



FINAL THESIS

How to improve marketing and customer relationship management of the cottage holiday business RapoJärviLoma, the target market being the residents of St. Petersburg and Moscow?

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ABSTRACT

This study was created for a small family business operating under agricultural industry. The business operating by trade name RapoJärviLoma has been renting holiday cottages / holiday apartments in Kymenlaakso, Valkeala area from 2004. The recession of 2009 decreased the number of visits coming from Russia to Finland. The cottage holiday renting business working under agricultural industry didn't have a marketing plan or a framework for customer relationship management.

The objective of this research was to find out the best marketing solution to attract holiday spenders from St. Petersburg and Moscow. By finding the best marketing solution the business aimed to raise the utilization rate of the cottages and to gain visibility. The study methods were mainly interviewing the cottage owner Jukka Niemi and exploiting relevant secondary data like statistics done by MEK and findings from Border Guard interviews. A short questionnaire was delivered to few travelers that had booked the cottages and the results have been reported in this thesis among other results. Some questions were asked face-to-face as the questionnaire was passed to the customers.

The business RapoJärviLoma didn't have a marketing plan or clear customer relationship management plan. The customer contacting was not handled as efficiently as it could have been. The study results, marketing ideas and a customer contacting model were presented to the cottage business owners and people closely involved with the business to improve the business processes. The study aimed to find the most suitable solutions for marketing and customer management for the small business offering holiday house accommodation. In this study it was shown that the overall destination marketing and aiming to surpass customers' expectations are vital for succeeding. This thesis includes a company SWOT-analysis and a brief overview of rural tourism with its challenges and opportunities. The Importance of customer focusing and the main challenges of service marketing are shortly explained.

Keywords: customer contacting, holiday cottage business, rural tourism, marketing solution, Russian travelers, travelling, RapoJärviLoma

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1. INTRODUCTION

1.1 Study problem and goal

The aim of the study was to find out what has attracted the Russian cottage holiday spenders and what has affected their decision making process and final selection when selecting a cottage and a holiday destination. The goal was to gather information from different sources and based on the information to build an overall picture of what have been the main factors that have attracted the Russian travelers to visit the Finnish countryside.

One of the goals of this study was to find out what is the best way to gain visibility among the Russian target market. The problem of the small business operating under the trade name RapoJärviLoma was that the company didn't have a clear vision for future and no marketing plan or a framework for efficient customer relationship management. This study aimed to improve the customer contacting by creating customer contacting model to easy up the managing the service process. In addition to insignificant marketing, very seasonal sales have been problematic for the accommodation entrepreneurs in agricultural industry and in rural tourism.

The research questions are:

How to improve the marketing in general and how to market the Finnish cottage holiday for the Russians coming from St. Petersburg and Moscow?

What can be done to improve the communication and contacting between the service provider and the customer?

The study aimed finding the best marketing solution for a small holiday cottage business. The goal of the marketing plan was set to increase the utilization rate of the holiday cottages and to gain more loyal customers. The thesis aimed to bring out the main factors that the Russian value in a cottage holiday and in a holiday destination. The main reasons were planned to be emphasized in marketing.

With the information gathered from the cottage owner that has been running the business from year 2004, a solution for developing the marketing of the cottages and an operations model for more fluent communication with the customers was planned. Information what attracts the Russian holiday spenders was gathered from various secondary sources and by interviewing few holiday spenders.

With the information gathered idea for marketing and better customer contacting was presented to the small holiday cottage business owners Jukka Niemi and Anne Niemi. The goal of this study was to build frames to better organize and handle the company's marketing and to strengthen the relationship between the accommodation service provider and the customer.

1.2 Research methods and sources of information

The main research method for qualitative data was face-to-face interviews with the cottage owner Jukka Niemi who has been renting the cottages for living. By interviewing the cottage owner and few of his customers, relevant information what the Russian target market finds important or attractive when selecting the destination or a cottage for rent was received.

Some quantitative data was gathered via survey from the Russian that had selected the cottages of Jukka Niemi for holiday destinations. The primary data has been collected by interviewing the cottage owner and few Russian travelers. Primary data has been gained also by observing the company's processes for a longer period of time.

The secondary data was gathered from researches, studies and statistics to find out the most important factors affecting the Russians decisions when selecting a holiday destination. The secondary data was also used for stating reasons and describing the target market. In this study information gathered from many studies and statistics done by MEK and Border Guard interviews have been used to reason the marketing solution and emphasized factors. Book references have been used as a source of

general information for marketing plan, customer relationship management, building a framework for customer service and to clear out how services are marketed and the challenge of selling a service.

1.3 Structure of the thesis and limitations

First is explained why this study was made. In the beginning there is a brief company overview. The company description is followed by a chapter that describes the challenge of service selling and marketing. After describing the service package, this study goes through the importance of focusing on customer. A model for customer contacting is presented. The customer contacting model is followed by company SWOT-analysis listing current strengths, weaknesses, opportunities and threats. After the SWOT-analysis there's a short review of the rural tourism in agricultural industry and the competition in the market. This study has gone briefly though also the recession and how it has affected the rural tourism, travelling to Finland and the business RapoJärviLoma.

In this study it has been described how the holiday cottages of Jukka Niemi and Anne Niemi have been marketed and how the communication between the accommodation service provider and customer has been handled so far. Different marketing means are presented and evaluated for planning the marketing for future. The marketing focus was on the Russian residents travelling from St. Petersburg and Moscow, especially families.

In this thesis a short overlook to the target market has been presented. The study has on shown what attracts the Russian travelers, how and through what means of marketing they gather their information. The thesis has the emphasis on finding the best way to market the holiday cottages to the Russian target market and to improve the communication and information flow between the customer and the cottage owner. The thesis has the main focus on the Russian holiday spenders as they have formed the biggest part of the total holiday cottage visitors.

2. BACKGROUND FOR THE STUDY

2.1 A short description of the company

The cottage/holiday house renting business RapoJärviLoma has operated under agricultural industry from 2004. The business consists of three round-the-year rented cottages/holiday houses owned by Jukka Niemi and Anne Niemi. The high-quality cottages are situated by the lake in peaceful country side in Kymenlaakso, Valkeala area. The cottages offer perfect surroundings for spending relaxing time near the lake. The cottage renting business includes three fully equipped and furnished summer houses called; Rapojärviloma, Honkamökki and Nuottakatos. Rapojärviloma was the first holiday cottage built for family business for renting purposes in 2004. Second cottage Honkamökki was built in 2005 and the third cottage Nuottakatos was built in 2010.

Honkamökki is the biggest cottage with the size of 98m² and the capability to accommodate 12 people at the same time. Honkamökki is made out of round log and it has two bedrooms, hutkitchen, porch and loft 1.5-floor. The cottages Honkamökki and Nuottakatos are both by the lake called Haukkajärvi. The cottage Rapojärviloma is by the lake Rapojärvi and it's a smaller 115m², offering over night accommodation for maximum 6 people at the same time. The holiday house Rapojärviloma has an indoor hut, two bedrooms, kitchen and porch. The newest cottage Nuottakatos is almost identical to Rapojärviloma with room for 6 people. The Nuottakatos offers possibility to experience the wood sauna in addition to electronic sauna. In the yard of the holiday house Nuottakatos there is a separate sauna building heated with wood and where water must be carried inside from lake or from the other building. All the cottages have electronically functioning saunas with bathrooms and cottages Honkamökki and Rapojärviloma have outside huts for grilling purposes.

The price for one day in Rapojärviloma or Nuottakatos has been 120 euro and for the biggest cottage Honkamökki 140 euro per day. For a weekend

the price for Honkamökki has been around 300 euro and for a week 950 euro. Rapojärviloma and Nuottakatos have been charged 250 euro for a weekend and 800 euro for one week. The bed linen including big towels and sheets have been charged extra 10euro per person. The final cleaning has been charged additional 50 euro in Rapojärviloma and Nuottakatos. The cost of cleaning the cottage Honkamökki has been 70 euro, when not done by the customer. The prices of the cottages vary according to season.

According to www.huvila.net classification the cottages Rapojärviloma and Nuottakatos have been priced on average. The biggest cottage Honkamökki with price 140 euro per day is rated almost as a Luxurious cottage according to its price level (Huvilanet).

Additionally the holiday cottage owner has rented boats and fishing equipment and wireless internet access for the customers' use. The family business has also an all-terrain vehicle for the customers to be rented. The customers have been able to enjoy the Finnish countryside and forests. Besides swimming and spending time in the cottages, picking berries and mushrooms were mentioned by Jukka Niemi, as activities that the countryside has offered for tourists. Near the cottages in 2 kilometers distance there's also a horse stable that enables a possibility for horse riding.

