

Skills Needed in International Tourism Business Development

Study of Higher Tourism Education in Finland






Skills Needed in International Tourism Business Development

Study of Higher Tourism Education in Finland

Sanna-Mari Renfors

Satakunnan ammattikorkeakoulu
Satakunta University of Applied Sciences
Pori
2017



Satakunnan ammattikorkeakoulu
Satakunta University of Applied Sciences

Series B, Reports 4/2017

ISSN 2323-8356 | ISBN 978-951-633-224-9 (PDF)

Copyright Satakunta University of Applied Sciences and author

Publisher:
Satakunta University of Applied Sciences
Pori

www.samk.fi

Graphic design: BOOSTED
Cover page layout: Vidadesign, Pori
Photo: Visit Finland



Content

Introduction	3
Developing the Baltic Sea region as a common tourism destination.....	3
The project BOOSTED	5
Identifying relevant skills in international tourism business development.....	7
Data collection and analysis.....	9
Relevant skills needed in international tourism business development.....	10
Skills identified in the existing documents	10
Skills identified in the industry interviews	13
Summary of the results.....	18
Conclusions	20

Introduction

The development of tourism in the Baltic Sea region and in Finland has become more international. At the same time, the region faces global competition which has to be responded to by the destinations. This requires skills development and similar professional skills in the tourism industry across the region. It is necessary to combine efforts to improve skills and to promote tourism education without borders in the region in order to maintain and to boost competitiveness of the region.

This study provides an example of skills development within the context of international tourism business. It is a part of the EU-funded project BOOSTED - Boosting Tourism Business Growth through Higher Professional Education (Interreg Central Baltic, 1.11.2016-31.10.2019). The purpose of the project is to identify a relevant skillset needed in the international tourism business development in Finland, Estonia and Latvia. The skills are then translated into a joint curriculum which will be implemented as a professional higher education study programme online.

The aim of this specific study is to identify the relevant skills needed in international tourism business development in Finland. The study reviews the skills highlighted in the existing national and regional tourism strategies as well as in the sector and project reports, students' post-internship reports and in higher education curricula. It also explores the perceptions of the industry by interviewing people in 32 tourism-related organisations.

Developing the Baltic Sea region as a common tourism destination

Tourism already contributes significantly to the economy of the Baltic Sea region. Growth in the tourism industry has supported the economic recovery in the region. The number of international tourist arrivals around the Baltic Sea increased by almost 50 % since the millennium to more than 106 million in 2013. Arrivals for example from China, India and Russia have increased at a double-digit rate. However, tourism in the Baltic Sea region will only be able to continue its growth in the long run, if the efforts will be oriented to international markets and marketing will be coordinated accordingly. (European Commission, 2015; Baltic Sea Tourism Forum, 2015.)

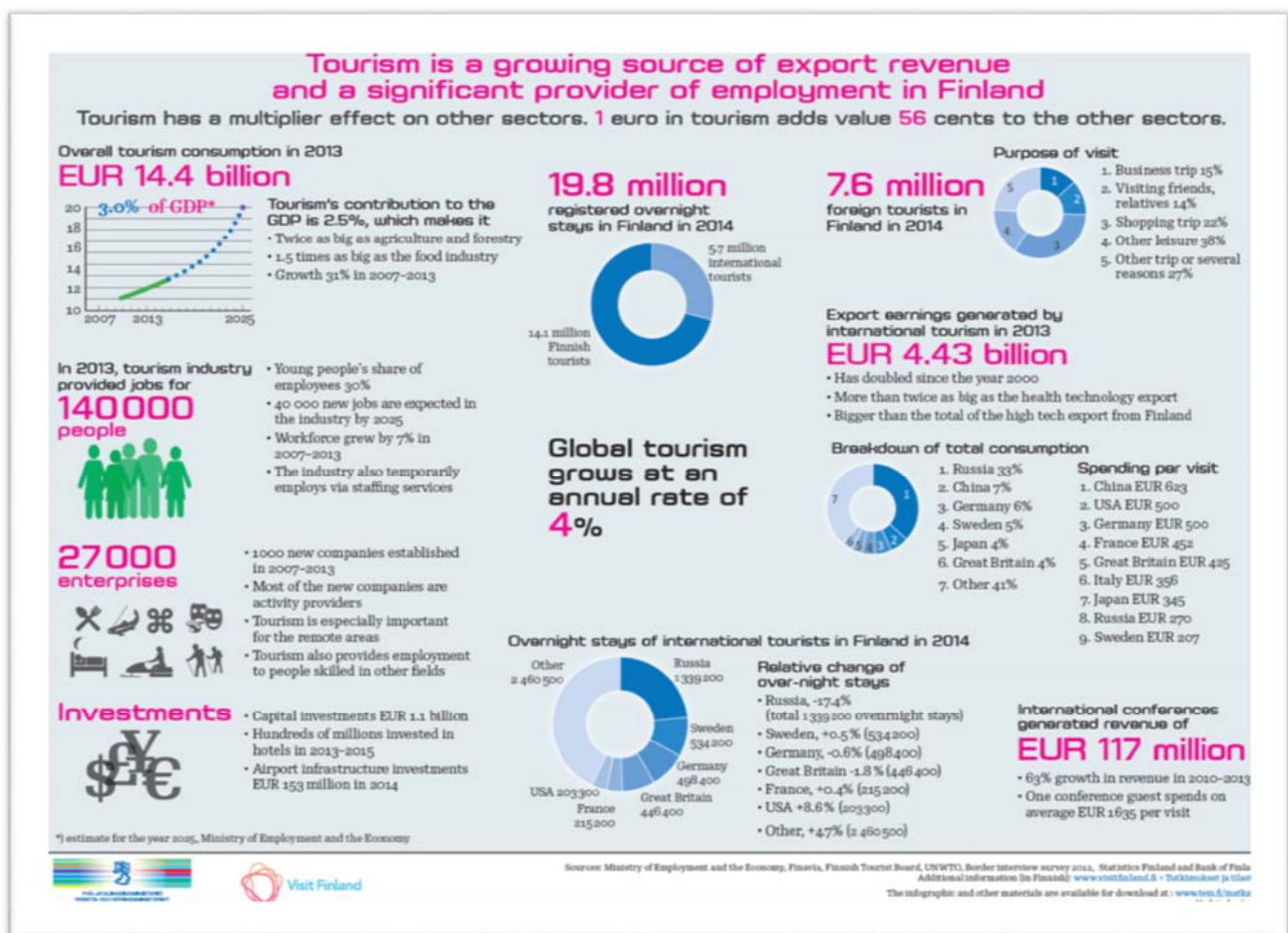
The Action Plan of the Baltic Sea Strategy (European Commission, 2015) stresses that tourism in the Baltic Sea region is still fragmented and non-cooperative. There are various reasons for this. First, the development of the tourism industry and cooperation is at different levels in the region, which results in an asymmetric readiness to cooperate at transnational level. The development of a globally competitive tourism scene in the Baltic Sea region also depends on close cooperation with other sectors. The development of globally competitive and sustainable tourism also depends on close cooperation with the ICT and health sector. (European Commission, 2015)

