Bachelor’s thesis

Market Entry Strategy of a Small Finnish Company for the German Market: Hotel Stallbacken and Grännas Bed & Breakfast

Karin Huber

Thesis for a Bachelor - Degree
Degree Program in Business Administration
Turku May 2019
BACHELOR'S THESIS

Author: Huber Karin
Degree Program: Bachelor’s Double Degree
Specialization: Business Administration
Supervisor(s): Helena Nordström

Title: Market Entry Strategy of a Small Finnish Company for the German Market: Hotel Stallbacken and Grännas Bed & Breakfast

Abstract
Amidst growing internationalization, shifting travel patterns and technological improvements, it is getting harder and more complex every day for small companies to maintain or extend their appearance in the global business world. Especially small and medium-sized hotel facilities face challenges when competing against the bigger contestants while entering new markets.

The aim of the thesis was to study the German travel behavior and different ways to enter the German market and therefore establish a market entry strategy tailored to Hotel Stallbacken and Grännas Bed & Breakfast in Nauvo, the archipelago of Turku.

The theoretical framework is based on research before and during the writing process. The information for the empirical part was partly gained through contacting various German travel providers and experts, German bloggers and journalists, but also through visitor information centers in and around Turku and the archipelago.

The result of the thesis is a market entry strategy for Hotel Stallbacken to enter the German market most efficiently, but as there is not one perfect way available, different factors have been taken into consideration and possible ways to further acquire more German guests have been included. The result, that it is not very easy to reach the German tour operators and travel agencies as a small company in a foreign country is also included and furthermore are shown different other ways to bypass the obstacles in the thesis.

Language: English        Key words: Market Entry, Germany, Small Finnish company, Hotel
# Table of contents

1. Introduction .............................................................................................................. 1
   1.1 Purpose and background ................................................................................... 1
   1.2 Research questions ............................................................................................. 2
   1.3 Aims and goals of the thesis ............................................................................... 3
   1.4 Limitations ......................................................................................................... 4

2. Hotel Stallbacken & Grännas B&B ...................................................................... 5
   2.1 Present situation ................................................................................................. 5
   2.2 Collaborations .................................................................................................... 6
      2.2.1 Existing collaborations ................................................................................ 6
      2.2.2 Booking websites ....................................................................................... 7
   2.3 Assessment of the company: A SWOT Analysis .............................................. 8
      2.3.1 Strengths ..................................................................................................... 9
      2.3.2 Weaknesses ............................................................................................... 10
      2.3.3 Opportunities ............................................................................................ 11
      2.3.4 Threats ...................................................................................................... 11
      2.3.5 Conclusion of the SWOT Analysis ............................................................ 12

3. German tourism and travel market ....................................................................... 13
   3.1 German outbound tourism ............................................................................... 13
      3.1.1 Demographics of Germany ...................................................................... 13
      3.1.2 Tourism income and expenditure ............................................................ 14
      3.1.3 Destination ............................................................................................... 14
      3.1.4 Scandinavian travels ............................................................................... 15
      3.1.5 Average trip duration and times ............................................................. 15
      3.1.6 Organizations of the German tourism market ......................................... 16
      3.1.7 Main means of transport ......................................................................... 17
   3.2 Inbound tourism of Finland ............................................................................ 18
      3.2.1 Visitor arrivals in Finland ......................................................................... 18
      3.2.2 Finland’s target markets .......................................................................... 19
      3.2.3 Visitor arrivals in Turku by Germans ....................................................... 19
   3.3 Changes and trends in the tourism industry .................................................... 20
      3.3.1 Technology benefits ............................................................................... 21
      3.3.2 New pricing ............................................................................................. 22
      3.3.3 Increasing importance of ratings .............................................................. 23
      3.3.4 Evolving visitor demand ......................................................................... 23
      3.3.5 Sustainable tourism ................................................................................. 24
   3.4 Selection criteria for Scandinavian travels ..................................................... 24
   3.5 Different types of customers ............................................................................. 28
Table of figures

Figure 1 Hotel Stallbacken (Hotel Stallbacken, w.y.) ................................................................. 5
Figure 2 Grännas Bed & Breakfast (Hotel Stallbacken, w.y.) .......................................................... 7
Figure 3 Restaurant Stallbacken (Hotel Stallbacken, w.y.) .......................................................... 9
Figure 4 Population of Germany (Statistisches Bundesamt, 2017) .................................................. 14
Figure 5 Travels to Northern Europe (IfD Allensbach w.y.a) .......................................................... 15
Figure 6 Structure of German tourism market (Deutscher Reiseverband 2019, p. 8) ........................... 16
Figure 7 Number of visitor arrivals (Statistics Finland w.y.b) ........................................................ 18
Figure 8 Germany as one of Finland’s focus markets (Team Finland, w.y.) ....................................... 19
Figure 9 Seasonal overnights in Finland by Germans (Oksanen Jyrki 2018, 14) ................................. 20
Figure 10 Average room prices in Varsinais-Suomi (Statistics Finland, w.y.a) ................................. 25
Figure 11 Guest book comment Grännas B&B (Guestbook Grännas B&B 2017) .............................. 26
Figure 12 Expedia rating of Hotel Stallbacken (Expedia, 2015) ...................................................... 27
1. Introduction

Amidst growing internationalization, shifting travel patterns and consumer preferences caused by turbulent economic, environmental and political conditions, the tourism and hospitality industry faces major changes nowadays.

Global tourism is not only an important driver for sustainable development but has also now been growing steadily for over 70 years, benefiting both from thriving globalization and technological advances. (Organization for Economic Cooperation and Development, 2018, 62).

Digitalization transforms the tourism industry rapidly, with strong implications on both demand and supply. It offers both challenges and opportunities for existing destinations and the whole travel market. The power is shifting more and more towards the customers of the tourism industry. (Egger and Buhalis, 2008, 1-3).

Alongside the growing internationalization also rise challenges for countries in all parts of the world. The competitiveness of the tourism sector is an obstacle that has to be overcome if wanting to be successful in this sector. Tourism is a complex industry and being part of it automatically leads to having to consider many additional factors that influence the decisions. Especially for small and medium-sized enterprises in the tourism and hospitality industry can this development be a big challenge as they often do not have the same resources and possibilities to overcome the existing obstacles, therefore different or even new ways how to enter a market have to be considered.

1.1 Purpose and background

The purpose of the bachelor’s thesis is to introduce available ways for Finnish companies to enter the German market in the most efficient way. The thesis should also discuss different ways for Hotel Stallbacken to attract more German tourists. Furthermore will possible suggestions for more collaborations for the hotel to enter the German market be presented. The thesis should provide Mikael Granqvist, the owner of Hotel Stallbacken, with benefits, useful information and advice for the future.

The first meeting with the client, Mikael Granqvist, took place on the 23rd of January at Novia University of Applied Sciences in Turku. Mikael Granqvist introduced himself as the owner of Hotel Stallbacken and Grännas B&B in Nauvo, a small island situated in the Turku
Archipelago between the Åland islands and the Finnish mainland (Carling, w.y.). Grännas Bed & Breakfast is a separate building right next to Hotel Stallbacken, that offers renovated lodgings in the former farm manager’s residence.

The second meeting regarding the empirical part of the bachelor’s thesis took place on the 15th of February at Hotel Stallbacken in Nauvo. The reason was to get a better impression of the hotel and the Bed & Breakfast and have a conversation about Mikael Granqvist’s ideas and visions regarding the German market.

The concepts of the German tourism market and the entry modes create the theoretical framework for this bachelor’s thesis. Information from secondary sources was gathered in books, online articles, statistics and websites. Primary data was gathered through meetings, e-mails, phone calls and interviews.

The bachelor’s thesis results in a market entry strategy, possible collaborations and a list of tips and opportunities for the future of Hotel Stallbacken and Grännas Bed & Breakfast. Grännas Bed & Breakfast will be referred to as Grännas B&B in the thesis.

The empirical part consisted of contacting various German people in the tourism and hospitality industry. This was carried out through phone calls and e-mails.

1.2 Research questions

The thesis discusses four main research questions that are to be answered in the academic paper. The main research question will be:

1. How can a small Finnish hotel business enter the German tourism market?

There are different ways of entering the German market, for the purposes of the thesis and Mikael Granqvist the best way will be developed while comparing the advantages and disadvantages of various ways tailored to Hotel Stallbacken.

There are sub-questions that support the main question and contribute to the results of the main question:

2. What do Germans look for in tourism, especially in travels to the Scandinavian countries and Finland?
There is not that much information available about the German travel behavior and decision criteria for Finland trips, but several German tourism professionals will be contacted and the guestbook of Mikael Granqvist’s B&B will be evaluated along with available reviews and ratings at booking websites.

3. Which entry mode strategies are available for hotels?

Especially in the last few years new ways for companies to enter a new market arose. This fact allows the owners of the enterprises to find new, better and more efficient ways to reach the wanted customers.

4. How can Hotel Stallbacken collaborate with German tour operators, travel agencies and Bloggers?

Mikael Granqvist has already established contact with one German travel agency offering trips to Finland and Scandinavia. The challenge regarding this is to find further possible collaboration partners in Germany for the future. The collaboration partner does not exactly have to be a travel agency, there are other ways to distribute a hotel in Germany.

1.3 Aims and goals of the thesis

One of the main goals is for the client of the project to be satisfied. In the first meeting Mikael Granqvist, the manager and owner of Hotel Stallbacken and Grännas B&B, gave a little insight into what he wants to achieve with this cooperation. The satisfaction of the contractor is reached by fulfilling the goals characterized by him.

Mikael Granqvist laid out the main goals for his hotel roughly. The first goal addressed by him was to design a new website like he was already told to by another group of students that worked with him the last year. He already had plans for a new structure of his website, including to delete some of the content as it might be overwhelming to read that much information in one place. The main goal of this collaboration is to attract more international guests to his hotel, especially Germans. He already had a few German guests staying at his place, but they found out about the place rather per coincidence and he wants to change that fact, he wants people to know about his hotel and choose to stay there by themselves. He also wants to attract more customers to his conference rooms; the ideal case being if the visitors stay for a few nights while being at a conference. The last goal discussed in the first meeting
was that he wants to establish better communication to the outside, not just to Finland, Sweden and Germany, but overall. The general aim of the thesis is therefore to develop ideas for Hotel Stallbacken on how they can enter the German market most effectively. Unfortunately, the goals are not measurable as most of the collaborations did not take place yet at the date of submission, but also for the reason that one cannot collate the results of the thesis with monetary or other measurable values.

My personal goals while working on my bachelor’s thesis are to gain more experience in academic writing and researching. Those are two very important factors also for my future career. Another personal goal is to get broader and deeper knowledge in marketing, internationalization and tourism, separately and as a unit. These important topics will also be a good basis for my later work life and the daily tasks in an international office. While working with Mikael Granqvist as the contractor, I have also had the chance to further improve my soft skills and learn to adjust to the customers’ wants and needs. And finally, to submit a good bachelor’s thesis, where I am satisfied with as well as my supervisor Helena Nordström and the contractor Mikael Granqvist.

### 1.4 Limitations

Hotel Stallbacken welcomes guests from many countries in the world and one specific market entry strategy is not suitable for all countries. That is why I decided to focus my bachelor’s thesis on the guests of the tourism market Germany. I will also limit my thesis to the market entry and not include further marketing strategies. As there are not always the most recent statistics and numbers online, the bachelor’s thesis will discuss the most recent figures that are available in both the theoretical as well as the empirical part. I am not speaking Finnish, therefore those statistics and information cannot be taken into consideration. Professional information is available for purchase in the tourism industry. Those statistics, books, researches and surveys will not be taken into consideration. The cooperation’s and collaborations established during the writing of the bachelor’s thesis continue and progress after the thesis is submitted, therefore the results and development of the collaborations after the submission cannot be taken into account either.
2. Hotel Stallbacken & Grännas B&B

Hotel Stallbacken and Grännas B&B are situated in Nauvo, the archipelago of Turku. Both the hotel as well as the Bed & Breakfast are owned by Mikael Granqvist. Consequently, he is the contact person for my bachelor’s thesis. This chapter describes the current situation of Hotel Stallbacken, its collaborations with companies and websites and analyzes its strengths, weaknesses, opportunities and threats in the according environment.

