Saimaa University of Applied Sciences
Business and Culture, Imatra
Faculty of Tourism and Hospitality
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Private Sales for Travel Website in Finland: Case Travelbox

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Abstract

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The purpose of the study was to examine the concept of private sales for travel in-depth in the context of e-Tourism and to evaluate the timeliness and progress of the newest private sales for travel website called Travelbox, which will be launched in Finland by Mediatalo Toimelias Oy - digital marketing company, based in Lappeenranta.

The information for theoretical part of the research was gathered from literature, magazines, newspapers, statistics and Internet. Quantitative research was used as the primary research method. The data for the research was collected online via Google Drive platform, social networks and forums, where online survey form has been distributed.

Based on the findings of the research, the assumption of the popularity and relevance of the Travelbox portal in the future was supported, and the formula of its success was deduced. Furthermore, the information for the initial content creation on the website was gathered. The results can be applied by the website owners in order to create packages and sales offerings to be represented on the website in the future.

Keywords: Private Sales for Travel, Finland, eTourism, Toimelias.

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1 INTRODUCTION

In the summer of 2012 tourism into Finland from abroad rose to the exceptional rates of 4.3 million foreign visitors, where four out of ten foreign visitors came from Russia, resulting in more than 1.7 million arrivals from Russia, according to the survey published by Statistics Finland and Finnish Tourism Board ("Number of Russian visitors", 2012).

ThisisFINLAND - Finland Promotion Board - calls Russian visitors "Friendly invasion" (Weaver 2012). It comes as no surprise that such "Invasion" results into the major boost of businesses all around Finland, especially of those connected to the Travel and Tourism industry. Finnish ski resorts welcomed 40 per cent more Russian tourists in the ski season of 2012 - 2013 than two seasons before ("Finnish ski resorts", 2012). Spending holidays at SPA-resorts or cottages for rent never ceased to be popular among Russian tourists visiting Finland as well ("Russian tourists flock", 2012).

Finnish travel and tourism companies are taking various measures to attract more customers from Russia and to become more competitive in the growing market. One of the most important, advantageous and profitable channels of communication for Finnish businesses targeted at Russia over the past few years has become Russian Internet, which they actively try to enter ("Finnish travel companies", 2012).

Mediatalo Toimelias Oy, the digital marketing expert company located in Lappeenranta, is well aware of the tendency and has been providing Russian digital marketing services to the Finnish businesses since 2011. The company, being a well-known player on the digital marketing field in Finland, is in the constant state of keeping up with the fast pace of new technologies and Internet solutions and is actively involved in new concepts development.

One of such concepts that has been designed by Mediatalo Toimelias Oy is the concept of the newest Internet private sales for travel project with the working title Travelbox, similar to the world-famous model of Secretescapes.com website. Travelbox portal will be offering exclusive packages and deals from Finnish travel &

tourism companies and will be targeted strictly at Russian customers. Travelbox portal will represent another powerful channel of communication between Finnish businesses and Russian customers and will allow Travel & Tourism companies of Finland to acquire more customers and to increase sales via Internet (Hakolahti & Tonder 2013).

1.1 Reasons for the thesis and delimitations

This thesis is devoted to the investigation of Travelbox case and the formula of its possible success in the context of its target audience, trends and tendencies in the online market, suppliers and the team of professionals behind the project. The research to be conducted in this thesis not only will explore the interest of Russian Internet users in Finland as a destination and their readiness to travel and to purchase travel and tourism products in Finland, it will also allow to determine the preferences of Russian tourists concerning accommodation, dining options, activities and geographical regions of Finland. In other words, the research will both evaluate the degree of Travelbox relevance among its target audience and will contribute to the initial content creation on the website in the future.

The research is worth conducting for several reasons. To begin with, it will allow collecting well-timed and forehanded data in order to predict the demand and to assume whether Travelbox will or will not enjoy the popularity of Russian Internet users. Second, it will help the website creators – Mediatalo Toimelias Oy - to develop suitable packages of current interest and demand for the new booking portal based on the Russian Internet users' preferences studied from survey results. Third, it will contribute to the already existing knowledge and statistics data concerning the preferences and spheres of interest of the Russian tourists and will provide the most recent and actual information to interested parties. Finally, the survey will be conducted online, and thus it will to some extent allow tracing consumer behavior patterns of Russian online customers choosing Finland as a travel destination.

No such research has been conducted for Mediatalo Toimelias company before. The research may contribute not only to the creators of the booking portal, but possibly to Finnish travel and tourism enterprises as well, allowing the interested parties to discover in-depth, what are the tendencies and preferences among the

Russian tourists who are at the same time active Internet users representing Russian e-commerce market.

