service. Outward signs of service and quality impact

strongly on customers. In the case of brochures and uniforms they play an important role in reducing perceived risk, it can add immeasurable to the satisfaction level of the customer.

The layout of a service operation can be a compromise between operations' need for efficiency, and marketing's desire to serve the customer efficiently. The layout of the facilities, the décor, music and smell influence the consumer considerably, and even affect the final satisfaction from the purchase. The image of the company can also be delivered better with the help of physical details, and intentions in marketing terms. For service marketers this element of the mix offers many opportunities in supporting the company goal and objective. (Extended Marketing Mix 7Ps, 2009; Hatton 2000. 191; Jobber 2004, 816; Zeithmal & Bitner 2003, 25)

4.2.7 Process

Process is the system and policy responsible for ensuring consistent quality of service provided. It is a procedure, mechanisms and flow of activities by which a service is acquired. Process decisions radically affect how a service is delivered to customers. Depending on the nature of the service, the complexity of the entire delivery varies along industries, and the models of controlling the process are numerous. Customers tend to evaluate the company's performance depending on the service delivery process. The problem is that a logical and routine order for the company may most likely seem irrational to the client. The attention must therefore be paid to all mechanisms, activities, procedures, and operations that are involved from the first customer contact to the post-purchase actions.

In a service company, waiting for service is a common experience for customers and is a strong determinant of overall satisfaction with the service and customer loyalty. Both appraisal of wait and satisfaction with the service are improved when the attractiveness of the waiting environment (measured by atmosphere, cleanliness, spaciousness and climate) was rated higher. Providing more effective service (shorter queues) and may be employ more staff. The process of service delivery is often critical to the consumer of "high-contact" services. A service marketer must examine

the process involved in service delivery to identify ways in which better service may be provided to a customer. In some cases, it involves removing bottlenecks and otherwise streamlining the service delivery system. (Hatton 2000, 192; Extended Marketing Mix 7Ps, 2009; Jobber 2004, 816-817; Zeithmal & Bitner 2003, 35; McColl & Palmer 1998, 22)

4.3 Implementation and control

The implementation and execution is maybe more difficult than making plans in a service organization, since a service organization depends heavily on people (employees and participating customers), resources, (core) competences, possibilities and routines.

Control is the last part of the marketing planning process. The lack of appropriate monitoring and evaluation procedures in the company will be a significant block to the successful implementation of any strategy. The goal of control systems is to make sure that the company can recognize if the performance and results does not match the objectives and can instantly take corrective action. Short-term control system is created to see the results against objectives on a weekly, monthly, quarterly and/or annual basis. These measures will include sales profits, costs and cash flow. For the long term follow ups and controlling, the company will create strategy control system. (Fifield 1998, 271-283)

Company has engaged in strategic and tactical planning, must produce the designated product, price it, distribute it, and promote it. This stage is called implementation. (Kotler 1999, 33)

5 PURPOSE OF THE STUDY AND CONCEPTUAL FRAMEWORK

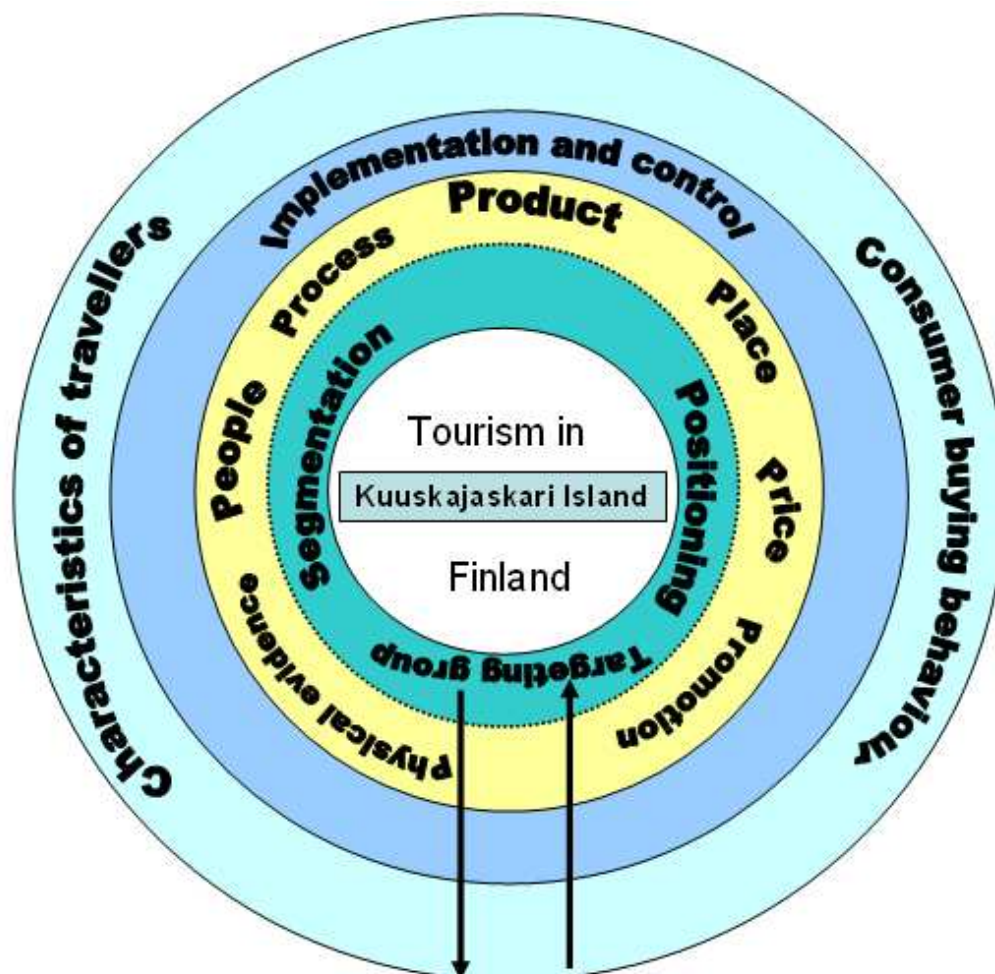


Figure 6. Conceptual framework of the study: Elements of marketing plan for Kuuskajaskari Island.