Other activities that the areas nearby have offered are visiting the entertainment park Tykkimäen huvipuisto that is only 17 kilometers drive from the cottages and hiking in Repovesi national park that is only in 40 kilometers distance. The distance to the nearest town Kouvola is 20 kilometers. Kouvola is a town of approximately 90 000 habitants (Kouvola-info). Kouvola has a railway station that enables easy travelling to the capital city Helsinki and other destinations.

2.2 Importance of the study

Russian visitors form a big part of the total number of the RapoJärviLoma's customers. As big part of the company's customers have been coming from St. Petersburg and from Moscow the focus of the thesis was on how to attract them and that way to increase the utilization rate of the three cottages. The cottage owner Jukka Niemi who has been running the family business, estimated that at least 60 percent of the visitors are Russian and their importance to the business is great. He mentioned that some of the Russian customers have booked the cottages for longer periods of time. The recession of the year 2009 decreased the amount of the Russians visiting Finland. The foreign demand for the accommodation service decreased by 11 percentages in 2009 (Majoituspalveluiden ulkomainen kysyntä laski 11 prosenttia vuonna 2009. 2010).

The travelling from Russia to Finland decreased in 2009 by 5 percent. The accommodation service providers are facing the problem now since the number of visits to Finland had been growing for six years until the end of 2008. (Majoituspalveluiden kysyntä laski 11 prosenttia vuonna 2009. 2010)

The decreased number of visitors in 2009 raised the importance of marketing as the competition of getting the travelers' attention has become tenser. The owner of the cottages has a need to gain visibility among the target market, draw attention and create interest. As the number of the customer contacts have reduced every contact between the service provider and the customer has become more valuable. By treating every customer equally and with good communications the business improves the customer experience and can develop loyal customer relationships.

In RapoJärviLoma summer months June, July and August have been the busiest. Also holidays in Christmas, time around the New Year and other public celebrations and holidays like Easter have been included in seasonal sales for accommodating entrepreneurs in rural tourism. After a review made to the booking calendars of the cottages, the autumn months from the

end of September till November revealed to be quieter as well as the early spring in comparison to summer months. Although the almost fully booked summers have balanced the quieter time of sales/bookings in late autumns and winters the utilization rate of the cottages can be lifted by means of marketing. Another option for the company was to increase the additional sales to create more income.

Though the recession of 2009 didn't have a huge impact in RapoJärviLoma bookings and business the fewer amount of customer contacts received via email and phone was noticeable. To avoid the situation where the utilization rates of the cottages drop, as fewer customers make contacts and competition in the market has grown, the business planned to improve on marketing to gain more visibility. By studying what attracts the holiday cottage spenders the right factors can be emphasized in the marketing plan and during the customer contacting in the future. Focusing on the quality of the service has been important in the service sector, in rural tourism. The image of the service quality formed in the beginning of the service process has been one of the most important factors influencing on the customers' final decision making.

3. THE CHALLENGE OF SELLING AND MARKETING A SERVICE

3.1 Service adding value and importance of service quality

Service can be described as an intangible product that the company is selling or offering to its customer. The service can be used as a way to convince or attract the customer to make a purchase and it can be a way to differentiate from competitors. In the eyes of the customers services bring safety and extra value to the products bought. Services providing is a good way of keeping contact on previous customers and a way of creating a loyal customer base. In cottage holiday business the quality of the service has a big role.

Service is something that the customer is experiencing already in the point of purchase and it's always heterogenic and unique (Lämsä. 2005, 17). The image that is delivered via the personnel and the company must be positive and trust must be developed so that the customer is willing to buy. As the service is intangible the consumer is harder to convince to buy. There needs to be more trust and feeling of safety to get the customer convinced that buying the service is a good investment and something that the customer is seeking. Image plays a big role in service selling and marketing but the company must build the image so, that there is the certainty that the expectations that the image delivers are fulfilled or surpassed.

Surpassing the customer expectations is challenging. Services creating, developing and marketing are demanding tasks. The company needs to find out what kind of services do the customers need and from what kind of services would the customers be willing to pay for. For a company it's important to also find out what services the customers expect to come along when they buy a product. Services are always customer oriented and need to be based on customers' needs and wants (Lämsä. 2005, 28). If the company is not able to fulfill the customers' needs the unsatisfied customer

will not make a second purchase, in the holiday house business, the customer won't make a second reservation. The company can also take a look into the competitors' total offerings to find out what kind of services they are providing. Competitor analysis is advantageous when deciding what kind of services to offer or sell. Analyzing the competitors' range of services helps the company to differentiate and to find their place in the market.

3.2 The three main categories of the service

Service can also be a service package that is combination of tangibles and intangibles. In the service sector service can be divided in three main categories that are; Core service, Facilitating service and Supporting service (Grönroos. 1947, 82-83). The Core service contains the main and the most important services. The line between the facilitating service and the supporting service is sometimes very vacillating. The main difference is that the facilitating service is considered as mandatory to support the main service and to differentiate from the competitors. The supporting service is described as an extra service. The facilitating service can be used for increasing the value of the core service (Normann. 1991, 49-51). The entrepreneurs providing accommodation service in rural tourism can use the facilitating service to increase the value of their core service and this way reach better results.

The reservation made for a holiday cottage is always a service package. The service package in this case consists of the tangible that is the fully furnished holiday house with its' surrounding and the intangible which is the service offered by the cottage owner; for example reservation confirmation, customer service and introducing and guiding the customers to the cottage. Responding to customer quotations and contacts, giving guidance and introducing the customers to the cottage were considered as Core service for RapoJärviLoma. Facilitating service was answering to additional questions that the customers have during their stay in the holiday apartment. One of the facilitating services offered was helping the visitors with technical

problems during the holiday and answering to questions about activities and happenings around Kouvola. Jukka Niemi listed also providing the possibility to rent the bed linen and to have the final cleaning for extra charge as facilitating service. The range of supporting service can be wide and as mentioned before, the line between the facilitating service and the supporting service is vacillating. In this case in the list of supporting services was listed offering the all terrain vehicle and wireless internet access for rent and providing the customers with the possibility to go fishing by having fishing equipment and boats for customer use. Jukka Niemi mentioned as a supporting service also sending more pictures of the cottages to potential customers to convince them to confirm the reservation.

3.3 Reaching the best results by managing services

To be successful in the field of services the company needs to understand what benefits the consumers appreciate. To clear the needs and wants of consumers an analysis of the target market can be made. The company can study the secondary data available of the target market and what factors have had the biggest impact on their decision making. Finding out the through needs of the consumers is crucial. Services are something that the customers find from day to day more important.

A good product doesn't guarantee good sales. In today's business one needs to have the know-how to sell, give guidance for the customer and resources to give after sales service and for example maintenance when needed, to convince consumers into buying. Nowadays the product is not selling itself but also the total offerings as services, personnel activity or anything that adds value. To manage service, marketing, selling and delivering the service must be well planned, executed and under control.

In the service sector the personnel of the company have a huge responsibility in reaching customer satisfaction and without efficient service performance it's not possible. The responsibility is not only when producing

implementing and marketing the service, but also when selling the service and when the customer is consuming and experiencing it. Businesses can improve the service quality through employee training. The staff communicates with the customer and reaching fluent interaction is important in service sector. The idea of good interaction is to build profitable and relationship with trust between the company and the customer (Lipiäinen. 2000, 425).

By running the business for few years the holiday cottage entrepreneur Jukka Niemi has noticed what the visitors and travelers expect and appreciate. To build better communication and understanding between the target market, the Russian travelers from St. Petersburg and from Moscow Jukka Niemi has taken part in Russian language courses and improved on Russian language skills. This has been valuable for improving the interaction and understanding between the cottage entrepreneur and the residents of Russia that have rented the holiday cottages.

4. CUSTOMER ORIENTED COMPANY

4.1 Importance of being customer focused

“There has been a switch from a seller’s market to a buyer’s market in almost every field of business” (Lahtinen and Isoviita. 1994, 11). In the field of rural tourism providing intangible service and the holiday houses and their surroundings as the tangible product, understanding the customer needs and wants are crucial for running profitable business. The cottage holiday service providing is very customer oriented and dependent on good reputation among the target market.

It’s always better to exceed the customer expectations to keep the positive image. According to Jukka Niemi it’s vital to create a welcoming atmosphere in the beginning of the main face when the travelers are introduced to the cottage. Sometimes problems have occurred for example with electronics and the solutions have had to be found promptly to keep the customers satisfied.

Along the experience gained Jukka Niemi decided to start offering rental bed linen with an extra cost 10 euro per person as some potential customers had asked if there’s a possibility to rent bed linen and towels. Slowly Jukka Niemi has added additional equipment and services to keep customers satisfied and to attract more customers with services like wireless internet access. Example of the equipment are two all terrain vehicles, fishing licenses and boats. For some loyal customers that have booked the cottages on regular basis Jukka Niemi has agreed to store some of their holiday equipments. To answer to the needs of families with children Jukka Niemi has bought beds for small children.