In the recent years, tourism has grown remarkably in Finland as well. In addition, tourism has become international at a faster pace than other sectors. Finland received 7.4 million foreign visitors in 2015.

They brought €2.4 billion to Finland (Visit Finland, 2017). Thus, tourism has become a nationally significant export sector and provider of employment.

Finland's tourism revenue will grow, as the number of international travellers increases. Therefore, Finland has set a goal to be the number one tourist destination in Northern Europe in 2025. By that time, Finnish tourism will increasingly offer unforgettable, high-quality experiences which provide good value for money. Service packages will be easy to find and buy and Finland will offer a competitive operating environment for companies aiming at growth and internationalisation. These results will be produced by investments in know-how and enhanced capabilities in the tourism industry. (Ministry of Employment and the Economy, 2015.)

Figure 1: Infographics of tourism in Finland (Visit Finland, 2017)



Visit Finland (2017) has produced infographics on the most important facts and figures related to tourism industry and its performances in Finland (Figure 1). The infographics show that the greatest number of overnight stays of international tourists and thereby the major markets in Finland consist of the neighbouring countries: Russia and Sweden followed by Germany, Britain and France. In addition, the overnight stays from China, Hong Kong and Japan are increasing very fast.

The Baltic Sea region, including Finland, is facing growing global competition in the international markets. In order to be competitive the region should be developed as a common tourism destination.

International markets should be approached jointly to receive more tourists from the other parts of Europe and from the other continents. The Russian market and the growing Asian markets are also addressed better together.

At the same time, several changes and developments require new skills from graduates for them to be able to cope with the changing circumstances of the tourism business world (Zehrer & Mössenlechner, 2009). The Baltic Sea region is a coherent market where the rapidly changing market demands call for similar professional skills. It is necessary to combine efforts to improve skills in the tourism industry and to promote tourism education without borders in the region. In practice, the skills in the tourism industry should be aligned by means of education. This contributes to labour mobility especially among the youth, encourages the youth to enter the labour market and gives them better opportunities to get employed. The European Union Strategy for the Baltic Sea region suggests that it is essential for educational institutions to enhance skills in tourism (European Commission, 2015).

The competitiveness of the region is closely connected to the level of higher education. In other words, there is a need to increase cooperation between educational institutions within the region to maintain and to boost the competitiveness of the region. In addition, it is essential to improve cooperation between educational institutions and companies. Businesses in the region must be able to deliver high quality products to stay competitive. This in turn calls for business-oriented education and closer exchanges between these two sectors. High quality education also requires the use of modern ICT and the learning opportunities it provides. (European Commission, 2015.)

The project BOOSTED

The Central Baltic Programme 2014-2020 (2014) states that there is a need to translate skills and future labour market needs into curricula and teaching processes. The project BOOSTED was launched to support the development of the Baltic Sea region and it concentrates, in particular, on the Central Baltic Area (Figure 2). The purpose of the project is to boost tourism business growth through common higher professional education in Finland, Estonia and Latvia. The project aims at providing an aligned and relevant skillset for the Central Baltic Area for it to grow as a coherent tourism destination. The following activities are implemented in the project:

- Identification and alignment of the skills in international tourism business development through research.
- Translating the skills into a joint curriculum.
- Implementing the curriculum as a joint study programme online in Finland, Estonia and Latvia.



Figure 2: The Central Baltic Programme Area (Central Baltic Programme 2014–2020)

A relevant skillset needed in the future jobs will be identified in Finland, Estonia and Latvia in the project. After that, the necessary skills will be translated into a joint curriculum. The curriculum will then be implemented as a professional higher education study programme provided online in English. This study focuses on the Central Baltic Area (Finland, Estonia and Latvia) and the joint curriculum (32 ECTS credits) on international tourism business development. The curriculum prepares the students for international tourism management professions, leads to internationally recognized professional qualifications and its content is specially designed for the higher education tourism students of the Central Baltic Area. This is a joint incentive of six leading higher education institutions providing professional tourism and hospitality higher education in the area.

