
THE SELLING OF IN-DESTINATION TRAVEL ACTIVITIES

The Marketing Agency Deeper Ltd.




Bachelor's thesis

Degree of International Business

Valkeakoski

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ABSTRACT

This thesis was done as a commission for The Marketing Agency Deeper Ltd. The author of this thesis did her 5-month internship in this company in question, which is how this work came into being. The commissioning organization is a medium-sized marketing agency located in the center of Tampere.

The constant need for renewal of the services along with the innovativeness was the drive for this topic. The purpose of this research paper is to determine whether the consumers would be interested in accepting a new online traveling service and how the service should be developed in order to make it successful. The investigation was about both experienced and inexperienced online shoppers, and every level in between these two extremities. This paper augments the understanding on how various segments of online shoppers perceive a new web-based service.

The empirical data was collected by the aid of an online (web-based) survey. Since the focus of the thesis was to collect information for an online service it was necessary to execute the survey process in an online form. The respondents needed to be people who use internet as a daily routine, which is why making a survey in a paper form would have been risky. The target audience for the survey was travel-minded people between the ages of 18 and 60. After accumulating all the data it was analyzed with the aid of the aggregated theory.

In order to come up with solutions and development ideas for the commissioning organization the theories of customer-centric businesses and buying behavior were combined with the data collected through the survey.

As an outcome the author found out that the service idea is indeed worth of the effort. The target audience seemed sincerely interested in receiving this new service.

Keywords Online shopping, buying behavior, decision making, travel planning

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TIIVISTELMÄ

Tämä opinnäytetyö on tehty toimeksiantona Markkinointitoimisto Deeper Oy:lle, joka toimii kirjoittajan työharjoittelupaikkana viiden kuukauden ajan. Toimeksiantaja on Tampereen keskustassa sijaitseva keskisuuri markkinointitoimisto.

Tasaisesti jatkuva uudistumisen tarve innovatiivisessa ympäristössä toimi motivaattorina tälle aiheelle. Tämän opinnäytetyön tarkoitus oli määritellä kuinka kiinnostuneita kuluttajat ovat vastaanottamaan uuden internetissä toimivan matkailupalvelun ja kuinka palvelua voisi kehittää vastaamaan ihmisten tarpeita. Tutkimuksen kohteena olivat niin kokeneet internetistä ostelijat kuin kokemattomakin. Tämä tutkimus auttaa ymmärtämään kuinka erilaiset ryhmät käyttäytyvät tehdessään ostoksia internetin kautta ja kuinka he vastaanottavat uutuuksia.

Empiirinen todistusaineisto tähän tutkimukseen kerättiin internetissä levitetyn kyselyn avulla. Kyselymuodoksi valittiin sähköinen versio, sillä se haluttiin kohdentaa vastaajiin jotka käyttävät internetiä arkielämässään. Kyselyn kohderyhmänä toimivat matkailuhenkiset 18–60 vuotiaat ihmiset. Tietojen keräämisen jälkeen se analysoitiin yhdessä asiaan kuuluvan teorian avulla.

Teorianä tässä opinnäytetyössä käytettiin asiakaskeskeistä liiketoimintaa sekä kuluttajan ostokäyttäytymistä. Tämä teoria käsiteltiin yhdessä kyselyn saatujen tuloksien kanssa ja niiden avulla luotiin ratkaisuja, ehdotuksia sekä neuvoja toimeksiantajalle. Lopputuloksesta muodostui hyvin positiivinen ja se oli peilattavissa teorian sisältöön. Vastaajat vaikuttivat oikein kiinnostuneilta ottamaan vastaan uuden matkailupalvelun.

Avainsanat Verkkokauppa, ostokäyttäytyminen, päätöksenteko, matkailu

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Appendix 1 Questionnaire in Finnish

Appendix 2 Questionnaire in English

1 INTRODUCTION

1.1 Background information

In today's business world the competition is stronger than ever before. The companies need to struggle and find new ways of how to be successful and get a competitive advantage in the market. Being innovative is usually one of the key aspects for success, but it requires customer centricity along with it in order to succeed.

Innovativeness is one of the concepts that has been discussed widely in the business world. It most often refers to the fact that how to work effectively and efficiently at the same time while being innovative. Due to tough competition more and more innovative minds are needed to create new ideas to stay ahead and keep the market place. The primary driver of innovativeness is usually the competition and the demand for something put together.

Often there are walls that we have built around us that will not let us think outside the box, which leads to the fact that innovativeness hinders. In many cases the success and innovativeness go hand in hand because the business world is evolving and consumers are used to get introduced to new products in daily basis. The idea is not to focus on something that you and the others in the company think could be useful and popular, the clue is to focus on the consumers' opinions.

Knowing exactly what the customers want and understanding their changing needs and habits will be one of the solutions for a successful business. An important factor is always to take good care of the already existing customers and listen carefully what they are demanding. Obviously there is a need for new customers as well, but too often companies tend to put too much effort in finding new ones instead of pleasing the already existing ones. Loyal customers will most likely be the ones bringing the high sales, they are the ones that will be happy to return and use the service over and over again. Shaping and building a business idea through consumers desires and needs is always a good start. In this kind of business model the customers are actually seen as the resources of the company.

“We can believe that we know where the world should go. But unless we're in touch with our customers, our model of the world can diverge from reality. There's no substitute for innovation, of course, but innovation is no substitute for being in touch, either. “-- Steve Ballmer, the chief executive officer of Microsoft. (Woopidoo.)

As Steve Ballmer stated, none of the techniques work alone. Primarily the focus has to be on the customers' needs and after finding these out the innovativeness will lead in the correct direction. There is no need for innovation if the invented releases are something that nobody wants.

Traveling has been one of the favorite hobbies in the humankind for an eternity and it is only growing in its popularity. There is always a huge demand for different services that in any way could facilitate the process of anything. Making travel plans already at home is a big part of the whole traveling process. Whether it is a business or a leisure trip it requires some sort of planning.

Will there be demand for a new type of online service that can combine various aspects of travel planning is a question to what the commissioning organization is seeking an answer to. If there is demand for a new type of service, then what are the features that should be included in order to turn out to be a success?

1.2 Research question and Objectives

The research question of this thesis is two-dimensional. The primer question is that how consumers act during the planning of their traveling. The other dimension is that would they be interested in using a new travel service.

There are five objectives that guide through the thesis in finding the answers to the questions.

- To describe the theory of customer centric businesses and consumer buying behavior
- Become familiar with the current situation
- To conduct a survey in order to get the needed data
- Analyze the consumer behavior
- To find solutions and come up with suggestions for the commissioning organization in how to develop the service

1.3 The Marketing Agency Deeper Ltd.

The commissioning organization in this research is The Marketing Agency Deeper that normally goes by the name Deeper. It is a marketing agency located in the heart of Tampere. The company employees nine people at the moment and was founded in 2009.

Deeper shares a wide range of services to offer for the clients. The main products are marketing planning, business activity planning and graphic designing for clients that have an urge to change and be contemporary. Deeper also offers training and education sessions for the clients, such as the guerrilla marketing training that is going on at the moment. This is organized in the cooperation with HUB and the concept is to create a personalized guerrilla marketing technique for each participant. Deeper has also its own photographer, who is one of the graphic designers in the office. This enables the company to offer professional quality photographing for the marketing campaigns. (Deeper 2012)

The size of a requested task can vary from creating a single website for a client to an enormous marketing campaign that goes on for a long period of time. The idea is to offer and carry out solutions that will increase the sales and revenues of their customers.

The idea is not to follow any certain patterns when making marketing solutions for a client. The main way getting things done is to listen and learn about the client as much as possible. This enables the personalized marketing plans to be carried out the best way. The procedure is to believe that the satisfaction of the outcome makes the customers loyal in the long run (Deeper 2012)

They are called a marketing agency for a reason. Deeper is not an ordinary advertising agency. The fact that there are so many various skills represented in the company makes the quality of the work higher. All the workers are experts in their own fields, there is one managing director, one concept planner, one technological planner, one content planner, one project planner, one web designer, two graphic designers, and one marketing assistant, just like the author was during her internship. (Deeper 2012)

The target customers are mainly small and medium sized companies and organizations operating in Finland. The workers are willing to move around in the country which is why the location of the client does not have a huge effect on the business it self. Deeper shares a wide range of clients, including some very famous ones, such as; Senson, DAVID Sports, Matka Pojat, ALSO, Tampereen kaupunki, TKL and Sony. (Deeper 2012)

A company called The Sales promotion Agency Expression was established in 2005. It offers sales promotion activities and is currently employing 250 freelance promoters all over the country with the offices in Tampere and Helsinki. Deeper was formed in 2009 after finding out the demand and desire that there was for personalized marketing campaigns. It started out as a daughter company of Expression with the same founders and has later on expanded widely.

With the services that Expression provides Deeper can offer customers more tailored marketing solutions. Deeper creates the marketing campaigns for the customers and sometimes these campaigns might require consumer sales promotions to market the product. These are the cases when Deeper can benefit from the services of Expression.