The Travelbox case is interesting to me in particular, since I am the employee of Mediatalo Toimelias Oy and it is extremely interesting for me to take part in the project development starting from the earliest stages of its existence and planning.

A lot of information in this thesis is also based on my broad experiences and work in different areas of digital and offline marketing in Mediatalo Toimelias Oy company, as well as personal discussions with the CEO of the company Teemu Hakolahti, partner Mika Tonder and other employees.

1.2 Research questions

Major research questions will include the following:

- How relevant and well timed the Travelbox project is, concerning its target audience – Russian Internet users, Russian Internet market and the products to be offered on the website? In other words, are Russian Internet users interested in traveling to Finland and purchasing the corresponding travel products and packages?
- What are the preferences of Russian Internet users concerning accommodation and dining options, when they travel to Finland? What categories of these tourism products do they choose as a rule? These questions are necessary in order to understand which of the elements should be included in the packages on Travelbox website in the future.
- Which activities and regions of Finland would Russian Internet users be interested in when traveling to Finland? This question is essential when it comes to defining geographical location of the travel packages to be sold on the website and possible activities to be included in them.

1.3 Research method

Quantitative research method was chosen for this thesis work. Quantitative research is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics) (Muijs 2011, p.1).

The main questions of the research will be devoted to the preferences and expectations of Russian customers, and consequently, numerical data is needed in order to answer the questions stated.

The data collection method to be used is online survey. The survey will be launched on the Google Drive (Google Docs) platform, which is a free file storage and synchronization service, provided by Google. After the survey being created on the Google Drive platform, the link to the web page of the survey will be distributed online through social media channels, the most important of which will be the major Russian social network Vkontakte which is currently crushing Facebook, world's undisputed social media leader, on the territory of Russian Federation (Grenoble 2012).

Overall, it is expected to collect 150-200 samples in a one month time period, which will represent a sufficient amount for the website creators to make the conclusions concerning the contents of the travel & tourism packages to be represented on the booking portal in the future and to trace the consumer behavior patterns of Russian social media and Internet users.

The data will be analyzed with the help of the Google Drive tool, containing the efficient analyzing feature "Summary of responses" allowing the editor of the survey to observe the statistics in graphs, charts in diagrams real-time.

1.4 Thesis report structure

The structure of the report will be presented to the reader as follows. First, a brief history of Internet will be described, and the introduction to E-commerce will be made followed by the key principles and the description of E-tourism. Then, the concepts of the key E-tourism mechanisms, such as recommender systems and online travel agents will be explained. In the next chapter, the model of private sales for travel will be clarified, and the reader will be introduced to the business model of Secretescapes.com website. The following parts of thesis will explore e-commerce and e-travel market in Russia and Finland and emphasize the interest of Russian tourists in

Finland. The case of the booking portal to be launched by Mediatalo Toimelias will be presented. In the following chapters the process of the marketing research will be clarified and the results will be published and thoroughly analyzed.

2 E-COMMERCE AND E-TOURISM

According to Mark Zuckerberg, the creator of the world's largest social media network Facebook with more than 1.6 billion monthly active users (Tam 2013), "the Internet is the most powerful tool we have for creating a more open and connected world". The scope of the Internet power nowadays can only be approximately estimated. It does not affect only its average users, but governments, corporations and societies around the world (Kalathi & Boas 2003).

2.1 Internet and E-commerce

It is reasonable to suggest that already powerful communication role of the Internet will only be growing in the future. While the worldwide society is leaving the industrial age and entering the new, so-called Information age, Internet becomes not only an extremely powerful communication tool, but also a concept which makes people from all across the globe reconsider the ways they are used to perceive enterprise, business development processes, management and the traditional principles of commerce (Bajaj & Nag 2005, p.3). Information technology urges businesses worldwide to take advantage of it and to implement it into the production process in order to reduce costs and to become more competitive in the ever changing and developing global marketplace.

Information Age is the time of knowledge-based or learning organizations. David Garvin in the Harvard Business Review defined learning organization as "an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights" (Koontz & Weihrich 2008). In other words, since technology is rapidly diffusing and its advancement is equally available to the competitors, it is knowledge that makes a difference, and it is from the knowledge base that it is possible to create the right kind of information, which can be classified as value and can contribute to the value-adding process. (Bajaj & Nag 2005.)

Electronic Commerce or **E-commerce** is a great example of this kind of value addition for businesses worldwide, and it has in many respects changed the existing processes and ways of conducting the business. There are a lot of definitions of E-commerce, broad and narrow. Pankaj (2005) defines E-commerce as “the use of telecommunications and computers to facilitate the trade of goods and services”. According to Parsons and Oja (2010), “the term e-commerce typically refers to business transactions that are conducted electronically over a computer network” and “it encompasses all aspects of business and marketing processes enabled by Internet and Web technologies”.

