Product Development and Marketing Strategy for SaimaaHoliday - The Linnansaari Project
Abstract

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Product Development and Marketing Strategy for SaimaaHoliday – The Linnansaari Project
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The thesis was conducted in co-operation with SaimaaHoliday Oravi. The thesis is a project development plan of SaimaaHolidays winter hiking trail, located in Linnansaari national park (located in East Finland, Oravi). The following pages contain the project planning methods, results, product development plan, marketing strategy stages and a marketing strategy.

The aim of this project was to develop a service package that is adaptable to the seasons, and weather conditions. The objective is to develop year-round tourism and attract more tourist during the winter season. The result was a weekend package including a traditional fishing trip, outdoor cooking and many optional winter activities.

The marketing strategy concentrated on existing customers, as well as potential customers. Due to the company’s wishes, special attention was given to find French and German markets. The aim was to find channels to reach central European countries, especially France and Germany.

Key words; product development, SaimaaHoliday, marketing, Linnansaari, qualitative, research, differentiation, market-orientation
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1 Introduction

The following thesis project was conducted in collaboration with SaimaaHoliday. The aim of the project was to develop the Linnansaari national park winter hiking trail. The second task was to create a marketing strategy for the new concept. The aim was to develop a more sustainable product unreliable of the weather conditions, and to develop steady tourism flow throughout the year. The existing product was customized to better suit the new market segments. The marketing strategy concentrated on existing customers, as well as potential customers. Due to the company’s wishes, special attention was given to find French and German markets. The aim was to find channels to reach central European countries, especially France and Germany.

1.1 Justifications for the project

The product development process requires the student to apply knowledge and skills of her field of studies. The project applies primary and secondary research. It combines the student’s knowledge, imagination, literature reviews and primary data. The project improves the student’s job opportunities in her preferred field. The student had an opportunity to co-operate with a tourism company. Through this co-operation the student has gained valuable experience on project development, planning marketing, and conducting qualitative research. These improved skills, communication and team work skills will benefit the student in her future career. She has seen firsthand what skills are required to work in product development, how to communicate with different people and how to work under pressure.

1.2 Project aims and delimitations

The aim of this project is to reach new markets, increase revenue and minimize the effects of seasonality. The current consumers of winter products consist mostly of inbound and local tourists. The company aims to increase outbound tourism, especially from central European countries. To reach the potential new
markets, the marketing strategy must aid the company in finding the right time and channels for marketing. The aim is to maximize the visibility of the product and company. In return, the marketing will raise awareness and visibility of the region and what it has to offer.

The target consumers consist of outdoor enthusiasts. The developed product must be adjusted to the wants and needs of the target consumers. When traveling, customers are searching for unique and customized experiences. To be able to create a unique experience for the customer, companies must gather detailed information of the target consumers. With this customer orientated approach in the product development, the company increases the attractiveness of the product. This in return increases the company’s opportunities to increase their sales and revenue, and competitiveness.

Another aim of the project is to develop a product that is not dependent on the weather during winter season. Climate change is a worldwide problem that affects the tourism industry around the globe. The most drastic effects are suffered by nations and industries dependent on the winter season. These industries must adapt to the changes and develop products that are not dependent on the weather conditions. This development is also done to minimize seasonality and create steady revenue throughout the year.

1.3 SaimaaHoliday

SaimaaHoliday is a network created by eight family owned companies operating in the Savonlinna, Oravi and Rantasalmi region. The network was created in 1999. The networks activities are focused in Linnansaari and Kolovesi national parks, and Savonlinna and Rantasalmi region. SaimaaHoliday’s aims are to create sustainable tourism in the region, taking care of the environment, protection of the Saimaa seal, creating fellowships and co-operation between companies, creating exclusive and personalized customer service, and being innovative. SaimaaHoliday has been rewarded, in 2010, by the European Union with the EDEN (European Destinations of Excellence) award as an aquatic tourism destination. (Oravi Village 2018.)
SaimaaHoliday offers multiple winter packages to Linnansaari. These packages include sled rides to and from Linnansaari, snowmobile safaris, winter fishing, reindeer herding, snowshoe safaris, hiking and visits to the Saimaa ringed seal museum. The island has a kiosk and café which is open on weekends during the winter season. Linnansaari has a few fire places, toilets and resting spots for the visitors. During the winter season, Linnansaari is accessed by a marked ice route. The island is accessed from both Järvisydän resort in Rantasalmi and from Porokylä safari and renthouse in Oravi. Customers have an opportunity to purchase access to the multiple cross-country skiing and ice-skating routes near the Linnansaari area. Equipment can be rented from both destinations, Rantasalmi and Oravi. The season last approximately three to four months, from November till February, depending on the weather and condition of the ice route. The prices for equipment rent and access to routes vary from three euros to 40 euros. The prices of the service packages vary from 50 euros to 200 euros per person, and from 200 euros to 500 euros per group. (Oravi Village 2018; Järvisydän 2019.)

1.4 History of the region

Savonlinna, Oravi and Rantasalmi are towns located in East Finland. The three neighbouring towns are connected by the shores of lake Saimaa, the largest lake in Finland. These towns are well known as beautiful lake destinations. All three towns offer year-round activities but suffer from a long off-season during fall and winter. This is partly due to the uncertainty of weather, competition of Lapland and outdated views of tourism. The region has a long history, traditions and beautiful natural resources to be displayed. The region has many unique aspects to showcase. And if done right, the region has the opportunity to grow as a sustainable tourism destination.