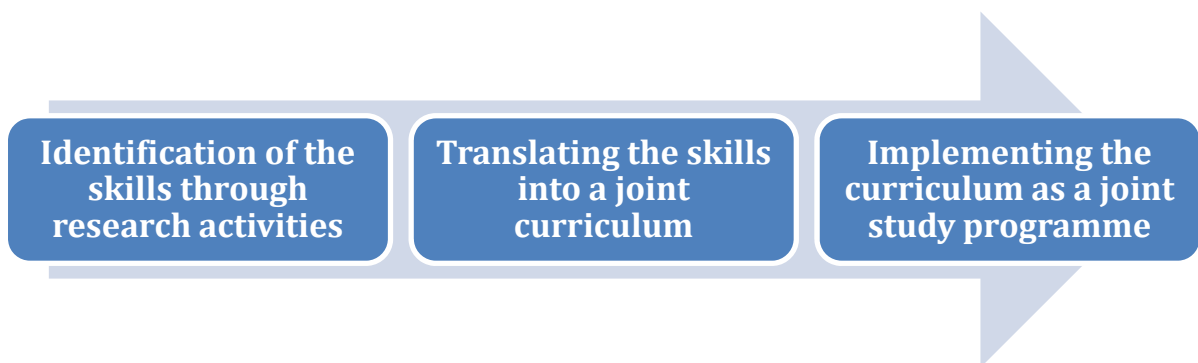


Figure 3: The three phases of the project BOOSTED

The aim of this specific study is to identify the relevant skills needed in international tourism business development in Finland to meet the requirements of the industry and to support its growth and competitiveness. The study addresses this need by focusing mainly on industry perceptions. The study is a part of the EU funded project BOOSTED - Boosting tourism business growth through higher professional education (Interreg Central Baltic, 1.11.2016-31.10.2019).

Professional education and training (PET) is valued for fostering job-specific and transversal skills, facilitating the transition to employment, maintaining, and updating the skills of the workforce according to the sectoral, regional and local needs. Higher level PET provision is steadily expanding and it is valued by both learners and employers for providing skills needed in the labour market. (European Commission, 2016.) The curriculum designed within the project is an incentive of three countries and the study programme of international tourism business development contributes to these goals. It will strengthen the quality of education and foster cooperation.

The novelty of the curriculum is in a jointly designed study programme with three states involved. Jointly developed courses will increase the awareness and visibility of education and appeal to students both nationally and internationally. National borders are blurred and the curriculum and the study programme are truly an incentive of three countries. In addition, eLearning courses based on the aligned needs of tourism industry are a great tool for virtual mobility of students. In this case, collaborative online courses allow students to interact with students and teachers in the whole Central Baltic area. Thus, the internationalisation of education is advanced by creating joint methods of virtual pedagogy. The pedagogical material will benefit the education system as such because of different pedagogical practices and experiences in the participating countries.

The curriculum and the study programme have a significant impact on the regional development around the Baltic Sea. They are developed and implemented together with the tourism industry, higher educational institutions, SMEs and local, regional and national tourism authorities. This supports the development of the industry and enhances the integration of learning with tourism enterprises. For example, SMEs provide cases to the courses that are jointly solved. As a result, the SMEs in these three countries network, share ideas and get innovative solutions to their business problems. In addition, they get new knowledge for developing their business.

Identifying relevant skills in international tourism business development

According to the European Commission (2016), higher education institutions need to ensure that they equip graduates with relevant and up-to-date skills, because relevant skills are a pathway to employability and prosperity. High quality and relevant higher education is able to provide students with the knowledge, skills and core transferable competences they need to succeed after graduation. While higher education graduates are more likely to find employment than people with lower level qualifications, higher education curricula are often slow to respond to the changing needs in the overall economy and fail to anticipate or help shape the careers of tomorrow (European Commission, 2011).

Tourism education has always had a strong professional focus with curricula including training in specific skills vital in the work (Zehrer & Mössenlechner, 2009). According to Wang, Ayres and Huyton (2010) it is important for the labour intense tourism industry to attract highly qualified workers with the skills and knowledge necessary to meet the requirements of the employers. Growth in international tourism business has created a need for internationally competent and qualified graduates. Many prominent markets such as China, India, and Brazil, as well as regions such as Eastern Europe and the Middle East, have grown so rapidly that they now represent markets with great promise for the tourism industry (Ayoun et al. 2010). Because tourism industry is highly diverse and internationally oriented, the employers rely on workforce to be involved with international tourists and to greet and meet their needs (Hearns, Devine & Baum 2007; Sangpikul, 2009). They work in a multicultural business environment and are constantly in contact with various nationalities as customers.

The European Commission (2016) has criticised the tourism industry of striking gaps in skills and mismatches. The quality and relevance of the education and training available varies widely (European Commission, 2016). According to Zehrer and Mössenlechner (2009), there is often a considerable gap between what educational institutions offer and what is needed and required by the industry. This relates to the interpretation of which particular skills should be developed in students and taught in tourism curricula (Zehrer & Mössenlechner, 2009).

Marinakou & Giousmpasoglou (2015) suggested that the most important aspect of the development of educational programmes in tourism is the relevance of the curriculum to the needs of the tourism industry. The stakeholder groups can influence, or are affected by, tourism curricula decisions, and their interests with respect to tourism development should be taken into account when developing curricula (Lewis, 2006). Therefore, to ensure that education for a tourism career is relevant to the employers within the industry, better communication between tourism education providers and the tourism industry is needed (Wang, Ayres & Huyton, 2010). Involving employers and labour market institutions in the design and delivery of programmes can help attune curricula to the current and emerging labour market needs and foster employability and entrepreneurship (European Commission, 2011).