The purpose of this thesis is to create an effective marketing plan for Kuuskajaskari Island in the Finnish market by using a marketing strategy and marketing mix tools.

The objectives are helping Kuuskajaskari Island entrepreneurs make a decision about the appropriate marketing strategies and marketing plans on the Finnish market. And use efficient way to attract Finnish customers to Kuuskajaskari Island in Rauma. Therefore it is important to find out what their customer wants and needs.

- Detect the main nature of the tourism business and marketing of the island

- Define who is the customer and what they want and need
- Marketing strategy and marketing mix in theory, suggesting new service possibilities
- Suggest a marketing plan for Kuuskajaskari Island

The thesis will combine all the theoretical knowledge and interview analysis, and offer a new marketing plan for the Kuuskajaskari Island. Expecting new concepts for Kuuskajaskari Island will bring more tourists to visit not only the island but also the old town of Rauma and to generate more dynamic economic to Rauma.

The conceptual framework has been created on the basis of all theoretical concepts included in this study, and with the purpose of uniting the empirical part to its implications. Marketing in travel business, implies to traditional service marketing, taking into account all seven Ps of marketing tools: product, place, promotion, price, people, process and physical evidence. The target market is Finnish travellers, which is in the centre of the components, as all marketing activities should focus on the consumer, their characteristics and buying behaviour. The marketing management process part suggests the implementation and control. Planning and managing effective marketing in the tourist industry means taking into account numerous dimensions that the travel industry holds.

6 RESEARCH METHODOLOGY

6.1 Qualitative research

For gathering data either quantitative or qualitative method can be used. Quantitative method is gathered from large amount of questionnaires and the research method uses statistical techniques and mathematical measure. This way the researchers are able to determine the similarities and differences of the answers. Qualitative research method is based on an open-ended questionnaire and the summary will be based on analyzing these given explanations and suggestions. Qualitative research differs from

quantitative research in five significant ways. There is the use of positivism, acceptance of post-modern sensibilities, capturing the individual's point of view, examining the constraints of everyday life and securing rich description. In a qualitative research, the process of analysing the results needs a continuous overview that takes place already during the data gathering. This makes the analysis challenging and requires constant observation from the researcher. The two approaches to qualitative research are deductive and inductive. (Saunders, Lewis & Thornhill, 2003, 327-409; Proctor, 2000, 272; Denzin & Lincoln, 1998, 8-11)

This research is a qualitative research, as the data gathering was to conduct face-to-face interviews with the new entrepreneur Katariina Saarinen of Kuuskajaskari islands, and employee Sanni-Mari Aaltonen who has worked many years for Kuuskajaskari island and the tourist information officer of Rauma Jenna Ylipuranen. Hence, a qualitative research method was chosen over a quantitative method. The results are based on their answers. This study uses the deductive approach, as it is supported by already existing theories, and the outcomes of the research has been partially predicted prior to the study. The collected information is not numeric or standardized, and the study is not based on statistics.

6.2 Data collection

The theoretical data gathering was done by using sources that were found relevant to the subject. These were mainly books and internet sources, some were from Sanni-Mari Aaltonen and Marija Kairyte's thesis: "Marketing plan for the islands owned by the town of Rauma: Kuuskajaskari, Kylmäpihlaja, Reksaari". Because of critical background and statistics needed to have as reliable and updated information as possible in the study. An open-ended questionnaire was designed as a base for the theme. The interview was a semi structured interview, where the purpose was to let the conversation continue as freely as possible. The semi structured theme interview was the best possible way of doing the interviews. By doing so, the interviewees were more talkative and the conversation went smoothly and easy to gather the needed information. The real picture of the situation will be easier to see, and provide more detailed answers. The interviews were done face-to-face in April with the new entrepreneur Katariina Saarinen of Kuuskajaskari island and employee

Sanni-Mari Aaltonen who has worked many years on Kuuskajaskari island and the tourist information officer of Rauma Jenna Ylipuranen who deals directly with various customers.

6.3 Quality assessment of the study

Objectivity

Objectivity is about to collect data accurately and fully during the data collection, and avoid using subjective selectivity. It is important to stay objective and neutral. (Saunders, Lewis & Thornhill, 2003, 135; Miles & Huberman 1994, 278)

In this thesis, the data gathering were mainly books and official Finnish internet sources, some were from Sanni-Mari Aaltonen and Marija Kairyte's thesis: "Marketing plan for the islands owned by the town of Rauma: Kuuskajaskari, Kylmäpihlaja, Reksaari". Author stayed objective throughout the thesis.