1.4.1 Savonlinna

Savonlinna is one of the fifteen oldest towns in Finland. The long history of Savonlinna began when the castle Olavinlinna was built in 1475. People formed a settlement on the nearby island of Vääräsaari. The town was formed later on in
1639 with the help of Pietari Brahe. The largest economies are the wood and travel industry. The town is one of the oldest tourism destinations in Finland. The tourism industry grew during the first world war. The destination and spa of Savonlinna where extremely popular among the Russian travelers. The area of Savonlinna grew after the municipal merges of Sääming, Savonranta, Punkaharju and Kerimäki during the years 1973 to 2013. In the modern day the town is most famous for the castle Olavinlinna, the annual Opera festival, and as the capital of lake Saimaa. (Savonlinna 2019.)

1.4.2 Oravi

Oravi arose from the Russian government’s need to build railways in the mid 1800’s. The population increased once a factory opened in the mid-1800’s. Unfortunately for the people of Oravi, the factory was shut down in 1901. During the following years, buildings were demolished, factories where re-located, and the population decreased. Today Oravi is a small canal village fighting to thrive in the tourism industry. The village is dedicated to grow in the tourism industry through local companies, and with local production and products. (Behm 2015; Oravi 2018.)

1.4.3 Rantasalmi

The municipality of Rantasalmi was formed in 1578. For a long part of its existence the town was a border between the Soviet Union and Sweden-Finland. This part of the town’s history ended with the peace of Hamina in 1809. Rantasalmi was also the location of Finland’s first military academy. To accommodate the military officers, the town built many magnificent mansions. These mansions have become an important part of the municipality’s cultural heritage. Today Rantasalmi is well known for the beautiful nature and year-round tourism supply. Rantasalmi is a popular destination during summer due to the fishing, boating and canoeing possibilities. Entrepreneurship and the tourism industry are the strengths of Rantasalmi. (Rantasalmi 2019.)
2 Product development steps

Product development is defined as the further development of existing products, services or prototypes. Tonder (2013) stated, that the productization and product development process is done using seven steps or tools. These seven steps are idea generation, customer understanding, customer promise, concept creation, blueprinting, requirement specification and work instructions. This project focuses on the first four steps. The key behind this approach on productization and product development is the market-oriented perspective. (Tonder 2013.)

In the modern-day market, customer-orientation is of the highest priority in all industries. When developing products and services, the development process should be done with the customer’s terms in mind. Focus on customer-orientation is critical for successful product and service development. For a product or service to successfully satisfy customer needs in a competitive manner, one must understand the needs, motives and buying behavior of the target customer. The key is to understand why the customer buys or does not buy a particular product or service. (Komppula & Boxberg 2002; Mital et al. 2008.)

Differing from Tonder’s (2013) process, the first step in this project is gaining customer understanding. Unlike in productization where a new idea is developed, product development concentrates on developing an existing idea. The developed product must be capable of satisfying customers’ needs with higher success rates than the existing one. Seeing the company through the customers’ eyes offers insight to customers’ expectations, experiences, and behaviors, making them more tangible. Customer understanding exposes customer’s pain points, and intervention points that can be leveraged to increase value and deal with challenges in customer relationships. (Reason et al. 2015; Tonder 2013.) The next step is idea generation. Idea generation is defined as the ability to detect customer needs and demands and consider them as possible business ventures. The development ideas are generated from the target segment’s needs and company values. The aim is to generate a service concept that fulfills the customer wants, needs and values. The last two steps of this project are customer promise
and concept creation. The customer promise is a culmination between customer understanding, the developed idea and concept creation. It is the value the customer gains from the product or service. The customer promise is the benefit, action and experience the company promises through the service or product. The concept creation is defined as a concrete action to make the promise reality. (Tonder 2013.) Both steps are combined in the written development plan and marketing strategy. The plans describe in detail the service concept, resources, customer segments and marketing.

2.1 Primary and secondary sources

This project combines primary and secondary sources of data to gain maximum knowledge of the project subject. Primary sources of data are original sources collected by the researcher. The primary data is collected through various methods; observations, conversations, qualitative and inductive research. Qualitative research methods rely on the documentation of words and images as the primary data source. However, the gathering of qualitative data does not rule out the use of quantitative data. The combination of quantity and quality will be present in the data collection. The quantitative data collection is used as a qualitative research method. (Saarinen-Kauppinen & Puusniekka n.d.) Inductive research aims to generate empirical realizations of the collected data. Secondary sources are existing data collected and compiled for another purpose. The data is used as reference, benchmarks and as a source of knowledge. The combination of using various sources of data contributes to the researcher’s stock of knowledge. (Ruanne 2016; Krishnaswami & Satyaprasad 2010.)

The data sources were used for researching the existing service concept and the target consumers. The aim was to learn how the existing service concept should be improved. The second aim was to understand the motivations and buying behavior of the target consumers; to understand their values, needs, and buying behavior. The objective was to create an idea on how to combine the customers values and needs in the existing core product and location.
2.1.1 Observations

According to the researcher’s observations and conversations the target consumers value individuality and uniqueness. They are proud people, proud of their culture and lifestyle. When travelling, they want unique experiences. They enjoy social situations, but desire privacy as well. They live an active lifestyle and enjoy the outdoors. On their free time they look for an escape from their hectic everyday lives. These people are middle class couples (with no children or children who have reached adulthood), students, 18 to 65-year olds or families. The income of the consumers varies greatly.