E-commerce implementation is, no doubt, a major development in the way business is conducted. There are both advantages and disadvantages of Electronic Commerce, which are to be aware of. According to Schneider (2011), the major advantage of E-commerce implementation in business model can be summarized as the following: it can increase sales and decrease costs. With the help of the mechanisms of Web it is possible to deliver even the smallest promotional message of the company to potential customers in every corner of the world, or, on the contrary, to a particular desirable segment of virtual community defined geographically, demographically and according to their interests. Just as E-commerce is able to increase the sales, it may also increase the purchasing opportunities of the buyer. It also increases the speed and accuracy with which businesses handle the transactions and exchange the information (Schneider 2011.)

As efficient as it may seem, Electronic Commerce is not suitable for every business, for example, it is not recommended for the implementation of long-distance transactions involving perishable foods and high-cost unique items (jewelry, art and design products of high value) to avoid possible losses and failed transactions. Tourism however, is considered among the most suitable industries for e-commerce implementation (Schneider 2011).

2.2 E-tourism

Travel and tourism industry worldwide has been experiencing greater impact of Information Technology and E-commerce. Buhalis (2003) explains this phenomenon as follows. “Information communication technologies (ICTs) have been changing the global tourism industry rapidly. The implications of the Internet and other growing interactive multimedia platforms for tourism promotion are far reaching and alter the structure of the industry." What is more, E-commerce and Information Technology have been recalled as principle enablers and vital strategic players both in tourism promotion and sales (Sambhanthan 2013). Travel and tourism industry is considered to be among the major beneficiaries of E-commerce (Cai, Gartner & Munar 2009, p.2), offering one of the most appropriate forms of electronic business products (Qin 2009, p. 389). The role and use of E-commerce tools for tourism industry will continue to grow and occupy an important position concerning tourism policy, marketing and planning decisions in the future (Edgell, Allen, Smith & Swanson 2008). In the context of the E-commerce and Information Technology's wide impact on the travel and tourism industry, the term E-tourism was born. Buhalis (2003) defined e-tourism as "the digitalization of all the processes and value chains in tourism, travel and hospitality…industries that enable organizations to maximize their efficiency and effectiveness, where ICTs can allow businesses to communicate easier with its customers".

E-tourism affects the business processes on many levels. At the tactical level, the ICTs are applied in order to maximize efficiency and effectiveness of the tourism organization. At the strategic level, all business processes, value chain as well as the relationships with stakeholders are revolutionized by e-Tourism.

The concept of e-Tourism includes all the business functions and processes, such as e-commerce, e-marketing, e-finance, e-accounting, eHRM, e-procurement, eR&D, e-production and the like. It also includes e-strategy, e-management and e-planning, thus bundling together three distinctive concepts: tourism, information systems and business management (Buhalis 2003).

Buhalis (2003) has broken e-Tourism into e-Airlines, e-Hospitality, e-Tour operators, e-Travel agencies, and e-Destinations. E-Travel agencies or Online Travel Agencies dominate the market at the moment and the next chapter is devoted to the analysis of the Online Travel Agencies' popularity in depth.

2.3 Dominance of Online Travel Agencies in the travel market

Information and communication technologies represent powerful tools for travel agencies as they "provide information and reservation facilities" and ensure the intermediation between businesses and consumers. According to Buhalis (2003), it has lately become essential for travel agencies to utilize Internet's potential and to integrate ICTs into their business processes for several reasons. First, the consumers worldwide increasingly search and book online. Second, travel and tourism businesses aim to communicate with customers directly and to cut the intermediaries and commissions costs when possible. Finally, the inadequately trained personnel hired by travel agencies may contribute to the limitation of expertise. To sum up, Buhalis (2003) states that travel agencies have to rely on Internet and to integrate it into business operations if they expect to stay competitive and credible on the ever-developing travel and tourism market.