Reliability

Reliability is about data transparency and data analysis should be logical. It is the process of the study is consistent, reasonably stable over time and across researchers and methods. (Saunders, Lewis & Thornhill, 2003, 206; Miles & Huberman 1994, 278)

The empirical part of this study is based on directly constructed questionnaires from the topic of study from marketing strategy and marketing mix aspects. The background and experiences of the interviewees made the information more reliable and valid; author let interviewees talked freely, without impose her own beliefs or comments, suggestions are based on interviews. Different books and official websites are introduced in the entire theory part. Therefore this thesis is reliable.

Internal validity

Internal validity is the “true value”, which means if the findings of the study make sense and if they are not modified by the researcher. It is also a process of checking, questioning, and theorizing, not as a strategy for establishing rule-based correspondence between findings and the “real-world”. Validity of a research shows the findings about what they really tell about the study. It measures the relationship between circumstances, case scenarios, research methods, and the results alone the study. Many factors may influence the results during the research process. It must be diminished for assuring credibility. (Saunders, Lewis & Thornhill, 2003, 100-102; Miles & Huberman 1994, 278-279)

The data gathering was to conduct face-to-face interviews with the new entrepreneur Katariina Saarinen of Kuuskajaskari islands, and employee Sanni-Mari Aaltonen who has worked many years for Kuuskajaskari island and the tourist information officer of Rauma Jenna Ylipuranen. They are the key informants of Kuuskajaskari island, as they have true insight and knowledge of the past and current situation. Hence, the research is valid.

External validity

Considering external validity, one must ask whether the conclusion of the study can be transferable and equally applicable to other concepts or other research settings. (Miles & Huberman 1994, 279)

This study was conducted by using specified island tourism as the information, so the results may not be applied across the field, however it could be reviewed before applying to other concepts.

Utilisation

Even if the findings are “valid” and transferable, it is still important to know what the study does for its participants, what the level of usable knowledge offers. (Miles & Huberman 1994, 280)

This study developed corrective recommendations, led to specific actions as guidance for future which benefits new entrepreneurs of Kuuskajaskari islands.

7 SUMMARY OF INTERVIEWS

7.1 Marketing strategy

According to the tourist information officer of Rauma, Jenna Ylipuranen their main customers are business groups, mainly local Finnish people and inland Finnish people (Such as Finnish tourists from Tampere), because they do not have access to sea over there, it is not their daily life to visit islands, they normally just go to the islands for lunch or coffee, sometimes have sauna party. School groups from Rauma region (also including Tampere and Turku, age from 6 to 12 years old), School groups sometimes stay overnight on the island. Holiday groups during spring time, individuals during summer holiday, mostly those groups and individuals arrive on the island for the occasional visit, for instance, families with children, leisure visitors; they are interested in guided tours, organized catering, sightseeing, leisure in nature and playgrounds with domestic animals.

There were also a lot of groups and individuals who went to the island directly by themselves, not necessarily through the tourism office, especially for boat owners who are coming from south-west coast Finland and from Rauma region for an occasional visit and motor boat owners from Rauma and its region to visit island repeatedly throughout the summer season. Jenna Ylipuranen mentioned that tourists need basic services, dining, coffee, leisure in nature and children playground. For international customers, there is a possibility to order brochure by internet with different language options.

The New entrepreneur Katariina Saarinen said they focus on two targeting groups for the first year 2009, they are private boat owners (local boat owners and boat owners from south) and big groups (business groups, school groups and pensioners from

different towns) because of its large space capacity of catering and accommodation, who mainly coming from local Finnish people and inland Finnish people (Such as Finnish tourists from Pori, Tampere and Turku).

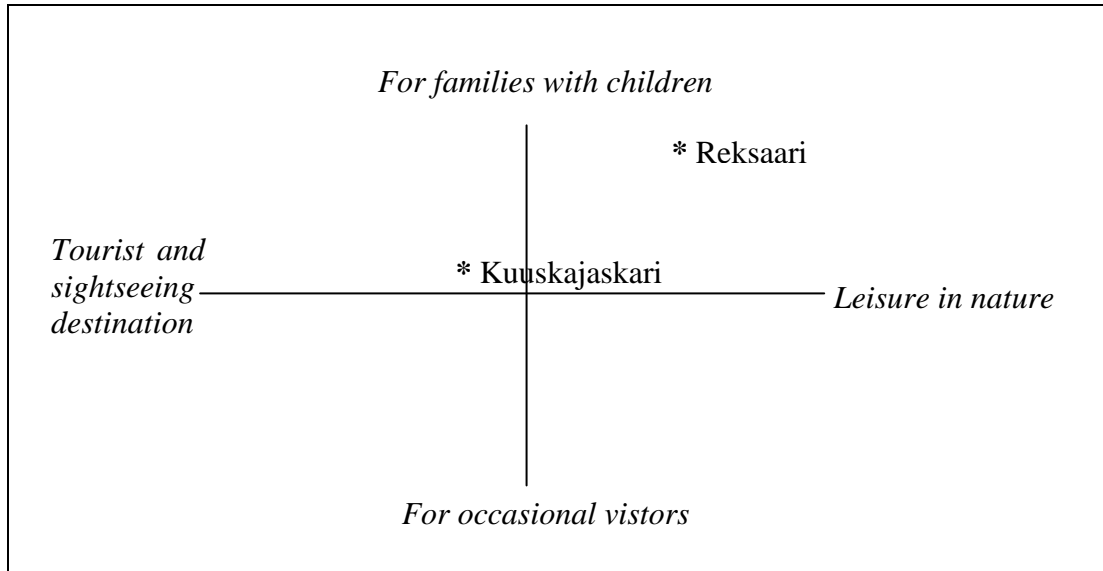


Figure 7. Positioning of families and occasional visitors. (Interview with Katariina Saarinen and Sanni-Mari Aaltonen)

Kuuskajaskari island is a tourist destination due to its fortress heritage and its nature activities. Kuuskajaskari island and Reksaari island both attract families with children, because of animals and playground. Families prefer Reksaari island, because of it is pleasant beach.