![Hotel Stallbacken](Hotel Stallbacken, w.y.)

This picture shows Hotel Stallbacken, in the midst of the beautiful archipelago of Nauvo.

2.1 Present situation

Hotel Stallbacken and Grännas B&B welcome guests from all over the world, predominantly in spring, summer and autumn. The hotel and B&B were built in 2008 and together they host about 1400 guests every summer. As the hotel is situated on a small island it is perfect for nature lovers to discover the surrounding islands and archipelago. There have already been German tourists staying over at the hotel and B&B, most of them from the northern parts of Germany (personal communication with Granqvist Mikael 15.02.2019). The owner has at this time no statistics or tables on where the guests of the hotels are from and how many Germans already visited the place.

The website of hotel Stallbacken and Grännas B&B is at this time available in Finnish, Swedish, English and German. The customers can find any information they are searching for in all four languages. The German version contains minor grammar and spelling mistakes but is, however, very understandable for a German speaking person. (Hotel Stallbacken, w.y.).
2.2 Collaborations

Hotel Stallbacken and Grännas B&B has already established several collaborations with different communities, organizations and business sites. To be successful in a foreign market, new collaborations are to be considered, more tailored to attract the German tourism market.

2.2.1 Existing collaborations

Visit Turku is a Destination Marketing Organization operated by the City of Turku. The website is currently available in English, Swedish, Finnish and Russian but not in German. The website shows all activities, sights and information available in the area of Turku. It also offers a section with accommodations in and around Turku. Hotel Stallbacken has its own page on the Visit Turku website that shows further information about the hotel, contact details, pictures and history. The website has links to Stallbacken’s Facebook page and the news feed. (Tourist Information, 2016).

Hotel Stallbacken and Grännas B&B are prominent on the Fintouring website, a German travel agency specialized in Finland and Lapland tours. The website is run by Daniel and Tina Lang, both big Finland enthusiasts from Germany. The agency offers tours to Lapland, to all cities of Finland and the archipelago of different areas. Hotel Stallbacken is also included in different tours operated by Fintouring.

There are three tours available for German guests that include a stay at Hotel Stallbacken. The first tour is a journey in the southern part of Finland to see the most beautiful estates near the coast. The second tour available is an island-hopping-tour that focusses on the archipelago of Turku and its islands. The third tour for German tourists to stay at Hotel Stallbacken is a so-called “farm round trip” through the whole country. The description and presentation emphasizes that the agency explicitly included the accommodations that they personally visited and would recommend. (fintouring GmbH, w.y.).

Hotel Stallbacken and Grännas B&B is further part of ABD, the Archipelago Business Development. The project promotes collaborations between entrepreneurs, start-ups and students that can create new markets, strengthen the area's competitiveness and enable growth in Turku, the Åland islands and Stockholm’s archipelago. The collaboration with ABD can be very beneficial for Hotel Stallbacken but is not very relevant for the German tourism and hospitality market. (Archipelago Business Development, w.y.).
Hotel Stallbacken is represented on several other websites, for instance Saaristonrengastie, Doerz or Visit Saaristo. The websites are not relevant for the German tourism market; thus they will not be discussed further in the bachelor’s thesis.

2.2.2 Booking websites

Hotel Stallbacken and Grännas B&B are represented on different booking websites, the most important being Booking.com. Hotel Stallbacken and Grännas B&B welcome guests on Booking.com since 29 March 2011. The website charges a fee for forwarding guests that book a night in the hotel. The booking of the hotel and the B&B is available online on their website. Booking.com additionally shares useful and suitable information about the accommodation, the surrounding area and references of former guests. The website shows pictures of Hotel Stallbacken to give the guests detailed impressions of the facility.

The hotel is depicted on the Expedia website. Both websites show basically the same information and pictures of the hotel and the B&B. Although Booking.com is leading the online booking market with a market share of 65.6% in all of Europe, Expedia is still a very popular booking site in Germany (Schlautmann Christoph, 2018a).

Hotel Stallbacken and Grännas B&B are displayed on the TripAdvisor website, both with excellent ratings. The website shows a lot of useful information for potential guests and answers possible questions beforehand regarding the facilities and the area of the hotel. The website also holds almost 50 pictures, most of them being posted by Mikael Granqvist himself but also pictures by former guests of the hotel. The ratings of guests that have already stayed at the hotel or the B&B are mostly ranging between excellent and good, especially the wonderful service and the nice personnel is mentioned in several ratings (TripAdvisor, w.y.).

Figure 2 Grännas Bed & Breakfast (Hotel Stallbacken, w.y.)
2.3 Assessment of the company: A SWOT Analysis

A SWOT analysis is an “overall evaluation of the company’s strengths, weaknesses, opportunities and threats” (Kotler & Armstrong & Parment, 2016, 451). It is basically an analysis of the current situation with the aim to prevent potential obstacles in the way of the enterprise and use opportunities that might be given.

Strengths are internal capabilities that support the enterprise in reaching its set goals and aims. Weaknesses are internal limitations that must be considered carefully and kept track of because they could otherwise be obstacles to reach the enterprises’ goals or aims. On the one hand it is not easy for a company to admit its weaknesses, but the analysis and delimitation of those could on the other hand give competitive advantages. Possible strengths and weaknesses that could be considered in the SWOT analysis are prices, personnel, assets, quality, reputation, certifications, marketing and location. (Kotler & Bowen & Makens, 2014, 75-77).

The external analysis consists of the opportunities and the threats. It is very important to take into consideration macroeconomic forces as well as microenvironmental forces. Typical factors that are considered in the external analysis are political and environmental effects, industry trends, development of technology and changes in the market demand or competitors’ innovations (Kotler et al., 2014, 75-78). The external factors have huge impacts on the company’s profit and its position in their market and therefore have to be watched closely (Kotler et al., 2014, 76). The opportunities are chances that have to be taken now or in the future to further strive for the set aims and goals. Opportunities are positive ways for the company to exploit different situations to its advantage. Threats are external factors that the company cannot influence but that could be obstacles in the current situation or in future reference (Kotler et al., 2016, 61).

The assessment of the analysis covers the branding of the hotel, the location, the services or the activity packages. The analysis is limited in the way that it only shows the possible events but does not show ways to prevent them. After the analysis, the evaluation of the results has to be done. The analysis is also not applicable for a longer period of time as lots of factors in the analysis change over time, often sooner than later. (FernFort University, w.y.).

In the case of Hotel Stallbacken, it is beneficial to have an overview of what could be potential possibilities and what could help to attract more German guests, but also what could be in the way in order to prevent the obstacles.
2.3.1 Strengths

Hotel Stallbacken and Grännas B&B show several strengths in the SWOT analysis. The customer can book different activity packages and get to know Turku, Nauvo and the archipelago. The guests can enjoy a wellness weekend at Hotel Stallbacken, go canoeing, go on an island safari or pick berries and mushrooms near the hotel. Furthermore, guided tours on the mainland, renting bikes and going on a guided bike tour or hop on another island near Nauvo is available. The prices of the packages range from 7,50€ to 300€ per person. They include activities for everybody who likes to spend time in the nature, wants to see the surrounding archipelago and is open to trying out new things. (Hotel Stallbacken, w.y.).

Restaurant Stallbacken is part of the hotel facility. It is possible to have dinner even if you are not a guest at the hotel or B&B. In the summer time it is possible to eat on the terrace. The guests have breakfast and if ordered beforehand lunch in the restaurant. The dinner is mostly included in the price of the accommodation. The following picture shows a room in Hotel Stallbacken, suitable for small private dinners, conferences or festivities.

![Figure 3 Restaurant Stallbacken](Hotel Stallbacken, w.y.)

Hotel Stallbacken offers two fully equipped conference rooms, the first one for approximately 20 people and the second one holds about 60 people. The second room is usually used as the restaurant but can be adjusted into a big meeting room. The rooms offer full availability to Wi-Fi that is especially important in business meetings. The conferences can be combined with longer stays at the facilities and having dinner in the restaurant.
The hotel has a traditional sauna. This is not common anymore in Finland as in most hotels nowadays saunas are heated electronically. The sauna house is also supplied with a hot tub, a terrace, a changing room and a small space to wash oneself.

In addition, Stallbacken offers a private beach for their guests. The beach is secluded and only a short walk away from the hotel. Many guests already wrote in the guest book of Grännas B&B that they enjoyed the secluded area on the beach without other people.

Hotel Stallbacken is able to arrange party services according to the wishes of the guests. These include wedding receptions, weddings, Christmas parties, festive dinners or various other festivities in companies or families. The guests can sleep in the 13 bedrooms of both hotel and B&B and personal wishes can be fulfilled tailored to the event, such as birthday cakes, photographers or bands.

Hotel Stallbacken operates its own direct booking engine. The number of bookings through an own direct booking engine is decreasing rapidly on hotel websites. The trend to book trips and travels on prominent booking websites that include the hotels and destinations of choice increases.

2.3.2 Weaknesses

A potential weakness for Hotel Stallbacken is that Mikael Granqvist is responsible for every decision and task regarding the hotel. He manages the guests staying over, prepares breakfast, lunch and dinner, functions as a tour guide, does the cleaning and manages the whole hotel alone. This dedication is admirable, but it has also its limitations as he can’t be everywhere at all time and some tasks may have to be cancelled or postponed due to timing issues.

Managing a hotel while doing all those tasks at the same time can lead to minor mistakes and failures along the way, as it is not that easy to coordinate and execute everything in the given time to the highest standard.

One of the major weaknesses of the hotel is the hospitality of bigger groups. The B&B offers accommodation for about 12 people in six rooms and the hotel itself offers seven rooms for approximately 14 people. If needed, the owner has the possibility to place extra beds in some of the rooms. The hosting of bigger groups or festivities would be a problem, as there are not enough beds and space for events like that.

Another minor weakness of Hotel Stallbacken is that it takes roughly 90 minutes to reach the hotel in the archipelago starting from the city center of Turku. The way includes a ferry ride,
so the customer is dependent on the schedule of the ferries. The ferry that brings cars to the island of Nauvo costs nothing as it is subsidized by the Finnish government. If the customers look up the schedule beforehand and do not mind waiting a few minutes in front of the dock, the ferry ride shouldn’t be a major inconvenience. For many people the ferry is a little highlight of the trip, because not all people have been riding a ferry before, especially if the guests do not live close to the sea.

The bus connection to Hotel Stallbacken exists but could be improved. The bus operation line Matkahuolto operates between the island and the center of Turku, but the buses leave only a few times per day. Most of the guests arrive by car, but for those traveling by bus it will take at least 2 hours. The nearest bus station to the hotel is Väcklax L, a few hundred meters from the hotel. The last part of the journey has to be completed on foot (Matkahuolto, w.y.).

2.3.3 Opportunities

The international market is a big opportunity for Hotel Stallbacken. The hotel as well as the B&B have already had guests from all over the world, but predominantly from Finland and the Nordic countries. The guest book includes mainly notes in Finnish, followed by Swedish ones. English notes can also be found, and a few notes in German. There is still room for other countries to visit the hotel, this offers a good opportunity for Mikael Granqvist, starting with the German market now and expanding later.

Another efficient opportunity for both the hotel and the B&B could be further collaborations in Finland, but also in other parts of the world. The thesis discusses suggestions on different collaborations in Germany, but most of these suggestions could also be implemented in Finland. Having more partners in Finland can also result in acquiring more German guests, as other companies also have connections to the German tourism industry.

Hotel Stallbacken currently does not have a cooperation with the hospitality service AirBnB, but this could be a further opportunity to acquire more customers, including Germany. This will be further discussed later in this chapter of the thesis.

2.3.4 Threats

The major threat for Hotel Stallbacken is the competition. The main competitors are similar hotels in Turku, those situated in the neighboring area of Nauvo. There are several hotels and B&B’s in the area of Hotel Stallbacken. Hotel Lanterna, Majatalo Martta and Köpmans Bed & Breakfast are situated directly in Nauvo, whereas Hotel Stallbacken is situated four
kilometers away from the center. Grännas Homestead does not belong to Mikael Granqvist or Hotel Stallbacken but is the direct neighbor to the hotel facility and therefore a distinct competitor.