1.3.1 The topicality in business

As a marketing agency the business topicality is one of the most important tools for success. The workers of Deeper are seeking and exploring new techniques and procedures in daily basis. In order to keep up the trendy image of the company the used tools need to be fresh and up-to-date. The new ideas that come from all over the world are adapted promptly for the purpose of operating in an international and modern level. The workers are

constantly taking part in marketing exhibitions and other events that are related to the work. (Chris Anderson The Long Tail 2006)

In a business like this the topicality is the key factor. The more new customers the campaign brings for the client the more satisfied the client is about the work. The satisfaction is generally related to the topicality of the work. Only thinking of campaigns and advertisements from only few years ago make us understand the importance of topicality in a way that those same campaigns would be executed at this very moment. Trends evolve in a fast pace and there is no other solution for a successful business than simply keeping up with them. (Chris Anderson, The Long Tail 2006)



Figure 1 The Marketing Agency Deeper logo taken from www.deeper.fi

1.4 Benefits for the commissioning organization

The commissioning organization, The Marketing Agency Deeper, is expanding its businesses in various ways. Due to the fact that the employees are skilled in many ways enables the company to upgrade its services in a rapid pace.

Along with many new ideas and concepts, such as the offered educational sessions, one of the new ideas is to create a traveling service. Since most of the workers are passionate travelers it is close to their hearts and minds and therefore rather comfortable to execute in real life.

This research will operate as a very helpful tool in creating the new service. The results will indicate which way to go and how to approach the customers. It is essential to know how are the customers behaving, acting and thinking in order to provide a service that will be perceived useful and interesting. Without knowing the behavior the choices might end up being absolutely illogical and improper, making the whole work useless and a failure in short period of time.

Based on the results of the research the author will come up with solutions and ideas for the commissioning organization. These ideas then can be used later on in developing the service and making it successful by knowing what the consumers want.

One of the absolute benefits is the time saving. The service creators would have needed to execute this research in any case in order to come up with the correct solutions for the service. Due to the huge work loads the additional projects are not usually the priorities and the prime tasks in the ToDo lists.

1.5 Empirical research

As a quantitative research tool, a survey was conducted. The survey was made by using a web application called Wufoo (wufoo.com) to which the commissioning organization gave an account for the author. The survey was conducted entirely online and all the questions were in Finnish. The target audience consisted of travel-minded people between the ages of 18 and 60. It was sent to 400 people.

The survey was comprised by 19 separate questions. The questions were in different formats according to the needed answer. The different formats used were multiple choice, checkbox, likert scale, numerical answer and an empty paragraph to write openly. The questionnaire was conducted in an anonymous way without the possibility to identify anybody.

The first five questions were demographic, in order to profile respondents and create groups to compare differences. The following questions were about the travelling habits of people and the preferences they have.

There was a cover letter for the survey so that the respondents would get a clear image of what it is about and a certainty that nobody would be identified at any point.

”Dear respondent,

This questionnaire is part of my final thesis in International Business. It is commissioned by the Marketing Agency Deeper and it is about the selling of the in-destination travel activities centralized online.

All the information will only be used for the researching purposes only and all the responses will be handled in a statistical way. The survey questions do not include anything that could identify you.

Thanks a lot for your time!”

1.6 Personal motivation

The author of this thesis did her 5-month internship in the Marketing Agency Deeper in 2010 and in 2011. This period of time was so convenient and educational that the author wished to have the possibility to have Deeper as the commissioning company for the thesis. The managing director at that time was Tero Ylönen, one of the owners of the company and he gladly granted the wish.

As some time passed by the thesis writing became current for the author and a meeting was held in order to choose a topic, since there were few choices to choose from. The selection of the topic was rather simple because there was one choice that interested the both parties over the other topics. The author was very delighted to get a topic that was very meaningful for her and at the same useful for the company. As a passionate traveler and a marketing student with an interest in different behavioral studies she found the topic rather perfect.

It was very important for the author to get a topic that actually has a big meaning for a company, something that could be used later on for real purposes. This way the whole thesis process became very important.

1.7 The Service

The main purposes of this service idea are to facilitate the travelers routines and save quite a lot of money. This is a fully online service that will be controlled by the workers in Deeper. The amount of cooperating partners will be growing in the future. Obviously in the beginning the volume is smaller compared to the estimates for the future.

To cut the matter short the idea of the service is to make people order and book activities beforehand from home. Normally the custom has been to book and buy these from the travel destination. This might turn out being a risky or an expensive way to handle things, since nowadays there are lines to wait in for everything. For instance, a traveller might be interested in dining in Barcelona's finest restaurants during the trip. In many cases the lines can be stretched to even weeks of waiting, which is why reserving a table beforehand is a secure solution to make sure everything goes as planned.

According to the author's observations, this kind of online service is not provided clearly by any Finnish service providers, which is why there is a market niche for it. Finns do rely more on domestic services and not everyone speaks English, which is why the service needs to be provided in Finnish as well.

There are similar international sites online that of course are allowed for everyone to use, even though the idea is still developing and the services are getting improved.

In many cases the service might be offered in some travel agency's page but the profits they are dragging for themselves are enormous. An example of this would be a ticket to see a football game in a stadium. Buying a ticket beforehand from home through a travel agency could cost even four times the price of the actual ticket. This is mainly allowed to happen because there isn't such a service offered yet.

2 THEORIES CONCERNING CUSTOMER CENTRISM AND BUYING BEHAVIOR

2.1 Introduction to the theories

To understand the customers is a challenging, but learning what the buyers want and why they act in a certain way is something very crucial for the marketers. By understanding the behavior the marketers can make assumptions what is important for the buyers and what are they looking for. It takes a lot of time and effort to deeply concentrate to understand the consumer behavior, and probably it will never be truly understood. But after obtaining a great understanding of the behavior the marketer can successfully save time and money in marketing the correct products.

As always, trying to figure out someone's behavior is extremely complex. The same pattern applies to understanding the consumer buying behavior. The roots are in psychology and sociology which actually is the factor that makes the understanding of it so challenging. Every person in the world is different. Even though some people could act in the same way they can have totally different motives to do this. In many cases it is not only the studied information from books that build the understanding; usually it requires also a lot of personal experience in it. The written material of this topic consists of many different approaching methods from different perspectives; although there are basic concepts that seem to be generally accepted.

Generally speaking buyers will be happy when you offer them what they are looking for. So primarily the question is what are the customers really demanding. And what people are demanding is based primitively on the Maslow's hierarchy of needs. The pyramid consists of five parts, which are psychological, safety, belonging and love, esteem and self-actualization, respectively from bottom to the top.

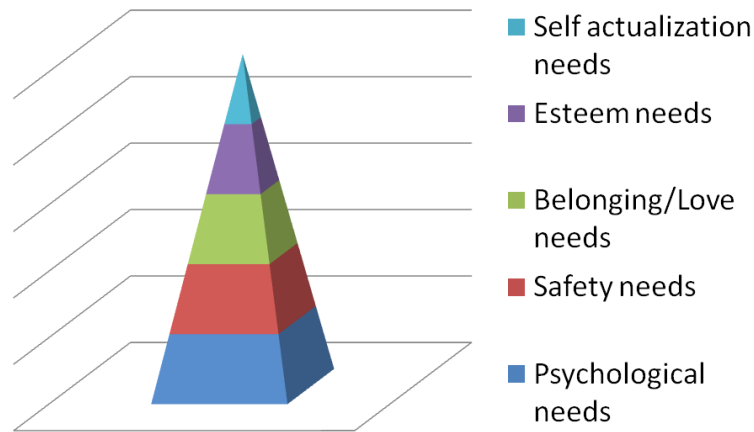


Figure 2 Maslow's hierarchy of needs (Paul Barnett, 2011)

The hierarchy of needs is related to business sales as well. The desire to purchase a luxury car is associated with the top of the pyramid; self-actualization needs. Buying that car is not about fulfilling a need that keeps you alive but a need that makes you feel better. The psychological need of buying the car would be that we need to go from place A to place B. To this we do not need a luxury car, which is why buying it goes to the top of the pyramid. This point is often where the marketers fail. They should be concentrating on the needs from top to down, and not the opposite way around. This hierarchy theory is according to Paul Barnett in his article *Selling Managed Services: Getting Inside your Customer's Mind* (August, 2011).

Customer centricity is nowadays a tough task to keep up in a company. It pretty much goes hand in hand with understanding the customer buying behavior. Without valuing and understanding the customers the company will probably not succeed in achieving many loyal customers. In a customer-centric way the company guides its actions through the customers' point of views. (Barnett 2011).

