

Marketing Vierumäki Golf Club in Russia

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<p>The thesis describes the project made for Vierumäki Golf Club Oy. The project has started in October 2010 and is still in progress at the moment of writing. The idea of the project originated from managing director of Vierumäki Country Club Oy — Mr. Jan Ruoho. Mr. Ruoho wanted to attract new customers to his club, and, according to the idea, Russia was considered to be a good source of new customers. To implement the idea a person with the knowledge of Russian language and culture was required. And this is how Andrey Vasilyev became involved in it.</p> <p>Altogether, the project consists of two major parts — attracting people to Vierumäki and then teaching them to play golf or provide other golf services. This thesis focuses only on the first part — marketing golf club on the Russian market. The sport of golf is quite undeveloped in Russia and this situation provides good opportunities to enter the market and obtain a share. However, there are also some challenges. It was decided to count project successful if at least few people from Russia would buy products of the club.</p> <p>The thesis describes the marketing approach that was chosen for this project. The approach's name is marketing concept. It is a modern way of marketing. Also this paper covers the steps of implementation of marketing concept for the project with an emphasis on particular tools that were used to promote Vierumäki Golf Club on Russian market.</p> <p>Although the project is not over at the moment of writing, due to the seasonal nature of golf in Finland it is possible to review the results of 2011 season as it is over now. Results came twofold. Judging strictly the project has failed as the success criteria wasn't met. The reasons of that are discussed. However some positive results that show the marketing efforts were not in vain are examined as well. Also the future vision of the project is suggested.</p>	
<p>Keywords marketing, golf, russia, internet, vierumäki</p>	

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1 Introduction

Golf is one of the most popular sports in the world. It is played in many countries around the world, yet in some of them it is quite undeveloped. The reasons for that are different: historical, economical, geographical, political, etc. However, despite the reasons, this situation presents multiple opportunities to countries with developed golf infrastructure to be successful on the golf market of countries lagging in golf development. This thesis describes the project that was born in an attempt to use such opportunity and the result of this attempt.

In Russia, football and ice hockey are sharing the leading places in popularity chart of sport among the population. Other sports like basketball, tennis, martial arts, gymnastics are also popular, but golf is nowhere near the top. It is a marginal sport with few enthusiasts. One reason for that is political. In USSR (Union of Soviet Socialist Republics) golf was perceived as an imperialistic sport, which is only played by very rich people who made their fortune, according to Soviet propaganda, by enslaving others and thus no Soviet citizen should have anything to do with the sport. The other reason is the geographical location of Russia. The climate of the northern part of the globe with a tough winter and short summer hindered the popularization of the sport before Russian Revolution, so Russian golf had no long history and culture. As the result, in the beginning of 21st century Russia has undeveloped golf infrastructure, high participation costs and an uncertain future. However, there are positive trends in Russian golf market also. The number of interested people is constantly growing, new facilities are constructed, the infrastructure is improving.

The idea of the project originally came from Mr. Jan Ruoho, the managing director of Vierumäki Golf Club Oy, which is located in Vierumäki, Finland. Mr. Ruoho was looking for ways to expand the golf club business onto the Russian market. In year 2008, he approached Andrey Vasilyev with that idea to see if he would be interested. Vasilyev was positive but he was going through an intensive study course in HAAGA-HELIA University of Applied Sciences and wasn't able to commit himself to this project at that mo-

ment. Only two years later, in 2010, the decision was made to start and the project became a part of Vasilyev's work placement.

In general, the goal of the project was to create some golf-related products (for example a training course for beginner players), market them to Russian customers and sell. Ruoho and Vasilyev agreed on that the project would be considered to be definitely successful if at least few people from Russia would buy the products of the club. Certain factors and restrictions, that will be discussed later, made this success criteria quite challenging. However, there was always hope for the best and plans of this project to go on for more than one year.

2 Overview of marketing theory

2.1 Philosophy

In the modern world marketing has become more than just advertising a product and then selling it. The paradigm has shifted from trying to convince a customer to buy what you have (*Sales era*) to the point when a company tries to give the customers what they want (*Marketing concept*) (Johnson, 2002, 3.) Nowadays marketing is defined in a following way: "Marketing is managing profitable customer relationships with a customer. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction." (Kotler, Armstrong, Wong, and Saunders, 2008, 4.) So the modern marketing is about building and managing relationships. Figure 1 shows a simple five-step process that is the foundation of modern marketing that is focused on a customer. In this model, during first four steps a company creates a product that is of value to the customer and only on step five the company actually captures the value from the customer in return. This fact alone already shows how important a customer should be to any company that strives for success in contemporary highly competitive environment.

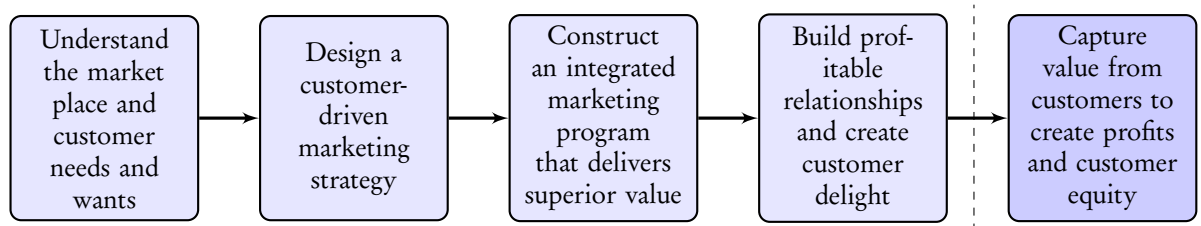


Figure 1. A simple model of modern marketing process (Kotler et al., 2008, 5)

This philosophy or vision of marketing became increasingly popular lately. The ideas Kotler et al. (2008) describes in his book are now shared by a good number of authors, who teach the same concept from their own point of view. For example, Adrian Palmer in his book "Introduction to Marketing: Theory and Practice" talks about marketing the following way: "Marketing is essentially about organizations meeting customers' needs as a means of achieving the organizations' own objectives" (Palmer, 2009, 33.) Also this same concept was taught to the author of this text during marketing course by Arvaja

(2008), and the project was made having this concept in mind. So this overview of marketing will be given from the standpoint of the marketing concept.