Another major threat can also be booking through sharing economies such as the website AirBnB. Hotel Stallbacken and Grännas B&B are at this time not represented on the website. There have been inconveniences and issues with the cooperation on the website earlier. In the second meeting with Mikael Granqvist he stated that he is not reluctant to work with AirBnB again, if they fix their problem with non-paying customers. The issue back then has been that AirBnB guests booked the room but didn’t pay the full amount of money for the room in advance or paid nothing at all and then cancelled their reservation only a few days prior to their arrival.

Additionally, a pending threat for Hotel Stallbacken is the short summer period. Summer is the season where most people stay at the hotel and unfortunately lasts this season only for about ten weeks. Hotel Stallbacken’s high season is between the 1st of June and the 15th of August every year. The owner pointed out that it would be favorable to attract more customers in fall, autumn and winter as the hotel is not fully booked in those seasons. (Personal communication with Mikael Granqvist 15.02.2019).

2.3.5 Conclusion of the SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Activity packages</td>
<td>- Owner responsible for everything</td>
</tr>
<tr>
<td>- Restaurant Stallbacken</td>
<td>- Bigger groups</td>
</tr>
<tr>
<td>- Conference rooms</td>
<td>- Time-consuming arrival</td>
</tr>
<tr>
<td>- Traditional sauna</td>
<td>- Bus connection</td>
</tr>
<tr>
<td>- Private beach</td>
<td></td>
</tr>
<tr>
<td>- Party services</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>- International market</td>
<td>- Competitors in the archipelago</td>
</tr>
<tr>
<td>- Collaborations in Finland</td>
<td>- Sharing economies</td>
</tr>
<tr>
<td>- AirBnB</td>
<td>- Short summer period</td>
</tr>
</tbody>
</table>
3. German tourism and travel market

The global tourism is continually growing nowadays, including European tourism that grew considerably by 5.7% in 2018. This growth is expected to increase in the next few years (Deutsche Zentrale für Tourismus e.V., 2019, 7).

Germany is a country in Central-Europe that had approximately 83 million inhabitants in the end of 2017 (Statistisches Bundesamt, w.y.). The country is besides China and the United States one of the highest outbound markets (OECD, 2018).

3.1 German outbound tourism

To sell tourist and hospitality services it is essential to understand the affiliated market first. A market is “a set of actual and potential buyers of a product” (Kotler et al., 2014, 669).

Tourism is considered as “a stay of one or more nights away from home for holidays, visits to friends or relatives, business conferences, or any other purpose, except such things as boarding, education, or semi-permanent employment” (Kotler et al., 2014, 672).

An overview of the German tourism market can help Mikael Granqvist and Hotel Stallbacken to get a better insight on how the German tourism industry operates, which opportunities there are and how they could align their strategy to the German travel behavior.

3.1.1 Demographics of Germany

The following statistic shows the population of Germany at the end of 2017, sorted by age groups. There is no more recent study available. It is visible that the age group between 40 and 59 years is the most prominent one. The second largest group of age distribution are people older than 65. This is one of the major problems in Germany, the people are getting older, the life expectancy rises and the young people cannot work enough to preserve this change. Another big age group is represented by the people between 25 and 39 years (Statistisches Bundesamt, 2017).

Knowing the age distribution in Germany can later on help to identify the preferred and targeted market.
1.2 Tourism income and expenditure

In 2018, Germany generated an income from international travels of 36.1 billion EUR whereas they spent almost twice this amount on their own travelling. Germany had a travel expenditure of 79.4 billion EUR in 2018. This is the highest amount of money Germany has ever earned on travels and also spent on travels compared to the previous years. The expenditures on travels grew by 5% compared to the previous year. (Deutscher Reiseverband, 2019, 28-29)

The amount of money German tourists spend on holiday and business trips rises steadily. While they spent overall 26.4 billion EUR in travel agencies in the year of 2017, this number already rose by half a billion EUR in 2018, where German travelers spent 26.9 billion EUR in German travel agencies (Deutscher Reiseverband, 2019, 13). 70.1% of the revenues generated in 2017 were spent on private trips, whereas the remaining 29.9% were spent solely on business travels. This sales development shows that the German people go on vacation more than the previous year, but are also willing to spend more money on their travels (Deutscher Reiseverband, 2018, 9).

1.3 Destination

The Germans are known for travelling a lot, especially abroad. In 2018, the Germans booked 70.1 million long holiday trips, 73% of them to foreign countries (Deutscher Reiseverband, 2019, 25). Almost two third of the overall inhabitants from Germany packed their bags in
2018 for a trip that lasted longer than five days. The most popular foreign tourist destination is still Spain but the trips to the country already decreased, followed by Italy and Turkey as the next most popular tourist destinations of German travelers (Deutscher Reiseverband, 2019, 27). The reasons for the decrease in travels to Spain will be discussed later in the thesis. 8% of all travels by Germans were long distance trips with destinations outside of Europe (Bundesverband der Deutschen Tourismuswirtschaft (BTW) e.V., 2019).

### 3.1.4 Scandinavian travels

The following chart shows the number of people in Germany that travelled to northern Europe, either Denmark, Sweden, Norway, Iceland or Finland, in the last 12 months. The numbers of the years 2014 until 2018 are illustrated. We can see a minor decrease in 2015, but since then, the travels to the Nordic countries rose steadily (IfD Allensbach, w.y.a).

The popularity of Finland as a travel destination for German tourists rises. The numbers of Germans visiting Scandinavia is increasing steadily and is said to continue this trend in the following years. In 2016, 3.3% of the Germans that travelled abroad chose either Finland, Denmark, Sweden, Norway or Iceland as their destination. In 2017, the following year, it rose to 3.7% of all the German tourists that travelled abroad. In 2018, it was even 4.3% that visited the Northern countries. (IfD Allensbach, w.y.b).

### 3.1.5 Average trip duration and times

The average trip duration has been around 13 days in the last ten years since long-distance travels were very popular in past years. This trend is decreasing and the average duration of
German holidays is now 12 days, justified by a decreasing number of long-distance trips (Deutscher Reiseverband, 2018, 17). Domestic travels usually last ten days but travels to the European countries have a medium duration of 13 days (Bundesverband der Deutschen Tourismuswirtschaft (BTW) e.V., 2019).

In 2018 34.05 million residents travelled abroad for vacations once in the year, 8.98 million people travelled abroad twice and 1.9 million people travelled abroad three times. The rest of Germany either didn’t travel abroad at all in 2018 or there is no data available (VuMa, w.y.).

The tourism forecast for 2019 is positive, in January 71% of the Germans were already sure that they are going to take a trip abroad. Every eight person is sure that they will travel twice or even more times in 2019. Only 17% of the Germans say, that they will not travel anywhere in 2019 (Bundesverband der Deutschen Tourismuswirtschaft (BTW) e.V., 2019).

As Finland is not a long-distance travel destination and the trends for German to book those is decreasing, this could also be a favorable situation for the Finnish hospitality industry.

3.1.6 Organizations of the German tourism market

The German tourism market is divided into three main components. The most important part being the tour operators, that represent 52% of the market and generated profits of 36 billion EUR in 2018 (Deutscher Reiseverband, 2019, 8).

The second biggest part of the German travel market is the service providers. They are divided into online and offline service providers. The offline market is slightly bigger with a revenue of 12 billion EUR, but the online market still generates 11.8 billion EUR (Deutscher Reiseverband, 2019, 9). The most common service providers are airlines, railways, hotels and car rental companies, but also long-haul bus companies and event organizers.
The third component of the German tourism market is the product portals with a market share of 12%. Product portals are websites, that only offer one particular service or product, for instance hotels or flights.

The booking of vacations and trips can be divided into online and offline bookings. In 2018, 29.3 billion EUR were generated with online bookings. Online bookings include bookings via online travel agencies, online service providers, the websites of tour operators and online product portals. The generated profit represents 43% of the bookings. 57% of the travels were booked offline in 2018, through offline travel agencies, the offline direct sales through tour operators and offline service providers. (Deutscher Reiseverband, 2019, 9).

Having an overview where and how the Germans book their travel can be evaluated and used to create a suitable market entry. It is notable that Germany is one of the countries where people still predominantly book their travels offline instead online like in many other countries nowadays.

3.1.7 Main means of transport

As the Germans like to travel a lot, they use different vehicles to get to their desired destination. The main means of transport haven’t changed that much over the last 20 years, but there are still ways of transport that got more popular and some that lost popularity over decades. Back in 2000, the car was by far the most used medium for travels. With more than 50%, every second tourist travelled by car. The plane was the second most popular means of transport back then. The order hasn’t changed now, but the plane has significantly gained popularity among the German tourists. The market share of airlines rose to 41% in 2018, whereas travels with the car decreased to 45%. 6% of the German tourists still take the bus and the popularity of trains maintained steadily with 5% of the market share. These numbers are applicable for holiday trips from five days onward. (Deutscher Reiseverband, 2019, 39).

It is beneficial to know that the German population predominantly travels by plane or car, as those are also the targeted markets for Hotel Stallbacken. Bus round trips could be difficult to manage as the hotel offers accommodation in 13 rooms and a normal sized bus has about 50 seats. Arriving by car is the best solution, as there is much to see and visit in the surrounding archipelago of Nauvu and Turku, that is hard to reach without having a car.
3.2 Inbound tourism of Finland

In 2018, Finland had approximately 5.52 million inhabitants (IMF, w.y.). Compared with Germany’s 83 million inhabitants, this number would represent 7% of the German population.

According to the OECD tourism in Finland displays 2.50% of the GDP. That value is in comparison to the other Nordic countries average, as Sweden has a contribution of 2.70% to the GDP. The average percentage of GDP in all the OECD countries is 4.2. (OECD, 2018, 27). This shows that Finland’s tourism contribution to the GDP is under the average, but is said to be 24.3 billion EUR in 2028, 5.1 billion EUR more than in 2018 (World Travel & Tourism Council, w.y.).

5.50% of the total employment is within the tourism sector in Finland. The OECD average is slightly higher than in Finland with tourism jobs taking up 6.9% of the total employment (OECD, 2018, 27).

3.2.1 Visitor arrivals in Finland

According to Statista, Finland is still the most popular destination for the Finns themselves. The most international guests that visited Finland in the beginning of 2018 were Russians with approximately 150,000 arrivals during January and May. Russia is followed by Sweden with about 100,000 visitors. Germany is already on the third rank of foreign countries that travel to Finland. Approximately 85,000 people from Germany arrived in Finland in the beginning of 2018 (Statistics Finland, w.y.b).

This chart is a good basis for Mikael Granqvist’s operations, as there are already a lot of Germans that are travelling to Finland.
3.2.2 Finland’s target markets

The following chart shows Finland’s target and top source markets in 2017. Overall were 6.7 million overnight stays spent by non-residents in the country in this year.

Germany spent 623,000 overnight stays in Finland in 2017, almost two third of those in the summer season. The Germans also spent 197 million EUR during their travels to Finland in the country. These numbers compose Germany to one of Finland’s focus markets, together with China and Hong Kong, the United Kingdom and Japan.

Focus market means in this context, that Finland should concentrate on Germany as one of their main target markets in tourism because there is high potential in the country. (Team Finland, w.y.).

![Visit Finland Chart](image)

**Figure 8 Germany as one of Finland's focus markets (Team Finland, w.y.)**

3.2.3 Visitor arrivals in Turku by Germans

The next chart shows all seasonal overnights in 2017 and 2018 by Germans.

It displays that in winter, spring and summer 2018 overall almost 100,000 Germans stayed in the coast & archipelago area of Finland. 20% of this number, 19,300 overnight stays, took place in Turku. Most people of Germany visited Turku in summer times, only 20% in autumn and spring and 15% of the people in winter.
It is also visible that in summer the southern parts of Finland are more attractive than the northern parts, whereas in winter the Lapland region is more attractive. Helsinki is the most popular destination for German tourists in the summer season.
This recognition can also help Hotel Stallbacken to align their program to it, they are already predominantly operating in the summer, but there could be made thoughts and considerations on how to attract more customers in winter times. (Oksanen Jyrki, 2018, 14).

This chapter showed that Germany is a high potential market for the tourism industry in Finland, as they have a big population that likes to travel and is willing to spend a lot of money on their travels.