2.2 Customer-centric business

Companies can be roughly divided into three main categories based on the emphasis put on the customers and competition. A competitor-centered company runs its business based on the competitors' actions. They spend most of their time on tracking and following the moves the others are making. Once they have tracked the actions it is time to come up with a plan that beats the others. This technique builds a very strong fighting orientation in the company, but other than that there are many downsides in it. A customer-centric business is one that fully focuses in the needs of the customers. In a customer-centric business the actual customers are seen as the company's resource, alike the products and the property. The idea is to build the organization from and through the customers' point of views. The market-centered companies are the third ones that are actually the

combination of the two mentioned above. In these companies the emphasis is put on both the competition and the customers. There is a balance between the two and the idea is not to focus too much on the competitors' actions when the customers' needs will be left behind. (Kotler & Armstrong Principles of Marketing)

Peter Fader, the marketing professor of Wharton University, claims that many companies are customer friendly instead of being customer-centric, which is a totally different concept. By doing everything your customers want and treating everybody the same way doesn't make you customer-centric. Although friendliness and good service are obviously part of the customer-centric way, but it is only a small part of what it encases. Fader argues that the customer-centrism is about picking the correct customers and choosing the ones that are the most valuable. By this he means that customers will be treated in a different way depending on the amount of value they provide. (Peter Fader, November 2011, Peter Fader on Customer Centricity and Why It Matters).

All the customers will be treated courteously as always, the trick is just to carefully pick the ones that will receive the special treatment. The key is to understand the customers, go to their level and know what they are looking for. From these individuals or segments you can identify the valuable ones. Fader claims that this is definitely the step number one in customer-centric way of doing business and if you can not identify your customers and know by dealing with them who brings value and who does not, then simply there is no way to be customer-centric. (Peter Fader, 2011)

Nowadays almost all the companies are or end up being market-centered companies due to the enormous competition that exists practically for everything. Taking the long view of it any company will eventually turn up market-centric at least by some means. In today's business world the customer-centric company actually automatically shares ideas from the market-centric thoughts. With the existing competition it would be impossible to survive for a long period of time without having a look what the others are doing, which is why the total and original customer-centric business is sort of fading away. The question now is how to balance these correctly, not to focus too much on the competitors but on the other hand not to forget their existence either. (Kotler & Armstrong Principles of Marketing)

In both, customer-oriented and market-oriented business styles the customer always comes first. There are various ways to use the customer information to develop the provided services. There are also various ways how to find and collect the information from the actual clients. This kind of company is a so called learning firm because it learns constantly new requirements and adapts to them by shaping the business to match with them. There have been researches made that show how the customer-centricity improves the business performance. (Kotler & Armstrong Principles of Marketing)

2.2.1 Customer retention

Too often companies concentrate on achieving new customers and do not put enough emphasis on keeping the already existing ones. Actually getting loyal customers is usually the key for a successful business. The customer base will then be filled with buyers who keep coming back for me. There has been an analysis made that a loyal customer actually brings 10 times the value for the company than the value of one product. These kind of facts state how important it is to keep customers coming back for more. (Gerson 1998, 9.)

Jack Trout argues in his book called *Differentiate or Die* that formerly everything was telling us to hang on to the customer, in a whatever-it-takes kind of way. According to a study made in *Harvard Business Review* companies would be able to increase their profits by 25 percent only by cutting the customer defections by just 5 percent. Trout argues that all these studies and requests about extreme customer retention were driving the businesses into the non-profit-world. Companies had slogans that they would do whatever it takes to satisfy the buyers and all the complaints in feedbacks were seen as gifts to the company. Trout claims that even how hard you try to retain your customers by doing whatever they want and changing all the aspects they complain about it will only get you in the non-profit position. In his opinion everything is about differentiation. Whether it is about the customer retention, high volume sales or just success in business generally speaking it is all based on differentiation. (Jack Trout *Differentiate or Die*, 2008, 37, 38.)

2.3 Consumer buying behavior

The analysis of how and why people make purchases is called the study of consumer buying behavior. This study includes the analysis of buying decision behavior. Buying behavior differs considerably depending on the product but also depending on the person that is considering buying the product. Generally speaking the extent of the complexity correlates with the amount of buyer speculation and consultation. In complex situations the consumer involvement and the brand recognition play a significant role. (Kotler & Armstrong *Principles of Marketing*, 151)

Marketing managers are experts in finding out what features we want in our new products, but even for them it is almost impossible to know why we are buying them. There must be some kind of desire to be fulfilled when making the purchase. These desires can be either sociological or psychological, and the explanation for wanting one product over another lies in them. The study of consumer behavior attempts to find out what is the profound need and desire for a certain purchase. (Ebert/Griffin *Business Essentials*, 2007, 337)

As mentioned in the theory introduction chapter the motives for a purchase can come from the Maslow's hierarchy of needs. It is the marketers task to know which stage of the pyramid is being fulfilled. If a consumer

needs transportation and is buying a very inexpensive car to fulfill the need, the need will be placed in the lower part of the pyramid where basic needs are fulfilled. On the contrary, a customer buying a luxurious car will be fulfilling the needs of self-actualization, when there is a desire to look important or get accepted in something. (Paul Barnett, Selling managed services: getting inside your customers mind, 2011)

When starting to analyze one's purchasing behavior the influences that are most active need to be pointed out. Marketers have decided to focus on four influencing factors that include the psychological influences, sociological influences, social influences and cultural influences. They have stated these to be the four major influences that tend to pop up when making a purchase. The choices that buyers make are explained by these influencing factors, and then later on used to determine the behavior in the future. (Ebert/Griffin Business Essentials, 2007, 337)

By psychological influences the marketers mean all the factors that include the motivation, learning, attitude and perception of an individual purchase maker. Personal influences are the ones that cover our personalities, lifestyles and status in economical terms. Social influences include the other people around us, such as the family, friends, coworkers and opinion leaders. Cultural influences include everything related to our culture. In other words in this case the important factor is that how people live, followed by the subcultures, which are for example the ethnic groups or social classes, whatever determines the background and the income levels. (Ebert/Griffin Business Essentials, 2007, 337)

Although these influences have a huge impact on the buying behavior, still in some cases the actual effect might be very low. This is mainly due to the fact that some buyers are exhibiting high brand loyalty, which means that consumers prefer a certain brand over others because of their satisfaction with it. Such buyers are less dominated by the four influences mentioned above, because they prefer to purchase a product of the same brand every time. The high satisfaction to a certain brand might not always be the reason for brand loyalty. Some brands represent high status in a society, for example some people are buying luxurious clothes and bags only for the brand, not because they would be extremely satisfied with the quality or the performance. In the case of brand loyalty it is harder to estimate the actual influence, but roughly it can be divided into these two categories which are the high satisfaction or the desire to show off among others. (Ebert/Griffin Business Essentials, 2007, 337)

2.3.1 The process

There are many models and studies about the actual process of buying that are based on the many influences affecting the decision making. These models are used in many cases by the marketers to come up with effective marketing plans.

The process starts with the actual problem and the need recognition. In this stage the person realizes that there is a need that needs to be fulfilled. The needs can vary from being hungry to the need of buying a new pair of shoes, in other words the need can be anything. The need can be something that a person needs in an everyday life to survive or it can be something that just randomly comes into mind after seeing a commercial and later on develops as a must buy product. The need recognition might sometimes occur when there is a possibility to change the buying behavior. Let's say that there is an unemployed person who finally, after many years finds a job and is now making more money than ever. This new situation the person is facing might affect to the need recognition, since now there is a lot more money to spend than before. Now having the status of a worker this person might find the needs for a new car, a new computer or new professional clothing. Banks are using this model very often when marketing their credit cards for example soon graduating students. They understand that the students are soon entering the full time jobs and will have high salaries, which makes them very potential credit card holders. (Ebert/Griffin Business Essentials, 2007, 338)

The second stage is the information seeking. After finding out that there is a need for something, consumer usually seeks for information about products. This obviously has a huge impact whether the product is a high or low volume product, meaning usually that the products costing more money and being more important require more information searching. The daily products, such as soaps and socks don't require such huge information searching, usually nothing, before the purchasing, whereas buying a new car or a cellphone would normally need a lot of information before making the actual decision. The internet is full of customer reviews about products and for example car dealers let the potential buyer to test drive the cars before making the final decision. (Ebert/Griffin Business Essentials 2007)

The information seeking part is the key in the actual process; it encases both internal and external information in it. There is always a risk hiding when making a decision, which drives the consumers to seek more and more information. There are always uncertainties without the needed information, and the risk level increases along with the uncertainties. Uncertainties need to be solved in order to come up with ideas of the purchase having good or bad consequences. In some cases customers can already have former knowledge of a certain brand by former purchases, advertising or online formats. This is called internal information and it is collected from the memory and used in the decision making. External information on the other hand is something that is gathered from external sources, such as friends and family, or from the market place, that could be an online source for example. (Online Shopping, John Fernie 2005, 60.)

The third stage in this model is the evaluation of the alternatives. At this point all the information is combined together. This includes the information that was found during the previous stage, the information that was known beforehand and the information that is given us at the actual purchasing place. Now, with all this information the customer will evaluate the different alternatives and chooses the one that fits best to the needs.