2.1.2 Secondary sources

Secondary sources were used to study the outdoor activity industry and segmentation. The customers of this industry can be divided into seven segments; the achiever, the outdoor native, the urban athlete, the aspirational core, the athleisure, the sideliner and the complacent. From these seven segments the most valuable for this project are the achievers, the outdoor natives, the aspirational cores and the athleisures. The achievers are traditional outdoor consumers. They enjoy traditional outdoor activities, for example camping, climbing and mountain biking. The outdoor natives value the outdoor lifestyle. They are motivated by enjoyment, experiences and family-oriented leisure activities. The aspirational cores aspire to spend time outdoors and they have a penchant for adventure. They stick close to home for day-to-day activities, but they aspire to adventure further. The athleisures are ethnically diverse people who find an escape from the outdoors. They enjoy relaxing outdoor activities, for example hiking. The common values between these four segments are the active lifestyle, desire to spend time outdoors, enjoyment and experience. Sustainability and responsible production and products are a growing trend in the industry, and highly valued by the outdoor industry consumers. (Outdoor Industry Association 2015; Klingelhöfer 2017.)
2.2 Interpretations

The observations combined with the secondary sources gave a wide view of the target consumers. The observations gave the researcher a personalized view of the consumers. The secondary sources provided the researcher with authoritative knowledge of the outdoor consumer market. Authoritative knowledge is based on credentialed expertise. The combination of authoritative, common sense (based on personal experiences and observations) and empiric (based on seeing, hearing, touching, tasting, etc.) knowledge provide the researcher with a wide knowledge stock of customer understanding. (Ruane 2016.)

3 Qualitative research methods

The following chapter explains the qualitative research methods used in the product development process. The following chapter describes the theory and content of the methods and the tools used by the researcher.

3.1 Data collection

An online questionnaire was conducted and forwarded to existing customers. A structured questionnaire was chosen for its low cost, simplicity and convenience. The method allows the use of large samples, it allows respondents adequate time to answer, and eliminates the bias of the interviewer. The questionnaire was forwarded through the company’s Facebook page and email. This technique was the most cost-efficient way of gathering knowledge. The objective of the study was to gather data of the existing customers’ perspectives about the company and product. The gathered data was qualitative data. The used method was a combination of quantitative and qualitative research. The quantitative results were analyzed in a qualitative form (mentioned in chapter 2.1). The results required from the research concentrate on the quality of the answers, instead of quantity. The aim of the research is to understand participants perceptions of the
subject. The required data was behavioral variables (attitudes and opinions), organizational variables (the company’s performance) and territorial data (opinions of the region). (Krishnaswami & Satyaprasad 2010; Kothar 2004.)

The chosen sampling method was convenience sampling. The sample consisted of the 1900 existing customers present on the SaimaaHoliday Oravi Facebook page. The sampling method relied on the willingness of the respondents to answer the questionnaire. The sampling method was chosen due to its convenience. This method enables the researcher to reach a large target audience in sufficient time.

The questionnaire consisted of five questions. The content of these questions concentrated on the perceived image of the company, offered services and existing customers improvement ideas of the Linnansaari winter hiking trail. The questions were formatted as open-ended questions, multiple-choice questions and dichotomous questions. An open-ended question requires the respondent to supply their own answer. No pre-defined answers are given. Multiple-choice questions give the respondent two or more options to choose from. When asked a dichotomous question, the respondent is given two options to choose from (for example yes or no questions). (Government of Canada 2018.)

3.2 Concept testing

After four development ideas were formed, concept testing was used to narrow down the options. The concept testing was conducted using a combination of narrative statements and pictorials. When using narrative statements, participants are provided with written product descriptions and asked to choose their preferences. In pictorial testing the participants are shown pictures of the product for evaluation. (Kahn 2006.) The statements were presented to two groups, 10, 170 potential customers. The aim of concept testing is to find a solution which meets the demand of the target market. The essential concept of permitting your core customers to decide the best option is that they know more about their wants than the company executives. (Play 2000.)
3.3 Brainstorming

After the service concept ideas were decreased to two of the most favored options, the author and the company’s executives had a brainstorming session to determine the best development plan. During this meeting the team observed the suggested products from all perspectives and determined the most feasible and realistic option. Brainstorming is a technique used to generate a large number of ideas for problem solutions. The ground rules for effective brainstorming are focus on quantity, withholding criticism, welcoming unusual ideas, and combining and improving ideas. The greater number of ideas increase the chance of an effective solution. Withholding criticism and welcoming unusual ideas give participants a new perspective to the problem. Combining and improving ideas encourages building on the previously generated ideas. The aim of brainstorming is to find the most effective solution to the problem at hand. (Morrison 2016.)

4 Results

This chapter contains the results of the qualitative research. The results are analyzed according to the criteria and aims of the researcher. The research was conducted in a market-oriented manner. The aim of the research was to gain qualitative data of the target segment’s perceptions of the existing product, development ideas and preferences of the developed concepts.

4.1 Questionnaire results and conclusions

The questionnaire was answered by 35 people. When asked about customer satisfaction, 33.3 percent were extremely satisfied, 57.6 percent claimed the service was good, and 9.1 percent said it was average or ok. Less than 50 percent (48.5%) of the participants were familiar with the Linnansaari hiking trail. The content of the fifth question required the participants to come up with development ideas. The answers were versatile. The questionnaire did result in a few valid development ideas, but not in the hoped scale. A few of these ideas included
hosting or creating events, updated landmarks and kilometer marks along the path, better maintenance and adding kites and snowboards in the offered activities list.