In conclusion, the European Commission highlights skills. The new Skills Agenda for Europe (European Commission, 2016) aims at making better use of the skills that are available: to equip people with the new skills that are needed, to improve the quality and relevance of skills formation and to make skills more visible and comparable. For this reason, the definition of skill by the European Commission (2014) is applied in this study. According to this definition, a skill means the ability to apply knowledge and know-how to complete tasks and solve problems. The term skill refers typically to the use of methods or instruments in a particular setting and in relation to defined tasks (European Commission, 2014). In this study, skills are studied within the tourism industry and in the context of international tourism business development. Thus, skills refer to professional skills: the graduates' ability to apply knowledge, know-how and methods when working in the tourism industry to meet the challenges and tasks of their profession.

Data collection and analysis

For the tourism industry to stay competitive, more business-oriented education and closer exchanges are expected between the educational institutions and the tourism industry. For this reason, data sources tackling the issue from different perspectives of the industry were utilised in identifying the relevant skillset needed in international tourism business development.

In this qualitative study, the first step of data collection and analysis consisted of reviewing the existing documents related to international tourism business development in Finland. The review included national and regional tourism strategies as well as the most significant sector and project reports (n=7). In addition, the data included existing curricula (n=9) of higher tourism education institutions and the national competencies of higher tourism education as well as a sample of post-internship reports (n=11) of higher education tourism students. The data were analysed by qualitative content analysis. The content analysis was explorative and new categories were formulated on the basis of the existing data.

The second step of qualitative data collection and analysis consisted of the identification of the relevant skills needed in international tourism business development. In this phase, the focus was on the perceptions of the tourism industry. Altogether 32 interviews were carried out in the following tourism related organisations with the following participants: tourism entrepreneur or manager in a tourism company (8), national or regional tourism development organisation or a project (7), tourism destination management organisation (7), municipality (3), regional council (3) and other organisation (4). The informants included people from the national level (1), Satakunta region (17), Southwest Finland (9), Kymenlaakso region (5), Uusimaa region (2) and Pirkanmaa region (1). Three of the informants represented two regions.

The interviews were semi-structured with a framework of themes. The interviews included open-ended questions to identify new ways of seeing and understanding the topic, and they also gave the informants freedom to express their views in their own terms. The themes included the future business challenges and obstacles in the tourism business development as well as skills needed to support the growth and competitiveness of the industry in Finland, in the informant's region and in their organisation. The data were analysed through open coding by inductive qualitative content analysis and new categories were formulated on the basis of the data. Five categories describing the relevant skills needed in international tourism business development emerged from the data. The informants represented different types and levels of tourism organisations. As a result, the categories include the business level and destination level approaches.

Finally, a summary was made of the results of the content analysis of the existing documents and the industry interviews. The categories describing the skills needed in international tourism development in Finland were formed based on the analysis of the existing documents and the interviews.

Relevant skills needed in international tourism business development

Skills identified in the existing documents

Five categories describing the relevant skills in international tourism business development in Finland were formed on the basis of the skill requirements and needs expressed in the existing documents: 1) product and experience design and development, 2) (digital) marketing communication and sales, 3) collaboration and networks, 4) internationalisation and 5) managing business operations.

In Finland, one of the core missions includes *the development of the demand-oriented products*. The tourism industry in Finland needs people with skills in creating and offering well-packaged high-quality experiences that exceed the customers' expectations. There is also a need for skills in developing competitive and versatile offerings from the interfaces of tourism and other fields. Product development is often defined as skills in designing and developing innovative and customer-oriented tourism concepts and services and experiences connected to business opportunities of the multi-sectoral environment. A customer insight should be applied and service design method used in designing and development activities.

Another important target in Finland is *to make finding and buying the Finnish travel products easy by enhancing sales and marketing* in this area. The products and destinations should have good visibility and the products should be easily accessible via thematic domestic and international sales channels and models. Therefore, there is also a need in skills in increasing the effectiveness of marketing activities and making the travel products offering easier to find and to buy. Marketing communication and sales are defined as skills related to customer communication process, tools and channels as well as selling tourism products off and online. *Digitalisation* is defined as skills in utilising digital tools and channels in tourism marketing, managing multichannel customer experience and increasing awareness of the trends of digitalisation and future technologies in global tourism business.

There is a need to strengthen the theme-based *collaboration of tourism centres as well as networks* of tourism related companies in Finland. New collaboration models and multi-sectoral co-operation should be established. In other words, there is a need for skills in recognizing value chains and value networks and utilising strategic partnerships and cluster networks in tourism business development.

Finland also aims at *increasing the number of international tourists*. The Ministry of Economic Affairs and Employment finances the strategic project which works to make the Finnish archipelago internationally known and the Finland Stopover project which aims at making Finland a leading stopover country. To support this aim more market knowledge is needed of customer profiles in Japan and China, i.e. the Asian target markets. There is also a need to enhance customer know-how and information of the segment level related to international markets. Important skills in this category also include developing products, marketing and selling them to international markets (see the content of the previous categories) and serving international customers.

Managing business operations is defined as skills related to business revenue models, entrepreneurship, profitability and responsibility. Important skills involve skills in identifying and evaluating the factors of a profitable tourism business and increasing tourism revenue, i.e. how the turnovers and number of customers grow in micro and SME businesses and how tourism could affect

the local economy positively. In addition, sustainable and responsible tourism practices, an entrepreneurial mind-set and foresight skills are needed.