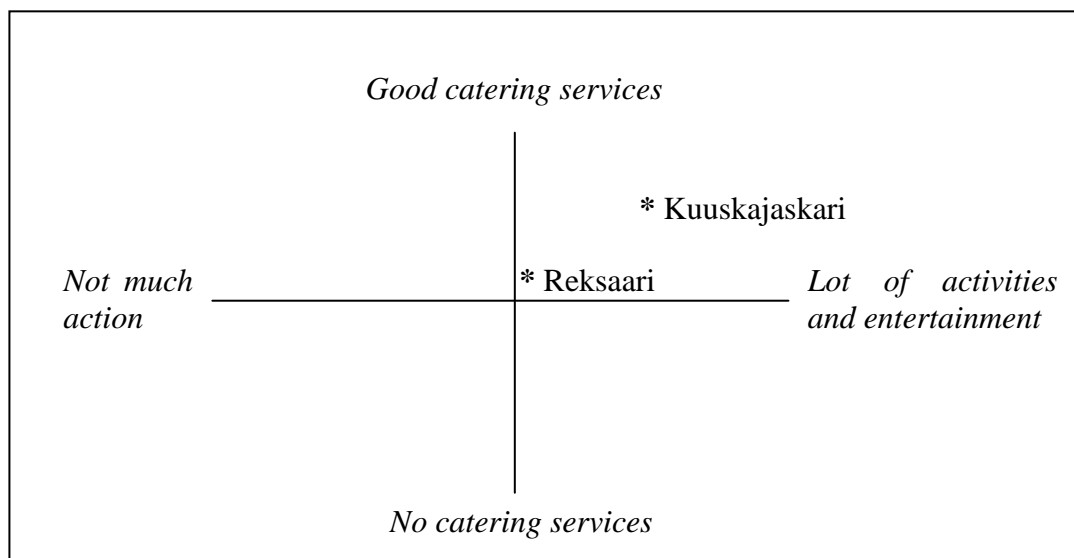


Figure 8. Positioning of families and occasional visitors. (Interview with Katariina Saarinen and Sanni-Mari Aaltonen)

Kuuskajaskari island and Reksaari island offer numerous activities, especially under the new entrepreneurs management, and the Kuuskajaskari island emphasis on friendly catering services with various food and providing new outdoor activities for children (outdoor drawing and bird's nest fabrication) and adults (rope climbing).

7.2 Marketing mix

Kuuskajaskari island is offering a number of services. The harbour can welcome about 20 small boats, the mooring fee is about 10€ per day. There is electricity, fresh water, WC, grill areas and several campfire places available for boat owners. The island has accommodation at both the barracks, complete with metal army beds and has capacity for 160 people in terraced houses. Tourists can spend the night in the row houses once built and decorated for the army personnel and in the former barracks. Under the new entrepreneurs' management, the restaurant has moved near to the beach, it has renewed internal and external appearances, it gives direct view onto the beach, and a lot of flowers decorate surrounding the restaurant. It is a new eye-catcher and a fresh image once visitors arrive on island, they can enjoy a nice meal in this cosy new restaurant and to have relaxation time with friends.

For the new entrepreneurs, it is the first year running in Kuuskajaskari island, therefore they want the emphasis on services, such as quality of food, aiming for friendly service, offering various choices, typical army food, (e.g. archipelago food, pea soup, different kinds of fishes meal, salads, island bread, smoked salmon), there is also traditional Finnish food, breakfast and lunch for those staying overnight. For dinner, there are four or five menus, such as steaks etc. During weekends there is a buffet. The new entrepreneurs want to launch a trial menu for the first year, in order to get feedback from customers to improve future services.

For children there are small domestic animals (e.g. rabbits, chicken, and roosters) and playgrounds. The island offers the possibilities for all kinds of outdoor activities

such as volleyball, football, jogging, dart game, pétanque, diving and fishing. Function facilities are available for 20, 50 and 100 people and the sauna can also be booked in advance. The conference auditoria space is for 100 people. There is a conference hall for 50 people and a smaller meeting room for 10 to 20 persons. Internet, telephone and bank cards can be used as a method of payment on Kuuskajaskari island.

The summer season is too short, and in winter season the islands are closed for the public use, due to the frozen sea, therefore no boats could access the island. The stormy and rainy weather can create natural barriers, discouraging the island tourism; therefore it is very important to focus on the quality of services and customer satisfaction. Kuuskajaskari is a very big island and there is a chance to develop many activities and services. Therefore, new services will be introduced in the summer 2009, such as outdoor drawing on rocks and bird's nest fabrication for children, so parents can have some relaxing time on island; rope climbing is organized by one of their employee, nature path guided tour, movies, theatre in July, with military comedy repeating the same show for the whole month. It shows once every Wednesday and twice on every Sunday. As it is the first year of opening for new entrepreneurs, this special promotion package offers to all customers, is about 13 to 15€ including waterbus transportation, theatre fee, coffee and cakes, in order to attract more customers, it is also an efficient advertisement by using word of mouth to spread new services.