Some of the demerits of the questionnaire method include low return rate and inflexibility of the answers, as was the case in this study as well. The return rate was relatively low compared to the number of followers on the company’s Facebook page. The low return rate may cause bias due to non-respondents. The conclusions are made based on the answers of 35 people, instead of the 1900. The non-respondents’ opinions and characteristics may differ from the respondents. This may cause errors in the collected data. However, the small sample of respondents gave a deeper view of the attitudes and opinions of the consumers. The responses provided the company with valuable improvement ideas. These relatively small improvements could enhance the existing customers’ experiences. On the product development perspective, the questionnaire did not provide as much valid information as was hoped. The answers provided solutions for modest details, but not the broader view. Also, the question of reliability and bias stands. The possible errors could result from the low response rate and non-replicability of the research. The answers may change with time due to the changing attitudes of the respondents.

4.2 Narrative statements and pictorials’ results and conclusions

Four different service packages were described and the participants were asked to choose their preference. The first option was a traditional fishing trip, open fire dining, and local food and drinks. The second option was a weekend long snow kiting course. The third option was an activity weekend filled with action; cross country skiing, hiking, moonlight hiking, snow shoe safari and snow kiting. The fourth option was an activity designed for the whole family. The activity was named Nooa the Seal’s Treasure Hunt. In this activity technology and the outdoors are combined for an amusing learning experience. The children would use an application to answer questions leading them to clues. When found, the code of the clue would be scanned to gain access to more questions. The application
would include a small game and stories about the region and Nooa the Saimaa ringed seal. The aim of this package would be to create a brand for the region.

As is the demerit of all survey methods, the response rate and inflexibility affected the results of the statements as well. The ratio of answers to the number of participants was low. From 10,170 potential respondents, only 168 answers were given. The two most favored options were the traditional fishing trip and the activity weekend. The survey channels and respondents’ characteristics differed greatly. The values, culture and opinions of the respondents were different in each group. These cultural differences in opinion were present in the results (Figure 1.). The respondents of central European countries preferred the traditional fishing trip, with food and culture. The respondents of the Finnish population were more enthusiastic of the winter activity weekend. These differences result in the improving or combining of the product ideas. Narrowing down the segmentation should also be considered.

![Figure 1. Concept testing results](image)

### 4.3 Brainstorming results

After reviewing the two options, the company executives, together with the student, decided on the final development plan. The final service package is a combination of the two customer favorites. The key factors of this decision were the cultural differences within the customer segment, and the company’s wishes to gain new customers while strengthening the bond with the existing customers. This combination of service packages is an attempt to fulfill the need of all parties.
The developed product will be produced by local companies and products. The snow kiting activity was eliminated from the product list due to the lack of professionals in the region.

5 Philosophy of same, same but different

The term same, same but different is an expression from Thai English, which means something is similar, but different in some ways (Kravanja 2011). The term is commonly used by street vendors, in South East Asian countries, in attempt to convince tourists that their product is different from the next stall. This strategy is called a differentiation strategy. The strategy is based on convincing customers that a tourism product or service is superior and different to that offered by competitors. This concept of differentiation is directly linked to product development and product diversification. (ACEEPT 2018.)

The main challenge facing the global tourism industry is the development of products that are unique amongst others. Porter (1985) defined three strategies to differentiate a company from its competitors; cost leadership, differentiation and focus. This project concentrates on differentiation. Differentiation strategy focuses on creating uniquely desirable products and services. Differentiation is described as the process of distinguishing a product or service from competitors. The aim is to make the product or service more attractive to a particular target group. (Kotler & Keller 2012.) Tourism companies and destinations implement the differentiation strategy to create and exploit differences between their products and competitors’ products. The use of the differentiation strategy leads to a competitive advantage if the target market perceives the difference of the product and create a preference for it. (Yang 2010.)

The differentiation strategy will be implemented throughout the product development and marketing strategy processes. The product development concentrates on showcasing the uniqueness and history of the region. The service package will include elements of traditionality and local products. The marketing strategy
aims to showcase these unique elements as much as possible. The sales speech, pictures and product descriptions will concentrate on highlighting the local products, traditions and uniqueness.

6 Product Development Plan

The following chapter contains the detailed description of the new service package. The new concept was developed based on the target segment’s preferences. The company values of sustainability, local production and environmental protection were respected throughout the process. These values are an important aspect of the developed service package. The developed concept is described in detail below.

6.1 The action weekend package (Elämysviikonloppu)

The new service package will fully exploit the current resources of the company. The service package is a three-day adventure. The service includes two nights in the Porokylä safaris hotel (including breakfast), a traditional fishing trip and outdoor dining experience, evening sauna, equipment rent and an opportunity to enjoy multiple winter activities; cross-country skiing, ice skating, snowshoe safari, hiking and sled sliding. Each hotel room is equipped with a small kitchen, kitchen appliances, dishes, beds and linen, shower, toilet, hairdryer, TV, internet connection and a cabinet for drying clothes. The restaurant will be opened for customers on the second evening of the stay, for an additional cost.

The core product of this service package is the fishing and dining experience. The advantage of this concept is the adaptability to the weather or season. The guided fishing tour can be done by boat or snowmobile and sled. The activities can also be adjusted or changed according to season and condition of the ice route. For example, during the fall season a boat could be used as a transport vehicle to Linnansaari and the fishing location. Instead of cross-country skiing,
ice skating and sled sliding, the customers could participate in stand-up paddling (SUP), fat biking or moonlight hiking.

6.1.1 Seine fishing (nuottakalastus)

In history, fishing was the main trade of Finland. Housing was set up near lakes and moved according to the fishing cycle. Seine fishing is a method of encircling large herds of fish. This tradition turned from self-sufficient fishing to the most important professional fishing method. Seine fishing has a long history in the region of East Finland. Fishing is an important trade in the region and practiced by many professionals. (Kalastusmuseo 2019.) Forming a tourism product from this trade benefits the fishermen and the company. This product benefits both parties financially, creates co-operation and promotes local produce.