Buhalis' instructions have been extremely timely. Online Travel Agencies (OTAs) have taken off even in the areas with low Internet coverage. According to the infographic by Hockenson (2012), devoted to the progression of online travel from its roots in 1946, the channels used by Internet users to book travel in February 2011 have been shared out as follows:

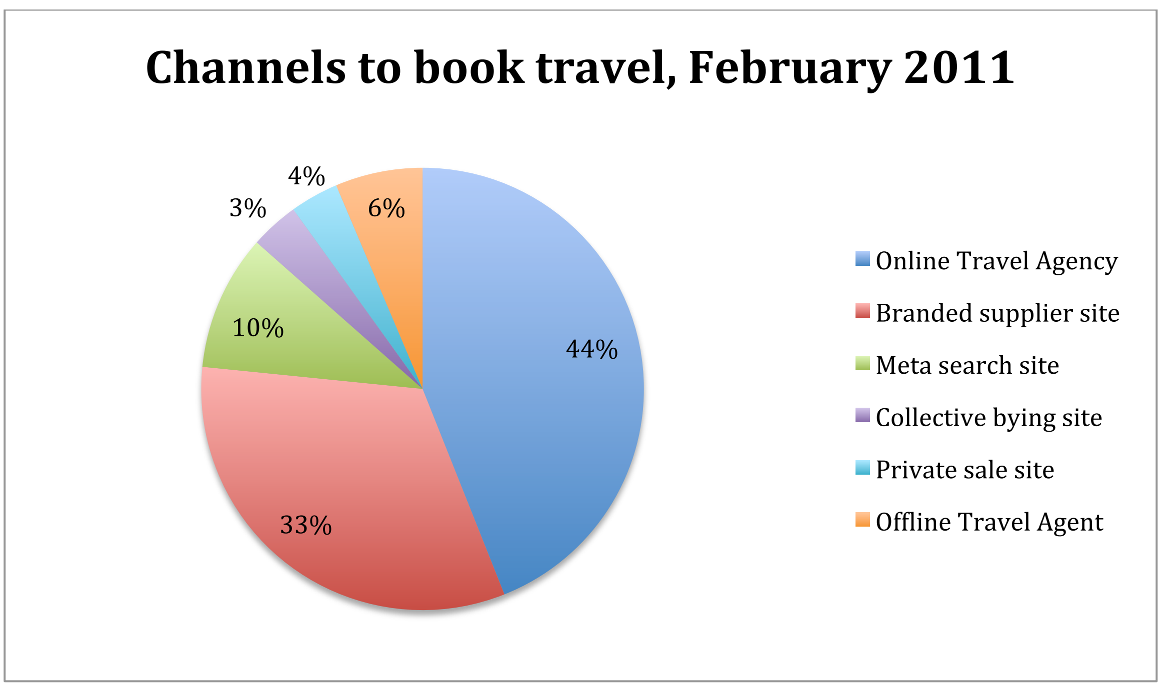

Figure 1. Channels to book travel, February 2011 (Hockenson 2012)

According to Figure 1, Online Travel Agencies have been the most popular channel to book travel and tourism products and services online.

The 10 most popular travel websites in the world in April 2013 are the following (eBizMBA 2013):

1. TripAdvisor
2. Yahoo! Travel
3. Expedia
4. Travelocity
5. Priceline
6. Orbitz
7. Kayak
8. Hotels.com
9. TravelZoo
10. Hotwire

It comes as no surprise that most of the websites in the ranking represent Online Travel Agents.

Candela and Figini (2012) define Online Travel Agencies as “web portals, characterized by a virtual location (an Internet address), offering a wide array of services to the web-tourists, those customers who mainly use Internet to self-organize their holiday”.

The major difference and competitive advantage of Online Travel Agencies from the traditional bricks-and-mortar travel agencies, according to Candela and Figini (2012), is that the OTAs use the Internet as the major channel to inform and sell services to the tourists hence taking full advantage of the opportunities of online intermediation. Among the largest firms offering online travel bookings services worldwide are Yahoo! Travel, Expedia, Travelocity, Priceline. Around the globe, the popularity of Online Travel Agencies and the number of business and leisure travelers looking to the Internet as their primary means of gaining travel information, reserving hotels and booking air tickets is constantly growing.

Is it possible for a new business model to displace the existing “giants” of the online travel market, such as Online Travel Agents? No doubt, since Internet is an ever-developing and dynamic environment, one should be well aware of its trends and tendencies in order to stay competitive in the market. One such model that is believed to dislodge Online Travel Agents in the future is private sales for travel, which Travelbox project will be based on.

2.4 Private sales model

According to Dev (2012), flash sales “typically offer customers promotions of short duration that provide dramatic savings – usually contingent on achieving a threshold of customers accepting the proposed deal.” Kuhr (2012) defines flash sale as “a limited time sale with limited inventory that can get sold out’.