But before giving a more detailed overview, one more point that is outside of the marketing concept needs to be mentioned as it is related to the empirical part of this thesis. In 2009, Forrester Research published an article "The Future of the Social Web: In Five Eras". (Owyang, 2009) In this article, the author explained his own vision of the evolution of the social networking. And later in 2010, the professor of marketing and international business D. Steven White, referring to this article, posted his own article in his blog under the title: "The Evolution of Marketing". In it he stated:

As with each previous change in marketing eras, this report serves to announce the paradigm shift from the relationship marketing era to what is identified here as the *social/mobile marketing era*. (White, 2010)

This new era, White (2010) explains, focuses on the relationships with a customer to the point when the companies and the customers are connected in 24/7 fashion through social networking, when real-time communication and information exchange will be crucial success factor.

2.2 Basic marketing notions

Whether marketing is a science or an art or a blend of both, it still can't live without basic notions, which, in a way, define marketing and differ it from other human activities. These notions are: *customer*, *needs*, *wants*, *demand*, *exchange* and *marketplace*. This list is not comprehensive. Entire marketing theory is based on many more key notions, however in order to meet limitations of the thesis and, at the same time, get better understanding of the subject, it seems reasonable to examine only these ones.

Customer — is a self explanatory notion, it is usually a person (although sometimes it might be or a group of persons) who is willing to pay for a product. Customers are important as they provide payment to a commercial organization and thus they are a sole foundation of the organization's survival. But what makes a customer willing to pay?

The answer is need. A need is the state of felt deprivation. Human needs are very different and many, they range from needs for food, shelter, clothing to more complex needs of self-fulfilment, knowledge, affection. Satisfying human needs should be the focus of organization's efforts. However in most cases it happens indirectly. Needs shaped by culture and circumstance result in wants. For example, the need for shelter in big cities is fulfilled by an apartment in a multi-storey building, while in a countryside people live in separate houses. When a customer wants something and at the same time is able to pay for it that produces a demand. Demand is the key motivator for companies to start their business. (Kotler et al., 2008; Palmer, 2009)

"Exchange is the act of obtaining a desired object from someone by offering something in return" (Kotler et al., 2008, 7.) Exchange doesn't necessarily implies the use of money, for example a politician exchanges his promises for votes of voters. Thus seen through the lens of marketing concept, marketing is about building and maintaining exchange relationships. The notion of exchange leads to the notion of a market — as a place where exchange takes place. It is worth noticing, that word marketing actually comes from the word market; in fact, Kotler et al. (2008) defines marketing as "managing markets to bring about profitable customer relationships".

Understanding customer needs, wants and demands, understanding market and the process of exchange is important to successful marketing. But a company should know its own capabilities also, otherwise it might face a situation where it is unable to reach the goals it committed to because of inner problems. To address both issues, strategic planners usually would conduct an analysis (market research) that is called SWOT, which is an acronym that stands for — **S**trength, **W**eaknesses, **O**pportunities and **T**hreats. In SWOT analysis, first two components (strengths and weaknesses) focus on internal factors of organization, while remaining two focus on external factors. (School, 2005)

2.3 Marketing strategy

Once a company has chosen its marketing philosophy, realized customers' needs and conducted the market research, the next step is to develop a marketing strategy. It can be defined in several ways, for example: "Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage" (Baker, 2008, 3) or "...game plan for long-run survival and growth that makes the most sense given its specific situation, opportunities, objectives, and resources". (Arvaja, 2008) In any case it is clear that the strategy is very important as it will define the future of the company. Within marketing concept approach the marketing strategy should be customer-driven, as the customer is the center of the concept. In general, to develop the strategy a company should decide on two things: selecting its *target market* (customers it will serve) and how it can best serve to selected customers, differentiate and position itself on the market (*value proposition*) (Kotler et al., 2008, 8.)

To make company's strategy easy to understand and remember to its customers and employees, often the company would come up with a *mission statement*. There are different approaches in formulating mission statements. For example Arvaja (2008) says mission statement should be specific, realistic, fit the market environment, based on distinctive competencies and motivating. Hill and Jones (2007) suggests mission statement should have four major components: reasons for existence, vision, key values and major goals. A different approach is advocated by Kawasaki (2004), who offers replacing the concept of mission statement with the concept of *mantra* (a very short statement, just three-four words long):

Forget mission statements; they're long, boring, and irrelevant. No one can ever remember them — much less implement them. Instead, take your meaning and make a mantra out of it. This will set your entire team on the right course. ...For example, Nike's mantra is "Authentic athletic performance" (Kawasaki, 2004, 3,7.)

Despite the approach some sort of statement outlining company's essence is an important asset to any company that wants to build long-term relationships with customers.

2.4 Marketing mix

Having decided on marketing strategy, the next step is to implement it in action. For that to happen the company should develop an integrated marketing plan that will actually deliver company's product to the chosen customers. Basically, all it takes for marketing managers is to make a number of decisions:

- What product would satisfy the needs of our customers? (Product)
- How much should this product cost? (Price)
- How are we going to tell our customers about our product? (Promotion)
- What way are we going to deliver our product to the customers? (Place)

Altogether these decisions are known as *marketing mix* or *four 'P's*. The first name comes from the idea of marketer as a mixer of ingredients. The marketer is like a cook but instead of mixing different edible ingredients to make a great dish, the marketer mixes four components (product, price, promotion and placement) to satisfy customers' needs. (Palmer, 2009, 21)

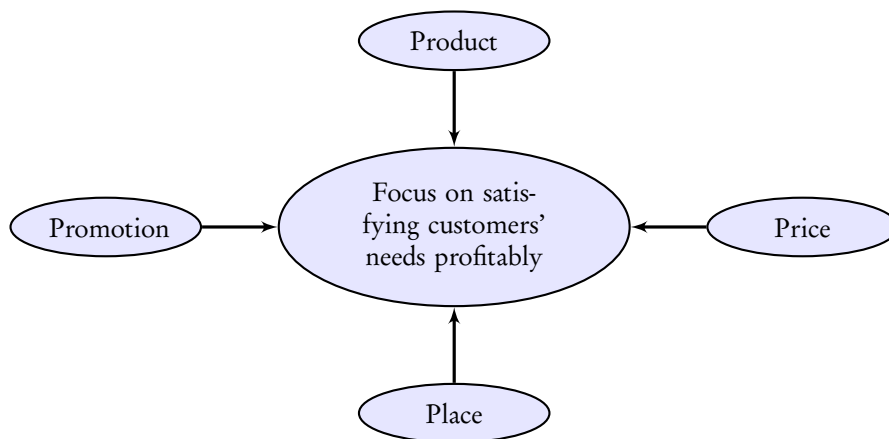


Figure 2. The marketing mix (Palmer, 2009, 21)

The second name comes from the four first letters of the components. Figure 2 shows how all four 'P's are focused to satisfy customers and it is the art and science of marketing manager to prepare the mix which is better than of competitors and that way conquer the market. Despite the seeming simplicity of this model, behind every 'P' there is great deal of marketing theory and variety, which is important to know in order to cook a good mix.