The attributes of the products could be almost anything for example the color, price, quality, or reputation. The analyzing process happens by comparing the different attributes of the different products and making the final decision of which one suits the best. (Ebert/Griffin, 2007)

The fourth stage is the actual purchase decision. It is the result of all the previous stages. Roughly speaking the buying decisions are based on two variables which are the emotional motives and the rational motives. The decision can be motivated by only one of them or it can be a combination of them both. The emotional motives are the ones that are driven by emotions that are called the nonobjective factors in this case. These factors include the aesthetics, social factors and the copying from others. Someone might make a purchasing decision due to the fact that most people have the same and it is fashionable. This is again related to the social status, when people purchase expensive things in order to look classy and rich. In many cases these decisions make people feel comfortable, because they know it has already been accepted by many others, and it wouldn't make to stand out from the crowd. The rational motives are then the ones that involve logical decision making. Usually the attributes such as the price and quality are the key factors in this case. (Ebert/Griffin 2007)

The final stage is the post-purchase evaluation. The process doesn't end after the actual purchase has been made. Everything that happens after the sale is very important to the marketing of a product. Marketers want the buyers to be satisfied with their purchases so that they would come back later to buy more and create some word of mouth marketing for others. This basically means that a person spreads the information about the new product to the others, and if the product has been a success the word of mouth marketing will be positive. (Ebert/Griffin 2007)

2.3.2 The decision process for new products

The process for buying new products is a bit different compared to the five stages mentioned before. In some cases the product can have been in the market for a while already, but the focus is on the fact how the consumers learn about the ones that are new to them. The first step with the new products is the adoption process. Primarily the consumer decides whether to adopt the product or not. The adoption process is defined as “the mental process through which an individual passes from first learning about an innovation to final adoption”. There are various stages in the actual adoption process, which are the awareness, interest, evaluation, trial and adoption. (Kotler Principles of Marketing 156-157)

The awareness stage means that the person has heard about the new product, is aware of it, but doesn't have enough needed information about it. During the interest stage the person starts finding more information about the product. The next stage is for the consumer to evaluate whether the product is worth trying or not. This is followed by the trial stage, when usually the consumer tests the product in a smallest possible way, in order to improve the idea of the value. If the product turns out to be the way ex-

pected, then the consumer keeps purchasing the product in regular terms, if possible. Smart marketers usually help the customer go through these steps, especially in large investments it can be difficult for the customer to move from one stage to another. (Kotler Principles of Marketing 157)

In many cases people are making purchases only because they feel the necessity of doing so. People follow others and make decisions based on what other people are doing. This kind of behavior is driven by insecurity. Most people do not really need a huge SUV in the city area but obviously there is a need to buy one if all the neighbors already have one. The insecurity in our minds is a multidimensional concept. One reason to act this way is the perceived risk in doing something. What reduces the risk perception is the heritage, which also works as a great differentiator. If a brand for example has been a success in the market for a long period of time it creates trust among buyers, they can feel secure in buying it by having a lot of knowledge already. According to behavioral scientists there are five aspects of perceived risk:

- Monetary risk (The fear of losing money)
- Functional risk (The fear it will not work in the wanted way)
- Physical risk (The fear of getting hurt)
- Social risk (The fear that others will not accept it)
- Psychological risk (The fear of getting a guilty feeling after the purchase)

All these aspects are referring to the fact why people prefer buying from the leaders. (Jack Trout Differentiate or die 2008, 88-89)

2.3.3 Individual differences

The behavior of people differs enormously when making a decision to purchase a new product. The differences are huge between distinct cultures, due to the fact that some cultures are considered to have much higher uncertainty avoidance than others. But even inside the national borders the differences can grow very large. People have been roughly divided into five categories indicating the innovative levels. The levels are the innovators, which is only around 2.5 % of the population, early adopters with 13.5 %, early majority with 34 %, late majority with 34 % and laggards with a rate of 16 %. The innovators are the ones taking risks when trying new products and the laggards on the other end are the ones that are very suspicious about everything new, and rather stick with the old products. All the others are something between these two, respectively. The average person is in the middle of the early majority and the late majority. (Kotler & Armstrong 2007, 157)

2.3.4 The rate of adoption

The rate of adoption is always reflective to the characteristics of a new product. There are products that can become popular in a week whereas some others can take up to a year or even more to get the acceptance among the consumers. There are five important characteristics when influencing the rate of adoption of a new product. One of the important characteristics is the relative advantage. This refers to the features of the product that make it so special it is worth of buying. Let's say we already have a cellphone, but now there is a smartphone in the market, so the perceived relative advantages of the smartphones need to be very high in order to get the consumers interested and changing their already existing phones to the new ones. The better the relative advantage of a product is, the faster it will get adopted. One of the important characteristics is compatibility. This refers to the amount the consumers can reflect their lifestyles with the new product. For example a new style home theater set would get adopted easier by the upper middle-class households. The next characteristic is complexity, which is about the degree of difficulty in using or understanding the product. Usually the easier the product is to understand and use, the sooner it will get adopted. One of the characteristics is divisibility. This characteristic refers to the possibility of trying the product before buying it. This is mainly important with expensive products, when the consumers want to be sure where their money is going. The possibility of testing the product increases its chances of getting adopted. The last characteristic in the list is communicability. This is about the degree to which the observations of the new product can be reported to others. The products that can be described and demonstrated easily will have higher possibilities in getting accepted. (Kotler/Armstrong 158-159)

2.3.5 International level

Consumer buying behavior is already very difficult to understand for companies operating inside the borders of their own nation, but when it comes to companies operating in the international fields the task can get almost impossible at some points. Some aspects of the buyers from different cultures can be similar and comparable, but often it gets to the point that the differences in attitudes and in value perceptions vary so much that the companies need to differentiate their products to adjust the target markets overseas. The marketers need to have a full understanding of the markets they are targeting at. The marketing plans and products need to be adjusted to fit the cultures in order to be prosperous.

The process of the product adoption was discussed in the previous theme. If the product in this case is adjusted to fit the market in a certain country the product adoption of the consumers will be much higher. Referring to the level of compatibility especially, will make the adoption process much easier and faster. It is very risky to leave the products and marketing plans to be unadjusted. In many cases the cultural differences are very large, making something totally normal for us very offensive in an other place. It

is the worst mistake to offend the potential customers for being ignorant, which is why the marketers need to be very careful and thoughtful.

A good example of obvious differences is between the breakfast cultures in the United States and France. In France the habit is usually to have some bread and coffee for breakfast, whereas in the United States the normal custom is to have cereals for breakfast. A cereal company, Kellogg, is marketing their products in the States to be different from the hundreds of other brands, whereas in France the product is advertised to be a good way to start the morning, referring to cereals in general, because they aren't a popular breakfast. The packages are even giving instructions for the French to enjoy their cereal in the correct way. When Kellogg expanded to India they noticed that people eat extremely heavy breakfasts. Obviously they needed a different campaign as well and the cereals were then marketed as a healthy way to start a day.

The differences are not always so obvious and they can be very hard to spot. The differences can be in the physical characteristics of people or in their living environments. Remington for example needs to make smaller shavers for Japanese people due to the fact that their hands are smaller and shavers that work with batteries for the English people because they don't always have plugs in the bathrooms.

2.3.6 The product

The only way to plan effective marketing strategies is to understand what the consumers are really buying when purchasing products. All the products are so called value packages that satisfy the needs of a customer with its benefits. Product features are the intangible and tangible features that are built in the product by the company. Nowadays products are seen as bundles of attributes, which means that the product comes with the benefits and the features that satisfy our needs. Customers are demanding and expecting more and more features and benefits from their products with lower prices. The expected buyers normally classify the product in to two categories; the consumer products and the industrial products. The process of marketing products for these two distinct categories is completely different. In this paper the focus is on the consumer products. (Ebert/Griffin 2007, 340-341)

2.3.7 Consumer products

Usually consumer products are divided into three main categories that express the consumer behavior. The first group is the convenience goods and services. These are for example the beverages, magazines or services from a fast-food restaurant. In other words these are something rather cheap with a frequent purchase rate that does not require a lot of output of effort or time. The second group consists of the shopping goods and services. These products are purchased less often than the convenience goods and are usually more expensive as well. They could be for example cell-

phones, sofas and insurance in the service sector. The brand is a big factor in this group, and consumers frequently compare the differences between brands in various stores. Many alternatives are evaluated in the products of this sector, these are for instance the color, quality, price, performance, duration and many more. The third category is the specialty goods and services. These are the most important and very expensive products that require full commitment during the decision making. These could be for example a custom made dress or ordering a wedding planner. In this case the consumer usually knows exactly what is needed and won't settle for anything less. The planning of this purchase might consume a lot of time and include visiting in different stores comparing the attributes and finally choosing the best one, spending a big amount of money. (Ebert/Griffin 2007, 342)

2.3.8 Developing new products

Almost all the companies need to go through the developing of new products in order to survive and stay updated. It is pretty impossible for any firm to launch a product and then stay successful with it for decades. Or even if the product was always the same it requires updating once in a while. The demand for basically everything is increasing with a rapid speed, which reflects to the growth of competition, which reflects to the fact that companies need to differentiate from all the others in order to draw attention. On average it takes around 50 new product ideas to have one that actually reaches the market, and this doesn't mean yet the product would be successful. Usually speed to market idea makes a product successful. This means that the elaboration stage should be very rapid. The idea is to be ahead of the competitors which is why it is crucial to act fast. Being the first one in the market with a new product idea makes the companies to create a market leadership. According to a study, a product that is launched only few months after the market leader, loses 12 percent of the potential profits in terms of its lifetime. Being half a year behind raises the number up to 33 percent. (Ebert/Griffin 2007, 343-344)