According to Jukka Niemi in cottage holiday renting business the willingness to be of service is important. The entrepreneurs in rural tourism need to enjoy customer service and have good problem solving skills. Along the years Jukka Niemi has learned that you can never know what kind of help is

needed and it has been important to be reachable and available, prepared for customer calls at all times.

The business RapoJarviLoma doesn't provide breakfast service for its customers. In the interview Jukka Niemi told that he has received some emails where travelers have requested for a possibility to get breakfast service in the cottages. For breakfast service the family business hasn't been prepared for. Few times Jukka Niemi has given food service for bigger groups of people having a bachelor party in the cottage or when there has been an organized business meeting held in the cottage. These occasions have been rare and for evening events organizing food hasn't been problematic. Providing food service wasn't considered as something that would be profitable or advantageous for the family business.

4.2 The components of the service process

Company's image builds expectations and the picture that is formed sets the level of quality to be reached for the service provider (Lepola et al. 1998, 47). Every customer experiences the quality of the service and the sold goods in a different way and service is always heterogenic. In the customers' point of view the customer service is a process that consists of many phases.

The service process is expected to proceed in a certain way. The process starts with first contact and is followed by evaluation of surroundings. After evaluation of surroundings, there's entering phase that is followed by a waiting phase that leads the customer to main service. The main service leads to detachment phase that will end the service. (Lepola et al. 1998, 24-27.)

Next the thesis goes through the service process in the point of view of the RapoJärviLoma holiday cottage renting business. First thing that influences the customers' expectations is the company's reputation and the given image through marketing and holiday house branding. In rural tourism the

pictures of the holiday houses, basic information and variation of activities build up the expectations. The business RapoJärviLoma has had a very good reputation among its Russian customers as many of the Russian travelers have recommended the cottages to their friends and relatives and booked the cottages regularly.

As the customers' expectations are high in the starting point the cottages have to be in their best possible condition continuously. During the year the surroundings and the cottages have to be renovated and prepared for customers. For the business it's important that the high quality is maintained from year to year that the loyal customers that book the cottages in regular basis won't experience loss in service quality and that disappointments are avoided.

According to Jukka Niemi it has been vital for the business to always give 100 percent to fulfill the customer needs and expectations. To exceed the customers' expectations the atmosphere has to be warm and the customers need to feel themselves important and appreciated. All the customers need to be treated in the same manner and with equal interest to ensure that the good reputation is maintained.

First contact gives the customer an idea of the company's service. In cottage holiday renting business the first contact is usually received via email but sometimes the first contact happens via phone call. In the first contact customer data can be collected. Later the customer contact information can be saved in two categories 1. To those who have booked the cottages and 2. To those who have requested for a cottage but booking hasn't been possible. If the booking for the cottages hasn't been possible, cottages being already booked for the time period requested or if the cottages haven't answered fully to the requirements of the customers an email letter of thanking of interest and contacting is sent to the contactor.

Collecting the information from the people who have shown interest to the cottages but haven't been able to confirm the booking was introduced as an important thing to the cottage owner in case of reservation cancellation and for later direct email-marketing. The customer data collecting and dividing

into different categories was introduced to Jukka Niemi as a tool that helps in the future to clear who have booked the cottages already previously.

After the first contact and the entering phase, there's a waiting phase when customer needs to wait to get service, more information or a reservation confirmation. Email contact is always followed by a longer waiting phase than a contact via phone call. By phone call the steps of the contact model can be performed through faster. After or during the first contact more information related to the reservation is cleared like need for bed linen, how many people are coming, and the time checking in and the time of departure.

Booking confirmation and retainer are followed by a final waiting phase, for the holiday to start. On the last waiting phase the cottage owner was given a suggestion on sending 5 days in advance of the beginning of the booked holiday, a welcome email including the starting and ending dates of the reservation to the travelers.

The surroundings build an image for the service. In the entering phase the customer's attention focuses on the easiness and the atmosphere in the destination. The main service transaction happens when the customers are met, guided and introduced to the cottage. The service is experienced and consumed during the holiday. The customer forms a picture of the quality, of tangibles surrounding the cottages, the cottage itself, the activities and the willingness of service of the cottage owner Jukka Niemi. During the phase of main service it's made sure that the needs of the customers are fulfilled, solutions to possible problems are found and that the service is paid for and finalized.

After the main phase the customer detaches from the service by returning the key. During this phase Jukka Niemi has asked for feedback, wished the customers all the best, hoped that they have enjoyed their stay and welcomed them to come again. After the service experience there's a phase of after sales service. The detachment phase is followed by customer follow-up. The follow up included sending a letter of thank you or greetings in public celebrations.

After the customer leaves the cottage, during the way home, things that no one can predict might occur. These can level down the holiday experience. There can be bad weather conditions, or problems and traffic at the border. These factors the entrepreneurs can't control.

4.3 Improving the customer relationship management of RapoJärviLoma

The company RapoJärviLoma can improve its customer relationship management by becoming more efficient in the phase of the first contact, in the entering phase, in the main phase and in the detachment and the after sales phase by creating a framework for how to proceed with customers. To help to go through all the steps of the service process a model for customer contacting for RapoJärviLoma was made.

The model gives an overall guideline that leads the service process. The framework was created to support the idea that every customer is important. The framework better enables that all the customers experience the steps of the service and the model helps to minimize the variation in the quality of the service. Right after the phase of first contact that usually happens by email or by phone the personnel working for RapoJärviLoma must handle the continuing customer contacting and customer information gathering efficiently. During the phone call the customer details and email address is asked.

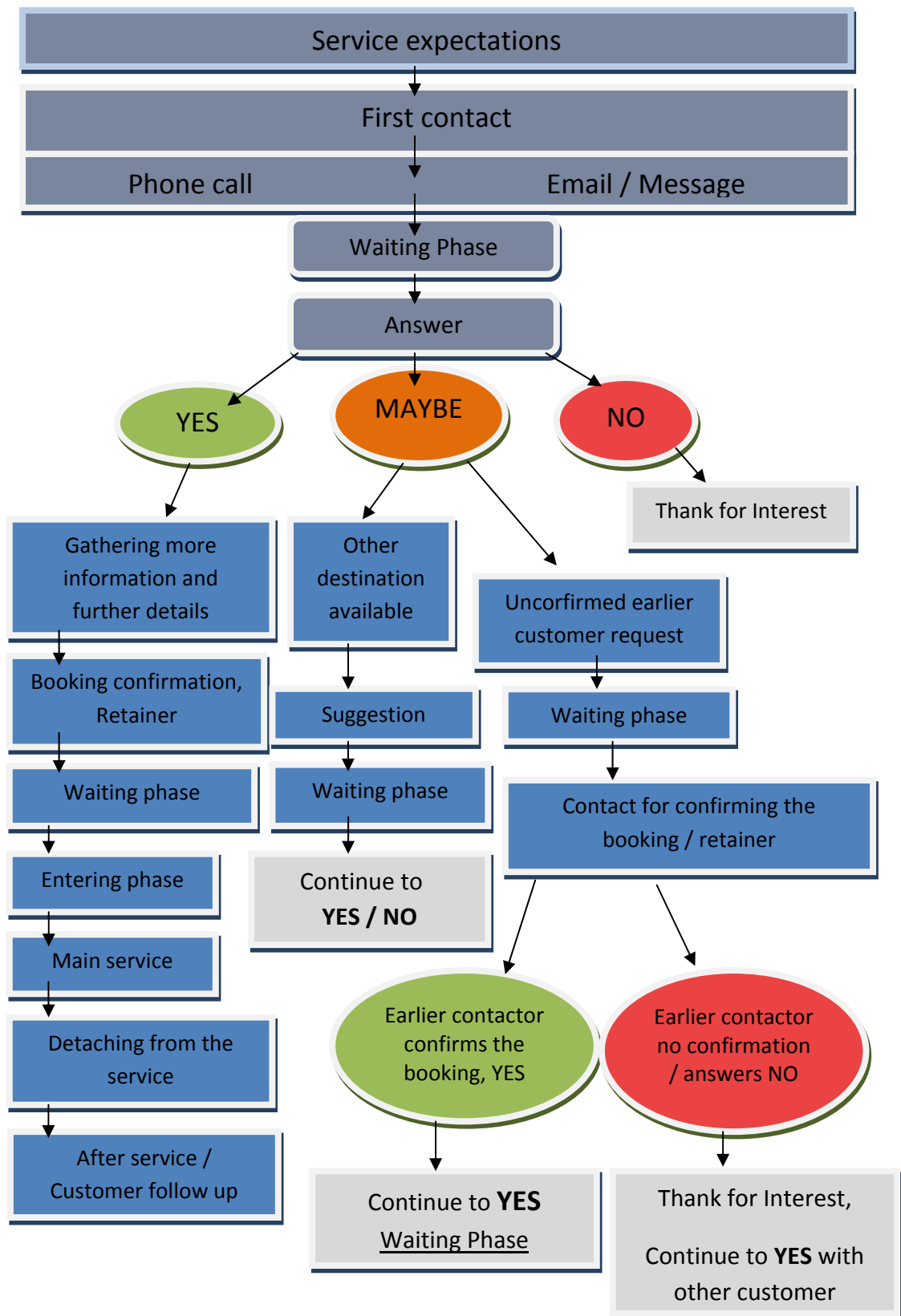
The responses for customer requests received by email need to be answered promptly, preferable during the same day. One of the problems with prompt contacting is that during the season the accommodation entrepreneurs have preferred to book weeks and the cottage holiday accommodation providers receive also request from customers that would like to book the cottage only for a weekend or for few days.