2.5 Customer relationships

Now, when marketing plan is in action and potential customer knows about the product and is able to buy, it is time to think what is going to happen after the exchange of the product for money takes place? Marketing managers of the sales era would answer to this: "If we were able to sell it once to the customer then we can sell it twice" implying that they would use the same amount of promotion to get to the customer. However, in the days of marketing concept this approach is no longer considered effective. It is more effective to try and build profitable relationships with the customer when first exchange happens and then reduce the costs of promotion to this customer as he will come again because of good relationships.

"The key to building lasting customer relationships is to create superior customer value and satisfaction" (Kotler et al., 2008, 13.) A customer should perceive the value of organization's product to be greater than of competitors in order to buy from that organization. *Customer perceived value* of the product is not only the price but also everything else that comes with the product — what customer perceive as a benefit to him. For example, driving a Mercedes-Benz in Russia doesn't only guarantee an excellent driving experience but makes an owner to appear wealthy, in other words giving the owner the positive image. Creating superior customer value is the link between marketing mix stage and customer relationships but to build and grow long-term customer relationships the company should strive to deliver customer satisfaction.

Customer satisfaction is a measure of how product's perceived performance meet customer expectations (Kotler et al., 2008, 13.). If product's perceived performance is lower than expectations, the customer will be dissatisfied; if it meets the expectations, the customer will be satisfied; if the performance surpasses the the expectations, the customer will be very satisfied or *delighted*. There is a body of evidence showing that higher levels of customer satisfaction lead not only to customer loyalty but also to greater profit, e.g. (Hallowell, 1996) In fact, delighted customers sometimes become a very important marketing force themselves, when they start telling people around them about the great

experience of the company's product. So outstanding companies go a long way to keep their important customers satisfied and delighted.

2.6 Capturing value

The last step of marketing effort is to capture the value from customers in return. However, it is important to remember that the value includes more than just current sales. Capturing value also implies future sales and market share. It is useless for an organization to build profitable relationships with customers and sell their product only once. When building relationships, the organization should always think about the future — future sales and instruments to implement its strategy on the market. For that to happen the company plans to sell its product to loyal customer as long as possible, up to the lifetime, and constantly try to grow its share on the market. (Kotler et al., 2008)

3 Project in action

As it is said in introduction, the idea of the project came to the managing director of Vierumäki Golf Club Oy, Mr. Jan Ruoho, who was looking into ways to expand. Later, after discussing this project, Ruoho and Vasilyev had an agreement to start it. Actually, there was no real quality time when both parties sat down, analysed the situation, planned and discussed the project. There were several meetings on some issues at hand but most of the things were solved in the minds of both. However, it seems to be beneficial for this thesis to explain the project using the same structure as the theory part i.e. as if both parties really went through the process outlined in the previous section.

The end product¹ of this project, that was suppose to be sold to customers, consists of two major experiences: recreation and learning to play golf. In general, the product can be described as a service of active rest, which is provided by Vierumäki Golf Club Oy for customers from Russia. As most of the Russian population does not speak English or Finnish, the teaching of the game of golf would have to be provided in Russian. So the native Russian language of the author was essential to this project. And thus the actual project was bigger than described in this paper, as author was dealing not only with marketing of the product but also needed a dramatic improvement in the skill set of the game, in understanding of the effective ways to teach it and complex rules. Thesis doesn't have this product as an attachment because it is not technically possible.

3.1 Market research

One part of the product is recreation. The need for the rest is a basic human need. The rest, most of the time, is seen as pleasure thus it is something people want. Another part of the product is about learning to play golf. While it is unclear if people have a need to learn sports, it is quite clear that some have 'wants' to learn the game of golf. All of that doesn't depend on a country and is true to all people. But 'wants' aren't enough, there

¹Strictly speaking as the result of this thesis *services* were to be provided because no tangible goods were to be sold. However, in theory part of this paper the word 'product' was used to describe both products and services, so it seems reasonable to keep this approach throughout the thesis in order to be consistent.

should be an ability to pay also to produce a demand. So the first question: "Is there a demand (or an ability to pay) for such product in Russia?" At the moment of the start of the project, the economic situation in Russia looked optimistic. The economy was growing steady, recovering after the crisis of year 2008, oil and natural gas (major export products) were growing in price. (TraidingEconomics.com, 2011) This fact and the fact that Russia had people who can afford such product gave reason to be sure of the existence of demand.

<p>Strengths</p> <ul style="list-style-type: none"> – Location, proximity to St. Petersburg – Unique Sport Institute’s environment and facilities – Several own golf courses – Multiple travel options 	<p>Weaknesses</p> <ul style="list-style-type: none"> – Unfamiliar brand on Russian market – Unproven management team – Small marketing budget
<p>Opportunities</p> <ul style="list-style-type: none"> – Novelty of the sport – Undeveloped golf infrastructure in St. Petersburg’s area – Few competitors – Very large market 	<p>Threats</p> <ul style="list-style-type: none"> – Location, competitors are closer – Perception of the sport

Figure 3. SWOT chart

Figure 3 depicts the summary of the SWOT analysis. Strengths of Vierumäki Golf Club are: relatively close proximity to St. Petersburg (which is considered as a primary source of customers) together with multiple travel options allow people to get to the destination within 5 hours and choose the way that fits best customers’ needs; unique location and environment of Vierumäki helps for better rest for whole family; several own golf courses provide a variety of golf experience. Weaknesses are: the Vierumäki brand is unfamiliar to Russian customers thus it would be more difficult to attract customers; unproven management team — both Ruoho and Vasilyev were inexperienced in marketing on the Russian market; the size of the marketing budget didn’t allow for big marketing campaign. Opportunities are: because of the novelty of golf in Russia, the market has a great growth potential; undeveloped golf infrastructure forces people from Russia to look for golf clubs outside of the country; few competitors in St. Petersburg’s area (only two in fact, one in Russia and one in Finland) means the market is not saturated and is

easy to penetrate; the five million population of St. Petersburg create very large market. Threats are: two major competitors have more favourable location as they are much closer to St. Petersburg; the people of Russia perceive golf as a very expensive and luxury sport, thus not many might even think of learning to play it.