A fishing weekend and water sport weekend will be coordinated with local companies; water sports include banana boat, water ski and Jet Ski. The prize is given to the winner of the fishing competition; the price is the sum of participation fee in fishing competition. Further information can be found in local newspapers, Kuuskajaskari island website, posters in information boards in Rauma town and fuel station for boats. Big companies (potential customers) and regular customers are informed by emails about new events on the Kuuskajaskari island.

Through the summer season the Rauma Saaristokuljetus line waterbuses Apollonia are going to Kuuskajaskari twice a day, with capacity of 60 persons, from June to August, there is one additional trip daily made by Don Quijote with capacity of 26

persons throughout July. The advantage of booking a trip to visit Kuuskajaskari island through the local tourist office, is the availability of boat trips on May. In case of extreme bad weather, boats can not go to the island, customers would cancel their trip and move their travel dates to another date; if customers were already in the island and the exceptional bad weather came, no boat could leave the island, then free accommodation would be offered to customers.

According to the new price list on Rauma region brochure 2009 which can be found in Rauma tourist office, one way boat ticket costs 10€ for adult and 5€ for a child under 10 years old; return boat tickets cost 13€ for adult and 6€ for a child. The family ticket, that includes two adults and two children under 10 years old, one way costs 28€; return ticket costs 32€. All the prices are slightly increased than year 2008, Jenna Ylipuranen and Katariina Saarinen said the changes in prices are mainly influenced by fuel prices, but the waterbus transportation price on Rauma region brochure 2009 remains the same for the whole summer 2009, which means from June to August. Price changing depends mainly on what customers need in the tour package due to customized tour for each client.

Tourists can easily find information about Kuuskajaskari island, different museums (Rauma Museum, Rauma Art Museum, Lönnström Art Museum and Maritime Museum), old Rauma town and its surrounding activities (Raumanmeri Midsummer Festival, Lace Week of Rauma and Music festival) in town or on the internet, they have the possibility to book a trip through the tourism office, all the contact information is listed on the tourism office website and Rauma Town website, or call to Kuuskajaskari island direct telephone line, as every group has their different needs and requirement.

Although Kuuskajaskari island is Rauma town property, it is the new entrepreneurs responsibility to maintain the island. Every spring firemen make a annual check on the island, making sure necessary anti-fire systems are equipped in every building (e.g. fire extinguisher, emergency lights, alarms, anti-fire system in kitchen and evacuation routes and plans). Licenses for catering activity and sales of alcohol and tobacco are obtained. Renovated buildings with new furnitures and paintings,

renovated quay due to ice eroding after the long winter time, relocated and redecorated restaurant are ready to welcome tourists.

New staff has been carefully selected, in order to serve customers better; employee efficiency directly affects the standards of organization's performance and customer satisfaction. English speaking, knowledgeable about island (history of the island; name of plants, birds and butterflies on the island), friendly services (e.g. ready to find out whatever customers want to know; remember regular customer's name, what they like to drink or smoke, their family members' name and pets etc), eager to learn and keen to work on the island and service recovery (e.g. to react and handle complaints, apologies, recover service mistake etc.) are required.

Kuusajaskari island and Reksaari island are under the same entrepreneurs management, therefore the flexibility of working practice of the employees are made between the two islands, dependant on different activities and how many groups are on the island, in high season, it can be 10 employees working on Kuusajaskari island. Camping weekend and overnight accommodation are planned in marketing development. For school groups, teachers arrange activities on Kuusajaskari island; for fishing groups are normally independent tourists, who organize groups themselves. In big companies, administration department is normally in charge of social activities.

7.3 Implementation and control

The new entrepreneurs of Kuusajaskari island plan to monitor their businesses to ensure that the output is the right service, at the right price, in the right place at the right time to outsource a professional consultant, to analysis the whole summer performance, especially the financial situation and strategic audit. For instance, the consultant needs to audit revenues, profitability, other income, keeping the expenses (updating web page, posting the marketing letters, advertising, organizing the promotional events etc.) within budgets.

Comparing performance and results, make sure the results match the objectives, unfortunately for the moment they do not have a specific written plan to take

corrective action to handle negative feedback, a threat to the most important thing in tourism, especially for island tourism. The new entrepreneurs of Kuuskajaskari island based on their past experiences, they would correct their mistakes immediately according to what has gone wrong. The new entrepreneurs mentioned that in general, customers give feedback before they leaving the island, the entrepreneurs want to ensure every customer has positive experiences when they leaving the island, they are happy to come back again and ready to tell their friends to visit the island.

But according to the tourist information officer of Rauma, Jenna Ylipuranen mentioned that tourists through her, have complained there are not enough grill places, food price are too expensive, tour guide did not speak loud enough depends on groups either giving direct feedback or sending emails, but criticism can be very constructive in sharpening the competitive edge. Therefore it is important that the consultant also need to evaluate quality of services, especially the day to day performance of employees, as perceived by the customers, take action on each negative feedback, a systematic planning should be created and followed for every possible situation, as every interaction with customer can make or break the relationship, even small, low cost changes based on customer feedback can produce higher levels of customer satisfaction. It is significant that the new entrepreneurs compare results with objectives and set the targets for the next year.