3.3 Changes and trends in the tourism industry

The tourism industry has faced many changes in the last couple of years. There have been major developments in technology, but also in other factors influencing tourism such as growing awareness and changing customer behavior. Some of these changes did have major influences on the hospitality and tourism industry, whereas others didn’t affect all sectors of the industries reasonably.
The tourism industry is additionally affected by lots of external factors where it is impossible to have influence on. Those include economic, environmental, political and technological changes in our modern world that offer new challenges, threats and opportunities. These external effects on the tourism industry can both be negative and positive on the development of the tourism industry. In the last decade happened a lot in the world, that had also major influence on the travel industry. Global economic crisis, terrorist attacks, political instability, natural disasters are just a few. The uncertainty in policy is still high nowadays, trust in governments has diminished and inequality is still a big topic in our lives. Changing demographics, further technological innovations and shifting environmental conditions are all factors that the tourist industry has to deal within the next decades if it wants to continue their growth. (OECD, 2018, 62).

To effectively react and accommodate to these megatrends, the industry needs to register what they are and the likely impacts they will have on the tourism industry in approaching decades. The awareness of these changes can help Hotel Stallbacken and Gränna B&B to adjust to them and to develop new ideas and strategies to use these changes and trends, if possible, as their advantage.

### 3.3.1 Technology benefits

The new technologies can help to make the tourism industry more affordable, accessible, simpler and efficient to many people, for travelers, companies and businesses linked to tourism. The customers use technology for information, for booking and buying their travels, for sharing opinions and experiences but also for entertainment purposes.

A big benefit of developing technology in the tourism industry is that the travels get cheaper because of fewer intermediaries. Without additional parties that get provision and parts of the revenue, what initially was all paid by the end customer, the travels are cheaper and therefore more appealing and lead some people to travel even more than once in a year. The decrease of intermediaries saves also time, because most of the information for accommodations and activities is online nevertheless. (Mix2Travel, 2017).

Finland is slightly more expensive than Germany, but with cheaper prices following the trend of disappearing intermediaries, travels to Finland are more attractive for the German tourists.

Digitalization additionally has a big impact on the tourism industry nowadays and one area, where it is especially important is the communication with the tourists and travelers. This
includes all forms of web-based marketing and the effective usage of social media for sharing experiences and influencing the choices of possible guests.

The digitalization is not only an important tool prior to the travels, but also during the trips. Increasing public Wi-Fi spots, provision of a fast broad-band network and support of tourism events by the government are favorable for the hospitality industry and the guests, especially the younger generations that spend hours each day on their mobile devices.

There are even more opportunities for the tourism industry that have yet to be discovered. Recently increased the usage of the so-called “virtual reality”, helping to add new dimensions for branding and marketing. New inventions like these can improve the perceptions of customers in the tourism industry, but the development is not yet this far that every part of the tourism industry can benefit from it. (Belen Vidal, 2018).

Surveys and feedback are also conducted more easily with help of the new technologies. Especially in the tourism sector can this development have major improvements. Hotel owners can use the digitalization for their advantage, without having much effort to get feedback for their work. (Belen Vidal, 2018).

The sharing economy increased its popularity in the last years and is said to continue this trend. This movement can pose a serious threat for the hotel industry, as basically everyone can easily rent their home for a few nights. Airbnb is the most prominent example for sharing economies in the tourism industry. (European Parliamentary Research Service, 2017).

Automation is also a creeping factor following the new technologies. There are already hotels in Japan that have robots as working staff. This trend impacts the tourism industry significantly, as many jobs are at stake. But automation can be a good thing too, translation services have improved greatly and made it easier for people, that do not speak the local language to communicate. Especially for the older generations can this be a huge advantage, as they often do not speak that many languages anymore. Digital technologies will also help to create new marketplaces and business models. (Addo and Yagci, 2015).

3.3.2 New pricing

In recent times emerged new options in the tourism industry. Not only are more and more hotels arising, but there are also lots of other new options to choose from, which kind of tourism to choose, where to go, which activities to book and of course where to book. Tourism types that only emerged in recent years are for instance sustainable tourism, food tourism, wellness tourism and experimental tourism (Tagtoo, 2017).
Considering the new changes in the tourism sector and aligning the new strategies along with them can help to attract more customers and make the hotel more attractive to various new types of tourism.

### 3.3.3 Increasing importance of ratings

Entrepreneurs are very keen on feedback nowadays. The changing environments show that people watch increasingly former ratings of accommodations on the internet before they book their own travels. This can be a good opportunity for a company to attract more customers without having additional effort. The rising awareness of feedback is part of the increasing digitalization and the importance of opinions from other guests, friends and family or travel bloggers. (Bender Stringam and Gerdes, 2010, 773-774).

### 3.3.4 Evolving visitor demand

The tourism industry does not work without countries that are wealthy enough to go abroad. The visitor economies have changed a lot during the past decades as pending problems were addressed. The income and education levels increase in countries that haven’t had the standards before, the global population is still aging and following the tourism changes, new customer groups emerge. The people of the world will generally be richer and older in a few decades as the global middle class is growing. This will also result in a change in travels and offers both new opportunities and challenges for the hospitality industry. Alongside with the growing middle class comes a higher spending power at a rapid rate, partly owed to technological advances and greater access to goods and services. But this trend will also have challenges, for instance the automation of the labor force and inequality. For developed countries the trend is not as urgent as in emerging countries, the developed countries will face a much slower expansion. Another growing demographic group are the elderly, reason therefore is the increase in life expectancy and decreases in fertility rates. (Ewers, 2005).

In Europe, this demographic group is even growing faster than in other parts of the world. As elderly people have enough time to travel, the tourism industry will have major impacts following this trend. A challenge in this trend is the accessibility of tourism destinations, because elderly people are often not that physical fit anymore and need both physical access and additional information provision.

The new customer groups prefer unique and sustainable travel experiences and shift away from the traditional sun, sea and sand travels. The newer generations are highly influenced by social media and this is also seen in their travel decisions. (Globetrender, 2017).
3.3.5 Sustainable tourism

The tourism industry is highly dependent on natural resources, it consumes an enormous amount of energy and generates lots of greenhouse gas emissions. The most emissions are produced within transportation modes, both to and from the travel destination, but also with accommodations and the activities pursued in the travels. Overall contributes the tourism industry approximately 8% to the global GHG emissions (Dunne Daisy, 2018).

The industry can however raise awareness to destinations that are in need, finance conservation and management of places and increase the economic worth and significance. Tourism also offers employment and improves the economic development in both urban and rural areas.

Key factors in the tourism industry regarding the sustainability of the earth are fresh water resources, food production and waste minimization. Fresh water needs are rising as more and more activities are water-intensive and as a consequence of these changes, the tourism industry might be not feasible anymore in some parts of the world. Food production and waste minimization is especially important in the hotel industry, where the manager or leader of the hotel has significantly influence on the preparation and disposal of the food. (OECD, 2018, 71).

Overcrowding can be a negative consequence of impacts. It can even lead to higher taxes and higher living costs which then get unaffordable for the locals themselves. Another result of overcrowding can lead to people searching for destinations that are less visited and more resorted. However, it is proven that people are willing to pay more for their travels if it’s a sustainable journey. Lots of countries have already started to commit themselves to the social, environmental and economic agenda and with taking account of the previous and future impacts the tourism industry can shift to low-carbon and resource efficiency, including energy, water and biodiversity. (OECD, 2018, 95).

3.4 Selection criteria for Scandinavian travels

Figuring out what the Germans look for in Scandinavian travels is an essential part for the decision on how to enter the market as best as possible. The strategy can be aligned to the preferences of the customers as good as possible and being aware of their decision criteria can also help to influence the customers along with their decisions.

One big criterion for Germans when going abroad is the growing awareness to security and safety. After several terrorist attacks and natural disasters in popular vacation destinations all around the world, the Germans are scared to visit places that do not have a secured safety.
The flights to Turkey declined massively a few years ago after the attack in Istanbul and the Germans needed a long time to regain their trust again (Schlautmann Christoph, 2018b).

Along with the safety and security criterion, the shifting travel behavior to more sustainable travels can be one of the reasons why Spain lost popularity as Germany’s main destination abroad.

The prices of the accommodation play a big role in the decisions of the German tourists. It highly depends on the kind of travelling they do, if they are predominantly on vacation for relaxing they are more willing to spend higher amounts of money on the travels, but if they are on sports and exercising vacations, for instance bicycling and kayaking, they are not willing to spend that much money on the accommodations. Those kinds of travelers only arrive late in the evening and move on early in the morning. (Personal communication 24.03.2019). This customer group shouldn’t be the focus of Hotel Stallbacken as it is too expensive to spend a night at Hotel Stallbacken as a bicycle traveler according to an expert of a German travel agency. An export of the German tourism industry suggested therefore to maybe have more affordable prices in the summer times when the bicyclers and sports enthusiast are looking for accommodations. (Personal communication 28.03.2019)

<table>
<thead>
<tr>
<th>Area</th>
<th>Belegungsrate in Prozent</th>
<th>Zimmerpreis in Euro*</th>
<th>RevPAR in Euro*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uusima</td>
<td>68,4</td>
<td>111,87</td>
<td>76,49</td>
</tr>
<tr>
<td>Varsinais-Suomi</td>
<td>58,9</td>
<td>93,73</td>
<td>55,17</td>
</tr>
<tr>
<td>Satakunta</td>
<td>53</td>
<td>89,89</td>
<td>47,62</td>
</tr>
<tr>
<td>Kanta-Häme</td>
<td>42,1</td>
<td>82,08</td>
<td>34,54</td>
</tr>
<tr>
<td>Pirkanmaa</td>
<td>56</td>
<td>100,37</td>
<td>46,16</td>
</tr>
<tr>
<td>Päijat-Häme</td>
<td>44</td>
<td>93,12</td>
<td>40,98</td>
</tr>
</tbody>
</table>

This chart shows the average occupation rate, room price and profit per room in 2017 according to the different areas of Finland. Turku and the surrounding archipelago is part of Varsinais-Suomi and therefore has an average room price of 93,73€. As one night in Hotel Stallbacken costs 115€, it is visible that Hotel Stallbacken is more expensive than the average hotels in the Turku area.

Looking through the guest book was very enlightening as it is very visible to see what the highlights of the visit at Hotel Stallbacken and Grännas B&B were. A majority of the comments discussed the same features they liked the most, for instance the beautiful landscape, the tasty food, the friendly and courteous host and some activities available while...
staying at Stallbacken. As only the German guests are relevant for my bachelor’s thesis, I only evaluated those comments.

The ratings and comments were without exception from German guests at Hotel Stallbacken and Grännas B&B. One rating was extracted from Booking.com, one rating was extracted from Expedia.de and the remaining nine reviews were taken from the guest book. One point was given for the mentioning of the criteria within the notes of the guest book. If more than one criterion was mentioned in one note, all of the criteria’s mentioned received points.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Criteria</th>
<th>Evaluation</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beautiful, charming house</td>
<td>IIIIII II</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Tasty breakfast</td>
<td>IIIIII I</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Great hospitality and nice staff</td>
<td>IIIIII</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Childhood-memories</td>
<td>IIII</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Bikes</td>
<td>IIII</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Landscape/Countryside</td>
<td>III</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Finnish sauna</td>
<td>III</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Restaurant food</td>
<td>II</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Own kitchen in B&amp;B</td>
<td>II</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Familiar/homely</td>
<td>II</td>
<td>2</td>
</tr>
</tbody>
</table>

Tina Lang, head of the Fintouring company, where Hotel Stallbacken is already included in the program, also confirmed by herself but also by German guests that have been visiting Hotel Stallbacken in their travels, that they liked the good food of Hotel Stallbacken, the great service and the beautiful facilities (Personal communication 25.03.2019).

Figure 11 Guest book comment Grännas B&B (Guestbook Grännas B&B 2017)
One of the kindest and interesting notes in the guest book was from Marlene from Germany in 2017. She described Hotel Stallbacken and Grännas B&B as one of her childhood memories coming true, a very nice and beautiful “Bullerbü-house” just like in a book of Astrid Lindgren. She expected for Pippi or Michel to come around the corner every moment.

Ratings and reviews of the hotel and B&B can also be found on the booking websites. There was one extraordinary pleasant comment on the Expedia website that not only shows and confirms all statements from above but also highlights a few things Germans look for in travels.