3.2 Strategy

The target market selected for this project was quite broad with some limitations. Customers of any gender, age (starting from 15 years old), profession, education, mentality were the target market. However, target customers should lead (or at least should be interested in leading) active lifestyle and have the income ranging from slightly above the average to high. The first limitation was necessary so that no efforts would be spent in advertising the product to those who are not interested in active life style, second one was necessary due to the price of the product. Also, of course, target customers' geographical location was set to Russia and St. Petersburg in particular. The capital city of Moscow was also perceived as a target market, however with lower priority, as the competition was tougher there and it is much further from Vierumäki. The population of St. Petersburg was roughly 5.5 million. A conservative estimate, assuming all limitations, was 1% of population. This results in 55 000 people.

There were two major competitors to this project. First is the only golf club around St. Petersburg called "Dunes". The club provides golf lessons and also is located next to a small resort, however the golf infrastructure is very poor — club's golf course has only three holes, also they don't provide any official green card certification. The other competitor is located in Finland, close to Russian border. This competitor provides golf lessons in Russian language on a nine holes golf course and the green card certification, however they don't provide any accommodations or food (customer will have to take care of these things themselves) and are located in the city. Within the context of this project, Vierumäki Golf Club provides in a single package: golf lessons for beginners, green card certification, accommodations and food, plus some other recreational activities and the unique environment of Vierumäki. So the value proposition was quite differ-

ent from anything on the market.

No mission statement of any kind was designed for this project. As this project was quite small, it didn't seem reasonable to have one. Also since there were only two people involved in it, there were no need in any sort of common vision. Moreover, this project was a part of the Vierumäki Golf Club Oy activity and thus would inherit the vision of the club.

3.3 The mix

As it is said in the theory part, the marketing mix is four key decisions about product, price, promotion and placement. Place and price were easy decisions. Customers would have to come to Vierumäki and the price was chosen to be the same as what Finnish customers pay for the similar product.

Product

The product is a package of several elements. The core element of the package is an educational golf program that is targeted at a group of people who want to learn to play golf with no prior knowledge of the game. As golf is really undeveloped in Russia, the majority of Russian population (including St. Petersburg region) has never played the game. Thus educational services have great growth potential. The package also includes green card certification tests, full board and some other sport activities, like horse back riding or curling. The idea behind additional sport activities is that people would have a chance to get distracted from quite intensive golf program and try something else, indeed Vierumäki has much to offer.

Although the project started with the idea of the product described above, the decision was made that it wouldn't hurt to add a similar one. Golf package — one or two green fees plus accommodations for one or two days respectively. The idea was that this product wouldn't require any specific marketing efforts but can be interesting to customers who already know how to play and would like to visit Vierumäki. Actually, in the end

the project has grown even more to promote hospitality services of Vierumäki but the benefits of this will be described later.

Promotion

This was the most challenging part of the project and the reasons for that are outlined in the 'Weaknesses' section of the SWOT analysis, see figure 3. It is also, the most substantial part of this thesis. In light of that it is described in a separate section, only the list of channels of promotion is given here:

- Russian website
- Brochure
- Newspaper ad
- Travel agencies
- Direct marketing
- VIP guest

In the beginning of the project, the promotion plan consisted of only three channels. The plan was to launch a brochure and a minimal version of the website at the same time. Brochure was easier to make but it was supposed to have a link to the website, thus the website should have been ready together with the brochure. Third channel was travel agencies, they were supposed to use the information from our website and spread the brochure. And in the process of promotion ideas about other possible channels came to mind.

3.4 Channels of promotion

Russian website

Probably one of the most important tools of promotion nowadays is a website and it is hard to overestimate its role. There are many reasons for that, for example they come handy for both parties: customers and promoters. However, the major problem with the website for small start-ups is money. It is not cheap to create one and then maintain

it. Fortunately, the author of this thesis has a masters degree in computer science, so he was able to create one while working on this project. The website is located at following URL: <http://rugolf.vierumaki.fi>. It was created to have similar look&feel as main Vierumäki website (<http://www.vierumaki.fi>) in order to have possibility to merge together into one website later.

Of course the websites are good for promotion but their main role is most of the time not in promotion itself. For example, world's popular Google search engine promotes a lot of things but its main role is to search information. The same way the main role for this website was to provide information about Russian services of Vierumäki Golf Club Oy and ways to contact. And at the later stages of its development, the website already had information about some other Vierumäki services: accommodations, restaurants, organization of summer camps, interactive map. Also, there were other benefits of having a website. One thing is that it becomes really easy to track people's interest in a company i.e. one can track a number of visits of the website during certain period of time. Let's say the company launches a marketing campaign with the link to its website and then it will be possible to measure the effectiveness of this campaign just by looking at the statistics of visits of the website. Another, is that it is possible to shorten marketing messages and thus reduce costs and improve effectiveness e.g. if there is a website then a marketing message can have only essence and a link to the website which will give all the rest information needed (price, contact details, etc.)