6.1.2 Customer promise

During the action weekend the customers are given the opportunity to experience local culture. They will witness a different side to Finland and experience the uniqueness of the region. The weekend offers a perfect getaway from the hectic day-to-day life. The customers will learn about the local culture, meet new people and experience local delicacies. The service package showcases the beautiful nature and character of Lake Saimaa. The customers will experience the beauty of the surrounding nature and benefits of outdoor activities in a fun and unique way.

6.2 Dimensions of service

The service concept is divided into three different groups. These dimensions describe the physical, functional and symbolic dimensions of the service package. The physical dimensions describe the environmental and material aspects of the product. The functional dimension is the customer path and service content. The symbolic dimensions are the value, experience and meaning the customers gain from the service. (Tonder 2013.)
6.2.1 The physical dimensions

The physical dimensions of this service package include the place of implementation, the hotel providing housing for customers, the equipment for fishing and activities. The physical dimensions of the service are the Linnansaari area and Porokylä. The equipment required to implement the service package are skis, ice skates, snow shoes, sleds, snowmobiles (or boat), fishing nets, fire wood and appliances for open fire cooking.

6.2.2 The functional dimensions

The service provider’s first responsibility is to ensure the high quality of the service from the moment the customer arrives to the moment they leave. The relationship with the customer begins much earlier. The company begins to form the relationship through marketing and continues to strengthen it after the customer leaves the hotel. Ensuring good communication through the booking, arriving, visiting and departure creates customer loyalty and create a positive image of the company.

On the morning of the arrival, after checking into the hotel rooms, the customers have the opportunity for a cross-country skiing and/or hiking and sled sliding trip. For an additional price the customer may buy a tour guide and lunch packages. After the active day, the customers may enjoy the sauna in the evening. On the second morning the guests will depart for the guided fishing expedition. On this trip the customers will experience a traditional way of gathering food. They will experience a piece of history, something unique. After the learning experience, the customers will enjoy an open fire lunch prepared from the fresh produce. On the third morning the customers can experience a snowshoe safari or an ice-skating trip (a guide and/or lunch package for added price). In the evening the customers will checkout of the hotel and begin the journey home.

6.2.3 The symbolic dimensions

The customer expects to have a relaxing, social experience far from the hectic day-to-day life. They expect to experience something unique and local while
learning new skills. In order to exceed these expectations, the company and employees must ensure high quality customer service. By offering something extra, the customer will feel cared for and welcome.

The nature and region are beautiful, but unknown to many. The customers may have prejudices about the quality of the area and service. To change the prejudice to positive, the facilities, equipment, food and beverage, as well as the service have to showcase the values and benefits of the destination.

6.3 Service process

6.3.1 Primary inputs

The primary resources required to implement the service are equipment suppliers, produce suppliers, guides and employees. The co-operation between local fishermen and companies are essential to the service concept. The co-operative individuals supply the fishing equipment, knowledge and fish. The employees and guides are in direct contact with the customers. They ensure the quality of the service and satisfaction of the customers. The equipment suppliers supply the company with the needed equipment and knowledge of maintaining them.

6.3.2 Intermediate inputs

The facilities used to implement the service are the Porokylä restaurant and shop, hotel, sauna facilities, Linnansaari national park and ice routes (Lake Saimaa). The quality of these facilities has a direct effect on the customer experience. Easily accessible routes and clean facilities give a good impression of the company and its services. The poor condition of the Linnansaari hiking trails, ice route or route markings cause possible safety hazards. By clear markings along the routes, clear instructions and proper guidance, the risk of a customer falling into the ice, getting lost or injured is minimized. Each facility must have safety instructions, and an emergency plan in case of accidents along the Linnansaari route.
6.3.3 Intermediate outputs
The services combined in the service package include the equipment rent, hospitality services, guided tour (or tours) and customer service. Each individual service is combined under one fixed price. This provides the customer with a convenient option of booking one package. Instead of searching for each element of a weekend holiday separately, the customers have the easy option of a package holiday. The service package concept provides a stress-free option for busy people.

6.3.4 Final outputs
The service package provides the customers with a unique learning experience. They experience new culture that showcases the unique traditional aspect of Eastern Finland. The service fulfills the need for socialization, relaxation, the outdoor adventure and culture.

6.4 Budget
The budget is calculated according to the assumption that the company needs to obtain all the elements of the service package themselves. The cost for one large seine fishing net is approximately 4,300 euros. A snowmobile’s average petrol consumption is 15 to 25 liters per 100 kilometers. The price of petrol is approximately 1.5 euros per liter. The distance from Oravi to Linnansaari by the ice route is six kilometers. The journey there and back will cost approximately 4.5 euros. The average salary of an employee is 11 euros per hour. The cost of one employee working eight hours for three days is approximately 300 euros. If the company employs eight employees for the weekend, it will cost 2,400 euros. Other costs include food and beverage expenses, cleaning and maintenance. The initial costs of implementing the service package are approximately 8,000 euros. The costs of replicating the service package lower rapidly. The seine fishing equipment is a onetime investment.
6.5 Pricing strategy

When choosing the price and pricing strategy the costs of production and distribution, competitors’ offerings, and characteristics of the target market must be observed. Ideally the company would break even after the sixth run of the service package. If the product is sold to three groups of ten customers, the production cost per customer is 130 euros. The company must keep in mind the buying behavior of the consumers. The target market consists of different groups of buyers; the subsistence buyers, selective buyers, and convenience buyers. The subsistence consumers purchase low-priced items, even if it costs them quality or benefits. On the other hand, selective consumers value quality above other considerations. Convenience consumers prioritize quick, convenient impulse purchases above brand or quality. The differences between these groups require the company to set an affordable price, while displaying the quality of the service. (Lopez 2014.)