The findings on relevant skills are summarized in Table 1.



Asia is an important target market for the Finnish tourism industry (Photo Visit Finland)

Table 1: Relevant skills identified in the existing documents

Category	Content
Product and experience design and development	<ul style="list-style-type: none"> • Creating and offering well packaged high-quality products and experiences that exceed the customers' expectations • Identifying the business opportunities in the multi-sectoral environment, developing competitive and versatile offerings from the interfaces of tourism and other fields • Designing and developing customer-oriented products with service design methods • Differentiation of products to customer segments • Applying customer insight, i.e. using customer and market information in product and experience design and development
(Digital) sales and marketing communication	<ul style="list-style-type: none"> • Making finding and buying travel products easy by identifying and developing thematic domestic and international sales channels and models • Creating and managing market-oriented destinations by means of suitable marketing communication tools, increasing the visibility of destinations and their products • Selling tourism products with a proactive and goal-oriented approach off and online • Understanding the travel purchasing and selling processes as seen by buyers, suppliers and intermediaries • Developing digital services and a multichannel customer experience by applying user-oriented methods • Being aware of the trends of the digitalisation and future technologies in global tourism business
Collaboration and networks	<ul style="list-style-type: none"> • Strengthening the theme-based collaboration of tourism centres and networks of tourism-related companies, business clusters with joint sales and marketing organisations • Establishing new collaboration models and multi-sectoral co-operation • Recognizing value chains and value networks and utilising strategic partnerships and cluster networks in tourism business development
Internationalisation	<ul style="list-style-type: none"> • Enhancing customer know-how and information of the segment level as well as market knowledge and customer profiles, especially of Asian target markets • Productising, marketing and selling products to international markets (see the content of the previous categories) • Serving international customers
Managing business operations	<ul style="list-style-type: none"> • Identifying and evaluating the factors of a profitable tourism business • Developing customer-oriented and profitable business operations and the business processes in a company • Understanding the issues of sustainability • Interpreting the global, operating environment of the tourism industry and identifying the changes in it. • Developing an entrepreneurial attitude

Skills identified in the industry interviews

Challenging operational environment

This chapter reports the results of the industry interviews starting with the common challenges. According to the informants, the future challenges in the tourism industry are related to the growth and competitiveness of the industry and the organisations. In general, the tourism is considered a growing economic sector. It is expected that there will be a growing demand in certain forms of tourism, for example nature-based tourism. Simultaneously, global competition for the use of leisure time is increasing. Accordingly, the informants perceived that the growth and the competitiveness of the tourism industry depend on the ability of the organisations to supply high-quality products to different target groups fulfilling their needs and expectations. In addition, municipalities and regions look forward to receiving their share of the increased tourist flows and expenditures.

Many informants emphasised the challenges in financing business growth and lack of financial support in organisational and regional level. The challenges were especially attached to the size of an enterprise. Because tourism enterprises are relatively small and entrepreneurship is often part-time, there is an evident lack of necessary resources. In addition, there are no well-established and mature enterprises that would drive growth. Finland needs more growth-oriented entrepreneurs who are able to operate a profitable business professionally.

The informants criticised Finland for its excessive bureaucracy, regulations and rules. The entrepreneurs face bureaucratic jungles when doing business. It is difficult to find information of the obligatory and necessary permits and licences. Also, the workers need basic knowledge and so-called passports to be able to work in certain sectors and to perform certain tasks. This bureaucracy prevents the enterprises from hiring new employees and complicates business activities.

The tourism industry also suffers from lack of respect. In the industrialised regions, the tourism industry is not regarded as a profitable business contributing to revenue and income generation. The administrative officials and policy makers are not adequately familiar with the industry. Also, the development activities are fragmented and overlapping. In addition, they are viewed as concerning only the bigger cities and the rural areas are not represented equally.

Successful collaboration between different actors does not work effectively in the field of tourism. More goal-directed collaboration is needed between urban and rural areas and between tourism entrepreneurs, municipalities and regional policymakers. The neighbouring regions and sub-regions should co-operate in tourism marketing and product development. Networking of tourism entrepreneurs is considered a viable means of growth and competitiveness.

Development of infrastructure and maintaining proper infrastructure facilities were perceived crucial in attracting tourists to the area. A visitor friendly environment would be created by improving basic infrastructure (transport, nature trails, and beaches). This requires effective communication and interaction between the municipalities and tourism entrepreneurs.

Five categories of skills

On the basis of the interviews five categories were formed to describe the skills needed in international tourism business development in Finland: 1) internationalisation, 2) multichannel sales and marketing communication, 3) product development, 4) profitability and pricing, 5) multi-sectoral cooperation.

Internationalisation

The informants emphasized the growth of international tourism and the increasing diversity of international tourists. As a result, important skills include marketing skills in international tourism. Therefore, it is vital to strengthen the skills in identifying and reaching various international target groups. This includes enhancing information of the segment level and of the customer profiles of different target groups. In particular, international tourist arrivals from Asia should be taken into account. In addition, it is essential to make sure that the products correspond to the expectations and level of requirements of international tourists. So far, there is not enough high quality offering in Finland to meet the needs of the international tourists.

Growth in the number of international tourists also requires improvement of service skills when international customers are concerned. There is a need to highlight the specific characteristics of different cultures and their influence on customer service needs. In the field of tourism, it is considered vital to be able to provide customer service which corresponds to the needs of international customers. In addition, people working in the tourism industry need knowledge of the characteristics of the Finnish culture. This knowledge should be applied for example in product development in order to create authentic tourism offerings. In addition, fluent language skills are vital. In particular, language skills are needed in other languages than English (German, French, Italian, Spanish, Russian). Serving the tourists in their own language is perceived as excellent customer service and thereby the service exceeds the customer's expectations.