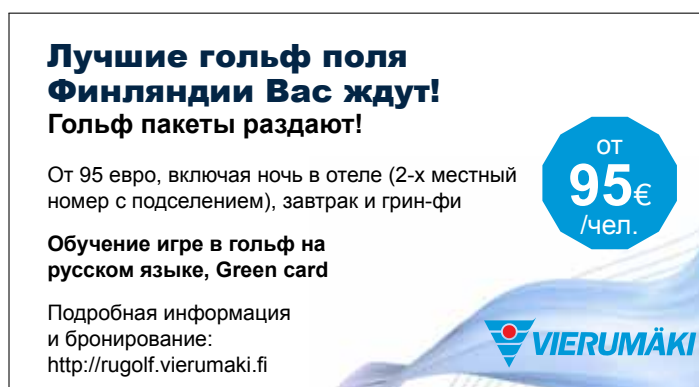
Brochure

The project has started in October 2010, there were three month before the New Year, which is a big celebration in Russia and a number of people was expected to visit Vierumäki from Russia. The idea was that while staying in Vierumäki, people might come across the brochure, read it and get interested. However, before the New Year there was another event with a lot of Russians — Nokia Junior Cup, international tennis tournament. At the moment it was clear that the brochure couldn't be ready in time for the tournament, so a simple version that can be printed on a regular color printer was designed and printed, see attachment 1. This brochure had basic information about Vierumäki

Golf Club, the study course for beginners and contacts; but there were no info about prices and content of the course. It was posted next to the information board of the tournament to attract the attention of as many Russian visitors as possible.

By the beginning of December the second version of the brochure was ready, see attachment 2. The brochure had four pages of A4 size. It had information about prices, study course content, daily schedule, details on how to get to Vierumäki and a link to the website. This time the brochure was printed in a typography in 200 copies at about 150€ price. It was suppose to be spread around Vierumäki and, in best case scenario, be delivered to the rooms where Russians would stay. Unfortunately, this hasn't been done before the New Year, only after. Both brochures were designed by Jonna Uski, Russian text was provided by Andrey Vasilyev.

Newspaper ad



**Лучшие гольф поля
Финляндии Вас ждут!
Гольф пакеты раздают!**

От 95 евро, включая ночь в отеле (2-х местный номер с подселением), завтрак и грин-фи

Обучение игре в гольф на русском языке, Green card

Подробная информация и бронирование:
<http://rugolf.vierumaki.fi>

от **95€** /чел.

VIERUMÄKI

Figure 4. Newspaper ad

Figure 4 shows the advertising that was designed specifically for the Finnish-Russian business newspaper called "Trade way" (direct translation from Russian). The ad starts with a rhyme to draw people's attention, then it tells about golf packages and courses for beginners, in the end it gives a link to project's website. The newspaper has a website that is located here: <http://www.kauppatie.com>. On this website there is an archive of issues in electronic form, so those who are interested might check the issues of May and June-July, 2011 pages 15 and 24 respectively. This is a free newspaper, that is distributed in Finland, in the area around Finnish-Russian border, in St. Petersburg and in Moscow. It is printed in 65000 copies once a month in Russian and Finnish languages. During summer time

the newspaper has only two issues and the ad was printed in both of them. 512€ were paid for both issues. The design was made by a subcontractor company.

The ad was an attempt of a mass marketing. The idea to try this type of promotion came while Vasilyev and Ruoho were thinking about the ways to reach potential customers. A lot of Russian citizens, specifically those who live in St. Petersburg, often travel to Finland to go shopping in the stores around the border, to spend their holidays or even use an airport to travel further, so there was a high chance they can encounter the newspaper, pick it up and read it later. Also this newspaper is distributed in Russia, for example in Finnish consulate, and people could come across it there.

Travel agencies

Travel agencies were supposed to play an important part. However, it wasn't clear how to work in cooperation with them due to lack of experience in this area. It turned out Vierumäki already had contacts to several travel agencies from Russia, the representatives of which visited the place during winter time. So talking to Vierumäki's staff helped better understand how to cooperate. As a result a number of travel agencies from Vierumäki staff's list and couple more, which were found using internet search, were contacted by email with an offer of 10% to 15% of the money the club gets from each customer the agency sends.

Direct marketing

In his book and speech, Kawasaki (2011) speaks of a marketing strategy called "plant many seeds". (LearningWithoutFrontiers, 2011) As the name implies, a marketer should not stop only on using common channels of promotion but instead try to market a product in many other ways also. For example, Kawasaki has sent his book not only to well known reviewers but to more than 100 other possible reviewers (internet bloggers) in hope that some of them will read his book, like it and write a post in their blogs and people who read the blogs will learn about the book. With this strategy the cost of marketing is usually low but the effect might be quite decent.

In this project "plant many seeds" strategy was implemented partly through use of direct marketing. Direct marketing (DM) is becoming increasingly popular, for example in US direct marketing expenditures achieved 153.3 billion dollars (Insight, 2010, 4.) It appears that this happens due to the paradigm shift from marketing concept to social/mobile marketing, which is mentioned in second chapter. So, in a way, this project has partially implemented social/mobile marketing in its process.

To promote Vierumäki Golf Club Oy directly, a Russian golf internet forum was used. The forum is located at following URL: <http://www.golf.ru/forum/> This forum has the biggest Russian community of people interested in golf and it also attracts many new members. The nature of such websites allows for anyone to post any information. The author of this thesis monitored the forum and looked for people who are interested in learning to play golf and suggested to visit Vierumäki's website to learn more. Another way was to just participate in discussions of interest. Then people might get interested in author of useful posts and learn that the author is with the club and that way learn about what club has to offer. Also there is a chance to build relationships with some people on the forum and invite them to visit. All that activity doesn't take much time and resources, is useful to business and, at the same time, might be interesting as there is a chance to learn something new and get to know new people.

VIP guest

Another part of "plant many seeds" strategy, was to invite an important guest from Russia to visit Vierumäki, tell him about the product, show the place and discuss possible ways of cooperation. Also there was a plan to persuade the guest to run a golf tournament during the summer 2011, which would a great help to marketing. In 2008 St. Petersburg's Regional Federation of Golf held their annual championships on the Cooke course of Vierumäki Golf Club. So the federation was already familiar with the club when this project has started. Based on that the decision was made to invite vice-chairman of the federation — Igor Chuginov. The schedule of the visit was prepared and sent with the invitation to him by email, attachment 3 shows original schedule. Unfortunately, he has never answered to the offer.

3.5 Relationships and value capture

Creating customer satisfaction and delight was an important part of the strategy. The marketing budget was small and it was decided to make emphasise on delighted customers who would then tell to their surrounding about the experience they had. And there were reasons to think that it is possible to accomplish. First, in the beginning only few customers were expected to get interested enough to come and thus the groups would be small, which would allow for better educational effect, as an instructor would have more time to work with each customer. And second, Vierumäki has great hospitality service built already, plus unique environment would account for even better satisfaction.