The pricing strategy is a combination of market penetration and psychology pricing. The aim of market penetration is to attract consumers with lower prices than competitors. In some cases, this may result in loss of income during the first sales. But due to the resources of the company, the risk is minimized. The goal of psychology pricing is to increase demand by creating an illusion of enhanced value for the consumer. The average consumer concentrates on the first number of the price. For example, if the price is set at 299 euros instead of 300, the consumer perceives the product to be cheaper, but without the loss of quality. Combining these pricing strategies with price elasticity will help determine the price point to maximize revenue. (Maguire 2019.)

6.6 Target market

The target market consists of versatile characters. The individuals have different incomes, daily routines and lifestyles. The combining characteristics are importance of health, socialization, importance of social media, active lifestyle and the love for the outdoors. They aspire to experience new cultures and learn new things. These individuals enjoy different activities and sports, but they all aspire
to spend more time outdoors. Socialization, quality time with family and friends are important values for these individuals. When travelling, the individuals value unique experiences, quality services and the social aspects. Money is always an important factor when choosing a destination. The limited funds of some individuals, and importance of money for others, limits the list of expensive destinations. The versatility of this target market is displayed in the two examples below.

### 6.6.1 Example 1

The first example customers are Thomas and Martha Lewis. They are a middle-aged couple living in Wales. Thomas works as an engineer in a global firm and Martha works in marketing. They have two adult children. In their spare time Thomas and Martha want to escape their hectic business lives. They enjoy hiking, walks with their Labrador Lulu, camping and travelling. They aspire to be active on their holidays. They have travelled across Europe to hike in multiple destinations. They value quality in equipment, services and facilities. Thomas and Martha follow travel blogs, they both are active in social media (Instagram, LinkedIn, Facebook) and they follow the news regularly. Martha and Thomas are young at heart and aspire to keep up with the millennials.

### 6.6.2 Example 2

Anna Klemizh is a 25-year-old university student from Germany. She studies economical engineering. She values sustainability and ecological solutions in her day-to-day life and when travelling. She enjoys hiking, camping, travelling, meeting new people and socializing. She aspires to visit all the European countries and learn about the local cultures. As a student her funds are limited. She works part-time in a restaurant to save money for her travels. Social media plays a huge role in her day-to-day life. She uses social media platforms to follow travel blogs, find jobs and to keep in contact with friends and family. She is active in multiple social media platforms including Instagram, Facebook, LinkedIn, Twitter and Snapchat.
7 Marketing strategy stage

The first phase of marketing strategy development is analyzing the market and industry. This process is described as a situation analysis. The aim is to identify the starting point and the conditions that are present in the current state. The process begins by analyzing the industry, the market and competition. The assessment of the market, competition and industry will be done using benchmarking and observations. To gather a wide view of the market and industry, a macro view of the market will help identify the job that consumers need done. (Randazzo 2014.)

7.1 Benchmarking

Benchmarking is a technique used for product and quality development. This technique can also be used for marketing purposes. Benchmarking is used to compare a company’s performance to its competitors. The purpose of benchmarking is to gather information and knowledge of competing companies and apply this knowledge to develop the operations of the base company. In this project benchmarking was used to determine how the competitors in Finland have marketed their products in the European market, and what the competitors offer. Benchmarking is an efficient way of finding key information. It is a simple yet time consuming technique which can lead to new channels and ideas. (Komppula & Boxberg 2002.) There are two primary forms of benchmarking, internal and external benchmarking. Internal benchmarking focuses on comparisons from practices and performances of teams, individuals and groups within an organization. External benchmarking concentrates on observing the processes of competing organizations. The thesis concentrates on external benchmarking. (Reddy 2016.)

The biggest competitors of SaimaaHoliday are located in South Karelia and Lapland. To reach a valid assessment, five of the most successful companies where evaluated; Ylläs, Levi, Holiday Club and Kakslauttanen. All the compared companies use a multichannel marketing strategy. The importance of social media marketing is seen in each example. The most common channels used are
YouTube, Facebook, Instagram and Twitter. The most common languages used are Finnish, English and Russian. The advantage of the competing companies are their frequent updates, resources and use of multiple languages. All the competing companies value a vision driven strategy. They concentrate on displaying their natural resources, company values and character with each uploaded marketing material. After the largest competitors are assessed, the market will be observed, and a SWOT analysis conducted. The SWOT analysis identifies the strengths, weaknesses, opportunities, and threats of the product compared to competitors and the market.

7.2 Global consumer trends

Trends are changing and evolving endlessly. Trends affect all industries and consumer behavior. The consumer landscape will evolve like never before, driven by themes of wellness, individuality, ecology and connectivity. The trends most valid to the tourism industry include individuality, challenging once self, environmental awareness, and social media. Consumers are becoming more aware of their digital persona, which they must grow and nurture as much as the physical one. Everyone is fighting for attention, promoting critical thinking and nobody is safe from scrutiny and backlash. The importance of social media strategies is growing rapidly. Training employees about company morals and etiquette is crucial for handling sensitive issues. Consumers are driven to be individual and challenge themselves, to reach new heights and uncover new passions. Consumers are showcasing their passions in an engaging and inspiring manner. With the growing knowledge of the effects humankind have on the environment, consumers have begun to review their own behaviors to prevent pollution. Many consumers are unaware of how or where to begin. Companies must create initiatives and incentives to guide the consumers to more ecologically friendly habits. (Mintel 2019.)