Flash sales is the concept pioneered by Vente Priveé of France as an innovative way to avoid sales regulations and to drive the consumers behavior with the constant stream of attractive offers that they do not want to miss, even if they did not plan to make a purchase in the first place. When the flash sales model is combined with the private sales concept, the marketing strategy is to motivate the potential customers to register on the website in order to gain the access to the deals, which are not visible to a non-registered user. In this way, the feeling of exclusivity and participation in a closed community is created and the numerous flash deals and discounts are not harming the brand images of the companies and are less likely to be perceived as ‘spam’ or useless commercial information. This allows the participating travel and tourism service providers to target a particular selection of customers, who in their turn are experiencing more personalized approach and the idea of belonging to a ‘secret society’. (Destin 2011.)

When potential customers register on the private sales website, their personal and contact information is needed. As the user completes the registration procedure, the information provided by them is immediately stored in the website customer database, allowing using it further in the online marketing activities, such as E-mail newsletter, which occurs rather often since the flash deals are constantly updated and sent to the customers. Nowadays it is also possible to complete the registration procedure by using one’s Facebook or other social network account to connect. This can be considered a “win-win” situation: on the one hand, it requires less efforts – a mere click – from the website users who tend to be exhausted by the need to register on a lot of websites in the web in order to acquire the information they need. On the other hand, the website gains the instant access to a user’s Facebook account, which is, in fact, a “goldmine” of online marketing. Once the connection with the Facebook account is established, it is not only possible to get a hold on user’s E-mail address or several, the built-in application of the website is allowed to post on behalf of a user on user’s Facebook Timeline, which may be noticed by their Facebook friends. For example, whenever the user will be logging in the private sales website using their Facebook or other social network account, the application will post a message like “X is using WWW. Join now for the best travel deals!” on consumer’s Timeline allowing to instantly reach the database of their Facebook friends, the majority of who probably represent people of similar heritage and background, geographic location, financial wellbeing and interests. In case they are interested in the message, they may redirect to the website and fulfill the registration form themselves thus to enter the customers’ database of the project and to successfully close the marketing loop receiving E-mail newsletters and Timeline updates themselves. The wider the customer database is, the more there are possibilities to sell the flash deals.

Private sales for travel model is believed by many to displace the dominance of the Online Travel Agents in the future. According to Zito (2010), there are several reasons why private sales for travel websites will succeed in the Internet marketplace:

1) Harnessing the social network and viral marketing concept as the marketing and distribution channel for the website.

The dynamic nature of the private sales concept, including weekly deals and attractive discounts off five-star hotels, represents the never-ending theme for conversation between the members. The conversation in the Internet leads to viral marketing. Viral marketing is not much different from word of mouth, but what is especially remarkable about it, is the degree to which using the Internet has accelerated this process. An example of viral marketing is the launch and spreading of the free E-mail provider Hotmail, which managed to attract over 12 million subscribers over the first eighteen months of its existence. Another example is the world-famous music video “Gangham style” by the South Korean performer Psy which has surpassed the 1.5 billion view mark on Youtube in only around 266 days since its release (Pkdance 2013). The same happens to an attractive travel offering, which is spreading aggressively via social networks like wildfire. The distribution of the offer through the social networks not only increases the profit of the private sales for travel website, but it quickly builds customer base.

2) The membership concept of the private sales for travel business model creates the illusion of exclusivity, when in reality there is no exclusivity. The goal of every private sales for travel website is to build the largest possible pool of buyers to sell the offers to.

3) High-end hotels and resorts provide discounted accommodation to the private sales for travel websites because they tend to believe that their brand is stronger and not degraded or dissolved by the OTA’s and search engines’ mass distribution and large-scale marketing. Accommodation suppliers feel more in control of discounts, and consequently perceive the process as being more efficient in managing their yield and increasing occupancy rates.

According to Zito (2010), more and more hotels nowadays consider the private sales model to be “better than the OTA model.” Another advantage provided by private sales for travel websites to high-class hotels is that it becomes possible for them to reach the cost-conscious consumer segment - target market that is difficult to reach through their traditional sales channels.

To sum up, private sales for travel may be the future of online booking. They create a “win-win” situation both for consumers, who are able to enjoy great discounts and exclusive getaways, and for the suppliers, who are able to reach better dialogue with customers, manage their discounting policies themselves and to increase occupancy rates.

Nowadays there are quite a few private sales for travel websites around the world. From my experience of working in digital marketing area, the most successful private sales for travel website the following: Vacationist, TravelZoo, Jetsetter, SniqueAway, Voyage Privé, TripAlertz, Travesse, Off&Away, Secret Escapes.

The websites on the list vary in business models, brands, design, content, target audience and other factors. For example, TravelZoo website does not provide exclusive offers, but successfully connects consumers directly to suppliers. On TripAlertz the prices of offers go down while the number of bookings increases. Most of the private sales for travel are based either in the United States or in Europe, especially, the United Kingdom and France, and their target audience is correspondent.