Capturing value wasn't paid much attention to. Delighted customers and some current gain was considered to be a huge success already. The market was really undeveloped and it allowed for luxury of not wanting to win own share right away, partly because the project wasn't ready to handle any significant number of customers.

4 Results

The aim of this project was to attract new customers from Russia to Vierumäki Golf Club to learn to play golf and enjoy other recreational activities. It was considered that the outcome could be estimated by the number of people who'd come. Unfortunately, nobody actually came to learn to play. Reasons for that will be discussed in later section. In light of that fact, it seems reasonable to examine indirect results i.e. to see if, at least, there were some interest in such product on the target market.

One way to do that is to check the statistics of website visits. Figure 5 shows the number of unique visitors per month (thick line) and per day (thin line). The website went online on December 31, 2010 and since then had about 19 unique visits per month in average. The daily statistics show peaks in February and March. The February peak occurred when Vasilyev went posting on Russian internet golf forum. March peak occurred when Vasilyev has posted a small ad about the product on HAAGA-HELIA student's extranet. It is also interesting to notice that number of visits had dropped significantly in June and September and was almost the same from January until May.

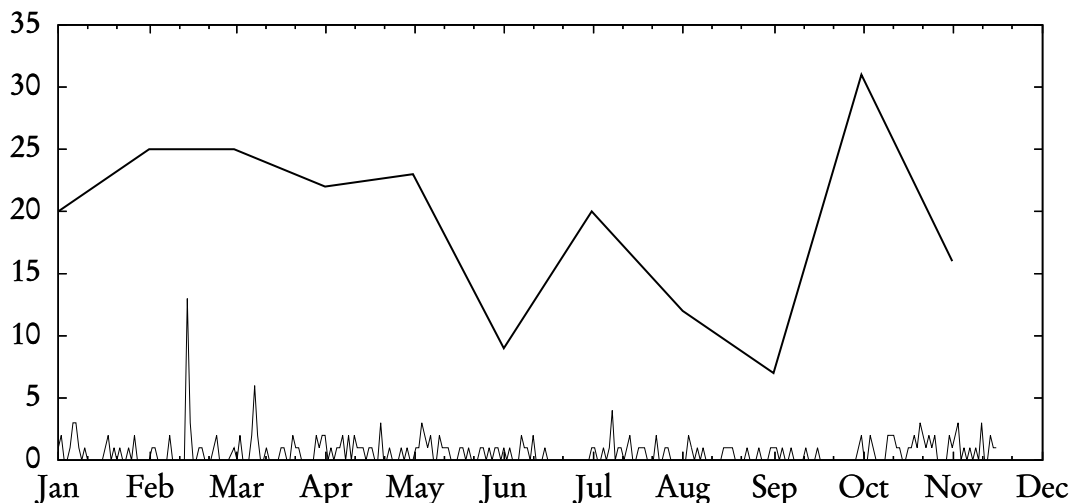


Figure 5. Unique visitors of the website monthly and daily

The metric on the chart above could be considered to be a quantitative as it represents just a number of visits but doesn't tell anything about their nature. As this website is available to anyone, plain number of visits doesn't guarantee that it is the target market

(Russians) who shows interest. Figure 6 provides more of a qualitative metric as it shows how last 500 visits are distributed geographically i.e. it shows if majority of interest actually comes from Russia and St. Petersburg. The website can be also used to obtain many more useful quantitative and qualitative results which can be used to further optimize the project's marketing, however the detailed description of them and their discussion is out of scope of this thesis.

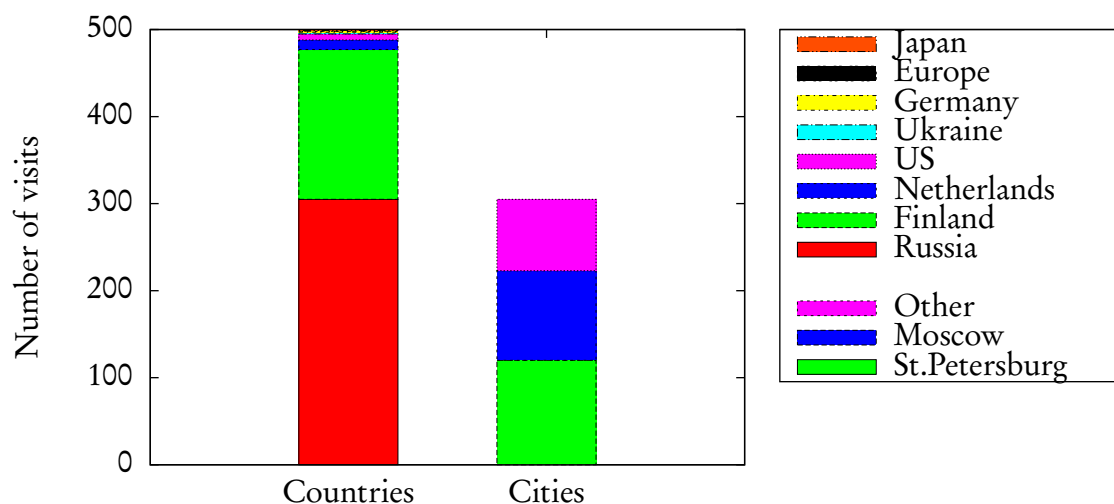


Figure 6. Geographical distribution of last 500 visits

Russian website is not the only source of indirect results. One person expressed the desire to learn to play golf while he was staying in Vierumäki. Also one travel agency during the season contacted Vasilyev to see if it is possible to send a group of people to learn to play. There was another person who showed interest and desire to visit the golf club and play. This person learned about the club through conversation with the author of the thesis on the internet forum. Author and this person later became personally acquainted with each other. None of this indirect results expressed in actual purchases of any products.

There were also some other results, collateral results. The website had information about other services provided by Vierumäki, like accommodation, restaurants, organization of different camps. And people from Russian have learned about it. There were at least three requests to rent a cottage, one of which was successful and people actually went to Vierumäki. At the time of writing there is also one request to provide facilities for a summer camp for a group of 20 young swimmers from Russia, it is now being processed.