![Figure 12 Expedia rating of Hotel Stallbacken (Expedia, 2015)](image)

This impressive comment on the Expedia website is also very interesting to analyze. The guest clearly states that Hotel Stallbacken was the most beautiful accommodation they had stayed at during their whole archipelago round trip. It is also mentioned again that the breakfast is very tasty and sumptuous, and that Mikael puts a lot of effort into enabling his guests a pleasant and memorable stay.

The things that were mentioned the most are the things that Germans look for when booking their accommodations at their desired destination. A few things were repeating itself when evaluating the ratings and comments from German guests. Most of the evaluated comments mentioned the beautiful and charming house, the great hospitality of both Mikael Granqvist and his staff and the tasty and sumptuous breakfast buffet. But what was really interesting to see was that also a lot mentioned to have fulfilled their childhood dreams while staying at the Stallbacken facilities. The red wooden houses are famous for different films and some guests felt like they are part of this again.

There are a few other criteria that are taken into consideration when Germans travel to Finland, for instance the economy of the host country as well as the economy of the home country, the seasons they are travelling in, health requirements and the flight prices. Those are
predominantly criteria that the owner of Hotel Stallbacken cannot influence and therefore they are not relevant for further investigation.

Having figured out what the Germans look for in their Scandinavian travels, can it help to improve the communication with the target group and offer new ways to reach even more customers. Knowing what to focus on and having the criteria factors that the Germans like highlighted in the descriptions online and offline can have huge advantages and get more bookings for the hotel. If it is known that they are searching for accommodations like in their childhood-memories with red wooden houses and landscapes, it could benefit to put pictures of the house online where they already get the impression of visiting one of the movie houses that they are dreaming about.

**3.5 Different types of customers**

A tourist is defined as “a visitor who travels to a country other than that in which he/she has his/her usual residence for at least one night but not more than a one year, and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited” (Hall & Müller & Saarinen, 2008, 9).

The tourism industry offers various types of customers. The most prominent types of tourists are business tourists, incentive tourists, religious tourists and pilgrimage, cultural tourists, adventure tourists, health or medical tourists, sport and recreation tourists, education travelers, shopping and retail tourists or leisure tourists (Hall et al., 2008, 5-6).

The tourism industry includes other groups as well, but the mentioned groups are the ones with the most followers and travelers. The type of customer is also influenced whether he travels alone or in groups. Some people travel fully independent, others prefer group tours. Additionally worth mentioning are people that visit friends and relatives, partially packaged travelers, backpackers and special interest travelers (ATEC and Tourism Australia, w.y., 10).

Not all those tourist groups are relevant for Hotel Stallbacken and Grännas B&B, as they have a special niche in the tourism industry, more focused on special interest travelers including nature lovers or sport enthusiasts and cultural, adventure and leisure tourists.

The number of incentive and conference travels of German companies declined immensely in the last few years due to tax reasons. Companies have to pay more for these kinds of travels nowadays and are therefore not willing to send their employees in foreign countries for incentives and conferences anymore. Therefore, incentive and conference travelers should not be the targeted group for Hotel Stallbacken to attract. (Personal communication 25.03.2019)
Special interest travelers can be divided into three groups: age, destination interests and venue. There are special travels for different age groups, for instance 55+ travels or 18-30 travels. Therefore, the trip program can be tailored to their interests and health and mobility conditions. Special interest holidays can also be focused on food, castles, motor racing, skiing, walking, music (Syratt, 2004, 23-25).

Cultural tourism is referred to as “the segment of the tourism industry that places special emphasis on heritage and cultural attractions” (Sigala and Leslie, 2006, 5). One of the aims of cultural tourists is to gain new knowledge and experiences, they prefer authentic and cultural important destinations.

Leisure travel is defined as “travel in which the primary motivation is to take a vacation from everyday life (McGuigan Brendan, 2018). These kind of travelers look for fun and excitement during their travels, but can also include rest and relaxation. The participation in local tourist attractions or going on guided tours are also characteristics of the leisure travelers. This is exactly the target group Hotel Stallbacken should be aiming for, as they have a broad offer of attractions and exercises but also a hot tub and sauna for rest and relaxation.

The German travelers can be divided into five sub-groups. The most prominent group consists of the premium travelers, that prefer nice and quiet relaxing and recreation holidays. The next bigger group are the discoverers, that visit predominantly new destinations and cultural sites, where they haven’t been before. The package tourists prefer to book the offered all-around-packages. The traditional tourists from Germany are the ones that book their travels completely on their own, knowing what they want to see and do. The last group are the people of Germany that do not want to travel at all, especially not abroad (Yahoo Deutschland, 2016).

After extensive research by the author of the thesis are following German groups relevant for the Finnish hospitality industry:

- Finland enthusiasts: mostly elderly people or people that have been travelling to Finland a lot, appreciation of quality of life, pure nature and responsibility
- People with enough money to afford the higher prices of Finland: e.g. young achievers, well situated families and couples, …
- People searching for extraordinary experiences: e.g. ice hotels, ice breaker cruises, northern lights, husky sledding, …
- Activity enthusiasts: bicycling, kayaking, hiking, …
- Authentic lifestyle seekers
Bloggers specialized on Scandinavia and/or Finland
- People that want to see the whole world and are still missing Finland/Northern Europe in their travels
- Nature wonder hunters and explorers

(Team Finland, w.y.)

4. Entry modes

Going abroad can entail different impacts on a company. Deciding on one concrete entry mode is not always the most suitable solution as many factors have to be considered in the decision and one way only may not bring all the anticipated and desired outcomes. The hospitality industry offers a great deal of different ways to enter new markets. This chapter introduces the reader to different ways of entering new markets, some are very suitable for Hotel Stallbacken, some may not bring the anticipated results.

4.1 Criteria for entry mode strategies

Before deciding for one concrete entry mode, there are particular criteria factors that have to be considered. Every new market entry pursues different goals and one concrete market entry strategy may not fulfill the desired aims and goals, sometimes more than one entry mode has to be combined to fulfill the desired success and get the anticipated results.

4.1.1 Goals

The most important criteria for a new market entry are the goals of the existing company. They wish to accomplish their aims through the new market entry, and therefore the goals must be set in advance. The aim and goals have already been discussed in the beginning of the thesis but Mikael Granqvist’s main goal of this collaboration is to attract German customers to his hotel facilities. As already mentioned are the goals and results not measurable for purposes of this thesis.

4.1.2 Company’s size and available resources

The company’s size has to be taken into consideration. Hotel Stallbacken and Grännas B&B is an individual and independent hotel in the archipelago of Turku and doesn’t belong to any bigger chain of hotels.
There are no further resources available regarding money or time. The hotel already tries to market the facility as best as they can and there is not much room left for further resources. Mikael tries to do most of the things on his own, but his time is also limited, he confirmed that he does not have enough resources as in time and money to specialize significantly on the German market.

4.1.3 Competition

Another big factor regarding the market entry in a foreign market is the competition on the market. Other players on the same market can have huge impacts on the own company. There are lots of different destinations to choose from, so it should be concentrated on the people that want to spend their holidays and trips in Northern Europe.

4.1.4 Current engagement to foreign markets

The current engagements to foreign markets are a critical factor on working out new ideas for market entries. Former experiences can help the companies see which markets could be opportunities to enter or which markets are not feasible to enter. Hotel Stallbacken mainly hosts residents from Finland itself, but also international guests from all over the world. The most important market is still Finland, but as Sweden is right next to the country, it is also a big opportunity. The German market has already been entered a few years ago, there have been a number of visits from German people in both the hotel and the B&B, but there is much more potential to attract the German tourists.

4.1.5 Employee’s competences and attitude

Internationalization is not only opportunity but also commitment. Different people, cultures and languages require the attention of the employees. Other countries have other cultures and to prevent possible clashes, it is important to be aware of those differences. Speaking the language of the market that wants to be entered is a significant advantage. Knowing the attitudes and preferences of the incoming guests from abroad is also essential for leading a successful business. Mikael Granqvist has major advantages regarding the employee’s competences as he is the contact person of most of the guests and speaks German. Naturally, not all employees of the hospitality industry have to understand the cultures and speak the foreign languages. As the owner is also very fond of German tourists and likes to enable them the best stay possible at his facilities, there shouldn’t be any problem with attitudes towards internationalization.
4.1.6 Timing of market entry

The timing of the market entry is often crucial. Thousands of companies failed their entry into a new market just because they didn’t pay enough attention to the time of the entry. As Germany has a big tourism industry and a growing number of people going abroad, the time of the market entry to attract more German guests is just right. The German population that considers travels to Northern Europe is increasing and as people willing to spend more money on travels, it is a good opportunity to cover this market.

4.2 Which channels are available?

The booking of accommodations for business trips or vacations has changed a lot in the last decades. The latest advances in technology and digitalization brought major changes in the tourism industry. In former years, the usual way for tourism businesses to distribute their travels was through intermediaries. Due to growing digitalization in our daily lives and the following rising usage of mobile devices, the tourism industry is offered new ways to sell their products and services. Trips get booked through the mobile phone or the tablet, comfortable at the couch. The tourist industry faces structure changes and loses partly control and value for money for the customers, as it gets easier to just visit the website or online search portal and book the trip.

There are various channels available for German tourists to book and get information on Finnish accommodations. As already introduced in the beginning of the thesis consists the German tourism market of tour operators, service providers and product portals. Those are sometimes available both online and offline.

4.2.1 Travel agencies

A travel agency is defined as “an agency engaged in selling and arranging transportation, accommodations, tours, and trips for travelers” (Merriam-Webster, 2019). Basically, travel agencies are companies that provide tourists and travelers with their travels and trips including how to get there, where to sleep and what to do at the destination. There are different travel agencies available for tourists to book their travels. The most prominent are retail travel agencies, online travel agencies, meta search engines and travel aggregators.
4.2.1.1 Retail travel agencies

The traditional travel agency is a retail agency that is situated offline in physical location. People are able to personally enter the company and book their travels offline. The travel agency will search and book the trips for the customer accordingly to their wishes. Some retail travel agencies are part of bigger chains that work together. Others are independent and working on their own. The offers they have also depend significantly whether they are in a chain or working independently, as the chain travel agencies all have the same pool of destinations, transports and accommodations.

4.2.1.2 Online travel agencies

Online travel agencies, also referred to as OTA’s, are the opposite of retail agencies. In contrast to the classical retail travel agencies sell online travel agencies their travels online at their websites. This serves the opportunity to reach millions of people all around the world in just a few seconds. Booking websites are part of the online travel agencies. They sell their trips, transportation modes, accommodations and everything linked to travels online. The consumers are able to book their trips comfortable from their couch through mobile phones, laptops or tablets. Famous booking websites in the German area are Booking.com, Ab-in-den-urlaub.de and Expedia (Arbeitsgemeinschaft Verbrauchs- und Medienanalyse, w.y.). The websites are also useful for pictures, ratings, availability and reviews. The accommodation usually must pay about 10-20% commission for every booking that is operated through the online travel agency.

Germany offers various booking websites for tourists and travelers to book their desired destination. As Hotel Stallbacken and Grännas B&B are already represented on the booking websites mentioned earlier in the theses, it was agreed that no further collaborations with booking websites will be taken into consideration. Having too many booking websites at once can have fatal consequences such as overbooking or cancellations at the last minute.

4.2.1.3 Metasearch engines and travel aggregators

Metasearch engines are websites that compare prices of transportation modes, trips, packages or accommodations on the same date and same type. They are basically extracting the information from different online travel agencies to compare the prices and find the most suitable offer for the customer. Prominent metasearch engines are Trivago, Kayak, Skyscanner or even Google.
For small businesses and companies are usually online travel agencies of advantage as metasearch engines are slightly more technical to manage, but they can be very attractive to small businesses as well if operated correct and efficient (Thielin Florie, 2018).

4.2.2 Tour operators

A tour operator is “a company that makes arrangements for travel and places to stay, often selling these together as package holidays” (Cambridge Dictionary, w.y.). Tour operators can be divided into four groups. The first is inbound tour operators, also called ITO’s. Inbound tour operators are predominantly local and trying to promote local businesses and industries. They collaborate with companies to make the destination and region more appealing for different types of customers. They put together and promote packages to boost the economy of the area they are situated in and work together with travel agents or other distribution partners (Tran Lina, 2018). This form of tour operators is especially useful for the local businesses that are trying to get more customers just like Hotel Stallbacken. Domestic marketing companies are the second group of tour operators, followed by outbound tour operators as third group. Domestic marketing companies, also known as DMC, and act basically like inbound tour operators. They have extensive information and knowledge about the specifics regarding their local region, like social, legal, economic, political and technical current situation. Outbound tour operators are more specialized on international tourists and travelers. This kind of tour operators also distributes mainly trips to a particular destination, country or continent. The locals in these areas try to be as appealing as possible to sell their services and be included in the packages of the outbound tour operators (Tran Lina, 2018).