According to Teemu Hakolahti (2013), Finland by far has not been enjoying a similar project based in the country. The concept closest to flash sales in travel in Finland has been the travel section of Groupon - the internationally well known ‘blink and you’ll miss it’ concept of daily and weekly flash deals. Travelbox project, which will be presented and studied in depth in the empirical part of this thesis, will be based on the model of private sales for travel, in particular, the website Secret Escapes located in the United Kingdom. The case of Secret Escapes will be presented and analyzed as well in order to understand the formula for Travelbox’s success in Finland.

2.5 Secret Escapes

Travelbox portal will in many ways be based on a model of the UK-based private sales for travel website Secret Escapes. The case of Secret Escapes will be the focus of this chapter in order to understand the key principles of its functioning.

Secret Escapes is a relatively new entrant on the United Kingdom's E-tourism market. It represents private sales for travel, and is definitely not the pioneer in this area in the United Kingdom – Voyage Privé Company based in France has had impressive metrics in private sales in European market since much earlier. However, Secret Escapes website possesses a few advantages that are able to make this project competitive in both short and long run.

To begin with, it is the versatile and experienced team of founders, executives and investors. The founders of the project – Alex Saint, Troy Collins and Andrew Brendon – were at the origins of Dealchecker.co.uk, one of the UK's top five travel comparison sites with free online service and more than one million people subscriber database who weekly receive Dealchecker's newsletter (Return Path 2012). The founders have been with the project from the very beginning and successfully led it to beneficial acquisition by EasyVoyage (May 2011a). In other words, the team of founders has already had broad experience concerning the online travel projects and the smooth conduction of the startup process. The executives of the company are also the veterans of E-commerce: Tom Valentine (Seatwave and eBay) and Daniel Evans (Lastminute.com hotel deals). Major investors of the project are William Reeve (LoveFilm.com) and Index Ventures, the private equity firm whose previous successful investments include, for example, online clothing retailer Asos.com (Rushton 2012). To sum up, the team behind Secret Escapes project represents a well-thought-out mix of skilled experts, which, no doubt, contributes to the website's future flourishing and prosperity.

The second advantage is the extensive database of active users allowing the suppliers to observe satisfactory results from the earlier stages of project development. The third advantage is the unfading enthusiasm of the team behind the project. In conclusion, the combination of the competitive advantages allows the relatively young Secret Escapes concept to stand out in the busy segment of private sales for travel in Europe.

The major purpose of the project is to give the customers the access to unique prices and discounts in the travel and tourism industry both in the United Kingdom and elsewhere in Europe in order for the participating hotels and service providers to increase their occupancy rates and profitability.

The core products and services of Secret Escapes are flash sales in Luxury travel with the best possible online rates and special discounts offered by the participating hotels exclusively to Secret Escapes members. Five or more sales are run on the website at the same time during one week to be replaced by the new deals a week later. Both weekend and longer trips in the United Kingdom and elsewhere in Europe are offered on the website.

The key suppliers of the project are more than 1000 handpicked European luxury hotels ranging from small boutique hotels to large chains. Extensive customer database has been acquired by the Secret Escapes founders from their previous E-commerce project Dealchecker.co.uk.

The revenue model of Secret Escapes is commission based. Armstrong and Murlis (2007) define commission as “payment of a percentage of the sales result”.

SWOT analysis, according to the interview by Kevin May (2011b) with the website representative:

Strengths	Weaknesses
- Already existing extensive customer database acquired from Dealchecker.co.uk - Strong suppliers and exclusive products - Attractive website design - Steady funding for further growing	- Consumers from the United Kingdom are known to be mistrustful and cynical about the discounts and real value of the products
Opportunities	**Threats**
- International expansion (steps taken: enabling international payment processing company WorldPay to handle transactions for online travel deals (Travolution 2013)	- Strong competitors already existing on the market - New players entering the market

Table 1. SWOT analysis of Secret Escapes website (May 2011b)

The most used media channel to build brand awareness of the potential customers of Secretescapes is television. However, Social Media has also been playing an important role for Secret Escapes. According to the website's representatives, Social Media is "a hygiene factor for any Online Travel Agent". It is used both as a customer services tool and for the community engagement and promotion. (Johnson 2012.)

Secret Escapes has recommended itself as a rapidly developing project with constantly growing popularity both in the United Kingdom and abroad. Currently Secret Escapes has more than 2 million members and more than 1000 hotels to supply the company with deals and packages. Secret Escapes' turnover in 2012 was 26 million pound sterling and the target turnover for the next five years is 1 billion pound sterling (Specialist 2012). The website has gained the respect and loyalty of its customers, ranking 9.1 out of 10 on Trustpilot according to 271 customer reviews (Trustpilot 2013).