8 SUGGESTED MARKETING PLAN

8.1 Marketing strategy

Target customers are the centre of the marketing strategy. The new entrepreneur of Kuuskajaskari island Katariina Saarinen aimed at two targeting groups (boat owners and groups which consist of business group, school groups and leisure groups), but without knowing the marketing plan, objectives of island business and prices of different services etc, everything was based on experiences due to it being the first year business running Kuuskajaskari island. In this chapter, based on interviews

result, the author gives some suggestions regarding the marketing strategy and marketing mix, offering different angles of marketing aspects, in order to improve the whole picture of the marketing plan, and hopefully to improve future business in the long-term.

8.1.1 Segmentation

Based on interview results, the new entrepreneurs of Kuuskajaskari island, Katariina Saarinen and tourist information officer of Rauma, Jenna Ylipuranen are emphasising their target on different groups. From the marketing point of view, it is necessary that the new entrepreneurs of Kuuskajaskari island put the emphasis on Finnish markets rather than international markets to narrow down the markets to the most attractive customers to this specific fortress island. So it helps to determine how to create a meaningful and competitively distinctive position in the minds of customers in each targeted segment.

For instance, fishing groups and sport groups based on similarities in needs, attitudes or behavior that marketing can address. Business groups could be formed by local Finnish companies and international companies, with Finnish people and also foreign employees or customers of the companies, as business travellers wish to add additional activities to their agenda while visiting companies. School groups could be varied according to the age of students, guided tours by the teachers for study purposes or recreation. The new entrepreneurs of Kuuskajaskari island could send direct marketing letters or new activities information by email or phone calls to different companies and schools in order to reach maximum potential customers.

Individual customer look for something out of the ordinary, something they do not normally see in their daily life (sea air, beach or they simply want a relaxing weekends), those individuals customers have a wide range of differences (boat owners could be included in this category), in the long-run, it is better to create an attractive website for Kuuskajaskari island, for example, different languages options (English, Finnish, Swedish, German and French etc) at the front page to reach also foreign customers, especially the OL3 project, many foreign families are interested to

visit Rauma islands, by putting better photos on the website in order to give a better image of the island, by the nature and offered attractions the islands are quite different, so the foreigners distinctively have their own “favourite” island by the first impression, even the Rauma islands are not competing between themselves.

8.1.2 Targeting

The new entrepreneur Katariina Saarinen plans to target the big size groups because it has capacity to accommodate them. The only weakness is the transportation of numerous customers at the same time to the island, as the Rauma Saaristokuljetus line water buses Apollonia is only going to operate Kuuskajaskari twice a day from June to August, with capacity of 60 persons, there is one additional trip daily made by Don Quijote in July, with capacity of 26 persons only. Large groups could include up to 100 people and they would need to charter several water buses, the water bus schedules to Kuuskajaskari island are not frequent to satisfy the big size groups demand. In this case, “Plan B” is needed to handle this kind of situation, since new entrepreneur Katariina Saarinen wanted to target big groups on the island. For example, a signed contract with local private boat owners, so boats will be available whenever Kuuskajaskari island receives more than 60 people in June and August, and 86 people in July.

The new entrepreneur of Kuuskajaskari island said that beside private boat owners, the biggest companies coming from Rauma region are also the most desired customers, such as Oras, UPM often bringing foreign customers to the islands, mostly in the spring and autumn. Therefore the new customer group worth of attention is the foreigners. The new foreign population of Rauma could become a customer of the Kuuskajaskari island.

8.1.3 Positioning

According to new entrepreneur of Kuuskajaskari island, they want the emphasis on friendly services, old buildings, and quay were renewed, restaurant were relocated near to the sea, beside existing services, such as Internet, telephone access, the bank

cards are used as a method of payment, grill areas, sauna and conference facilities can also be booked in advance. The outdoor activities such as volleyball, football, jogging, dart game, pétanque, diving, fishing and playground for children on Kuuskajaskari island. New services are also introduced on the island, such as outdoor drawing on rocks and bird's nest fabrication for children, rope climbing is organized, and nature path guided tour, movies, theater in July, a fishing weekend and a water sport weekend. Although a wider range of services are provided in 2009, it is still difficult for visitors to choose their final destination island in Rauma as most customers are mainly searching for relaxation and catering services, therefore more attractions would be a good idea to consider, or extend fishing and water sport weekends in order to reach more groups.

8.2 Marketing mix

The new entrepreneur of Kuuskajaskari island can use Marketing mix as the important set of marketing tools to produce the response it wants in the target market (the big size groups, which means boat owners and groups which consist of business group, school groups and leisure groups). In this chapter, the marketing strategy for Kuuskajaskari island were recommended through 7Ps which are product, place (i.e. distribution), price, promotion, people, physical evidence and process.

8.2.1 Product/Service

As was mentioned in the earlier chapter, the core benefit that is provided to the tourists is the island environment. There are numerous existing services possibilities: restaurant, grill areas, sauna, conference facilities, outdoor activities, meanwhile new services have been introduced on the island in 2009, such as outdoor drawing on rocks and bird's nest fabrication for children, rope climbing is organized, and nature path guided tour, movies, theatre. Although different activities were provided on Kuuskajaskari island, and all the Rauma islands have its own unique features, there are no huge differences between them.

Secondly, there is a lack of attractions on the island due to the lack of companies in Rauma that could create the ready travel packages for visiting the islands. People

have to organize the trips by themselves, find leisure activities in the island, such as fishing groups. For instance, Kuuskajaskari island and Reksaari island are under the same entrepreneur leadership and management, cooperation between these islands would strengthen its position in the market.