After the first contact the needs of the customer have to be clarified. In addition to asking more details related to the booking, the email that is sent

to the potential customer, can include activity possibilities. The email can include more information about the destination to attract to confirm the booking. The first email should include questions that reach for finding out the basic needs and wants of the potential customer. When the needs and wants are cleared arguments that support the booking and easy the decision making can be given to convince the traveler to make the reservation and the pre-payment.

The marketing manager of Lomarengas Pekka Huttunen and the lawyer of the Consumer Office have together given a memory list for the consumers that have considered spending their holiday in a rented cottage. They recommend selecting the cottage from the websites of travel agents because the travel agencies check the destinations and are in charge of mistakes. In the Helsinki newspaper they have made an argument that booking a cottage via travel agency is safer than booking a holiday house via advertisement column, straight from the cottage owner. When the cottage is booked through a private cottage renter the information is good to be carefully checked and the cottage visited in advance if possible (Helsingin Sanomat. 03.04.2011). By handling the customer interaction efficiently and providing the travelers with relevant information the basic trust for confirming the booking is built.

4.4 Model for customer contacting



5. COMPANY SWOT-ANALYSIS

5.1 SWOT- analysis

SWOT analysis is a tool that can be used when figuring out the strengths, weaknesses, opportunities and threats of business.

SWOT-analysis	
Strengths	Weaknesses
Good reputation	Lack of language skills (only basics in russian)
Location near Russia (St. Petersburg and Moscow)	Quiet seasons
Holiday cottages by the lake	No own webpage
High quality (Price-quality ratio)	Variation in customer contacting
Nature	
Possibility to wireless internet access	
Kouvola railway station	
No pets allowed	
Opportunities	Threats
Exploiting marketing options	Recession (decreasing number of tourists)
Increasing co-operation	Growing competition
Improved sales of side products (bed linen etc.)	Political and legal issues
Raising the utilization rate of the cottages	Unsatisfied customers
Improved customer contacting	Cottages experiencing loss in quality (lack of renovating/updating)
Improved customer relationship management	

In RapoJarviLoma the biggest strengths have been the nature, location and the good reputation. The good reputation among the target market has been important as Russian listen to the opinions and recommendations of friends and relatives. The location of the cottages is ideal as every cottage is by the lake and near the city of Kouvola surrounded by beautiful nature and quiet countryside. The activities that the nature has provided were also considered as strengths. In the destination visitors have had the possibility to go walking, picking mushrooms and berries, swimming, fishing and of course to experience the Finnish sauna. Another strength listed in the SOWT-analysis of RapoJärviLoma was the factor that pets have never been allowed inside the holiday cottages, so the cottages are livable for allergic customers. The four interviews with the Russian cottage bookers revealed that the location, the size of the cottages and the reputation were the biggest reasons for selecting the cottages as an accommodation for the holiday.

Biggest current weakness found when reviewing the cottage holiday business RapoJarviLoma was the lack of efficient marketing via internet.

Information of the newest cottage Nuottakatos hasn't been available for customers. The business didn't have its own webpage that would give the travelers a possibility to see more information and more pictures of all the three cottages. The two cottages Rapojärviloma and Honkamökki have been shown in website www.huvila.net, which provides a search engine and has on shown holiday cottages of entrepreneurs in rural tourism industry. The website has listed basic information of the cottages, a booking calendar and contact information. The website lacks the opportunity to show numerous pictures and the website is not available in Russian language.

According to the cottage owner Jukka Niemi it has been common for the Russian travelers to ask more pictures of the cottages before confirming the reservation. For the entrepreneur it has been time consuming to send more pictures by email attachments to numerous customers requests. The business RapoJarviLoma hasn't had enough information available presented for Russian target market in their own language, which was recognized as a weakness. Sometimes the customer contacting hasn't been as efficient as it could have been. Every inquiry hasn't got immediate response and some contacts have got forgotten during the summer season. When this has happened some of the possible future customers have been lost as they have booked accommodation from other accommodation service providers.

When the SWOT-analysis for RapoJärviLoma was made few opportunities to be exploited were discovered. By improving the marketing the company can raise the utilization rate of the cottages. Also by improved co-operation among other entrepreneurs operating in the same area there's an opportunity to raise the utilization rate. By gaining more customer visits the company is given a possibility to increase additional sales like renting bed linen, selling final cleaning, renting the row boat and fishing equipment to increase business' cash flow. By improver gathering of customer data better customer relationships can be built. When the customer expectations are exceeded the reputation of the cottages and the service remains good and the company can gain loyal customers that want to rent the cottages in regular basis. By setting up a webpage the business can gain more visibility.

Biggest threats for the RapoJarviLoma are unsatisfied customers that can bring down the good reputation of the cottages. The cottages get older every year and to keep the quality high, renovations have to be made and new furniture has to be bought in regular basis. If the customers feel that the cottages are getting old, they are not willing to pay as high price. When interviewing Jukka Niemi maintaining the high quality of the cottages was considered as a necessity. Also political and legal factors can become an issue when the Russian travelers and their need for visas are taken into consideration. One of the threats for business RapoJärviLoma was also the growing competition in rural tourism. For RapoJarviLoma this means that the company has to find ways to differentiate from other cottage holiday entrepreneurs and to increase cottage holiday marketing.

6. RURAL TOURISM

6.1 About rural tourism

Rural tourism and the holiday cottage renting business has started as a way to gain additional income under agricultural industry. Holiday cottage renting business is often carried on as a secondary occupation (Lämsä. 1997, 65).

According to the Chairman of the Finnish rural tourism ry summer has been the most important time for rural tourism and the continuous urbanization increases the popularity of spending a holiday in countryside (Lindell. 2011, 1). According to Lassila the challenge faced in the holiday cottage marketing working under agricultural industry is that is often carried on as a secondary occupation. The small individual rural entrepreneurs have lack of capability and motivation to take part in common marketing (Lassila. 2001, 79).

The marketing could be improved by developing co-operation among the entrepreneurs operating in close distance. In the case of RapoJarviLoma Jukka Niemi has been handling the cottage/holiday house renting as his day job and has already had some co-operation with the cottage entrepreneurs working in close distance. According to Jukka Niemi the co-operation has still been very limited. There has been no co-operation with the entrepreneurs that provide activities and with the cottage owner Jukka Niemi. The improved co-operation between the holiday cottage renters operating in the same area and also co-operation between the cottage entrepreneurs and activity providers was considered of having the possibility of being beneficial and advantageous for both parties.

6.2 The future of the rural tourism

The rural tourism of Finland has many opportunities for growth. The rural tourism is expected to face growth in Finland because it counterbalances

well the hectic lifestyle (Maaseutu uutiset. 2011). The countryside has to offer; peace, relaxation and nature. Now that the recession is slowly defeated the number of travelers coming from Russia to Finland has started to increase again. The future of the rural tourism seems bright.

According to the presentation of the chairman of Finland's rural tourism entrepreneurs' organization, SMMY Suomen Maaseutumatkailuyrittäjät ry, the rural tourism has developed and the competition of the customers is becoming tenser. Lindell has mentioned that today there are more entrepreneurs specialized in rural tourism and when reviewing past the number of foreign customers has increased (Lindell. 2011).

The worldwide recession in 2009 caused less visits and decreased the number of holiday travelers. The recession of 2009 also caused that part of holiday cottage builders started to rent cottages instead of selling the holiday houses in lower price (Taloussanomat. 2008). This is a one factor that has made the competition harder in the rural tourism industry.

Though there has been development in the co-operation between the entrepreneurs and the number of projects for developing the tourism has increased still more can be done in the future. Seminars, education, courses and exhibition have become more popular in the rural tourism industry. The thoughts of Mikko Lindell about rural tourism supported the idea that by increasing marketing of the company RapoJärviLoma positive results can be achieved.