2.3.9 The product life-cycle

When a product is good enough to enter the market it reaches the product life cycle (PLC). This means all the stages that the product, a good or a service, goes through during its so called life. The PLC consists of four natural stages that are the introduction, growth, maturity and decline. The introduction stage starts when the product enters the market. During this stage it is vital for the survival of the product to attract potential customers and make them aware of the benefits. Usually there are no profits created during this stage of the cycle because of the high costs that advertising and developing require. When the product manages to attract enough customers it can reach the next stage, the growth. The sales start growing and the profits are starting to show, which creates competitors to come in sight with their own versions. After that peak comes the maturity when the sales

are starting to slow down. Even though during the beginning of this stage the profits are in the highest level, the competition has grown enormously forcing the prices to be cut down. This automatically declines the profits, and in the end of the maturity stage the sales have started to go down rapidly. When getting to the decline stage the sales continue dropping reflecting dramatically to the profit level. The new products in the introduction stage are taking the places of the old ones, which is why the process is called a cycle. At this point it is up to the company what to do with the product in the future. They can end the whole cycle or let the product linger in the market but with less promotion. (Sääksvuori/Immonen Product Lifecycle Management 2002).

2.4 The online-era

The ongoing revolution in the technology has had a huge impact in the way how people do their shopping. The recent years have changed the fact that pretty much everything is available in online. Even daily groceries have been bought for households for some period of time already.

As it was written before how Jack Trout argued that everything is about differentiation and how it is the tool for success. For a long time companies have been able to differentiate themselves by getting in the online world with an online store. Unfortunately this is not the way anymore, since nowadays it is more bizarre not to have an online business as well. Trout argues that in today's technology driven world the differentiation method is the price. This method is dramatically difficult to execute in the online world, since everything is so easily comparable, just few clicks away. In Trout's words this is the way to play the game correctly. (Trout 2008, 71-72)

In Trout's opinion things that are really needed in the Internet are sites that guide people through the enormous land of shopping, sites that have suggestions, comparative data about websites, guidance and reviews. (Trout 2008, 72).

It was explained earlier how one of the most important stages of decision-making is the information seeking. Sites like this will ease the consumer's decision-making process by lowering the level of confusion and hesitation. The question then is the money, how could this kind of service make profits. And this is the moment when creativity and innovation are truly needed.

Chris Anderson argues in his book called *The Long Tail* that not all the successful businesses need to start with a commercial aim. Take for instance Wikipedia (online encyclopedia) and YouTube (video sharing site) videos. These are all created without an aim of getting profits but have ended up getting a massive popularity, which pretty much always is related to the profits. This way of doing business reshapes the presumptions that we have had about the markets for a long time. The motives are

changing and the basic economic model cannot be implemented in everything anymore. (Chris Anderson The Long Tail 2006 73)

2.4.1 The changing buying behavior

Even though many of the basic steps in the buying process are remaining in online shopping as well, there are some changes occurring in the behavior. The great aspect about online shopping is that there are no bounds when the purchase can be made. Most of the online stores are open 24/7 whereas actual stores have strict opening hours. (Chris Anderson The Long Tail 2006)

The fact that everything is available for everyone has shaped the buying behavior. Pretty much all the industries have been transformed in a new way because of the online world. The online-era has shaped the consumers to seek information in a different way. It is still a crucial fact in the decision making process but now it is easier than ever. (Chris Anderson The Long Tail 2006)

3 RESEARCH PROCESS AND THE RESULTS

This chapter is about the conducted research that was made to gather the empirical evidence. The research process and the results are explained and presented in a thorough way.

3.1 The method of gathering the empirical evidence

A survey was conducted In order to get a good understanding of how the consumers perceive new online services and would they be interested in using them. Quantitative method was used in this research due to the high amount of answerers.

The idea was to find out the consumer behavior during the planning of their traveling. The service idea is to offer people the chance to book and buy activities for their trips beforehand from home. Usually people only book the transportation, such as the flights, and the accommodation. Now the main question was about the activities that are offered in the destination. The survey questions were based on the idea that travelers would get an opportunity to plan their trip and save a bunch of money and time by handling the reservations from home.

In this research 400 people got the questionnaires for the survey. One hundred and fifty nine answers were gathered, making the answer rate 40 percent. The author was satisfied with the rather good answer rate. The online questionnaire was transmitted via email to the 250 promoters of Expression Ltd., to 3 classes of HAMK University of Applied Sciences

and to various people in the social media sites, including some small sized companies. The potential respondents had been chosen mainly based on the age and the interests. Since the target audience for the survey was travel minded people between the ages of 18 and 60, but concentrating mostly on people between the ages of 20 to 35.

The survey was conducted in an online form builder service called Wufoo. The author received permission and an account from the commissioning organization to use the service in creating the questionnaire. The respondents all answered in an anonymous way through a link that guided them into the online form.

3.2 Structure

Since the questionnaire was sent through emails and messages in social media that are similar to emails, there was a need to explain the idea and let the respondents know about the author and the purpose. All this was explained in the cover letter that was placed in the beginning of the questionnaire. The actual questionnaire comprised of 19 separate questions. The five first questions were demographic, in order to profile respondents and create groups to compare the differences in the behavior. The following seven questions were about the traveling routines of the respondents in order to understand the present customs and habits of the people towards traveling. This section comprised of questions that were used to group the people according to their traveling habits and combine it with the demographic section. The last seven questions were then about the actual service idea. The idea with these questions was to find out answers to the research questions. These questions were about people's opinions in order to develop the service idea to fit the needs and wants of the consumers. The questionnaire then ended with some words from the author thanking the respondent.

After making the questions the author was assisted by the commissioning organization in order to create questions that would give the answers that were needed. The final version was then accepted by Tero Ylönen and the questionnaire was forwarded to the 400 people.

3.3 Classifying questions

3.3.1 Gender and age

The result of the first question showed that 28% of the respondents were male and 72% of the respondents were female.

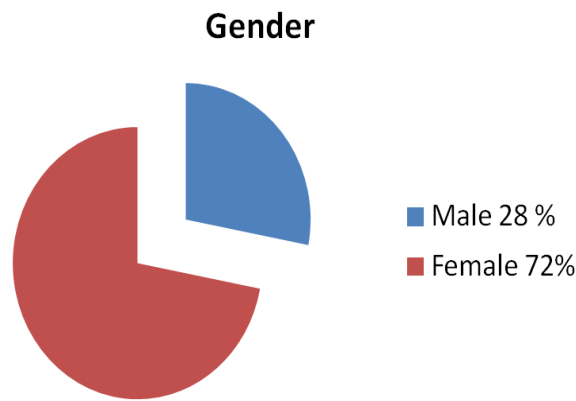


Figure 3 Gender division

Most of the respondents were 23-years-old at the time they answered to the questionnaire with the percentage of 17. The next biggest group was the 24-year-olds with the percentage of 16. The third biggest group was the 25-year-olds with the percentage of 11.

None of the respondents was under 18 and there was only one respondent who was over the age of 60. Seven respondents were between the ages of 50 and 60. 75% of the answerers were between the ages of 20 and 30.

3.3.2 Marital status, education and profession

The biggest group, in question number three, of the respondents was the people living in cohabitation, with the percentage of 38.6. The cohabitation system means that a couple lives under the same roof without being married. The next group was the singles by 23.4%. The third biggest group was the ones in a relationship with the rate of 20.9%. Married and registered partnerships were in the fourth place leaving the divorced and widowed as the smallest group with the percentages of 15.8% and 1.3% respectively.

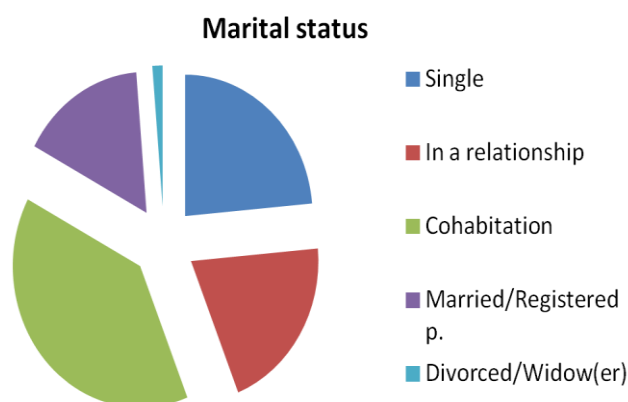


Figure 4 Marital status

The two biggest groups in the educational sector were respondents that had the study backgrounds of a university of applied sciences and universities with the percentages of 34.4 and 26.9 respectively. The third group consisted of people who had finished high school, 21.2%. The vocational school got 12.5% leaving the percentage of 5 to comprehensive school.