The last point was the entrepreneurs in Rauma islands are working individually and do not cooperate with each other very much, therefore it is hard for the Kuuskajaskari island to market alone, thus further differentiation of the island image is needed in order to compete and stand out from its competitors. They should develop new attractions and cooperation with local museums.

The local tourist office should take responsibility for the town development to ensure that they can enjoy the destination and attractions. The delivery of services requires a major effort in coordination and partnership between public and private sectors in providing basic service in transport, attractions and facilities. One of the roles of the Rauma tourism offices is to make sure that there is a good selection of suppliers of tourist products in their area.

For instance, Kuuskajaskari island should cooperate with the Rauma tourism office, to develop its service network and package tours in connection with Rauma Maritime Museum, which could be, so the tourists have the possibility to do a navigation simulator which is the only one in a Finnish museum while visiting Kuuskajaskari island. It would benefit and generate incomes for both the Rauma town and its islands.

Rauma tourism office could also eventually create a sort of passport, which linked to all the Rauma museums (Marela, the Rauma Maritime Museum, Rauma Art Museum and Lönnström Art Museum) and islands (Kuuskajaskari island, Kylmäpihlaja island and Reksaari island) together, after visiting each place, the tourists would get a stamp on their passport, for those who collect all the stamps on their passport, they would get a prize or gift from Rauma town. This kind of network and linkage will promote the whole Rauma area, not only to the local Finnish people but also to foreigners.

8.2.2 Place

Place strategy is one of the major components of the marketing mix. First of all, old Rauma is well known for its history, architecture, and archipelago. Kuuskajaskari island is attractive to tourists with its military buildings, barracks and renewed restaurant, sauna etc, is surrounded by the open sea, and it is nearest to the centre of old Rauma, it has easy access by water bus. As was mentioned in the previous chapter the local tourist office should take responsibility for the town development to ensure that tourists can enjoy the local destinations attractions.

For instance, the Rauma tourist office should make the effort in coordination and partnership between public and private sectors in providing basic service in transport, such as connection bus between local museums (Marela, the Rauma Maritime Museum, Rauma Art Museum and Lönnström Art Museum), or connection bus between tourism office to harbour for those who have a reserved trip to Kuuskajaskari island through the Rauma tourist office.

8.2.3 Price

The price is related to the quality of the service and food, since the new entrepreneur of Kuuskajaskari island emphasises a friendly service is providing several different kind of activities on the island. Due to the higher transportation cost, prices are necessarily higher than in the centre of Rauma. Usually customers are ready to pay the additional costs if the service and quality of food are provided, and they are ready to revisit with their friends.

8.2.4 Promotion

The new entrepreneurs of Kuuskajaskari island could send direct marketing letters or new activities by email or phone calls to different companies and schools in order to reach maximum potential customers.

In the Rauma tourist office, tourists could find free brochures, maps, articles and local newspapers about Kuuskajaskari island in Finnish, French and German

languages. The tourist office also promotes different islands on their website www.visitrauma.fi, in Finnish and English, in order to reach international tourists. Kuuskajaskari island has its own website <http://www.kuuskajaskari.fi/>, which is under construction, for the moment there is only the Finnish language. It is recommended to have English and Swedish language, since there are large numbers of private boat owners speaking Swedish. As the new entrepreneurs of Kuuskajaskari island intends to enter the German market then German is needed as well, moreover there are many German living in Rauma. It would be much better if the official Rauma town website also link with Kuuskajaskari island website and local museums websites in order to promote Rauma region leisure activities.

As was mentioned in the earlier chapter, Kuuskajaskari island is too small to market alone, therefore it should cooperate with the Rauma tourism office, to develop its service network and package tours in connection with the local Rauma Museums, the network will promote the whole Rauma area, not only to the local Finnish people but also foreigners.

8.2.5 People

The new entrepreneurs of Kuuskajaskari island have recruited workers who are motivated to work on island, and like the job, have certain experiences in customer service or have certain knowledge of island activities, such as outdoor drawing on rocks and bird's nest fabrication for children, rope climbing, military comedy. The visitors should be able to recognize easily employees who work on the island whenever they have questions to ask or need help, therefore the uniform or badge of employees should be provided. It would be better to have special colour or flash bar on the costume which can be seen easily whenever during the day time or nights.

8.2.6 Physical evidence

The physical evidence helps the entrepreneurs to personalize the image of the island and appeal to the tourists. The appearance of buildings, landscapes, interior furniture, equipments, signs, staff members provide tangible evidence of service quality. Due

to poor conditions, the military buildings and quay were fixed and renovated. The restaurant is the main income of the Kuuskajaskari island, therefore the new entrepreneurs put a lot of effort in renovation, decoration inside and outside of the restaurant, the restaurant has been relocated near to the quay, it creates direct communicates message about quality, positioning and differentiation and it increases tourists expectations. But according to the interview with the tourist information officer of Rauma, Jenna Ylipuranen she mentioned that some tourists complained that there are not enough grill areas. As the new entrepreneurs of Kuuskajaskari island want to target big size groups, more grill areas should be constructed.

As was mentioned in earlier chapter, the entrepreneurs should assure that employees look appropriate, with the uniforms which could be easily recognized, as tourist usually associate appearance with the quality of the services and the image of the island.

8.2.7 Process

The process of service delivery is critical to the customer, because of high contact and direct contact services, since catering is one of the most important services on the Kuuskajaskari island, and it generates the main incomes of the island. Thus the entrepreneurs should make sure the employees deliver friendly service consistently throughout the whole process.