The fourth group of tour operators are wholesale tour operators. Wholesale tour operators sell directly to independent travel agents. They can also collaborate with inbound tour operators in case needed (15toGO, 2018).

4.2.3 Social networking websites and blogging

Social networking websites are gaining increasingly popularity in today’s world. They are defined as “a website that allows subscribers to interact, typically by requesting that others add them to their visible list of contacts, by forming or joining sub-groups based around shared interests, or publishing content so that a specified group of subscribers can access it” (Collins English Dictionary, w.y.).
Social media usage is also increasing at a rapid speed currently. As the channels are wide-reaching and very fast, it can have both advantages and disadvantages to be part of this journey. Social media influences the traveler experience not only during the trip but also beforehand and after the travels. For the thesis relevant are the channels Instagram and Facebook. Instagram is mostly specialized on posting pictures and videos, whereas Facebook posts show more information and content.

Hotel Stallbacken is already represented at Facebook and Instagram. The channels are well run and allow the German tourists to get first impressions of the Hotel in a short time. Keeping the pages updated regularly is very important, the owner does this very frequently. The Facebook site has more than 1,300 likes, which is, compared to other small businesses, quite a high number. I was confirmed by someone working at an incoming agency specialized on Scandinavian travels, that the online presence of Hotel Stallbacken is well run and does not leave much to change for future references.

Another way to reach more customers is through blogs. The word “blog” is a combination of two other words: Web and log. A blog “is a chronologically ordered series of website updates, written and organized much like a traditional diary right down to the informal style of writing that characterizes personal communication” (Gardner and Birley, 2008, 9). Blogs can be written about basically every topic there is in this world, but there are still bloggers that specialized themselves on certain topics to write about. Those topics include food, clothing, celebrities, drinks and most importantly for this thesis: travels. There is an astonishing number of travel bloggers all over the world, posting pictures, experiences, comments and opinions on their own blogs.

For Hotel Stallbacken can collaborations with bloggers or similar activities be good opportunities to enter the German market, especially the younger generation that is practicing in social media quite frequently.

The travel bloggers usually visit the destination, take pictures of the facilities and activities and post them online for all their followers or readers to see. It is common that these travel bloggers can stay at the hotels for free and therefore advertise the facility online. German bloggers are in this regard more suitable as they reach more German tourists, Finnish travel bloggers seldomly have German followers as their posts are mainly in Finnish. An English-speaking travel blogger from either Finland or Germany could also be considered for a collaboration. Possible travel bloggers to collaborate with are mentioned later in the thesis.
4.2.4 Partnering with Visitor Information Centers

Collaborations with visitor information centers in the area of the hotel can be a big advantage for the local establishment. Foreign people can easily ask for further information in the visitor information centers, depending on their interests and plans. Those information centers mostly offer their information material in more than one language, that makes it easier for foreign visitors to get information.

Hotel Stallbacken is represented in three different visitor information centers, in Turku, Pargas and Nauvo. The collaboration with different tourist information centers can be improved as there is sparsely material in the centers where Hotel Stallbacken is included. Additionally worth mentioning is that the visitor information centers like VisitTurku and VisitParainen usually organize ‘media trips’ for foreign bloggers to come and visit the chosen destinations. Several visitor information centers were contacted and they replied that they are planning media trips, but they are not allowed to tell me if Hotel Stallbacken is included yet.

4.2.5 Publicity, events, fairs and trade shows

The tourism industry offers various opportunities to participate in different public events, fairs and trade shows. Usually, smaller hospitality services get represented by someone that is specialized on public events and knows how to market the facilities right.

The world’s leading travel show is called ITB, “International Tourismus Börse”, and took place in Berlin in March 2019. Fairs like this one can also be big opportunities for companies to enter foreign markets and attract more customers.

As Hotel Stallbacken is a relatively small business, other fairs or public events have to be found to participate, for instance in the region of Turku, Nauvo or Pargas. International fairs like the ITB are more focused on the tourism industry itself and the biggest players on the market and not directly on small enterprises in foreign countries.

An opportunity for Hotel Stallbacken could be to search for a partner that visits tourism fairs and events on the regular and represents Hotel Stallbacken and Grännas B&B there. Mikael Granqvist could also think about going on German fairs and making his business more known in different areas of Germany, simple conversations at tourism fairs can also lead to possible collaborations and more guests. Suggestions for German fairs to attend are discussed in the next chapter.

The visitor information center of Turku recommended to visit the ‘Matka’ Nordic travel fair that takes place every year in January in Helsinki.
4.3 Popular channels

As the digitalization impacts the tourist industry to a high extent, the information search and inspiration pursuit also shifts along with the modern times. Some prefer to get their needed advice and knowledge online, whereas others still prefer to see a retail travel agency of trust, where they are assured that the person working there is experienced in the fields of tourism.

Germany is one of the few countries, where retail travel agencies are still very prominent and people like to book offline. The inspiration on where to go is with 62% of the tourists mainly found on the internet, only 19% visit the travel agencies for inspiration for their trips. These inspirations are mainly found on social media channels. If they know where to go, the information search is still predominantly done online but 27% of the Germans still visit the travel agencies to get information. For their researches at home is primarily the smartphone and tablet used (Yahoo Deutschland, 2016).

As already mentioned get German tourists their inspiration mainly from social media, but information about the destinations and pictures can also be found on different websites in the internet. Facebook is the most prominent social media channel for the German population. Facebook has 32 million users that are actively using Facebook, 23 million of them even daily (Roth Phillip, 2018). The Facebook audience also reaches through all ages, for a small business in a foreign country it can be a good opportunity to cover these possible interests with a prominent appearance on the Facebook website. Instagram is also very prominent in Germany with 10 million users every week and 6 million users daily. Hashtags can additionally help and support in finding and promoting hotels within all pictures posted. This could be an opportunity for Hotel Stallbacken to gain further attention of German tourists, especially the young audience (KONTOR4 GmbH, 2019).

The German social media behavior regarding tourism differs slightly from the normal usage of the social media channels. 99% of people and companies working in the German tourism industry that use social media integrate Facebook in their communications. Facebook is followed by Twitter (76%), YouTube (72%) and Instagram (58%) (adpublica, 2016). Germany’s most popular website to use for travel and tourism-linked searches is tripadvisor.de, followed by skyscanner.de and aida.de (SimilarWeb, 2019).

To sum up, the German population still frequently visits retail travel agencies to book their trips, mostly when more complex travels are lined up, but there is still a bigger group that also visits the travel agencies for more common trips or information search. Nevertheless, social
media should not be underestimated as quite many Germans use those channels, for entertainment purposes as well as for travels and vacations.

5. Result: Market entry strategy

The following part contains various ideas about how to get in contact with the German outbound market or more precisely the German tourists. As I have experienced myself in this work, it is not very easy to get in contact with professionals, for instance companies, travel agencies and tour operators from Germany, trying to promote a small business in another country but I have included all the actions I took in this and the next chapter of the thesis.

5.1 Set clear goals

The main goals of the thesis were already mentioned in chapter 1.3. The research questions are partially already answered, some of them are still to be answered in the next chapters. The thesis should be of real benefit for Hotel Stallbacken, Grännas B&B and the owner.

5.2 Research your market

The market has already been evaluated in chapter 3. Germany has a big outbound market and there is a high potential of people visiting Finland or one of the other Nordic countries. The trends mentioned can influence the travel behavior of the Germans positively but also negatively. As already mentioned it is a big advantage to know what people look for when deciding about their travels and if Mikael Granqvist considers some of the criteria that I have presented in the last chapter, there should not be any problem in attracting more guests to his hotel.

5.3 Study the competition

The hospitality and tourism industry is a very competitive one. The competition starts with the decision where to go for vacation. Those are decisions that cannot be influenced by Mikael Granqvist or Hotel Stallbacken, so the strategy therefore would be to focus on the tourists who already decided to travel to Scandinavia and Finland.

As already mentioned the biggest competitors for Hotel Stallbacken are the small businesses in the archipelago of Turku, especially those situated in Nauvo. The German market is an opportunity that not all hotel businesses in the Turku archipelago have yet grasped, so it could be an enormous time advantage to start the acquisition of German tourists now.
5.4 Choose your mode of entry

Entering the German market cannot really be put into one mode of entry, as more factors play together for an effective strategy to acquire more German customers. The following chapter describes different ways and suggestions for Hotel Stallbacken and Grännas B&B to attract more German guests. Some of the suggestions are already started, meaning that I already got in contact with the companies, others are more based on the owner’s wishes and could be implemented by himself. Besides writing the empirical part of my thesis, I wrote about 350 e-mails to various visitor information centers, Finland-experts, Finland-specialists, magazines and tour operators or travel agencies in Germany.

5.4.1 Finland travel providers

For the empirical part, various tour operators, travel agencies and other providers of Finland-tours have been contacted. I have only contacted the ones that actually offer Finland travels. This is a list of all the websites I have contacted, either through telephone or e-mail. The findings and results are evaluated after the list.

<table>
<thead>
<tr>
<th>Name</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>360 Grad</td>
<td><a href="https://www.360gradreisen.de/finnland/">https://www.360gradreisen.de/finnland/</a></td>
</tr>
<tr>
<td>Andersweg.reisen</td>
<td><a href="https://www.andersweg.reisen/Reisen/Finnland/">https://www.andersweg.reisen/Reisen/Finnland/</a></td>
</tr>
<tr>
<td>Atraveo</td>
<td><a href="https://www.atraveo.de/">https://www.atraveo.de/</a></td>
</tr>
<tr>
<td>Baltikum Reisen</td>
<td><a href="http://www.mare-baltikum-reisen.de/">http://www.mare-baltikum-reisen.de/</a></td>
</tr>
<tr>
<td>Finn Active Travel</td>
<td><a href="http://www.finn-active-travel.com/">http://www.finn-active-travel.com/</a></td>
</tr>
<tr>
<td>Fintouring</td>
<td><a href="https://www.fintouring.de/">https://www.fintouring.de/</a></td>
</tr>
<tr>
<td>FjordKind</td>
<td><a href="https://fjordkind-reisen.de/finnland/">https://fjordkind-reisen.de/finnland/</a></td>
</tr>
<tr>
<td>Hummel Reisen</td>
<td><a href="https://www.hummel-reiseideen.de/">https://www.hummel-reiseideen.de/</a></td>
</tr>
<tr>
<td>Interchalet</td>
<td><a href="https://www.interchalet.de/">https://www.interchalet.de/</a></td>
</tr>
<tr>
<td>Interhome</td>
<td><a href="https://www.interhome.de/finnland/">https://www.interhome.de/finnland/</a></td>
</tr>
<tr>
<td>Karhu-Reisen</td>
<td><a href="https://www.reise-karhu.de/wanderreisen/finnland.html">https://www.reise-karhu.de/wanderreisen/finnland.html</a></td>
</tr>
<tr>
<td>Kria Tours</td>
<td><a href="https://www.kria-tours.de/start/index.php">https://www.kria-tours.de/start/index.php</a></td>
</tr>
<tr>
<td>Loma Reiseagentur</td>
<td><a href="https://loma.de/">https://loma.de/</a></td>
</tr>
<tr>
<td>Nordic holidays</td>
<td><a href="https://www.nordic-holidays.de/">https://www.nordic-holidays.de/</a></td>
</tr>
<tr>
<td>Nordicträume</td>
<td><a href="https://nordtraeume-reisen.de/reisen-nach-finnland/">https://nordtraeume-reisen.de/reisen-nach-finnland/</a></td>
</tr>
<tr>
<td>Nordtur</td>
<td><a href="http://www.nordtur.de/">http://www.nordtur.de/</a></td>
</tr>
<tr>
<td>Polar Erlebnisreisen</td>
<td><a href="https://www.polar-erlebnisreisen.de/">https://www.polar-erlebnisreisen.de/</a></td>
</tr>
<tr>
<td>Polarkreisreisen</td>
<td><a href="https://www.polarkreis-reisen.de/winterreisen.html">https://www.polarkreis-reisen.de/winterreisen.html</a></td>
</tr>
<tr>
<td>Rawakas</td>
<td><a href="https://www.rawakas.de/">https://www.rawakas.de/</a></td>
</tr>
<tr>
<td>Rucksack Reisen</td>
<td><a href="https://www.rucksack-reisen.de/">https://www.rucksack-reisen.de/</a></td>
</tr>
<tr>
<td>Sandoz Concept</td>
<td><a href="https://www.sandozconcept.com/">https://www.sandozconcept.com/</a></td>
</tr>
<tr>
<td>Schulz Aktiv Reisen</td>
<td><a href="https://www.schulz-aktiv-reisen.de/?do=land&amp;id=17">https://www.schulz-aktiv-reisen.de/?do=land&amp;id=17</a></td>
</tr>
<tr>
<td>Service Reisen Gießen</td>
<td><a href="https://www.servicereisen.de/zielgebiete/">https://www.servicereisen.de/zielgebiete/</a></td>
</tr>
<tr>
<td>Skandinavientrips</td>
<td><a href="https://www.skandinavientrips.de/">https://www.skandinavientrips.de/</a></td>
</tr>
<tr>
<td>Skandinavische Reiseagentur</td>
<td><a href="https://www.skandinavische-reiseagentur.com/">https://www.skandinavische-reiseagentur.com/</a></td>
</tr>
<tr>
<td>Studiosus</td>
<td><a href="https://www.studiosus.com/">https://www.studiosus.com/</a></td>
</tr>
<tr>
<td>TopNord</td>
<td><a href="https://www.top-nord.de/">https://www.top-nord.de/</a></td>
</tr>
<tr>
<td>TourFinland</td>
<td><a href="http://www.tourfinland.de/">http://www.tourfinland.de/</a></td>
</tr>
</tbody>
</table>
Contacting the Finland travel providers was at first done on the telephone, but after a lot of rejections, e-mails have been written. E-Mails can also be evaluated more easily than phone calls. Out of the 42 tour operators and travel agencies replied 16, which represents 38% of the contacted people.