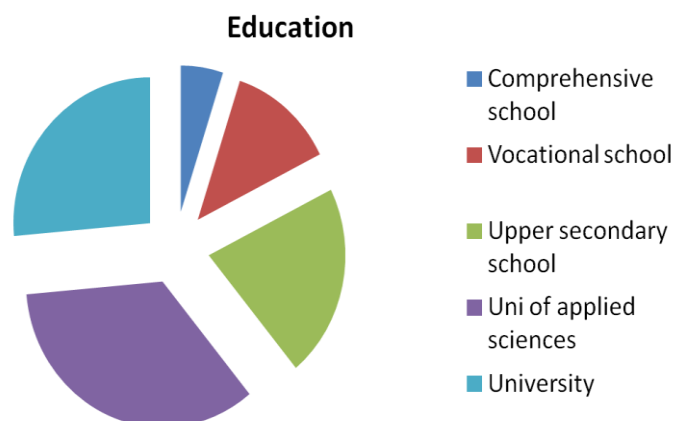
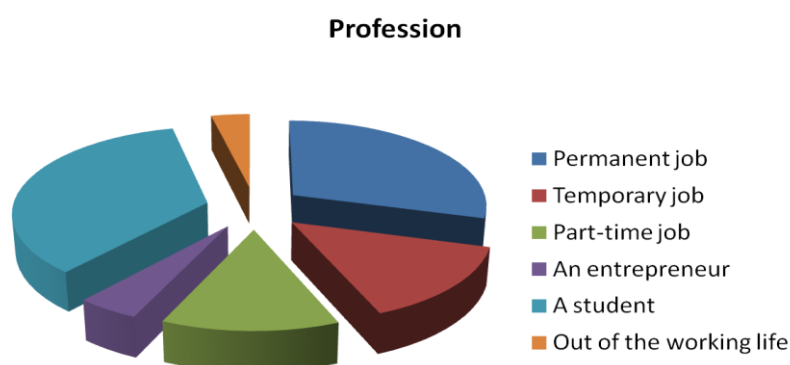


Figure 5 Education

The biggest part of the respondents was students, 35.1%. Permanent job was right behind with the percentage of 29.4%. Temporary and part-time job owners had a share of 14.4% and 12.9% respectively. The smallest two groups were the entrepreneurs, 4.6% and the people outside of the working life 3.6%.



3.3.3 Frequency

The most common number for the visits to foreign countries in a year was two, 33.12% answered this. 26.25% answered that on average they visit foreign countries once in a year, whereas 21.88% have around three visits. 7.5% make five trips on average and 6.25% answered four. 2.5% of the respondents visit the foreign countries more than ten times in a year.

3.3.4 Traveling habits and booking

47.5% of the respondents mostly travel independently, and only 7% takes package holidays. The remaining 45.6% consisted of respondents who answered both.

Do you travel independently or take package holidays?



Figure 7 Independent or package

The next question was designated for the people who answered *both* in the previous question. It was about the preference over another if the answer was both. Up to 84.8% prefers traveling independently, leaving the package holidays far behind with 15.2%.

If both, which one do you prefer more?

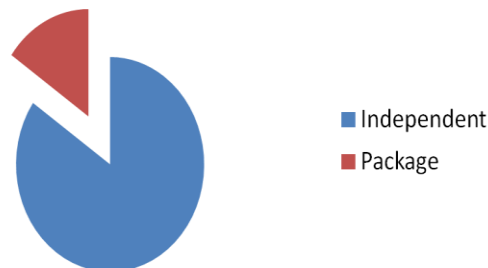


Figure 8 Preference

The next question was about online reservations. 94.9% responded *yes* when it was asked whether they make online reservations or not. Only 5.1% answered *no*.

Do you make online reservations?

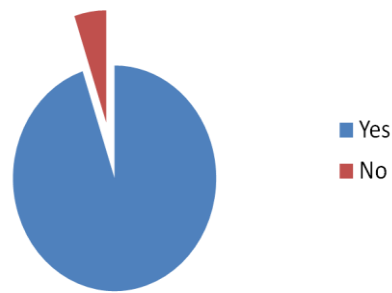


Figure 9 reserving online

3.3.5 Internet services

The next question was an open answer question. This meant that the respondent had the freedom to write whatever online travel services they use. The most used sites were supersaver.com, rantapallo.fi, bookings.com, hotels.com, ebookers.fi, hostelworld.com, halvalennot.fi, vertaa.fi and kilroy.com.

The websites of travel agencies, such as Finnmatkat or Aurinkomatkat were mentioned many times. Also the sites of single airlines were mentioned frequently, such as Finnair, Ryanair, Air Baltic etc.

3.3.6 Booking habits

The next question was to find out what do people normally book already from home when planning a trip. 97.5% of the respondents book transportation from home, such as the flights. 88.12% book the accommodation. Renting a car is done by 20% of the respondents beforehand. 10.62% reserve in-destination activities, 10% book entrance tickets and 2.5% reserve restaurant services.

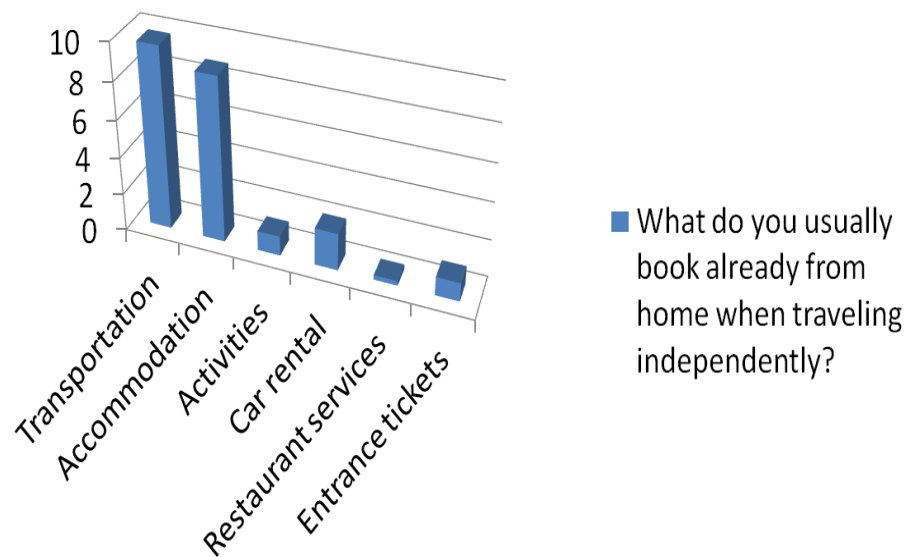


Figure 10 Booking habits

3.3.7 The most used services

The next question was about the preferred services that people like to use over the other ones. Hotels.com was the winner with the percentage of 5.81 followed by ebookers.fi with 4.65%. Ryanair.com was the third most answered choice with 3.49%. Booking.com gathered 2.33%.

3.3.8 Information sources

This question was about the perceived importance over the information sources. The question was made in the form of a likert scale and had the choice from 1 to 4 with the 1 being useless and 4 very important.

The Internet was perceived to be the most important information source when planning a trip. Just over 90% of the people answered that it is very important and only 0.6% answered it to be useless.

Travel guide books were mostly perceived rather important, 37.5%. Even though up to 30.6% perceived them as useless.

Travel agencies were mainly perceived useless with the percentage of 53.1%, although 28.7% see them as rather important sources.

The importance of other people who had visited in the country was seen as important with 48.1% and rather important with 31.9%. Only 5.6% thought these were useless.

The local people of the destination were seen as rather important information sources with the percentage of 38.8 and important with 36.9%. The impulsive decision making was important for 41.9% and rather important for 39.4% of the respondents. It was perceived as useless only by 10.6% of the answerers.

3.3.9 Service providers

61.88% of the respondents would prefer a Finnish service provider and 37.5% would prefer an international service provider.

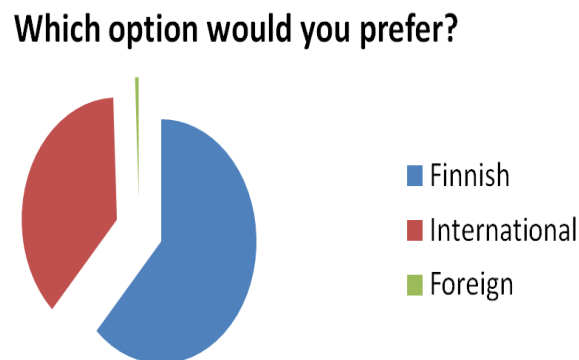


Figure 11 Service providers

3.3.10 The reliability

This question was to find out which aspects increase the reliability of an online traveling service. The question was in a likert scale with the choices from 1 to 4, 1 being nothing and 4 being very much.

The services provided in your native language were seen only a little bit increasing by 31.9% and other 31.9% answered it to be a lot. 11.2% answered it to have no importance in the reliability.

The experiences of other people were seen as important by 48.1% and very important by 37.5%. Only 0.6% perceived them to have no importance at all.

Clear contact details were perceived as very important by 63.7% of the respondents and important by 33.1%.