8.3 Implementation and control

The new entrepreneurs of Kuuskajaskari island plan to monitor their business to ensure that the service is the right service, at the right price, in the right place at the right time to outsource a professional consultant, to analysis the whole summer performance, especially the financial situation. In looking at profitability control, the new entrepreneurs should concerned not only with overall profitability but also with the profitability of each tour package it sells, find out what were mistakes, try to improve it in future operations, and emphasis on profitable tour package.

For the moment the new entrepreneurs do not have a specific written plan to take corrective action to handle negative feedback. In order to monitor customer satisfaction, the new entrepreneurs should create feedback forms for their customers, (e.g. create feedback box on the island and Rauma tourism office) where they can evaluate the service level, staff appearance, quality of catering, and give some other suggestions.

9 SUMMARY AND CONCLUSIONS

The purpose of this thesis was to compose a marketing plan for the Kuuskajaskari Island owned by the town of Rauma. The study of current situation of the island was carried out by interviewing the entrepreneur of Kuuskajaskari island Katariina Saarinen, Sanni-Mari Aaltonen who has worked on the island, and tourist information officer of Rauma Jenna Ylipuranen.

The most prominent findings from interviews, entrepreneurs of island focus on two targeting groups in 2009, they are private boat owners and big size groups mainly coming from local Finnish people and inland Finnish people because its large space capacity of catering and accommodation.

Entrepreneurs emphasis on services and customer satisfaction, such as quality of food, aiming for friendly service. Catering service is main income of the island, therefore the restaurant has relocated near to the beach, it has renewed internal and external appearances, it gives direct view onto the beach, and a lot of flowers decorate surrounding the restaurant. New staff has been carefully selected, in order to serve customers better, English speaking, knowledgeable about island, eager to learn and keen to work on the island and service recovery. Rauma Saaristokuljetus line waterbuses Apollonia are going to Kuuskajaskari twice a day, with capacity of 60 persons, from June to August, there are one additional trips daily made by Don Quijote with capacity of 26 persons. Entrepreneurs plan to outsource a professional consultant, to analysis the whole summer performance, especially the financial situation and strategic audit.

The conclusion was drawn from the interviews analysis, entrepreneurs should put the emphasis on Finnish markets rather than international markets to narrow down the markets to the most attractive customers to this specific fortress island. The new foreign population of Rauma could become a customer of the Kuuskajaskari island. It is better to create an attractive website for Kuuskajaskari island with different languages options and better photos of the island. The water bus schedules to Kuuskajaskari island are not frequent to satisfy the big size groups demand. In this case, “Plan B” is suggested to handle this kind of situation, since new entrepreneur Katariina Saarinen wanted to target big size groups on the island.

Last but not least, the author strong recommend the entrepreneurs of Kuuskajaskari island should cooperate with Reksaari island, since they are both under the same entrepreneur leadership and management, by doing so, these islands would strengthen its position in the market. They should develop new attractions and also cooperate with the Rauma tourism office, to develop its service network and package tours in connection with Rauma Museums, the network will promote the whole Rauma area, not only to the local Finnish people but also foreigners. The proposal for future research is to update the marketing plan because of the constant changes in business environment.

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APPENDIX 1

Interview questions:

MARKETING STRATEGY

1. Segmenttation:

- a. Who are the customers?
- b. How the market is divided? (local people, foreigners etc)

2. Targeting:

- a. Who are the targeted groups? (boat owners, business groups, school groups, leisure tourists, families, sportsmen, military enthusiasts or adventurous people)

3. Positioning:

- a. the image of the Kuuskajaskari island

MARKETING MIX

4. Product/ service:

- a. What are the existing services and possibilities of the new services?
(renting boat for individual or groups for a relaxation or competition)
- b. What are the special promotions offered to the regular customers?

5. Price:

- a. What are the prices of the services and water transportation?
- b. What factors mostly influence the changes in prices?
- c. Is competition intensifying the pricing decisions?

6. Place:

- a. accessibility of the Kuuskajaskari island

- b. accessibility of tourism information, sales channels, (e.g. internet channel)
- c. Accessibility of firemen? (if there is any anti-fire system)

7. Promotion:

- a. What are the current promotions there?
- b. Any advertising and promotion methods? (direct marketing letters?)
- c. What are the policies in communicating with customers, before and after sales?
- d. Do you have more publicity in certain seasons and reasons?
- e. Any special promotions offered to the regular customers?
- f. Any international concept is there?
- g. Any tour package exists?
- h. Are there any plans for further developing the marketing sector?

8. People:

- a. The entrepreneurs of the islands,
- b. Staffs
- c. Customers (local & international).

9. Physical evidence:

- a. Tangible elements of the island, (water buses, barracks, artillery guns, café etc)
- b. Employees' attitudes etc.
- c. Is there special emphasis put on client friendliness and selection of employees?

10. Process:

- a. How the service is delivered to customers?
- b. Who will group customers and arrange trips to Kuuskajaskari island?
- c. Who will then arrange different services and activities on Kuuskajaskari island?
- d. Aspects of the process

IMPLEMENTATION AND CONTROL:

- a. How are you going to implement marketing plan?
- b. Do you have any control systems which can recognize if the performance and results does not match the objectives and can instantly take corrective action?
- c. If you do, it is a short term controlling or long term follow ups and controlling?
- d. If you do not, which actions you will take?