6.3 The attractive factors of the cottage holiday and in rural tourism

In a seminar held in Helsinki 21.01.2010 where rural tourism was discussed Virve Obollogiani presented means of how to attract foreign visitors to Finnish rural destinations. She has stated in her presentations that foreign travelers will visit countryside if they are provided with information of different opportunities in their own language, receive the services they wish

for, have good means of communicating and enjoy spending time in the destination (Obolgogiani. 2011, 2).

The countryside attracts visitors with its peace and quietness. The CEO Juha-Pekka Olkkola of the company Lomarengas has stated that the Russians are attracted by the same factors as Finnish when it comes to booking a cottage and spending a holiday in countryside (Taloussanomat. 2010). The factors were the peace and the possibility to spend time surrounded by nature. Also location close to services was valued among Russian travelers. The safety that Finland offers as a destination is considered as meaningful attractor among the Russian.

When it comes to cottage renting business Russians are the main target group that the cottage owners must invest on. Gaining visibility among the target audience and attracting them by offering different services or by delivering more information of the destination is becoming more important. During the turn of the year the Russian tourist book the Finnish cottages. Lomarengas estimates that 73 per cent of the cottage reservations are made by Russians in the turn of the year (Matkaopaslehti.fi. 2010).

6.4 Cultural tourism as a way to attract foreigners and the Russian travelers to visit countryside

A study of Finnish Tourist Board about finding out if Finland is found interesting as a cultural destination among foreigners, has stated that the Russian tourists include more cultural characteristics in their visits than the British, German, French and Swedish. In the study it was stated that especially their visits in musicals, theaters, exhibitions and cultural historical museums, sport events, circus and festivals stand out from other results. These results only give a guideline as the study has taken in consideration only trips that include certain type of cultural elements and other type of leisure trips have been bounded out from the review. (Finnish Tourist Board/TNS Gallup OY Helsinki. 2010, 8.)

Among the Russian respondents that include cultural characteristics to their travelling Finland held the top four position as a culturally interesting destination. When it comes to organizing the holiday and visiting the cultural destination and Finland 24 per cent of the Russian tourists had bought a package holiday. Most of the Russian respondents had organized and their holiday themselves or with their travelling partner. 17 per cent had used a service provided by travel agent in their latest travel abroad that included some cultural elements. 36 per cent of the respondents that are interested in visiting Finland would like to accommodate in a holiday cottage, the Russian especially prefer a cottage. (Finnish Tourist Board/TNS Gallup OY Helsinki. 2010, 11, 37, 53.)

The respondents in the study had a wide way of subscribing what is cultural tourism and travelling. Among the respondents of the study visiting cultural historical museums, buildings and places were closely attached in cultural tourism. Also getting to know the destination and the culture and lifestyle of the destination and its habitants was connected in cultural tourism. The Finnish food and countryside has also interested the Russian above the average results from respondents of other nationalities. The study states that the potential of cultural factors that Finland could offer are not exploited as well as possible. As the Finnish mentality and lifestyle appeals to tourist as an exotic thing there's a need to develop trips that exploit these characteristics. There is a need for creating trips that offer visitors a good combination of nature, information, lifestyle and culture.

The main reason for travelling to Finland is still not the cultural factors, not even among the cultural travelers. The main reason for visiting Finland is the beautiful nature and the third biggest reason is the safety and quietness.

7. TARGET MARKET ANALYSIS

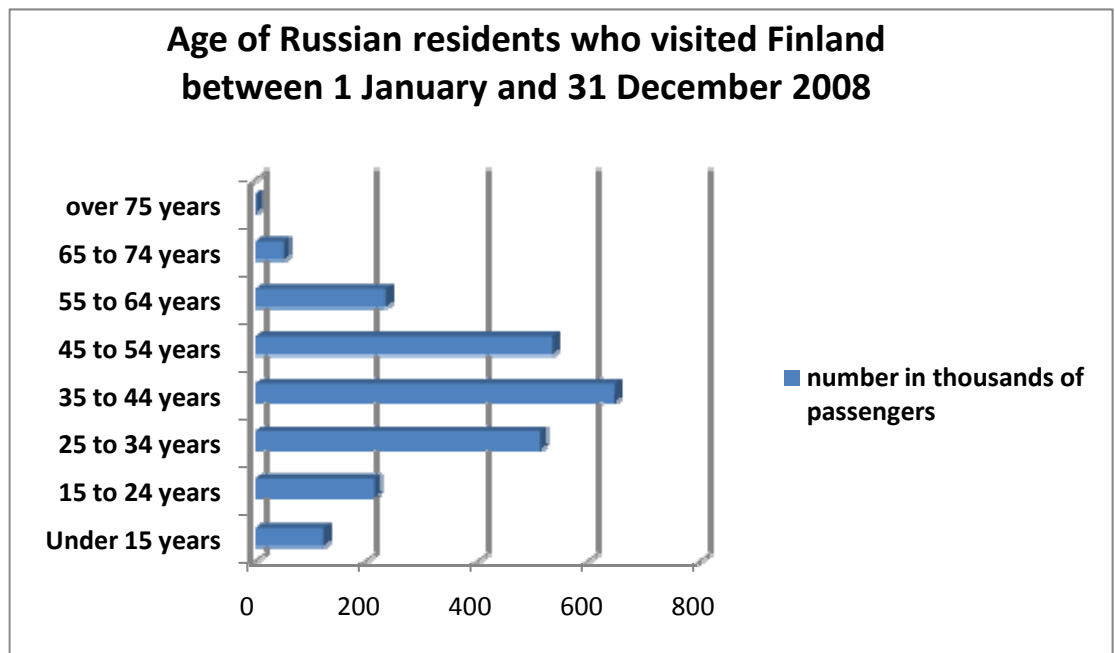
7.1 The foreign demand

In winter 2009-2010 49 per cent of the foreign travelers had traveled to Finland to spend a holiday in Finland. The average duration of the total visit was 3, 3 nights. In total most of the nights spent in Finland were done by travelers coming from Estonia, Russia and from Sweden. 39 per cent of all the visits during winter 2009-2010 didn't last over night. (Rajahaastattelututkimus 2010 / Matkailun edistämiskeskus. 2009–2010.)

According to the Statistics Finland from the beginning of November 2009 till the end of April 2010, 58 000 foreign tourist had rented a cottage when visiting Finland. The 58 thousand formed 4 per cent of the total percentage of accommodation services and the average duration of the holiday spent in the cottage was 7, 4 days (Tilastokeskus. Rajahaastattelututkimus. 2010).

7.2 The residents of Russia as target market

According to the Finland's Border Guard interview survey in 2008 2,3 million visitors came from Russia to Finland. The 2,3 million was 13 per cent more than during the previous year. The average age of the travelers was 39-years and half of the total number of visitors consisted of men and half were women. 54 per cent of the travelers were on a leisure trip and one fourth of the visitors spent one to three nights in Finland. 11 per cent of the visits made by Russian residents in 2008 were work or business related. In 2008 the total number of nights spent in Finland by the residents of Russia was 3,2 million. One third of the trips were located in Eastern Finland and one fifth to Helsinki and to Uusimaa. (Finnish Tourist Board / Statistics Finland. 2008.)



This graph is based on the numbers of the Border Interview Survey 2008 (Finnish Tourist Board / Statistics Finland. 2008, 4).

The graph shows that most of the visitors coming from Russia are from 25 to 54 years old. According to the travel agent company Lomarengas Ab Lmtd Oy the number of Russian travelers booking cottages has increased in 2010 by 10 percent from year 2009. The growth in booking numbers has naturally had a positive impact on the booking statistics and received contacts of holiday cottages in Finland. Finnish make approximately fourth of bookings and other Europeans three per cent (Taloussanomat. 2010).

During the winter season in 2009 to 2010 from November till April, the amount of Russian visits across border to Finland increased by 4 per cent when compared to the winter season in previous year. In winter season 2009-2010 Russians formed 45 per cent of the total visits by making 1056 million visits to Finland. (Rajahaastattelutkimus 2010 / Matkailun edistämiskeskus. 2009–2010.)

In the turn of the year 2010-2011 approximately 100 thousand Russian travelers were expected to come to Finland (Matkaopaslehti.fi. 2011). The future of the rural tourism looks positive and after the recession growth in the customer number can be expected again. The statistics showed that the

numbers of visits coming from Russia to Finland are makeable and growing again.

The statistics and surveys supported the idea of focusing on Russian market and marketing on St. Petersburg and Moscow. Targeting to the Russian market is important as the travel rates are growing and there's a true opportunity to gain more loyal customers. The studies also show that most of the company's customers are Russian and they form the biggest target markets for the cottage holiday entrepreneurs Jukka Niemi and Anne Niemi.