5 Discussion

The project was not successful according to the criteria set at the start, however, should it be considered a total failure? Certainly, there were a number of factors that were out of control of Andrey Vasilyev. The result could have been different in different circumstances. So these factors and their influence on the results deserve further discussion.

5.1 Factors of failure

It is hard to estimate the weight of each factor that has contributed to the poor outcome so they will be discussed in an arbitrary order. First such factor is marketing budget. It is tricky to figure out how much one should spend on advertising. Some would suggest to use 20% of the revenue (Thaeler, 2007). However in this project there were no detailed plans for expected revenue and the revenue was expected to be low right at the start, so this kind of approach wouldn't have much sense. It seems more reasonable to make decisions about the size of the budget based on the size of the target market. 512€ for newspaper ad plus 150€ for brochure print adds up to 662€ — this is the size of the marketing budget of the project up to date (excluding the salary of Andrey Vasilyev). Obviously, it is quite small relative to the size of the target market (55 000 people). With a bigger budget a bigger marketing campaign could be conducted, which, in turn, could draw attention of more potential customers and result in overall better outcome.

Second factor is poor communication. The problem here was in communication chain. Any time a customer would like to ask something that Vasilyev didn't know, Vasilyev had to ask Ruoho, but Ruoho was pretty busy all the time due to amount of work and couldn't answer quick enough. As the result Vasilyev could not answer either and the customer gave up on his question. This situation happened every few times when customers were asking questions related to the product. It would be unfair to blame Ruoho alone as in some cases his quick reply wouldn't matter anyway because desired accommodation options were unavailable but anyway this communication problem could affect customers' satisfaction with Vierumäki service. Eventually corrective measures were

taken and this issue is partially resolved at the moment, as Ruoho redirected all the requests to a designated person on site, who can handle them promptly.

Another significant factor was lack of strong commitment. Vasilyev didn't stay on site, in Vierumäki, for the season, which made him less flexible. For example, there was one customer who found out about the product when he came to Vierumäki and he had limited time left to stay, so he wanted to start right away, which wasn't possible because Vasilyev was in Russian at the moment. Also other Vierumäki staff didn't show strong interest. For example, there was an idea to make a link from Finnish Vierumäki website to the website of this project, this would make project's website easier to find, however responsible managers hesitated to do so without any comments on what is the problem with it, this situation remains even up to now. Ruoho's busy schedule with other things adds up to this factor also.

There is also one unifying factor that partially underlines all other factors — it is complexity. There were probably too many new things to deal with to be successful right away. It was still surprising and exiting that people actually found out about the product and got interested but when looking back it becomes clear that the bar was pretty high and there were just too few expertise, too few people working, too few resources. In these circumstances, it is fair to say that project's success was more a matter of luck or gambling than a matter of thorough management and marketing.

5.2 Positive results

Indirect results suggest that the marketing efforts weren't in vain — target market was reached. There was constant interest in the website's content and the majority (60%) of that interest came from Russia, while in Russia, St. Petersburg and Moscow together accounted for more than 74% of all Russian cities. A relative decline in the website activity in June, August and September can be explained by the fact that many Russian people have already decided on where to spend their vacation and thus are not so much interested in leisure services. Also remarkably high activity in October supports this expla-

nation because people might start to think on where to spend their autumn vacation or Christmas/New Year holidays. However high level of activity in July is an exception to this hypothesis.

As it is said in "Results" section, one person have learned about the product while he was already in Vierumäki. This fact leads to an assumption that this person has read the brochure, which means that the brochure was actually useful. One travel agency came useful also. Probably, due to the fact that this particular agency specialized in golf tourism, while other agencies didn't. As golf is really undeveloped in Russia most of the travel agencies do not offer golf tourism to their customers. So eventually most of the marketing channels used — website, brochure, travel agencies, direct marketing — have proven to be effective. Newspaper ad was, in terms of money spent, the most expensive channel and it is still unclear if it had any effect, probably this money could have been spent some other way. And it is also hard to say why VIP guest has never replied to the offer.

5.3 Future of the project

The project is not over yet. It was decided to go on with for the coming season. The first unsuccessful try doesn't mean the idea was bad, may be just more time is needed. Fortunately, this project had positive indirect results and collateral results, which means more and more people start to learn about Vierumäki, which, in terms, increases the probability someone would eventually want to buy the product. So to develop the project further, one step would be to market Vierumäki more as a resort. Golf is a marginal sport in Russia and its image might repulse people's attention, while image of the resort, in contrast, draws people's attention.

Another way to develop is to give more options to customers. It turned out most of Russian customers wanted to stay in a cottage, while the product included lodging in a hotel. Also some wanted to pay just for lessons as they took care of accommodations themselves. Based on that, full board can be excluded from product's package and provided

separately in addition to lessons. Options with staying in cottages are also possible.

5.4 Conclusion

In the end, it is hard to say definitely if the project was successful or not. On one hand, it didn't reach the goal set for it — nobody have bought any of the products offered within the context of the project. From this standpoint it is failure. On the other hand, people from Russia have learned about Vierumäki, got interested and bought other products. And, may be, some time in future people would actually want to learn to play golf. In this perspective, the project was beneficial to Vierumäki and, since it has future, might still be successful one day. In any case, the project was very useful to the author as it provided a chance to apply theory on practice, learn new skills and gain huge experience in marketing. And on top of that the author got new connections in golf world both in Finland and in Russia.

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Attachments

Attachment 1: First golf marketing brochure in Russian

Гольф клуб Виерумяки (Vierumäki Golf Club)



Приглашает всех, кто любит активный отдых, заняться гольфом. Гольф – это отличный способ провести время на свежем воздухе, занимаясь спортом, получая наслаждение от игры, общения с семьёй или друзьями, или соревнования.

К вашим услугам два современных, отвечающих мировым стандартам, поля на 18 лунок и одно поле на 9 лунок. Два драйвинг-рейнджа для отработки длинных ударов, а также места для отработки коротких ударов всех типов.

Для новичков наш клуб предлагает специальный обучающий курс на русском языке, который поможет быстро овладеть всеми необходимыми навыками для игры, а также сдать экзамен, чтобы получить “Право на игру” (Green card).