The visibility was perceived as a much mattering factor by 48.8% and even 41.9% answered it to be very much. None of the respondents answered it to have no importance.

The amount of information found on the site was seen an important factor increasing the reliability by exactly 50% of the respondents. Even 43.8%

answered it to be very important. Nobody answered it to have no importance at all.

3.3.11 The adapting process

This section was to find out the behavior towards the novelties. To get a closer understanding that how people react when there is a new service.

48.1% of the respondents usually hear about the new services from a friend and test them afterwards. 31.9% actively get acquainted with the novelties. 18.8% familiarize with the service primarily very deeply and in a thorough way before testing it. Only 1.2% of the answerers do not easily test any new services.

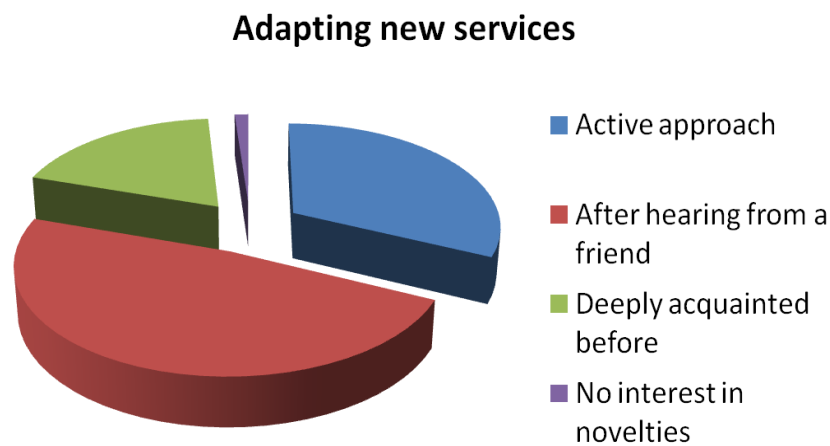


Figure 12 Adapting process

3.3.12 Reserving a table

These two questions were in order to find out how many people would be ready to reserve a table from a restaurant in their travel destination. And to find out what is the reason why people would not want to make a reservation already from home.

Slightly over the half, 58.2% answered that they would reserve a table from the destination, whereas 41.8% said that they wouldn't.

If the answer was *no*, the respondent was asked to explain why was the answer negative. Around 100% (of 41.8%) of the respondents answered that in any cases they wish not to plan their trip this much beforehand. Most of them were afraid of changing their minds and being bonded to something during a trip. Most of them required impulsive decision making.

3.3.13 Service offerings

The last question was to find out what would be the services that people would like to have offered in a travel site. This question was formed as a likert scale and had the choices from 1 to 4, with 1 being not interested and 4 being very interested.

Information about the activities in the destination was seen as an interesting factor by 46.2% of the respondents and 37.5% said to be very interested in having this offered. Only 1.9% was not interested at all.

A possibility for an easy booking through the service was perceived as interesting by 41.9% and 40% was very interested in this. Only 2.5% was not interested at all.

Dining guides that would help you with table reservations were observed as slightly interesting by 43.1% and interesting by 26.2%. 16.2% perceived this not interesting at all.

43.8% was very interested in getting price comparisons between different services, and 41.2% said to be interested. Nobody claimed to have no interests in this.

A search engine that would look up activities that suit the traveler based on the personal information was seen as slightly interesting by 35% and 31.2% were interested in getting this service. Only 8.1% was not interested getting a service with this feature at all.

A newsletter feature was observed as slightly interesting by 46.2% and not interesting by 34.4%. Only 2.5% of the respondents were very interested.

38.1% claimed to be interested in an opportunity for airport transfer booking. 32.5% perceived this as slightly interesting and 19.4% very interesting.

Up to 45% of the respondents were slightly interested in getting a service feature for an easy car rental through the site. 30% was interested and 8.1% was very interested.

4 ANALYSIS

4.1 Analysis of the results

Since there were demographic questions included in the beginning of the questionnaire it is pretty simple to know characteristics of the respondents. Firstly the questionnaire was web-based only limiting the respondents to those ones who actually use computers as a daily activity. This already worked as a segmenting tool, because there was no need to include people

who do not surf in the internet, since the research is about an online service.

The responses were transferred into Excel in order to make comparisons. The data that was gathered through the questionnaire corresponds strongly to the theoretical part

One of the overall purposes was to observe how differently the consumers who have previously purchased from online view this innovation compared to the ones who have not made online reservations.

4.1.1 So, who are the most potential consumers for this service?

It was easily noticeable from the charts that people between the ages of 23 and 32 were the ones travelling the most in a year. And mainly all of them preferred independent traveling over the package tours.

By the educational measures the respondents with a background in a university of applied sciences travel the most in numerical terms, followed by the university background owners. By looking at the professions clearly the people in permanent job positions travel the most, including the entrepreneurs. Students do travel quite a lot as well especially the ones doing part time jobs at the same time. This is most probably a financial issue, both with the permanent workers and the students doing part time jobs.

The preference level of the package tours went up relative with the age, but still a big percentage of the young people answered to go on a package holiday once in a while. Also making the online reservations went hand in hand with the age, even though most of the respondents make reservations through online.

Younger more traveling respondents were also able to identify more online services that are used for the planning of travelling, whereas older respondents often typed Google and the service types in general such as “flight booking”.

Respondents between the ages of 25 and 29 seemed to be the ones making the most in-destination activity bookings from home than any other age group. This group mainly consisted of people that are in a permanent job. Most of the respondents that made restaurant reservations were from this group, even though slight amount of respondents in the forties and fifties used this service as well. Respondents from all the age groups and educational/professional backgrounds booked entrance tickets in advance.

As an information source pretty much everyone observed the internet to be important. The travel agencies were perceived important by the younger and older respondents. The people between these two extremities thought these were rather useless. This statistic went together with the travel guide books that were thought to be slightly important mostly by the older and younger generations. The other travelers were thought to be a fairly good

information source and the answers were distributed equally among all the groups. Pretty much same applied to the importance of the local people. An interesting fact was that the impulsive decision making was seen as an important tool by all the age groups. Usually you come across the sayings that older people prefer routines and younger ones are more impulsive.

A clearly preferred choice was reserving through a Finnish service provider. It was preferred by most of the respondents over the other two choices. In the factors that increase reliability the feature of a native language services was mainly thought to be useful by the elder people. The experiences of other people were seen as the most important by the people between 25 and 30, but still fairly important by all. Clear contact information, visibility, and the amount of provided information were seen as important by all the groups.

In the adapting process section the division of the answers was impressively clearly distributed by the age. Younger people get actively acquainted with the novelties or hear about them through a friend. In the middle aged group the most answered choices were through a friend or a deep knowledge needed before testing. The most answered choice by the eldest respondents was the needed thorough knowledge before.

An interesting fact was that the youngest and the eldest were the ones that answered most frequently yes to question about reserving a table from the destination beforehand from home. It probably has something to do with the impulsivity like we learned in the fact section. The people who least wanted to make the reservations were mainly those who preferred package trips over other choices.

The two first service offers were information about the activities and a possibility for an easy booking. Both of these services were seen as very interesting. Even though the table reserving did not receive a huge popularity the restaurant guides with a possibility to the booking were perceived interesting. The price comparison idea was quite liked among all the answerers. A positive surprise was that respondents figured the search engine to be a good thing. The newsletter was perceived as an ok thing, but not as anything overly nice. The airport transportation booking system along with the car rental feature were both seen as interesting factors by all the respondents.

4.2 Suggestions

The Finnish people often are the least adventurous travelers and in many cases accept and adapt to new things slowly. The Finns are known for their preference in traveling to go where others are going. Often also if a pleasant travel destination has been found the Finns continuously repeat going to the same place with the same routines, such as activities, restaurants etc. Obviously this is only a generalization but it is based on fact and

it represents the Finnish traveling culture way too often. (Tuomola H. 2012)

The concept of the Finnish traveling behavior should be taken into account in the service creating. It should be a fact to become aware of when designing the service and especially its marketing.

As Chris Anderson mentioned in his book *The Long Tail* about the difficulties in marketing when people have accustomed to something and are not willing to let go easily. His suggest was then to market a product with opposite ideas of a similar product that exist already in the market. In this case there are not any direct Finnish competitors, but somehow the idea could be mirrored to the fact about the Finnish traveling behavior.

To put it briefly, the marketing could consist of ideas that not represent the normal Finnish way of traveling. Finns like to feel themselves international and trendy. So why not market the service in a way that this is not something to be set in one's ways, no more hidebound traveling. To turn it upside down as Anderson suggested it could be related to the constrained travel agencies and their package tours.

4.2.1 Service features

Fair amount of people perceived the choice of getting a newsletter rather interesting. Even though there was quite a high number of respondents not interested in getting it. The number of respondents that weren't interested was relatively high (34.4%) but since a bigger amount answered that it is slightly interesting; it should definitely be offered on the site. The creation of a newsletter is not a massive task to do, it could be distributed weekly or monthly, obviously it requires more work if it is issued every week. This is a rather good way to market the service and its new features and at the same time offer information and guidance for the consumers. The author's suggestion is a button on the front page of the site that asks a consumer to order the newsletter. Undoubtedly this would be voluntary thing to do. Signing up for the newsletter could also help the site to collect customer data that could be later on used for marketing.