7.3 SWOT

Compared to the competitors and the Finnish tourism market, the service package offers a new and unique way of combining services. The service package
combines the physical and psychological experiences of travelling. The customers gain knowledge, unique experiences and tastes under one price. The service highlights an ecological solution of production. Majority of the service elements are locally produced. The service package is in touch with the target consumers’ values and wants. Above all the highest strength and opportunity of the service is its adaptability. Components of the service package can be changed to adapt to customer’s needs, season and weather conditions. The service is not reliant on a certain season, target consumer or vastly changing winter conditions.

The primary weakness of the service is the ease of duplication. Many of the competing companies have the resources and funds to duplicate the service. These companies have a significantly higher economic status than SaimaaHoliday. The threat of the possible duplications is the higher quality, extensive marketing and added value compared to the original service. SaimaaHoliday is a relatively small and unknown company in a sea of larger and well branded companies. In the beginning, the company can afford to offer lower prices than competitors. But price competitiveness is not a long-term solution. Creating a brandlike value of the offered products and developing customer relationships will increase the knowledge of the company. Good word of mouth, especially in social media will go a long way. Companies around the globe offer similar experiences, and the challenge is to stand out. The company and product must be able to offer something unique to compete.

One threat and an opportunity of the service package are the vastly changing trends and industry. Consumer trends change rapidly and affect the attitude of the consumers. To change the threat into an opportunity, the marketing and output of the service must concentrate on the long-term trends, for example eco-friendly aspects. The concentration of any product or service should be to fulfill the customer’s wants, needs and values. Due to the adaptability of the service package, the company can change components to adapt to the changing market. Another threat or weakness of the service may be its short lifespan. The challenge is to attract the consumers to return and buy the same service time and
time again. This threat could also be changed into an opportunity by offering ex-
isting customers forms of adapting the service. The customer value must always be present in the service package.

8 Marketing strategy

The marketing strategy concentrates on promoting the developed service pack-
age. The aim of the strategy is to reach a wide market of new and existing con-
sumers. The company aim is to attract more tourists from central European coun-
tries. Due to the company’s request, extra attention was given to finding the right channels to reach French and German consumers. The strategy concentrates on three segments; the target consumers, French markets and German markets.

8.1 Multichannel marketing

Multichannel marketing refers to the practice of using a combination of direct and indirect communication channels. These channels include websites, email, social media and direct mail. Consumers today have much more control over how and where they want to gain information, as well as the buying process. As the num-
ber of channels continues to rise, the importance of multichannel marketing be-
comes more critical. In addition to choosing the right channels, the consumers must be attentive, receptive and willing to act to the given message. The market-
ing message must speak volumes. The message must showcase the company values, consumer values, and value of the product. To gain maximum visibility for campaigns, the company must constantly develop and coordinate highly or-
chestrated micro-campaigns using multiple channels simultaneously. These highly orchestrated campaigns must be orchestrated in a meaningful and trust-
worthy way for the consumer. Three success factors in applying a multichannel strategy are creating and maintaining a single view of the customer throughout the used channels, establishing a multichannel platform, and creating customer experiences. The creation of a multichannel platform requires the company to
have campaign management, analytics, execution, response attribution and digital marketing. The advantages of a multichannel platform are the integration of traditional and emerging channels, and simplification of executing cross-channel campaigns. (SAS 2019.)

8.1.1 Channels

For ecological and economic reasons, the marketing is not done through printed material. The chosen channels include Facebook, Instagram, YouTube, email and webpages. The company’s existing Facebook platform should be updated in Finnish and English to attract the outbound tourists. An Instagram platform should be installed to enable communication between the existing and potential customers using the channel. The consumers shared photos and experiences create additional marketing for the company. The visibility gained by these shared photos attract potential buyers, if the channel is linked to the company website. The existing YouTube channel should be updated with new promotional videos. The content should concentrate on promoting the new product, and other winter activities. Ideally the channel would be frequently updated with videos promoting products, services and the company. To gain maximum visibility through the YouTube channel, the company has the option of co-operating with popular vloggers. By inviting the vloggers to visit, experience and share their experiences of the company and services, the company gains viewers in a much larger scale than through any other channel.

The multichannel strategy uses a combination of websites. The company’s own webpage is the most important channel. The webpage should be updated frequently and translated to French and German. Visit Finland webpage provides an international platform and wide visibility. Some potential webpages to reach the German market include KLOOK.com and german-hikers.com. These channels appeal to the target consumers and provide an entrance to the new market. The potential channels for reaching the French market include KLOOK.com and a French webpage called Voyageons-autrement.com. The marketing material for both new markets should include photos, product descriptions and promotional videos. The destination could be promoted through the movie of Lake Saimaa or
the company’s own promotional videos. The French prefer to use their own language above all, and this should be considered when approaching the French market.

8.1.2 Marketing message

The marketing message must be short, easily understood, and highlight the values of the service. The message must speak volumes. The uniqueness of the nature, characteristics of the area and the service are the key points of the marketing message. The aim of the message is to attract customers to buy the product. This aim is achieved by showcasing customer understanding. The marketing message provides a solution to the customers problem. In this case the problem is stress, lack of free time, need to travel and educate oneself. The message must differentiate the company from its competitors and communicate these differences. The differences must be perceived as value to the customer. The message must explain what the customer gains from the product, instead of what the product is.