Мы предлагаем курсы различной продолжительности:

- Курс выходного дня – начало в пятницу вечером, окончание в воскресенье после обеда
- Недельный курс – начало в воскресенье вечером, окончание в пятницу после обеда
- Возможно совмещение нескольких курсов в один более продолжительный курс

Наш клуб позаботится о вашем проживании и питании в Виерумяки.

По всем вопросам можно обращаться:

- Лично в офис Nokia Junior Cup к Андрею Васильеву (ассистент директора турнира)
- Либо по email: andrey.vasilyev@gmx.com



Attachment 2: Second golf marketing brochure in Russian

Welcome to Vierumäki!



Курс на русском языке

Для новичков наш гольф-клуб предлагает специальный обучающий курс на русском языке, который поможет быстро овладеть всеми необходимыми практическими и теоретическими навыками для игры, а также сдать экзамен, чтобы получить "Право на игру" (Green card).

Мы верим, что каждый может научиться играть в гольф. Мы учитываем индивидуальные особенности каждого, для того, чтобы процесс обучения был эффективным и приятным.

Курс выходного дня

Пятница

16.30 Заселение в гостиницу, кофе-брейк
18.00 Открытие курса
18.30 Урок гольфа
20.45 Ужин
22.00 Вечерний отдых

Суббота

7.30 Завтрак
9.00 Урок гольфа
12.00 Обед
14.00 Урок гольфа
18.00 Керлинг
20.00 Ужин
21.00 Вечерний отдых

Воскресенье

7.30 Завтрак
9.00 Урок гольфа
11.00 Выписка из гостиницы
12.00 Обед



Недельный курс

Воскресенье

16.30 Заселение в гостиницу, кофе-брейк
18.00 Открытие курса
18.30 Урок гольфа, освоение навыков
20.45 Ужин

Понедельник

09.00 Лекция
10.00 Урок гольфа, освоение навыков
12.00 Обед
14.00 Урок гольфа, освоение навыков
17.00 Керлинг
20.00 Ужин

Вторник

09.00 Лекция
10.00 Урок гольфа, освоение навыков
12.00 Обед
14.00 Урок гольфа, освоение навыков
17.00 Свободная тренировка
20.00 Ужин

Среда

09.00: Урок гольфа, освоение навыков
12.00: Обед
14.00: Урок гольфа, игра
17.00: Прогулка на лошадях
20.00: Ужин

Четверг

09.00: Урок гольфа
11.30: Обед
12.00: Экзамен «Право на игру»
20.00: Ужин
21.00: Вечерний отдых

Пятница

09.00: Урок гольфа
11.00: Завершение курса
11.30: Выписка из гостиницы
12.00: Обед

на время курса весь необходимый инвентарь предоставляется бесплатно

Гольф-поле

В период весна-осень, для вас работают два чемпионских поля на 18 лунок, на одном из которых проходил первый Открытый Чемпионат Ленинградской области по гольфу в 2008 году, и одно тренировочное поле на 9 лунок. Два драйвинг-рейнджа для отработки длинных ударов, а также места для отработки коротких ударов. В период осень-весна, также работает зимний тренировочный центр, где можно отработать как длинные, так и короткие удары.

Кроме гольфа, Vierumäki является ведущим спортивным центром Финляндии, местом для активного отдыха, корпоративных выездов и бизнес-встреч.



<http://rugolf.vierumaki.fi>

Welcome to Vierumäki!

Как к нам проехать?

Спортивный центр Vierumäki находится в южном регионе Финляндии в 145 км от границы с Россией. В живописном сосновом лесу, окружённый пятью озёрами.

Добраться сюда довольно легко можно многими способами. Можно приехать на машине. Из Петербурга или Москвы удобно добраться на поезде «Лева Толстой» до станции Лахти, отсюда доехать за 30 минут либо на такси либо на рейсовом автобусе. Из Петербурга, таким же маршрутом можно добраться на скоростном фирменном поезде «Аллегро». Если вы предпочитаете пролететь большую часть пути на самолёте и приземлиться в Хельсинки, то от туда вы сможете легко добраться до Лахти на поезде или автобусе.

Цены

В цены включена стоимость проживания и питания.

Курс выходного дня: 400 €*

Недельный курс: 635 €*

Укороченный недельный курс: 570 €**

* данная цена является стандартной, однако наш клуб может предложить много вариантов размещения и питания, в зависимости от выбора которых цена может измениться в обе стороны

** укороченный недельный курс состоит из пяти дней, вместо стандартных шести

Контактная информация

Получить больше информации, а так же задать любые интересующие Вас вопросы, Вы можете воспользоваться следующей контактной информацией:

Веб-сайт: <http://rugolf.vierumaki.fi>
Email: andrey.vasilyev@vierumaki.fi
Tel. +358-44-304-7299

Sport Institute of Finland
Urheiluoistontie 373
19120 VIERUMÄKI.



VIERUMÄKI
GOLF SCHOOL



<http://rugolf.vierumaki.fi>

www.vierumaki.fi



Добро пожаловать в Vierumäki!

Хотите научиться играть в гольф?

Мы с радостью поможем Вам, потому что, мы верим, каждый может научиться играть.

Гольф – это отличный способ провести время на свежем воздухе, отдохнуть, занимаясь спортом и получая наслаждение от игры, общения с семьёй и друзьями.



VIERUMÄKI
GOLF SCHOOL

Расписание

День 1

- 6:40** Поезд Аллегро отправляется из Санкт-Петербурга
- 8:30** Поезд Аллегро прибывает в Лахти, встречаем на машине
- 9:00** Приезжаем в Виерумяки
- 9:00 – 10:00** Регистрация в отеле и завтрак
- 10:30 – 11:30** Первая встреча с обсуждением
- 11:30 – 12:30** Тур по Виерумяки
- 13:00 – 14:00** Обед
- 14:30 – 16:30** Гольф тренировка в зале, игра на гольф-симуляторе
- 16:30 – 17:30** Свободное время*
- 18:00 – 19:00** Ужин
- 19:30 – 20:30** Вторая встреча с обсуждением
- 21:00** Свободное время*

День 2

- 8:00 – 9:00** Завтрак
- 10:00** Выписка из отеля, отъезжаем в Лахти на машине
- 10:50** Поезд Аллегро отправляется в Санкт-Петербург
- 14:36** Поезд Аллегро прибывает в Санкт-Петербург

* - По желанию, можно занять свободное время чем-то определенным