As people who had traveled to the destination country along with the local people of the destination were perceived to be a good information source it would be useful to utilize this data in developing the service. There could be a section that works like a forum to post observations of destinations along with tips and suggestions by local people of the destination. Obviously it is not an easy task to collect the information from local people but since the workers in the commissioning organization are passionate travelers, for sure they would be able to ask a few locals once in a while to write some tips that "only the locals know".

Restaurant services as in-destination travel activities should be marketed to the people as the opposite of a restricting factor, since most of the people observe it this way. It also should be concentrated mostly to the business travelers, and pretty much never to the package travelers.

The idea of the price comparison service is about comparing prices of pretty much everything; flights, accommodation, tours, rentals, other means of transportation, tickets etc. in a facile way.

Since the search engine was perceived as a good thing, it definitely should be included in the content of the site. The idea is to enter your data and the engine makes activity suggestions based on the information you have entered. There could be many different main choices, such as only activities, or activities including the accommodation etc. And there could be a possibility to enter either a lot of details to get a more personalized plan or just some details to get many alternatives to compare.

5 CONCLUSION

The ongoing changes in the technology are reshaping pretty much everything related to business. Even the consumer buying behavior is facing enormous changes while the online world just keeps getting more and more limitless in the terms of accessibility. It is basically a positive factor from the consumers' point of views, but indeed there are some downsides in it as well, not to mention the downsides for the businesses. It requires strong knowledge and ability to survive and keep up with all the changes. The question has always been how to differentiate, and it still is the key factor, but now the concept has more meaning than ever since differentiation keeps getting enormously challenging.

By looking at the data gathered from the survey, the sincerely positive answers support the fact that this service should indeed be established. Most of the respondents would be very interested in using this service. Some features and aspects need to be brought to the consumers in a new way, such as the restaurant services that are still perceived rather restricting.

Surely with the marketing knowledge the commission organization, Deeper, will be able to make this service a successful branch of business. As the results showed, the centering attention should be put in the young and middle-aged people with an academic background and a steady job. These groups presented the most potential for this service idea.

It is a fact that the keys for success most often are the innovativeness and customer centricity. Traveling has always been one of the most popular hobbies in the whole world and since it is so overly famous there is a huge demand for new innovative services. Let alone combining the business traveling with the holiday traveling the expansion possibilities are limitless.

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Harri Tuomola May, 2012, lecturer of HAMK

The questionnaire in Finnish

Saateviesti

Arvoisa vastaaja,

tämä kysely on osa BBA-tutkintoni lopputyötä. Teen lopputyöni Markkinointitoimisto Deeperin toimeksiantona matkailun kohdepalvelujen myynnistä verkossa.

Kaikki tiedot tulevat vain opinnäytetyötäni varten ja vastaukset käsitellään tilastollisesti. Kenenkään yksityisiä vastauksia ei voida siis tunnistaa.

Kiitos paljon ajastasi!

Sukupuoli

- Nainen
- Mies

Ikä

Siviilisäät

- Sinkku
- Seurustelen
- Avoliitossa
- Naimisissa/rekisteröidyssä parisuhteessa
- Eronnut/leski

Koulutus

- Peruskoulu
- Ammattikoulu
- Lukio
- Ammattikorkeakoulu
- Yliopisto

Ammatti

- Vakituksessa työssä
- Määräaikaisessa työssä
- Osa-aikaisessa työssä
- Yrittäjä
- Opiskelija
- Työelämän ulkopuolella

Kuinka usein keskimääräisesti käyt ulkomailla vuodessa?

Harrastatko paketti- vai omatoimimatkoja?

-
- Omatoimimatkoja
 - Pakettimatkoja
 - Molempia

Jos vastasit edelliseen kysymykseen molempia, niin kumpaa enemmän?

- Omatoimimatkoja
- Pakettimatkoja

Teetkö varauksia internetin kautta?

- Kyllä
- En

Mitä internetpalveluja käytät matkustamiseesi liittyen?

Mitä yleensä varaat jo kotoa omatoimimatkalle lähtiessä?

- Lennot tai muut kuljetukset
- Majoituksen
- Kohdeaktiviteettejä, kuten retkiä, kiertoajeluita tms.
- Autonvuokraus/lentokenttäkuljetus
- Ravintolapalveluita
- Pääsylippuja

Mitä palvelua käytät eniten?

Kuinka tärkeitä seuraavat tiedonlähteet ovat sinulle suunnitellessasi matkaa?

- Internet
- Matkaopaskirjat
- Matkatoimistot
- Muut kohdemaassa matkustaneet
- Paikalliset ihmiset
- Impulsiivinen päätöksenteko

Mitä kautta tekisit mieluiten varaukset matkakohteeseesi liittyen?

- Suomalaisen palveluntarjoajan kautta
- Ulkomaisen palveluntarjoajan kautta
- Kansainvälisen palveluntarjoajan kautta

Mitkä seikat lisäävät mielestäsi palvelun luotettavuutta? (Asteikolla 1-4, 1=Ei ollenkaan 4=Erittäin paljon)

- Sivusto omalla äidinkielellä
- Muiden kokemukset sivustosta
- Selkeät yhteystiedot
- Löydettävyys
- Sivustolta löytyvän tiedon määrä

Kuinka nopea olet omasta mielestäsi mukautumaan uusiin palveluihin?

- Tutustun aktiivisesti uutuuksiin
- Kuulen yleensä uusista jutuista joltakin tutulta, jonka jälkeen käyn testaamassa
- Tutustun ja otan käyttöön vasta kun olen kunnolla perillä mistä on kyse

-
- En kovin helposti tutustu tai ota käyttöön uusia palveluita

Olisitko valmis tekemään esimerkiksi pöytävarauksen matkakohteestasi jo kotoa käsin?

- Kyllä
- En

Jos vastasit edelliseen kysymykseen en, miksi et?

Mitä toivoisit kohdematkapalvelun tarjoavan sinulle?

- Tietoa matkakohteiden aktiviteeteistä
- Mahdollisuuden helppoon varaamiseen palvelun kautta
- Ravintolaoppaita joiden avulla voisi tehdä pöytävarauksia
- Hintavertailuja, palvelu/matkakohde/muut palvelut
- Hakupalvelun, joka tietosi syötettyä hakee sinulle sopivia aktiviteettejä
- Uutiskirje
- Lentokenttäkuljetuksen varaus
- Autonvuokrauspalvelu

Appendix 2

The questionnaire in English

Cover letter

Dear respondent,

This questionnaire is part of my final thesis in International Business. It is commissioned by the Marketing Agency Deeper and it is about the selling of the in-destination travel activities centralized online.

All the information will only be used for the researching purposes only and all the responses will be handled in a statistical way. The survey questions do not include anything that could identify you.

Thanks a lot for your time!

Questionnaire

Sex

- Female
- Male

Age

Marital status

- Single
- In a relationship
- Cohabitation
- Married/Registered partnership
- Divorced/Widow or widower

Education

- Comprehensive school
- Vocational school
- Upper secondary school
- University of applied sciences
- University

Profession

- Permanent job
- Temporary job
- Part-time job
- An entrepreneur
- A student

-
- Out of the working life

On average, how often do you travel to foreign countries in a year?

Do you travel independently or take package holidays?

- Independent
- Package
- Both

If you answered both, which one do you prefer more?

- Independent
- Package

Do you make reservations through internet?

- Yes
- No

Which online services do you use...

What do you usually book already from home when travelling independently?

- Flights or other means of transportation
- Accommodation
- In-destination activities, such as tours, excursions, sightseeing etc.
- Car rental/ airport transfers
- Restaurant services
- Entrance tickets

Which service do you use the most?

On a scale from 1 to 5 (1=useless, 4=very important), how important are the following information sources for you when planning a trip?

- The internet
- Travel guide books
- Travel agencies
- Other people who have visited the country
- Local people
- Impulsive decision making

Which option would you prefer when making reservations and booking activities for your trip?

- Through a Finnish service provider
- Through a foreign service provider
- Through an international service provider

Which aspects increase the reliability of the service? (On the same scale)

- The services are provided in your native language
- The experiences of other people
- Clear contact information

-
- Visibility
 - The amount of provided information

How fast is the process for you in adapting to new services?

- I actively get acquainted with novelties
- I usually hear about the novelties from a friend and test them afterwards
- Primarily I get to know the services very thoroughly and test them afterwards
- I don't get acquainted with the novelties

Would you be interested in reserving a table in a restaurant at your destination already from home?

- Yes
- No

If you answered no to the previous question, why?

What would you like that the online service offered you? (Same scale from 1 to 4)

- Information about the activities in the destination
- A possibility for an easy booking through the service
- Dining guides that would help you with table reservations
- Price comparisons between different services
- A search engine that looks up activities that suit you based on your personal information
- A newsletter
- Airport transfer booking
- Car rental service