7.3 Information gathering

In cultural tourism Internet was listed as the most important source of information among the foreign travelers interested in Finland as a cultural destination. Two out of three respondents, in the study about had sought information from internet. Other common sources of information used when finding out about cultural destinations were friends and relatives used by 31 per cent of the respondents and brochures of travelling agencies and travel agents with 28 per cent. According to the study Russian valued the recommendations of friends and relatives more than the Swedish, German, French and the British. (Finnish Tourist Board/TNS Gallup OY Helsinki 2010. 2010.)

A medium research made in St. Petersburg in Autumn 2010 by TAK aimed to find out about the media behavior of the people living in St. Petersburg and also their attitudes towards certain mass media. The research showed that 15% of the residents of St. Petersburg read magazines and 34% read newspapers every day or many times per week. Half of the respondents used internet either everyday or many times in a week. The newspapers that has come up nationwide daily, has reached 6,5million Russians every day according to a research made in 2008. The newspapers that were published nationwide once a week had 1,4 million readers. (Tutkimus- ja Analysointikeskus TAK Oy. 2010.)

According to TAK estimations 62% of the Russian read magazines in a regular basis and the most popular magazines are about movies and television or women's magazines and fashion magazines. According to the TAK survey over 54 year-old living in St. Petersburg read more magazines. Women were more active readers than men and monthly over 60% of the respondents read magazines. Reading magazines was also more popular among the people with good income. 15% of the respondents that read magazines had visited Finland during the past year and 14% of all respondents taking part in the survey had visited Finland during the past year. The respondents felt that the adverts in newspapers were on average more reliable than the adverts in magazines and on the other hand adverts in magazines were in average more interesting than the adverts in newspapers. (Tutkimus- ja Analysointikeskus TAK Oy. 2010.)

The use of Internet has been growing in Russia in the past years. The internet has gained special popularity among the Russian who live either in St. Petersburg or in Moscow. 50% of the residents of St. Petersburg, age over 18 years use Internet daily or many times a week. 56% of the respondents that use the internet this actively are under 34 year-old. Most of the respondents that use internet are educated and 21% of the respondents that use internet had visited Finland during the past year. The survey revealed that 73% of the travelers that visited Finland in January 2010 had the ability to use internet at work and 40% of the respondents had internet connection in their homes as well. Only 8% of the interviewed visitors coming from Russia to Finland in January 2010 hadn't used internet to find information related to the holiday. The study showed that 60% of the Russian travelers had used internet when booking a holiday to Finland and 26% had paid their holiday via online money transfer. (Tutkimus- ja Analysointikeskus TAK Oy. 2010.)

The TAK Border guard Interview showed that in the past years the importance of Internet has grown fast among the Russian travelers. As Internet has become an important source of information in addition to the recommendations delivered and heard from friends and family and information gathered during previous holidays or trips it needs to be

emphasized in marketing. The statistics and results have been used in this thesis to support the marketing plan and selection of marketing means. The role of internet stands out when thinking of the holiday cottage marketing, as the target group of the business was the residents living exactly in St. Petersburg and Moscow.

8. FACTORS TO EXPLOIT WHEN MARKETING RAPOJÄRVILOMA

8.1 Factors to give emphasize to

The location of the three cottages Rapojärviloma, Honkamökki and Nuottakatos is a huge advantage when attracting the customers from Russia. The fully furnished and equipped holiday houses have provided a tempting and easy solution instead of a hotel, for spending a holiday or few nights in the Finnish countryside yet not far from services

The nearest town Kouvola is only 20km away and the capital city Helsinki in 150 kilometers distance. Lappeenranta is also very near, approximately 80 kilometers away. All the three holiday houses are located by the lake and offer peace and quietness, forest, fields and lakes. The new faster connection between St. Petersburg and Kouvola is advantageous for the cottage business RapojärviLoma, that is only 20 kilometers from Kouvola railway station.

The nature surrounding the cottages and the Kouvola area can be emphasized in marketing and the variation of activities like fishing, going mushroom picking or berry picking, biking, walking swimming and hiking in the nature. During the winter the tourists can go cross country skiing or downhill skiing to Mielakka, which is a skiing centre situated only 2kilometers from Kouvola city centre. In summertime Mielakka has given the opportunity for people to try down the hill cross caring. In Kouvola Area approximately 25 kilometers from the cottages there's a KoskiGolf golf centre for people interested in playing Golf during their stay.

By providing the tourist with more information what to do in the areas nearby it's easier to attract them to select the cottages as a destination. For people who are interested in museums and Unesco World Heritage destinations in Kymenlaakso, in Kouvola, there is an old Verla Mill Museum. The Verla Mill Museum and Repovesi Kansallispuisto (National park) was considered as

something that appeals for travelers interested in culture and cultural tourism.

8.2 Emphasizing the location of the cottages being close to Kouvola

In 2008, 47 000 travelers spent their trip by accommodating in a holiday cottage. The 47 000 travelers form only 6 per cent share of the total accommodation options. A little more than a half of the visitors spent nights in a Hotel. Eastern Finland was the most common destination among the Russian by 32 per cent. Helsinki was the main destination for 19 per cent of the visits and Southern Finland including Kymenlaakso and Uusimaa was the third common destination by 13 per cent. (Finnish Tourist Board / Statistics Finland. 2008, 61-62).

The cottages owned by family Niemi have a very good location when thinking about the Russian tourists. The cottages are in Kymenlaakso that was listed as the third most popular destination among the Russian. The cottages are near the city of Kouvola, which is only approximately 140 kilometers from Helsinki.

The train carries travelers from St. Petersburg and from Moscow to Kouvola railway station three times a day (Avainasemassa, Kouvola). By train it takes 3 hours and 30 minutes to travel from St. Petersburg to Kouvola and the distance between the two cities is only 285 kilometers. In the beginning of December 2010 the new Allegro train started operating between St. Petersburg and Kouvola (Kouvola-Metropolien solmukohta, 2010). With the Allegro the journey from St. Peterburg to the first stop in Finland in Kouvola takes only approximately two and a half hours. With the Allegro train it takes only one hour more from Kouvola to arrive to Helsinki. With the new Allegro connection the cottages of family business RapoJarviLoma are easy destinations for the Russian travelers and the Russian families to accommodate and spend a holiday in.

As the new Allegro train is making the traveling between St. Petersburg and Kouvola even easier more visits and human traffic from Russia to Kouvola are expected. The city of Kouvola has already started to outline building a hotel and a new shopping centre connected to the Kouvola railway station (Kouvolasta Venäjän-radon keskus. 2010). The concept of the centre is to form a solid combination where travelling, shopping, services, working and free time are united and brought close to customers (Uusi matka-, palvelu-, ja kauppakeskus Kouvolan aseman alueelle. 2010). The future development of Kouvola city makes it more attractive for tourists. As the city of Kouvola starts to draw more attention the rural tourism surrounding Kouvola will get its share of growing attention as well.

At the moment Lappeenranta, the city next to Kouvola is a very popular destination among the Russian travelers, especially as a shopping destination. According to a survey made by TAK OY, Lappeenranta bypassed Helsinki as the most popular destination in 2008 (Mtv3. Uutiset, Kotimaa. 2008).

9. MARKETING MEANS BRIEFLY AND OPTION FOR RAPOJÄRVILOMA

9.1 Exploiting internet

As the Family business RapoJärviLoma doesn't yet have its own webpage putting up a webpage that provides the good basic information of each cottage with pictures is one way of improving the holiday cottage marketing. Since a big part of the Russian who travel to Finland use internet in their information gathering and also when booking their holiday the webpage is becoming a necessity. The increasing use of internet in bookings and in information gathering when seeking a destination or an accommodation service provider is a factor that backs up the investment for a proper homepage.

The homepage should include a booking calendar, prices, contact information, pictures and basic information of the cottages, list of activities and important links to attractive places to visit located near the cottages. The homepage should emphasize the nature, peace and quietness that the location by the lake has to offer.

According to the few interviews with the Russian cottage visitors of RapoJärviLoma the location was the most important reason when selecting the accommodation. Also the size of the cottage, cleanliness, activities and reputation were important to the customers interviewed. The respondents selected nature to be the biggest reason when deciding to visit Finland. Other reasons for visiting Finland was the short distance from Russia and the safety and shopping possibilities. Pictures were important for the travelers that hadn't visited the cottages previously.

As the location was valued high, the short distance from St. Petersburg and from Moscow to Kouvola and to the holiday cottages must be emphasized in the company's webpage. The ability to travel to Kouvola by allegro train and the short distance to the cottages by car is a huge advantage when

marketing the cottages. The short distance to Lappeenranta and Helsinki need to be listed in the homepage as well. These two cities are very popular destinations to visit among Russian the Russian travelers that come to Finland for a holiday. The location of the cottages owned by the business RapojärviLoma and the most important and interesting places to visit nearby was thought to be shown on a map to better show the ideal location of the holiday houses.