8.1.3 Schedule

The holiday seasons in German, France and Finland are simultaneous and overlapping each other. The best times to promote a winter service package to these market segments are from the beginning of October to the end of December, in February, and Easter. The Autumn holidays in Germany and France are held from the middle of October till the end of November. The winter holidays in all three countries are held from the beginning of February to the middle of March. Easter and Christmas are religious holidays and held simultaneously around the globe. The holiday seasons are an excellent opportunity to attract families and students. The marketing should be consistent throughout the winter season. Some potential consumers prefer to travel after the holidays or in between to avoid crowds. The early bird marketing should be implied during the end of summer. By offering a lower price for early bookings the company gains confirmed bookings (and revenue) for the next season. (Studying in Germany 2019; Expat-ica 2019; Public Holidays 2019.)
8.2 Expenses

Social media marketing is an ecologically as well as economically friendly marketing option. No costs are associated with creating, uploading and maintaining social media platforms. The marketing costs consist of co-operations with foreign internet companies, professional marketing footage (for example promotional videos and pictures) and maintaining the company website. The costs of filming one advert are from 500 to 1,000 euros, when locally sourced. The co-operation and maintenance of webpages vary from monthly fees of 10 euros to 500 euros. The maximum monthly expenses are 1,500 euros.

9 Conclusions

The product development process was done using a market-oriented approach. The focus of the project was to create a product according to the target segment’s wishes and preferences. The aim was to find a gap in the market that needed filling. The objective of the qualitative research was to gain knowledge of the consumers wants, characteristics and perceptions. The new service concept was created from the two most preferred options of the targeted segments. The success and popularity of the product can not be determined at this time. The full extent of the service concept may be determined after one year of replication.

The marketing strategy was done using a market-orientated approach and a differentiation strategy. The aim of the marketing strategy was to find the right channels and maximizing visibility. The marketing message focuses on displaying the customers’ values, company values, and the benefits for the customer. The marketing message aims to highlight the uniqueness of the product and region, as well as differentiating it from similar concepts. The success of the strategy can be measured by the rising visitors’ numbers and raise in revenue after the first year of sales.
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11 Appendix

Figure 1. Concept testing results.
SaimaaHoliday

Kyllä kuka Pihla ja SaimaaHoliday

1. Millä sanoilla kuvaitsit Oravin seutua?
Oma vastauksesi

2. Mitä SaimaaHoliday:n palveluita olet käyttänyt?
Oma vastauksesi

   - Välttävä
   - Tyydyttävä
   - Hyvä
   - Erinomanen
   - Muu

4. Oletko vierailut Linnansaaren talvivaellus reitillä? Jos vastasit kysymykseen kyllä, siirry kysymykseen viisi
   - Kyllä
   - Ei

5. Mitä mieltä olet Linnansaaren talvivaellus reitistä? Kuinka sinä kehittäsit sitä?
Oma vastauksesi

LÄHETÄ

Älä koskaan lähetä salasanaa Google Forms'in lautta.
SaimaaHoliday

Dear respondent, I kindly ask for a few minutes of your time to fill out this questionnaire. I am a third year student in Saimaa University of Applied Sciences and I am currently working on my thesis in co-operation with SaimaaHoliday. The subject of this thesis is the development of the Linnansaari winter hiking trail. By filling out this questionnaire you help us understand your wants and needs better. This is your chance to make a change. Thank you for you answers and time.

Best regards
Pihla and SaimaaHoliday

1. How would you describe the region of Orav?

Oma vastaukset

2. What SaimaaHoliday service have you used in the past?

Oma vastaukset

3. How would you rate your visit and the service? Tick one box.
   - [ ] Bad
   - [ ] Average
   - [ ] Good
   - [ ] Excellent
   - [ ] Muu:

4. Have you visited the Linnansaari winter hiking trail? If you answered yes, please answer question 5.
   - [ ] Yes
   - [ ] No

5. How satisfied where you in the Linnansaari winter hiking trail? How would you develop it?

Oma vastaukset
Hey everyone! May I ask for a few minutes of your time to answer this quick questionnaire?
I am a third-year student of Saimaa University of Applied Sciences and I am working on my thesis together with SaimaaHoliday. SaimaaHoliday is a tourism company situated in South East Finland (Savonlinna, Rantasalmi and Oravi). The company provides multiple products and possibilities for all ages. My job is to create a product development plan and I need your help. Underneath you can see four different product descriptions. Choose the one that most suits you by a simple click. Thank you for your help, it is greatly appreciated!
If you are interested to learn more about the company and its products, the link is attached below.
https://www.saimaaholiday.net/fi

- Weekend of traditional fishing and food.
  - Experience something new and unique, local food and drinks.

- Winter Activity Weekend:
  - Cross country skiing, snow shoe safari, hicking in the moon light, and snow kiting

- Snow Kiting
  - Learn a new skill, be active, experience the winter nature and have fun!

- Nooa the Ringed Seals Treasure Hunt.
  - Family fun combining technology and the outdoors. Participate in fun activities and win a prize!

+ Lisää vaihtoehto
MIELIPIDÉ KYSELY


Kiitos, apunne on erittäin arvostettua!

TALVIURHEILU VIikonloppu;
hihcta, vaellusta, kuutamo
vaellus, leijalautailua ja
lumikenkailua
Sinun lisäämäsi

ELÄMYSRUOKAILU;
Saat kokea perinteistä
nuottakalastusta, valmistaa saaliin
nuotiolla ja nauttia kauniista talvi
luonnosta
Sinun lisäämäsi

LEIJALAUTAILU;
leijalautailu on monipuolinen ja
hauska laji jossa voit haastaa
itsesi. Viikonlopun mittainen kurssi
Sinun lisäämäsi

NOOA NORPAN AARREJÄHTI
koko perheelle suunnattu
talvipäivän aktiviteetti, joka
yhdistää teknologian, luonnon ja
hauskat talvialkiviiteet
Sinun lisäämäsi