The E-mail I wrote to them included short information about myself and that I am currently writing my bachelor’s thesis in Turku. Hotel Stallbacken was shortly introduced and it was asked if they are currently searching for new partners in Finland. They were asked for information for the bachelor’s thesis, if they have any additional ideas on how to attract more customers to Hotel Stallbacken or if they can tell me more about the decision behavior of Germans traveling to Finland.

It is not possible to measure the success of my contact establishments in numbers; therefore I am just going to write about the kind of partnerships I have established. Forwarding information about Hotel Stallbacken to a German tour operator or travel agency, for instance the price lists or pictures, also counts as success, as this is a way to make Hotel Stallbacken more known in the professional German tourism market and those attempts can end up in a collaboration in the next years.

Evaluating the 16 replies of professionals in Germany:

- 11 out of the 16 replies contained either information about the German travel behavior and decisions or ideas on how to attract more German tourists to Hotel Stallbacken. I have summed up all opinions, researched further and verified the new information.

- 7 out of the 16 replies asked for further information about Hotel Stallbacken, their price lists or pictures. I have forwarded all the material to them and most of them replied that they are going to have a look into it and get directly in contact with Mikael Granqvist for bookings. I have also established the direct contact to the owner with a
few of them. This is a big success for Hotel Stallbacken in the professional industry, as the people that I have contacted were mostly the ones that actually plan and book the trips in their company.

- Three direct collaborations with German tour operators have been established that either have sent guests to Hotel Stallbacken already or will be doing it in the following months. The remaining collaborations did not send guests yet, but after consultation with them I am convinced that there will be bookings in the coming months and years.

- 4 out of the 16 replies did say from the very beginning that they either currently do not have interest in hotels in the archipelago of Turku or that they are not searching for new contacts at the moment.

Overall, it took a lot of time and effort to make contact and stay in touch with the professionals of the German tourism market, but the results were worth the effort. Even though most of the contacted persons did not even reply, I still have established collaborations and forwarded a lot of information to various Finland-travel-operators, that can end up in collaborations in future times. I have added a small paragraph in the next chapter on how those professionals are best approached in the German market and therefore how Hotel Stallbacken could further collaborate with them in the future.

5.4.2 Prominent German Blogger

The Germans love to blog and there is a huge number of blogs available. While researching for my thesis I even discovered a high number of Scandinavian-themed blogs from German people. I thought that this would be perfectly suitable for my thesis, for this reason I contacted them to get further information and possible collaboration partners. A collaboration between a hotel and a blogger is basically an agreement where the hotel offers an accommodation package, most of them contain overnight stays, food and activities during their stay. In return, the blogger takes pictures and videos of the hotel facilities and activities and posts them on social media. Some of the bloggers also write articles about the stay at the hotel on their blog.

My e-mail to them included a short introduction of myself, that I am currently living in Finland and writing my bachelor’s thesis in Turku. I furthermore explained the topic of my bachelor’s thesis and that blogs are one way to make more people aware of Hotel Stallbacken and therefore get more German guests to the hotel. I also asked, if they have additional
information relevant for my thesis, if they knew of any additional ways to attract more German guests and if they would be interested in a collaboration with Hotel Stallbacken.

The following persons will be referred to as bloggers here, for simplicity reasons, but it is to say that most of them are not full-time bloggers, but do have other jobs, for instance journalists, photographers or authors.

This is a list of all the German blogs I have contacted during the writing of my thesis:

<table>
<thead>
<tr>
<th>Name</th>
<th>Website/Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Besser Nord als nie</td>
<td><a href="http://www.besser-nord-als-nie.net/">http://www.besser-nord-als-nie.net/</a></td>
</tr>
<tr>
<td>Fernwehge</td>
<td><a href="https://fernwehge.com/">https://fernwehge.com/</a></td>
</tr>
<tr>
<td>Finntastic</td>
<td><a href="https://finntastic.de/">https://finntastic.de/</a></td>
</tr>
<tr>
<td>FinnTouch</td>
<td><a href="https://www.finntouch.de/">https://www.finntouch.de/</a></td>
</tr>
<tr>
<td>Finnweh</td>
<td><a href="https://finnweh.de/">https://finnweh.de/</a></td>
</tr>
<tr>
<td>Helden unterwegs</td>
<td><a href="https://heldenunterwegs.de/">https://heldenunterwegs.de/</a></td>
</tr>
<tr>
<td>Mahtava</td>
<td><a href="http://mahtava.de/">http://mahtava.de/</a></td>
</tr>
<tr>
<td>Meerblog</td>
<td><a href="https://meerblog.de/">https://meerblog.de/</a></td>
</tr>
<tr>
<td>Nordlandfieber</td>
<td><a href="https://nordlandfieber.de/">https://nordlandfieber.de/</a></td>
</tr>
<tr>
<td>Nordlangblog</td>
<td><a href="https://www.nordlangblog.de/">https://www.nordlangblog.de/</a></td>
</tr>
<tr>
<td>Nordlicht unterwegs</td>
<td><a href="https://nordlicht-unterwegs.de/">https://nordlicht-unterwegs.de/</a></td>
</tr>
<tr>
<td>Schweden und so</td>
<td><a href="https://www.schwedenundso.de/">https://www.schwedenundso.de/</a></td>
</tr>
<tr>
<td>TarjasBlog</td>
<td><a href="https://tarjasblog.de/">https://tarjasblog.de/</a></td>
</tr>
<tr>
<td>Travelstories</td>
<td><a href="https://travelstories-reiseblog.com/">https://travelstories-reiseblog.com/</a></td>
</tr>
</tbody>
</table>

Out of the 14 German bloggers that are all specialized on Finland, 13 replied. That number was really astonishing and also a great contrast to my contact requests with the professionals of the German tourism industry.

Evaluating the 13 replies of the German bloggers:

- Information for the topic of my thesis was received from every single one of them. They showed a big interest in the topic and were very eager to help in every step. They also offered telephone calls in case I needed further explanations. Almost all of them suggested to go to the visitor information centers or contact them to get more information, this has been done.

- Three cooperations have been established that certainly will be taking place in the summer of 2019. The three bloggers and journalists will visit Hotel Stallbacken, stay there for two nights and take pictures and videos that they can share on their websites and in their social media channels.

- Furthermore there are five possible collaborations that have not been settled yet at the date of submission of this thesis but will be settled in the near future.
Additionally, I was offered an article about Stallbacken that includes an interesting story about the hotel or Grännas B&B. The story was forwarded to the blogger and the story will probably be posted in the summer of 2019. This is an efficient way to reach the readers of the blogs that mostly consist out of people who are interested in Finland and are therefore potential target markets.

Contacting the bloggers and journalists was simpler than contacting the professionals. The bloggers were very interested in my topic and wanted to help as much as they could. I had luckily contacted three persons who are actually going to Finland in 2019 and therefore will pay a visit to Hotel Stallbacken and Grännas B&B. This is the best possible outcome I could have asked for.

Overall, the three bloggers that are visiting Stallbacken in the summer of 2019 have 61,500 page views and 46,000 followers. This can be considered as quite a high number that will be reached with the articles and pictures about Hotel Stallbacken of the visits from the bloggers.

5.4.3 Additional social media channels

As already mentioned social media is one of the most efficient ways to reach out to potential customers. Stallbacken is already represented on Facebook and Instagram. Also relevant for the travel and tourism industry are two other channels: Snapchat and Pinterest. The latter two channels are often used by companies in the media industry but are not very efficient for a small business in the hospitality sector. Both channels include an enormous number of pictures from different travel bloggers, tourism companies or travel agencies, but for a hotel to make advertisement it is not very useful. It can be considered to build a collaboration with a travel blogger that is also active on Pinterest and Snapchat, to cover some of the potential that the social media channels offer.

5.4.4 Fairs and public events in Germany

Germany has a large number of tourism related fairs and public events that are visited by professionals working in the tourism industry and tourists. It is both possible to send a representative to those fairs in the name of Hotel Stallbacken or for Mikael Granqvist to be the representative himself. It could also be very informative to visit the fairs and events without having a booth, the owner of Hotel Stallbacken can get further and deeper knowledge on the travel behavior of the Germans and spark new ideas in interesting discussions and conversations.
There is one especially interesting event in Germany, also relevant for the thesis: SkandinavienWelt. SkandinavienWelt is part of the event Reise + Camping in Essen, Germany, usually takes place in February every year. It is a separate part of the event, designed for Nordic lovers, Scandinavian tour operators and basically anyone interested in the Nordic countries. There are also guest lectures and the awarding of the Scandinavian Travel Awards. This can also be a big opportunity for the owner and Hotel Stallbäckken. The next Reise + Camping event will take place between February 26 and March 1 in 2020.

Other German tourism events worth visiting:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Name</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>09.-10-07.2019</td>
<td>RDA Group Travel Expo, Köln</td>
<td></td>
<td>This event is specialized in international group tours, their ideas, products and the future of group tours.</td>
</tr>
<tr>
<td>11.-13.09.2019</td>
<td>Seatrade Europe, Hamburg</td>
<td></td>
<td>Seatrade is an international cruise and seafaring event. Exhibitors introduce the newest innovations and inform about harbors and destinations from all over the world.</td>
</tr>
<tr>
<td>03.-06.10.2019</td>
<td>Dortmunder Herbst, Dortmund</td>
<td></td>
<td>Companies, organizations, private and public institutions present their products and services. Visitors can both find information and book the travels right away.</td>
</tr>
<tr>
<td>25.-26.10.2019</td>
<td>Reisebörse, Chemnitz</td>
<td></td>
<td>This event gives visitors interested in travels the chance to be in direct contact with tourist information centers.</td>
</tr>
<tr>
<td>31.10.-03.11.2019</td>
<td>Reisen &amp; Caravan, Erfurt</td>
<td></td>
<td>At this event, visitors can get inspirations and ideas for their next holidays, either with or without caravans. Exhibitors are representatives from foreign countries, vacation destinations, hotels and travel agencies.</td>
</tr>
<tr>
<td>08.-10.10.2019</td>
<td>ReiseLust, Bremen</td>
<td></td>
<td>ReiseLust is specialized in adventurous and diversified vacations especially for families, including beach vacations, active trips or hiking holidays.</td>
</tr>
<tr>
<td>22.-23.11.2019</td>
<td>Expolingua, Berlin</td>
<td></td>
<td>Expolingua is an international fair specialized in languages and cultures.</td>
</tr>
</tbody>
</table>

(MessenInfo, w.y.)