The important activities that need to be listed in the homepage from other service providers and entrepreneurs were thought to be the Repovesi national park, Tykkimäken huvipuisto (Entertainment Park), Verla Mill Museum (Unesco world heritage destination), KoskiGolf, Mielakka and link to the city of Kouvola. All the information of the destination RapoJarviLoma was planned to be given in Finnish, English and in Russian.

In internet there are travel agencies that also provide a way to market cottages. At the moment two of the cottages Rapojärviloma and Honkamökki have an advert in www.huvila.net that provides its users a search engine to find suitable holiday cottages for their purposes. The problem is that this agency webpage works only in English, Finnish and in German. As the Russian families living in St. Petersburg and Moscow were considered as the target market of the business RapoJärviLoma the entrepreneur should provide the Russian information in their own language. By providing the Russian information in their own language it's easier to appeal and attract them selecting the holiday house as their destination.

Lomarengas Oy is a company that also rents holiday houses and cottages for different purposes. The Lomarengas Oy has already approximately 3200 cottages or holiday apartments in its category (Lomarengas Oy, Contact Information). Lomarengas has also a wide search engine that allows its' users to look for information in Russian, Finnish, in English and in German. Idea of adding the three cottages Rapojärviloma, Honkamökki and Nuottakatos in Lomarengas was introduced to of Jukka Niemi and Anne Niemi as one thing to consider.

To improve cottage marketing all three cottages can be added to Suomiloma.fi which is a free of cost website operating in Finnish language. The website offers a possibility to gain visibility among the Finnish customers.

9.2 Media advertising

9.2.1 Print Advertising

From printed media putting a small advertisement in a local newspaper in St. Petersburg or in Moscow was considered as one way to improve cottage holiday marketing. Local paper in St. Petersburg was selected even better option as according to Jukka Niemi most of the current Russian customers were living in St. Petersburg.

When it comes to newspapers and magazines as mentioned before women and habitants in St. Petersburg over 54-year old read more papers (Tutkimus- ja Analysointikeskus TAK Oy. 2010). The same study also showed that the people who lived together with somebody or had a family read more papers. For the advertisement to be appealing it has to include shortly basic information, location, price, link to the webpage and contact information. The advertisement needs to include a picture to draw attention and to create more interest. The target markets of the newspaper advertising for a cottage holiday were selected the families that spend holidays in Finland.

To attract the families the advertisement was planned keeping in mind the women who read more newspapers and the factors that are valued among the Russian families and residents of St. Petersburg over 54-years old. The nature, peace, quietness and safety are the factors that can be emphasized with a short description and by selecting a good picture of the holiday apartment. Also the easiness of the holiday was selected to be an important factor to bring up in the advertisement by mentioning the location and that

the cottages are fully equipped and furnished. For families the distance from St. Petersburg to cottages and Kouvola is quick and easy by train or by car. For families the cottage offers a lot of space and in a fully furnished and equipped house living is easy for a family with children.

The local newspapers are typically published once or twice a week and by using the local newspaper in advertising usually a high group density is reached in a small geographic area. Other option in printed media besides the local newspaper that is good for local advertisers is the City papers that are Free-distribution Publications. The City papers are published usually 1-3 times a week and distributed to households. Advertisements in city papers receive attention and are reasonable priced. The distribution of the paper is not as reliable as the local newspaper. (Lahtinen and Isoviita. 1994, 234-236.)

City paper was considered as a good way to increase marketing of RapoJarviLoma as the marketing of the cottages is not dependent on a certain day of publication. To draw maximum attention the advertisement should be in colors and to be relevant it has to also include the price. It's important not to fill the small advertisement with too much text so the message doesn't become hard to read. Via further contacting more information can be provided to the potential customers. As creating trust was mentioned important in service selling, marketing via printed trustworthy medium like newspaper was selected as a good option.

9.2.2 Brochures

The RapoJarviLoma has already made few brochures of the first cottage that was built in 2004. The small and simple brochure is good but it needs updating. The RapoJarviLoma has a need to create and print brochure that include all the three cottages with basic information, pictures, prices, activities, distances and contact information.

With the brochures the family business could take part in international travelling exhibitions that are held in St. Petersburg and in Finland. This kind of possibility has been in 05.02.2010 when travel exhibition was held in St. Petersburg at "PetroKongres" (Business Expedition). In 2010 the cottage owner Jukka Niemi didn't exploit this opportunity.

One option for printed media advertising for RapoJarviLoma was to purchase advertisement space from brochures that are made especially for Russian tourists traveling to Kotka, Kouvola and Hamina. For winter 2010-2011 a brochure for increasing the popularity among the Russian travelers in Kymenlaakso area was published and distributed in St. Petersburg and in Moscow. 40 000 brochures were printed and 20 000 of those were distributed between a newspaper called Delovoj Peterburg (Kehitys Kinno. 2011). The 20 000 brochures left were distributed in Moscow and in St. Petersburg in different seminars and marketing events.

Through this kind of brochures that combine entrepreneurs that provide different services the small family business can easily gain visibility with small investments. The brochure had combined activities, tourism destinations, accommodation, shops and services in Kymenlaakso area. Taking part in these projects that aim to develop the tourism in the area the business can reach its' target market with reasonable price. Via brochure that is distributed and that reached the target market well the contact price becomes very low. The contact price is cost per reached contact (Lahtinen and Isoviita. 199, 233). The Railway stations of Kouvola and Lappeenranta were considered as good places for distributing brochures.

9.3 Direct marketing

9.3.1 Direct email advertising

The Family Business RapoJarviLoma hasn't used the customer data for direct email advertising. The family business was informed how to exploit the customer information by sending them email directly. The direct email

advertising is easy and it doesn't require big investments. It can be used not only for selling but also for distributing information.

By email advertising with using existing customer contact information the company might not gain any new customers but it's a good way of reminding the old customers of the cottages existence and to receive new reservations. When old customer data is used it's possible to get new customers from people who have contacted Jukka Niemi about the cottages previously. The customers who hadn't been able to make reservation before might be planning a second holiday.

The main purposes of the direct mail advertising are to inform, support and complete the sale, to attract customers, to acquire orders and contact addresses by mail and to carry out opinion and marketing research (Lahtinen and Isoviita. 1994, 250). For the RapoJarviLoma the direct email marketing was considered as a good way to inform the target market of the newest cottage Nuottakatos.

By direct emailing the company can easily reach and attract customers. Contacting customers via email was in this case seen as a good method for reminding of the company's existence. Using the existing customer data the company can reach customers in Russian target market cost-efficiently. The direct emailing was planned in discussions with family Niemi to include a small picture to draw attention. The sending of the direct email was planned with Jukka Niemi to be executed after the company has its' own webpage so that the email includes a link to the cottage business' webpage with more information. Good timing for direct email marketing is also the time of public celebrations like Easter. It was decided that the direct emailing will be done in form of a public greeting before a celebration.

To receive better response with the direct marketing the company was introduced to an idea of using an offer along the direct mail. One example of a special offer was to give free final cleaning for the first twenty bookings.

10. CONCLUSIONS

As a conclusion it can be said that the future of the rural tourism and the holiday cottage business RapoJärviLoma seems bright. Only small amount of the travelers exploit the possibility of accommodating in a fully furnished holiday house in comparison to other accommodation services like hotels. The nights spent in holiday cottages can be expected to face growth as continuous urbanization makes countryside seem more appealing.

After the recession the travelling rates have faced growth again. The public holidays draw Russian travelers to Finland shopping and to spend relaxed time. The holiday cottage business is very seasonal. Summer has been problematic for the entrepreneur being very busy with customers and receiving many inquiries for same time periods. Autumn and spring being quiet with fewer contacts have been slow and not very profitable. By increasing marketing the lower utilization rate of the slow seasons can be raised. As the competition in rural tourism industry is growing investing on marketing is a necessity.

The rural tourism and holiday cottage can be developed by increasing co-operation among the cottage entrepreneurs and by developing co-operation between the activity providers and accommodation service providers. Connecting the rural tourism more closely with the cultural tourism can be seen as one factor bringing more travelers to countryside in the future. Offering tours to Finnish nature and giving tourists the opportunity to experience the Finnish mentality and Sauna has appealed to foreigners.

It was found reasoned to target the marketing on the Russian families in St. Petersburg and Moscow. The average age of Russian travelers visiting Finland was 39-years according to the Border Interview Survey made in 2008. The best marketing means selected in printed media were advertisement put in the local newspaper distributed in St. Petersburg, updating own brochures for seminars and taking part in common brochures that combine the local towns, their activity providers and service provider. Exploiting the internet was selected as the most important mean of receiving

more customer contacts. The company agreed to start putting up company webpage that provides the most important information in English, Russian and Finnish.

Through better customer relationship management the holiday cottage business RapoJärviLoma can better guarantee equal customer experience and aim for high-quality service experience. The continuous collecting of customer data and efficient customer contacting was seen something to improve on. By collecting customer data the business can do direct email marketing and gain more loyal customers that easy up running the business in the future.