Multichannel sales and marketing communication

The informants expressed a need for skills development in digitalisation extensively in the interviews. In their opinion, employees in the field are not sufficiently familiar with or have skills in making use of the possibilities and tools provided by digitalisation in sales and marketing. They pointed out lack of resources, especially in micro-size enterprises, as a reason for not using digital technologies. However, they emphasised the possibilities of different digital sales channels, mobile technology and social media. Digital business as a whole was emphasised by the informants. In their opinion, it is important to understand the possibilities of digital technologies in business operations.

Further, skills in sales channel management should be strengthened. The informants emphasised that working in the tourism industry requires holistic understanding of the multitude of sales channels. It is vital that the travel products offered are easy to find and buy. The informants stressed that skills in identifying the relevant sales channels and reaching the potential customers are of great importance. The entrepreneur's knowledge about how the customer wants to make bookings is essential. There is also a need for potential sales agents. In conclusion, skills in incoming operations need improvement in general.

The informants also considered sales skills important. It is necessary to understand the importance of sales activities and to use a proactive and goal-oriented approach in sales. The basic sales skills are crucial. In other words, people should have skills in prospecting and contacting potential customers and in offering and presenting the products. The enterprises in the tourism industry are not well prepared for sales encounters and therefore these skills should be improved.

In addition, improvements have to be made in the visibility of destinations and enterprises in digital sales channels. According to the informants, investments are needed in destination promotion. Better collaboration is needed in sales and marketing to enhance the visibility of destinations. Lack of sales channels and agents hinders regional tourism development. Improving the profiles of destinations could also emphasise those traits which place the destination in a more competitive position in the international tourism markets.

Product development

The development of demand-oriented products is an important theme within the tourism industry. However, according to the informants the Finnish travel offering is mediocre due to the number of domestic tourists which has been larger than the number of international tourists. Product development skills should be improved in different levels. Building of networks is regarded as extremely important in order to enhance collaborative product development between tourism enterprises and destinations. It is also essential to ensure that the products meet the needs and expectations of international tourists. In addition, the products offered and sold by enterprises should be easily tailored and adjusted to different needs and reasons for visit.

The importance of networks was emphasised in particular in destination level as there is a need for enhancing collaborative product development. The networks play a crucial role in destination marketing as well as in product development. Concrete collaboration is necessary between tourism enterprises to increase the volume of sales jointly.

Managing business operations

Skills development in running a profitable tourism business is also a key factor for all the entrepreneurs and people starting as entrepreneurs. There is an evident lack of skills in pricing tourism products. Actors in the tourism industry do not have enough understanding of the key pricing factors and the individual elements that make up the total price. For example, the changing costs of labour are not calculated and the profit margins are not realistic. According to the informants the costs of for example labour and electricity are high in Finland. These factors should also be considered in determining the price for the product.

Tourism education needs to adopt the principles and methods of customer experience management. The informants highlighted the need to include customer orientation and its increasing impact on business as well as service design methods into the studies, because a major part of the products is tailored according to the needs of the customers.

Multisectorality

The informants stressed that the tourism industry is a multi-sectoral environment interfacing many other fields. It is essential to identify the operating environment with all its sectors and actors. In addition, it is necessary to have foresight skills and be aware of the trends in the tourism industry. At the moment, it is very trendy to design and to develop multi-sectoral tourism products. Essential components of these products include nature, well-being and food. For this reason, employees in the tourism industry also need knowledge of natural resources, the benefits of natural environments on well-being and local food.

Table 2 presents the findings of skills needed in international tourism business development in Finland.



Natural resources are essential in tourism product development (Photo Hanna-Maria Marttila)

Table 2: Relevant skills identified in the interviews

Category	Content
Internationalisation	<ul style="list-style-type: none"> • Identifying and reaching various international target groups • Enhancing customer know-how and information of the segment level, market knowledge and customer profiles • Creating and adjusting high-quality, authentic offerings to meet the needs and expectations of international target groups • Improving international customer service skills: understanding the special characteristics of different cultures and the Finnish culture • Providing customer service that meets the needs of international customers • Serving the customers in their own language
Multichannel sales and marketing communication	<ul style="list-style-type: none"> • Utilizing the tools and possibilities of digitalisation in sales and marketing: digital sales channels, mobile technology, social media • Understanding the possibilities of digital technologies in business operations • Understanding the multitude of sales channels, identifying the relevant sales channels, reaching the potential customer using the multitude of sales channels • Developing incoming operations • Orientation towards a proactive and goal-oriented approach in selling • Improving sales skills: prospecting, contacting potential customers, offering and presenting products • Enhancing the visibility of destinations in digital sales channels through collaboration • Improving the profiles of destinations
Product development	<ul style="list-style-type: none"> • Building of networks to enhance collaborative product development • Ensuring that the products meet the needs and expectations of tourists • Tailoring and adjusting products to different needs and reasons to visit
Managing business operations	<ul style="list-style-type: none"> • Running a profitable tourism business • Understanding the key pricing factors • Determining the rate for the product • Adopting the principles and methods of customer experience management • Adopting customer orientation and its increasing impact on business
Multisectorality	<ul style="list-style-type: none"> • Identifying the operating environment with all its sectors and actors • Developing foresight skills and awareness of trends • Designing multi-sectoral products • Strengthening knowledge of natural resources, well-being benefits of natural environment and local food

Summary of the results

The results of the content analysis of the existing documents and the industry interviews were summarized and five categories were formed which describe the skills needed in international tourism development in Finland. These categories are: 1) product and experience design and development, 2) multichannel sales and marketing communication, 3) collaboration and networks, 4) internationalisation and 5) managing business operations. These categories are also used as subject areas in course development. The categories are outlined in Table 3 below.