The success of Secretescapes.com business model gives every reason to believe in the potential of the Travelbox project, which will be presented in the empirical part of thesis.

2.6 Online market worldwide and in Russia

According to “Internet and Media 101” from September 2012 by Barclays Capital (2012), the growth of online travel sales worldwide since the year of 2010 until 2016 will be represented as follows:

Year	Percentage of growth	Online travel sales worldwide (billions)
2010	10%	$309
2011	10%	$340
2012	10%	$374
2013	9%	$408
2014	9%	$446
2015	8%	$483
2016	8%	$523

Table 2. Online travel sales worldwide (Barclays Capital 2012)

Online travel sales worldwide in the US and Europe 2010-2016 by region (billions):

Region	2010	2011	2012	2013	2014	2015	2016
The US	$139	$145	$151	$157	$165	$173	$182
Europe	$118	$129	$141	$150	$159	$167	$176

Table 3. Online travel sales in the US and Europe (billions) (Barclays Capital 2012)

Online travel sales worldwide in the US and Europe 2010-2016 by region (percentage of total travel sales):

Region	2010	2011	2012	2013	2014	2015	2016
The US	54.7%	52.3%	51.5%	51.1%	51.6%	52.6%	53.9%
Europe	40.4%	42.6%	45.1%	46.5%	47.8%	48.8%	50.2%

Table 4. Online travel sales in the US and Europe (percentage of the total travel sales) (Barclays Capital 2012)

The statistics clearly illustrate the forecasted dynamic growth of online travel sales sector worldwide throughout the next decade and the significant share of online travel sales in the travel and tourism industry (eMarketer 2012, New Media Trend Watch World 2013).

The e-tourism market of Russia is potentially very strong and rapidly developing. The growth of Internet in Russia is now ranked the second after Germany across Europe. About 2.8% of the World's Internet users are Russian (1-property.ru 2013). As of early 2013, more than 50.1 million people in Russia aged 18 and older tend to use Internet on a daily basis, which represents about 43% of the population of the country. According to the Public Opinion Foundation (FOM) – Russia's leading polling institute - this is a 11.6% increase over the previous year. The number of monthly unique users in the country has reached 64.4 million. The average annual growth in Internet users in Russia exceeds 10% over the past few years. In September 2011 Russia overtook

Germany as the market with the highest number of unique Internet users in Europe (The Public Opinion Foundation 2013).

E-commerce accounts for only 2% of total retail sales in Russia, according to McKinsey, the consulting company, as cited in Gorst (2013). However, almost two thirds of active Russian Internet users frequently shop online, and the number is constantly growing. In the year of 2014, online sales are expected to reach 25 billion dollars, compared to 13 billion dollars in the year of 2011. The fast development of e-commerce in Russia also reflects in the increase of advertising revenues that rose to an estimated 1.7 billion dollars from 1.4 billion dollars in 2011. According to Gorst (2013), plane and train tickets are currently at the top of Russian online shoppers' priorities, accounting for around 18% of the total online sales in Russia. Portable electronic, appliances, apparel, shoes also sell well online. According to Dmitry Alimov, as cited in Gorst (2013), the co-founder of Frontier Ventures, a Russian venture capital company, "there is a huge shift going on. For major retailers in Russia a strong Internet presence is going to be imperative".

In support of his words, a lot of Russian Internet firms have lately reported the striking growth in online sales. The "Amazon of Russia", the website Ozon.ru – online shopping site similar to Amazon.com Inc. – has seen the net sales rise 55% throughout the year of 2012. According to Khrennikov (2013), the revenue of the company reached 250 million dollars in 2012 and the number of registered users increased to more than 14.5 million from 10.7 million. Another Russian Internet firm Mail.ru has reported that its net profit in the year of 2012 has increased by 37% to 8.5 billion roubles (Reuters 2013).

The segment of flash and private sales in Russian Internet has actively been developing since a long time, which allowed Russian customers to get familiar with the concept and to actively engage into coupon and flash sales shopping. A lot of the websites in Russia have been copying the concept of Groupon and Groupon Travel.