As Kouvola has plans to develop as a city to attract more travelers, the cottage holiday entrepreneurs can prepare for more customer contacts. It's considered important to be ready for new customer contacts as the results of different studies show that the Russian prefer to book the same cottages from year to year and value the opinions and recommendations of friends and relatives. Making a good first impression and by handling the customer contacting efficiently with the help on customer contacting model, the cottage holiday business can improve the customers' service experience.

The cottage holiday business RapoJärviLoma found ways to improve the future performance. As a conclusion it can be said that the nature, peace and quietness in addition to the location of the cottages can't be too much emphasized. The surroundings of the cottages, the closeness of forests and lakes, have been visible for the travelers from the pictures. The cities close by especially Lappeenranta and Helsinki was noticed something that appeals to Russian and the close distance to these cities in addition to the closest city Kouvola was something considered worth mentioning and emphasizing in marketing.

By improved marketing the company is prepared for growing competition. The RapoJärviLoma business sees maintaining and improving the customer experience as a motivating challenge. Through better performance the company can raise the utilization rate of the cottages and gain visibility in the market.

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APPENDIXES

Appendix 1: The questionnaire form

Answers received hidden for confidentiality reason. In total five Interviews from travelers that had holiday in a cottage owned by Jukka Niemi and Anne Niemi.

Questionnaire Rapojärviloma, Honkamökki, Nuottakatos

By answering to this questionnaire you help our family business to improve the quality of our service and marketing the holiday cottages Rapojärviloma, Honkamökki, and Nuottakatos, operating under trade name RapoJärviLoma. This questionnaire is part of my Final Thesis in TAMK University of Applied Sciences made for RapoJärviLoma.

We hope you to answer to this questionnaire honestly. Answering to this questionnaire takes approximately 5 minutes. All your answers are held confidential.

Contact information:

Name: _____

Address: _____

Mobilephone: _____

Email: _____

1. Where do you come from?
 St. Petersburg Moscow Other. Where? _____
2. How often do you travel to Finland?
 Once a year Twice a year More than three times a year
3. How do you travel to Finland?
 By car By train Other. What? _____

4. What are your main reasons for visiting Finland? (You can select as many as you like, mark the biggest reason with number 1, second most important with number 2, and so on...)

- Nature Short distance Shopping Peace Visiting Family/ or friends
- Activities Safety Work Weather Familiar destination
- Other reasons. What? _____

5. For how long does your visit in Finland last?

- Few days One week Two weeks One month More than one month

6. How did you find out about our cottages?

- Internet Friends or family Travel agent Magazine advert Brochure
- Other. What? _____

7. What made you choose to book one of the cottages Rapojärviloma, Honkamökki or Nuottakatos? (For example pictures of the cottages, good first impression, location of the cottage, opinions of relatives etc.)

8. What do you find important when selecting accommodation?

(Choose **THREE most important reasons** by using numbers. Use number 1 to show the most important reason, mark second with number 2 and then select number three. After doing this you can choose as many you like by crossing the box.)

- Location Price Activites Reputation Familiarity
- Surroundings Russian TV Channel Trust Internet Access
- Sightseeing Size of the Living area Cleanliness Language skills
- Other what _____

9. How do you feel about the price of the cottage rent?

- Expensive Average Affordable Inexpensive

10. How would you describe the cottage you have accommodated in; 1.Rapojärviloma 2. Honkamökki or 3. Nuottakatos?

(Please **underline the name of the cottage you have rented**. You can choose multiple objectives.)

- High-class Good quality Small Dark Unclean Light
 Cold Spacious Quiet Loud Well equipped Warm
 Clean Other. What? _____

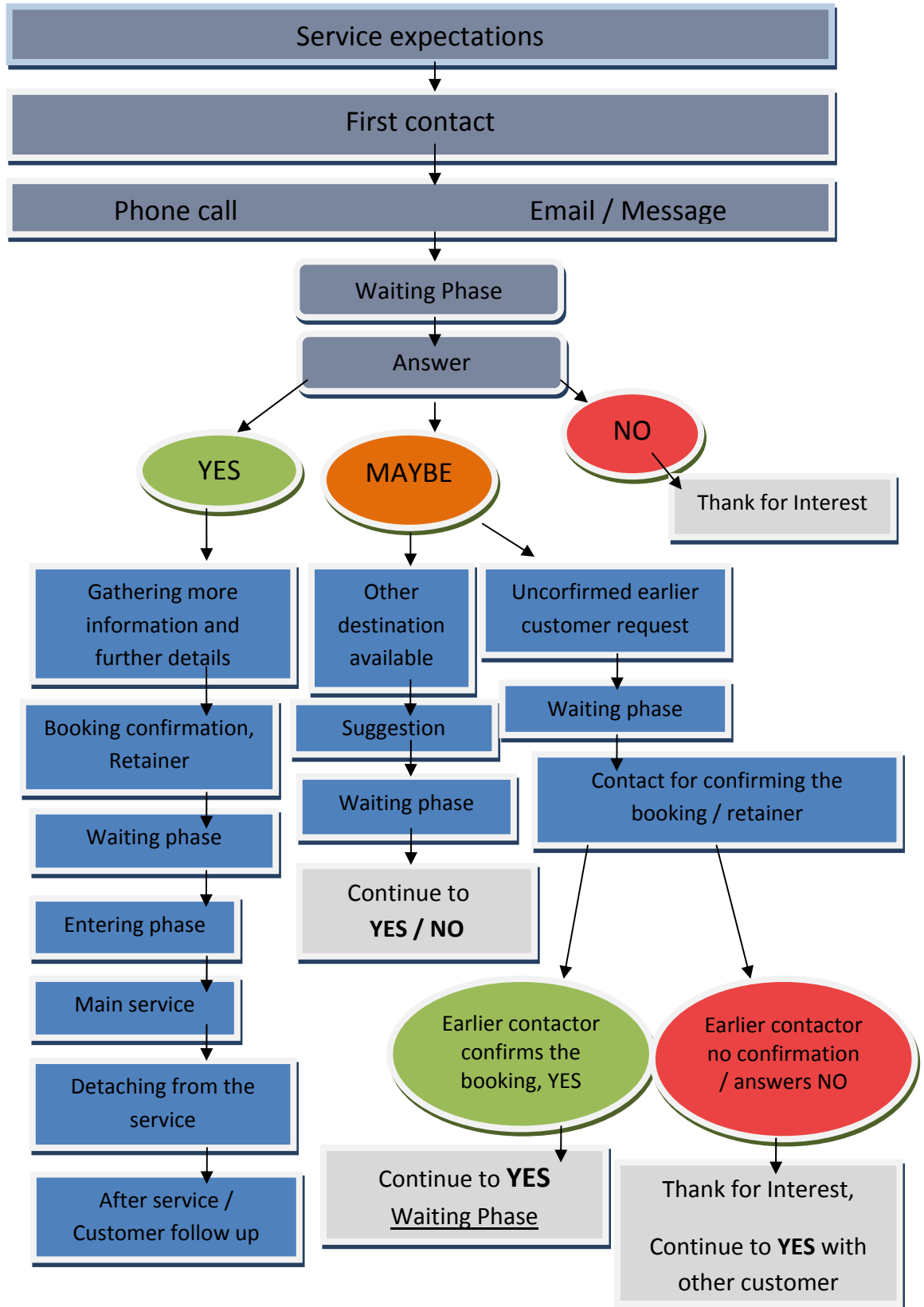
11. Open Feedback

(We appreciate your feedback both positive and negative. Through your answers we aim to improve the quality of our service.)

Thank you for your answers. If you have any questions don't hesitate to contact us.

Best regards, Jukka Niemi jukka.niemi@pp.inet.fi (Signature)
and Noora Niemi noora.niemi@cs.tamk.fi (Signature)

Appendix 2: Model for Customer Contacting



Appendix 3: SWOT-Analysis table

SWOT-analysis	
Strenghts	Weaknesses
Good reputation	Lack of language skills (only basics in russian)
Location near Russia (St. Petersburg and Moscow)	Quiet seasons
Holiday cottages by the lake	No own webpage
High quality (Price-quality ratio)	Variation in customer contacting
Nature	
Possibility to wireless internet access	
Kouvola railway station	
No pets allowed	
Opportunities	Threats
Exploiting marketing options	Recession (dcreasing number of tourists)
Increasing co-operation	Growing competition
Improved sales of side products (bed linen etc.)	Political and legal issues
Raising the utilization rate of the cottages	Unsatisfied customers
Improved customer contacting	Cottages experiencing loss in quality (lack of renovating/updating)
Improved customer relationship management	

**Appendix 4: Age of Russian residents who visited Finland
between 1 January and 31 December 2008 – table**