The first category *product and experience design and development* consists of skills in designing and developing customer-oriented high-quality products and experiences. In Finland, it is considered important to provide unforgettable, once in a lifetime, high quality experiences – not only basic tourism products. Product design and development in Finland is also multi-sectoral. Natural resources, well-being and food are important elements in developing versatile offerings. Differentiation and adjustment of products and experiences to customer segments also requires knowledge of customers and relevant market information. It is also essential to manage the customer experience by optimising interactions from the customers' perspective during all interaction.

The second category *multichannel sales and marketing communication* includes managing the sales and marketing activities in a variety of channels. A prerequisite for these activities is knowledge of the travel purchasing process and identification and understanding of sales channels and models. The aim of these activities is to make it easy to find and buy the travel products and experiences. It is also vital to have skills needed in utilising the tools and possibilities of digitalisation and enhancing the visibility of destination in digital channels. In addition, actors in the tourism industry should be aware of the trends in digitalisation as well as future technologies. Even sales skills need improvement.

The third category involves establishing and strengthening *collaboration and utilising networks* in tourism business development. These skills are considered important for the tourism industry to grow. Tourism businesses compete as collaborative networks. As a result, there is a need for collaborative product and experience development, joint sales and marketing activities between different actors in destinations.

The fourth category *internationalisation* consists of skills in identifying and reaching various international target groups. This requires market knowledge and information of the segment level. Internationalisation is also about creating and adjusting high quality, authentic offering to meet the needs and expectations of international target groups. The key factors in driving sales include making it easy to find and buy travel products and knowledge of the sites where the potential international customers search for information. In addition, the products and destinations should be visible in those direct and indirect channels. International customer service skills are needed to provide customer services which correspond to the needs of international customers. Serving the tourists in their own language is also regarded as excellent customer service and thereby the customer's expectations can be exceeded.

Table 3: Relevant skills in international tourism business development

Category	Content
Product and experience design and development	<ul style="list-style-type: none"> • Applying customer and market information in product development • Designing and offering well packaged high-quality products and experiences that exceed the customers' expectations • Identifying the business opportunities of the multi-sectoral business environment, developing competitive and versatile offerings from the interfaces of tourism and the other fields • Strengthening knowledge of natural resources, the benefits of natural environment on well-being and local food for product development purposes • Differentiation of products to customer segments, tailoring and adjusting products to different needs and reasons to visit both for domestic and international tourists • Designing and developing customer-oriented products and experiences with service design methods • Managing customer experience
Multichannel sales and marketing communication	<ul style="list-style-type: none"> • Understanding the travel purchasing and selling processes from the buyers', suppliers' and intermediaries' perspective • Making finding and buying travel products easy by identifying, understanding and developing the multitude of thematic domestic and international sales channels and models • Enhancing the visibility of destinations in digital sales channels • Utilizing the tools and possibilities of digitalisation in sales and marketing: digital sales channels, mobile technology, social media • Developing digital services and a multichannel customer experience by using user-oriented methods • Selling tourism products with a proactive and goal-oriented approach off and online • Improving sales skills: prospecting and contacting potential customers, offering and presenting products • Being aware of the trends of digitalisation and future technologies in global tourism business
Collaboration and networks	<ul style="list-style-type: none"> • Building of networks to enhance collaborative product development, sales and marketing activities to reach certain segments and markets jointly • Establishing new collaboration models and multi-sectoral co-operation • Strengthening the theme-based collaboration of networks of tourism-related enterprises, sales and marketing organisations • Recognizing value chains and value networks and utilising strategic partnerships and cluster networks in tourism business development
Internationalisation	<ul style="list-style-type: none"> • Identifying and reaching various international target groups • Enhancing customer know-how and information of the segment level as well as knowledge of the market and customer profiles especially of the Asian target markets • Improving international customer service skills: knowledge of the special characteristics of different cultures and well as the Finnish culture

	<ul style="list-style-type: none"> • Providing customer services which correspond to the needs of international customers • Serving the customers in their own language
Managing business operations	<ul style="list-style-type: none"> • Identifying and evaluating the factors of a profitable tourism business • Applying different revenue models • Understanding the key pricing factors, determining the rate for the product • Adopting customer orientation and its increasing impact on business, developing customer-oriented and profitable business operations and business processes • Understanding and utilising the possibilities of digital technologies in business operations • Understanding the issues of sustainability • Identifying the operating environment with all its sectors and actors • Interpreting the global, operating environment of the tourism industry and identifying the changes in it • Developing foresight skills and awareness of trends • Developing an entrepreneurial attitude

The fifth category *managing business operations* involves managerial knowledge of operational and strategic management and of developing business operations in a goal-oriented and customer-focused manner in a competitive environment. This includes skills in identifying and evaluating the factors related to a profitable tourism business and understanding the key pricing factors. It is necessary to adopt the principles of customer orientation and develop customer-oriented business operations and processes also by utilising digital technologies. This category includes identification of the actors in the operating environment and application of the trends into the business as well as knowledge of the issues of sustainability. Development of entrepreneurial attitude is also a focus area in this category.