### 5.4.5 German tourism magazines

The German tourism and hospitality industry offer various different magazines for people to read, according to their interests. Hotels have the possibility of placing an advertisement in the magazines, depending on the size, colors, pictures and length, this can easily cost more than 1,000€ (personal communication 22.03.2019).
During the work of my empirical part, I was also offered to write an article in a big German magazine specialized on North-European travels. The main article should consist of information about Turku and the surrounding archipelago, but Hotel Stallbacken will also be included. This is a great way to reach yet another target group on the German market.

5.5 Figuring out the financing needs

The thesis was intended for Hotel Stallbacken to not have any additional costs for the market entry in Germany. The thesis discusses possible ways for Hotel Stallbacken to gain more German guests and does not include to acquire them through paid services. It is possible to invest money in the new market entry, but as Germany is not the main market, it is not relevant for the market entry at this stage.

5.6 Develop the strategy document

Various ways have already been mentioned to enter the German market and attract new guests to Hotel Stallbacken. New ideas for possible collaborations in the next years have been discussed further as it mostly takes time to establish new partnerships.

There are still a few options and new ideas for now and the future that could help Mikael Granqvist to attract more German guests. Those suggestions are not linked to the market entry modes but are more focused on the interaction with former guests and the hotel’s appearance online.

An increasing number of hotels is now improving their appearance on the world wide web as people are increasing their online bookings and information search. Different ideas and suggestions for improving the interaction with customers and consequently getting more bookings in return could be:

- Uploading a virtual tour of the hotel on the company website
  This new way of showing the facilities of the hotel was a consequence of changing technologies and the emerging of virtual reality. The customers can get a first impression of the facilities and are therefore more familiar with the hotel.

- Improving ratings on booking websites
  Hotel Stallbacken as well as Grännas B&B have both excellent ratings on booking websites and have received several Guest Review Awards thanks to that. This trend can always continue, a hospitality facility will never have enough ratings and it should
always be prioritized that new ratings are available all the time. A new way to take care of this problem is to subtly and tactfully ask the guests and customers for ratings and comments on the internet. This can also be combined with incentives or prizes for the guests that actually leave comments and ratings about the hotel. Those incentives can include free drinks, a free dinner or discounts on certain activities.

- Direct interaction with customer on social media
  A good way to interact with former and future guests is through the hotel’s social media channels. The channels are well run and display useful information. With interacting with the customers in the comments of pictures, the hotel builds a relationship with their customers. Mikael Granqvist already responds to comments and ratings on various booking websites, this is certainly a positive gesture for the guests.

- Welcome drinks or free room upgrades
  People are often attracted by the smallest gestures and sometimes even the little actions like welcome drinks help receive better ratings and more guests following positive word-of-mouth. More of these little things combined can give the guest a whole new experience of staying at the hotel and result in positive feedback for the facilities. Also, free room upgrades can give the guests feelings of belongingness and make them feel special and welcome.

- Prize drawing
  Prize drawings have always been very popular and there are different ways to introduce them in the hospitality industry. There could for instance be a prize drawing on the Instagram channel where the guests have to take pictures of Hotel Stallbacken or anything related to the hotel and post them with a special hashtag. The owner can decide on the winner and offer a small present. There could also be a selfie or video competition where people have to upload their selfies on social media with something related to Hotel Stallbacken.

- Posting in relevant German Facebook groups
  One of the German bloggers that I have contacted, also had the idea to post pictures and information about Hotel Stallbacken in relevant German Facebook groups (personal communication 30.03.2019). There are lots of different tourism-linked groups in Facebook and concentrating on the ones that already are contemplating going to Scandinavia could be very beneficial for Hotel Stallbacken.
6. Summary

This chapter summarizes the findings and results of the bachelor’s thesis and discusses what went well while writing but also the obstacles of the thesis. The reliability and validity of the bachelor’s thesis will be discussed. The reflection considers both the theoretical writing process as well as the empirical part, where I got in contact with about 80 people working in the hospitality and tourism industry.

6.1 Summary of research

The answering of most research questions already took place but this chapter contains a small summary of the findings and results.

It was not that easy to get information on what the Germans look for in tourism, especially in travels to Finland as there are no official statistics and articles available in English on the issue. I have evaluated ratings and comments on different booking websites and also assessed Mikael Granqvist’s guest book from Grännas Bed & Breakfast. Furthermore, some German travel agencies and tour operators added a few small aspects to the reasons Germans travel to Finland. Main criteria that influence the decision of Germans are safety, money, experiences, attractions, accommodation facilities and surroundings.

The German tourist market offers various ways for foreign businesses to enter the market, but not all are very suitable for small Finnish hotel businesses in Turku. Various ways of entering the German market have been discussed and the relevant ones for Hotel Stallbacken have either been already implemented, for instance contacting the tour operators or bloggers, or have been suggested for further investigation and establishment in the next year, as the time to write the thesis was not enough to investigate all possible entry modes.

How Hotel Stallbacken can collaborate with the German tourism industry is also included in the thesis. The research for the empirical part was predominantly done through telephone calls and e-mails. It turns out that people on the phone were mainly not very willing to answer questions, they either said they do not have time or are not the right contact person for my questions. Therefore, contacting through e-mails had major advantages. Firstly, I had actual material to work with and secondly, the person that is actually an expert in the area replied. Also, the findings could be included in the thesis, it is hard to talk on the phone without recording it for research reasons.
After weeks of contacting different tour operators and travel agencies, the result is that it is not easy for a small company in the archipelago of Turku. Furthermore, a lot of the persons I contacted said that the hotel is either too expensive (especially for exercising tourists) or too small (lots of tour operators sell group travels for more than 40 people). Others said they were not interested at all. The biggest part of the German tour operators and travel agencies did not even reply.

It is hard to establish collaboration with retail travel agencies in Germany, as most of them are linked to bigger tourism chains like DER and TUI and therefore do not search for the hotels themselves.

Even though this entry mode is very complex and not that easy to conduct, it should not be underestimated, as a lot of Germans still book their travels offline in a retail travel agency and the offline tourism market in Germany still generates more profit than the online market.

Establishing contacts with the German Bloggers specialized on Finland was easier and also did receive a high number of positive results. As they were already particularly interested in Finland, it was simpler because most of them even knew the archipelago of Turku. They also offered to write articles about the hotel or include the hotel in their blog posts. The main accomplishment are the three collaborations with the German bloggers and the forwarding of information to the different professionals working in the German tourism industry, even establishing a cooperations with tour operators in Germany.

After contacting various people working in these fields, both professionals and hobbyists, I have noted smaller things that can be taken into consideration for small companies in foreign countries to reach the targeted people, in this case professionals and bloggers from Germany, more effective and easier:

- The bloggers were very eager to help because on one hand they found my topic interesting and on the other hand I wrote to them with a personal note in their mother tongue. I answered all different kinds of questions about my thesis, my life in Finland, the writing process and my findings on a more personal note, it had somehow a very familiar touch to be writing in German about my private life. Therefore, it could be hard for Mikael Granqvist to reach the bloggers on his own in the future.

- While approaching the professionals, I discovered that the contacting has to be done on a very professional basis with formal introductions and professional language, but still on a nice note. The travel agencies and tour operators get a high number of offers
from hotels all over the world, so I assume that I had the benefit of contacting them in their mother tongue and explaining to them that I am not only searching for a collaboration but also for further information regarding my thesis. This could also be an obstacle for Mikael Granqvist to do on his own.

- The last tip for contacting the German tourism industry is that is has to be done in either excellent English or German. I think that some bloggers don’t mind if someone speaks and writes not polished and correct German but others do have minor inconveniences with e-mails that they cannot read clearly or do not understand. Of course it shows effort if someone whose mother tongue is not German writes in German, but for what I have experienced in my research most people are slightly bothered by it. Also, it should be noted that it is not common to talk to each other by their first names in Germany just like it is in Finland, so when contacting a German professional, there should always be a formal introduction with the last name of the person.

Those were my impressions and observations of the approaches during my research and information-gathering-process, of course these implications cannot be applied for everybody working in the tourism industry in Germany.

6.2 Reliability and validity

The reliability of my thesis is in my opinion high but limited. Many factors relevant for Mikael Granqvist and Hotel Stallbacken have been discussed and various suggestions on how to enter the German market and how to attract more German guests based on the research results have been given. Information from various professionals and experts was used for the research. The theory used was found in published books but as the tourism sector is changing rapidly and fast, articles, statistics and websites have also been taken into consideration. Writing the theoretical part solely on the basis of published books would not have been feasible for this topic.

The reliability is limited as my experiences and results cannot be applied to every person in the German tourism industry, both experts and guests. Therefore, the thesis represents an example of how a group of people that were contacted behave, but not every person within the industry. Nevertheless should the results of the thesis be both valid and reliable as I have contacted a high number of people.
The validity of the matter is hard to determine as there are no peer-reviewed books about the approaching of the German tourism industry. The theoretical framework can back up the suggestions and implications I have noted or implemented but as there is no perfect way to contact all experts or bloggers, the validity cannot be determined specifically.

6.3 Critical examination

Looking back now to the start of my bachelor’s thesis and the initial plans I had on how the thesis would be structured and look like in the end, I am both satisfied and surprised by the results. After the finding of my topic for the thesis, I was not aware that the topic is very tourism-affiliated and I didn’t have the prior experience and knowledge as this has never been my major in my studies.

This was also one of the main problems in the beginning, as the tourism and hospitality industry is big, it is hard for someone who had nothing to do with it before to get to know the needed information. The tourism sector is very complex and there are so many different departments and fields that it is very hard to get a good overview if you have never had any contact with the industry before.

Another obstacle while writing my bachelor’s thesis was that I somehow thought it would be easier to get in contact with the German tourism professionals. This market is a very experienced and complex one, and for a non-player in the industry, it is not that easy to establish collaborations or even get answers. I didn’t know how to operate with the professionals of the German tourism industry at first, but after the first phone calls and e-mails, I could easily adjust and it also helped me to get acquainted with both professional phone calls and e-mails.

6.4 Reflection

My personal goal while working on my bachelor’s thesis was initially to gain more experience in academic writing and researching. This goal was outperformed by far. Citing all references and researching different fields is also something I will be confronted with in my later work life and therefore it has helped me a lot to improve not only my skills in the working process but also gain new insights and impressions during the writing.

The second goal of mine that I wanted to achieve with the writing of my bachelor’s thesis was to get broader and more extensive knowledge in both marketing and tourism, separately and as
a unit. After writing the thesis, I have to admit that it was a very tourism-intensive topic, but I think that I also could add a few marketing aspects. Looking back at it I am glad to have had a challenge in the beginning as it really broadened my knowledge extensively and I also saw the willingness of me to stick to something, even if I had to face some obstacles.

Time management was for me personally the key to success. I have given myself a lot of deadlines during the working process and also had lists of what had to be accomplished every day. These schedules helped me in working through the thesis and it was also a personal motivation to get things done.

For my thesis I had to contact various different places, authorities and people, that was certainly a big factor not only influencing my personality but also my soft skills. Working with Mikael Granqvist as a client and both tourism professionals and hobbyists also demanded different kinds of communication. Most of the tour operators and travel agencies were on a very professional basis, whereas the Bloggers were more interested in my thesis and experiences. These two different kinds of communicating colliding was not always easy, but I have to admit that I was glad that most of the e-mails have been written in my mother tongue, German, this gave some kind of familiarity and also took away the nervousness before contacting them.

The owner of the hotel, Mikael Granqvist, thanked me a lot and is very content with the outcome of the thesis. He wrote in an e-mail to me that he thinks I did a great job and that he is very satisfied with my input and dedication and wishes me the best of luck for my future.

Overall, I am very satisfied with the outcome of my work and the fact that Mikael Granqvist and Hotel Stallbacken actually benefit from my efforts in contacting the German tourism industry and writing this thesis.
References