Conclusions

The results show that the topic of product and experience design and development is well represented in the existing higher education curricula. Customer orientation and managing business operations in tourism enterprises are also of great importance in higher education in tourism. Digitalisation is also increasingly included in the course topics in Finland. However, the informants emphasised a further need in skills development in digitalisation in tourism organisations. The workers do not have sufficient skills to use the possibilities and tools provided by digitalisation in sales and marketing.

Skills in internationalisation are strongly emphasised in the results. There are new skill requirements because of the fact that tourism in Finland has become international at a fast pace and different actors aim at increasing the number of international tourists. The following aspects should be addressed, in particular, identifying and reaching various international target groups and improving knowledge of the multitude of sales channels. The findings suggest that proactive and goal-oriented approach in selling and sales skills needs to be improved in Finland. Although internationalisation as a category partly overlaps with the other categories, internationalisation is regarded as a separate category due to the strong aim at increasing the number of international travellers in Finland.

The topics related to collaboration and networks are not well represented in the present higher education curricula in tourism in Finland. The future curricula need to include course which focus on skills in establishing, strengthening and managing collaboration and networks. The characteristics of collaboration are not fully understood and orientation towards collaboration is rather poor. In addition, there is not enough knowledge of the combination of partners most suitable for the achievement of collaborative advantage. Therefore, tourism studies need to include skills in new collaboration models and multi-sectoral collaboration.

According to Cooper (2002) the contextual background of the curriculum, i.e. the social, cultural and economic setting, provides a key to understanding the curriculum planning process in an applied subject area such as tourism. In conclusion, the higher education institutions in tourism have partly adopted the missions specified in Finland's tourism strategy (Ministry of Employment and Economy, 2015). On the other hand, Finland is also a part of the Baltic Sea Region that should be developed as a common tourism destination to reach the international markets jointly.

References

- Ayoun, B., Johnson, M. K., Vanhyfte, M. & O'Neill, M. 2010. A comparison study of US and non-US education internationalization practices of hospitality and tourism programs. *Journal of Teaching in Travel & Tourism*, 10(4), 335–361.
- Baltic Sea Tourism Forum. 2015. Programme 22-23.9.2015 Gdansk, Poland. Referred 13.3.2017. http://service.mvnet.de/_php/download.php?datei_id=1563399
- Central Baltic Programme 2014–2010. 2014. Programme document. Referred 19.3.2017. http://centralbaltic.eu/sites/default/files/documents/Central%20Baltic%20Programme%20Document_0.pdf
- Cooper, C. 2002. Curriculum planning for tourism education: From theory to practice. *Journal of Teaching in Travel & Tourism*, 2(1), 19–39.
- European Commission. 2011. Supporting growth and jobs – an agenda for the modernisation of Europe's higher education system. Referred 14.3.2017. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0567&from=EN>
- European Commission. 2014. ESCOpedia. European skills, competencies, qualifications and occupations. Referred 13.3.2017. <https://ec.europa.eu/esco/portal/escopedia>
- European Commission. 2015. European Union Strategy for the Baltic Sea Region. Action Plan. Referred 13.3.2017. file:///C:/Users/sarenfo/Downloads/Action%20Plan_EUSBSR_10.9.2015.pdf
- European Commission. 2016. A NEW SKILLS AGENDA FOR EUROPE Working together to strengthen human capital, employability and competitiveness. Referred 9.3.2017. file:///C:/Users/sarenfo/Downloads/COM_2016_381_F1_COMMUNICATION_FROM_COMMISION_TO_INST_EN_V6_P1_852322.pdf
- Hearn, N., Devine, F. & Baum, T. 2007. The implications of contemporary cultural diversity for the hospitality curriculum. *Education+ Training*, 49(5), 350–363.
- Lewis, A. 2006. Stakeholder informed tourism education: voices from the Caribbean. *Journal of Hospitality, Leisure, Sport and Tourism Education*, 5(2), 14–24.
- Marinakou, E. & Giousmpasoglou, C. 2015. Stakeholders' Views on the Development of a Higher Education Hospitality Program in Bahrain: Challenges and Opportunities. *Journal of Hospitality & Tourism Education*, 27(2), 85–92.
- Ministry of Employment and the economy. 2015. Roadmap for Finnish tourism industry 2015-2025. Referred 7.3.2017. <http://tem.fi/documents/1410877/2735818/Matkailun+tiekartta+2015-2025.pdf/95521a94-5230-47c2-8dd7-bc7ff5bede04>
- Sangpikul, A. 2009. Internationalization of hospitality and tourism higher education: a perspective from Thailand. *Journal of Teaching in Travel & Tourism*, 9(1–2), 2–20.

Visit Finland. 2017. Tourism in Finland – Key facts and figures. Referred 8.3.2017.
<http://www.visitfinland.fi/en/tourism-in-finland/>

Wang, J., Ayres, H. & Huyton, J. 2010. Is tourism education meeting the needs of the tourism industry? An Australian case study. *Journal of Hospitality & Tourism Education*, 22(1), 8–14.

Zehrer, A. & Mössenlechner, C. 2009. Key competencies of tourism graduates: The employers' point of view. *Journal of Teaching in Travel & Tourism*, 9(3–4), 266–287.



The development of tourism in the Baltic Sea region and in Finland has become more international. At the same time, the region faces global competition that has to be met by the destinations. This requires skills development and similar professional skills across the region.

This study provides an example of skills development within the context of international tourism business in higher tourism education. It is a part of the Interreg Central Baltic funded project BOOSTED. The aim of the project is to identify a relevant skillset needed in international tourism business development in Finland, Estonia and Latvia. This specific study focuses on the skill requirements of the Finnish tourism industry.



ISBN 978-951-633-224-9



EUROPEAN UNION
European Regional Development Fund