KupiVIP is one of Russia's most popular and famous private sales website. The company is specializing in selling name-brand fashion at deep discounts, targeting middle class women and men in "every region, every city" in Russia. In the year of 2012 KupiVIP Company has reached more than 300 million dollars in sales and is expecting to reach 1 billion in sales annually within the next five years (Lunden 2012). According to Lunden (2012), one of the key factors in the success of online private sales concept of KupiVIP is Russian people who “love to shop and are huge impulse buyers”. The success of KupiVIP concept across Russia allows making an assumption that the private sales for travel concept such as Travelbox will be relevant and successful as well. Combined with high purchasing power of Russian customers, their favorability towards the private sales model and the unquenchable interest in Finland as a destination, clarified in the next chapter, these factors indicate the opportuneness and relevance of such a project as Travelbox, which will be presented in the empirical part of the report.

2.7 Russian tourists’ interest in Finland

According to Itar-Tass (2013), in the year of 2013 the number of Russian visitors to Finland will grow by 20 percent and will reach six million. Already in January 2013 around 400,000 Russian citizens enjoyed their vacation in Finland.

Russian travel agencies claim that one of the newest tendencies of the 2012-2013 winter season has been “a growing demand for services of travel operators who guarantee a comfortable vacation in Finland to tourists arriving by air or rail” instead of traveling by their own cars (Itar-Tass 2013).

According to Finland’s national public-broadcasting company YLE, Russian tourists are also “big spenders” in Finland and spent a total of 1.2 billion euros in the country in the year of 2012 (Yle 2013).

Around 7 per cent more border crossings between Russian and Finland were registered in the year of 2012 and the beginning of 2013. At the same time tax free purchases around the country increased by 14 per cent comparing to the year of 2011, of which the total share of the Russian tourists represented 94 per cent. Tax free shopping in Helsinki last year amounted to more than 12.25 million euro, and in Lappeenranta – almost 8 million euro (Luukkari 2013). According to YLE, Russian visitors represent the absolute majority of tax free shoppers in Finland. Most of the tax free purchases are, as a rule, conducted in the cities of Helsinki and Lappeenranta, South Karelia (Yle 2012).

The number of overnight stays in 2012 compared to the year of 2011 increased as well. According to Statistics Finland, the overall number of nights spent by foreign tourists in Finland rose up to 4.5 per cent in December 2012, of which Russian tourists, followed by the visitors from the United Kingdom, represented the largest group of tourists. On the whole, accommodation establishments of Finland provided the information that the overnight stays spent by the Russian citizens amounted to the total number of 160,000 in December 2012, which is 13.7 per cent more comparing to December 2011 (Official Statistics of Finland 2012).

The total of overnight stays in accommodation establishments of Finland in 2012 resulted in all-time record of 20 million, which was 1.6 per cent higher, compared to the year of 2013. For Russians, a total of 1.5 million overnight stays in Finland in 2012 was recorded, which, no doubt, makes them the largest foreign visitor group in Finland again.

According to several interviews conducted with Russian tourists, the greatest motivators for them to come to Finland is not only the competitive shopping prices and quality of the products, but peaceful environment and nature, high service standards and attractive cities and rural areas as well.

3 PRESENTATION OF THE CASE: TRAVELBOX

The newest Internet booking portal with the working title Travelbox to be launched by Mediatalo Toimelias Oy will represent a one-of-a-kind project, which currently has no analogues online.

3.1 Travelbox success formula

Travelbox will be based on private sales concept, which has not yet been well developed in Finland and is at the same time very popular in Russian Internet, as it has already been mentioned in the previous chapters in the theoretical part of the thesis.

The model of Secretescapes.com website, which has been presented and analyzed in the chapter 2.5 of this thesis, has been chosen as a foundation for the project. It is reasonable to suggest that this model will be as successful in the context of Finnish travel and tourism market as it currently is in Europe, since there are all the necessary preconditions.

The first one is the experienced, versatile and passionate team of Mediatalo Toimelias Oy – the experts in Russian online marketing and Russian Internet in general. Mediatalo Toimelias has versatile experience when it comes to Russian online marketing. It helps the businesses to reach and manage Russian Internet's largest electronic distribution channels by designing tailor-made services based on the clients' individual needs and profiles.

Mediatalo Toimelias Oy was founded in 2011. The head office is located in Lappeenranta and currently employs seven Russian marketing professionals. The CEO of the company Teemu Hakolahti has been specialised in e-Business since the year of 2003 and has been acting as an entrepreneur since 2005. The partner Mika Tonder has been specialised in the travel & tourism industry research and development for 12 years, 6 of which he has been acting as a researcher and lecturer. Mika Tonder has been an entrepreneur since 2007 (Hakolahti & Tonder 2013).

Mediatalo Toimelias Oy's mission includes the following:

- Bringing retail, travel & tourism businesses and target segment customers together;
- Increasing sales of the businesses;
- Developing new Russian marketing and distribution channels, contributing to the trade and tourism sectors.

The major services being offered by Mediatalo Toimelias Oy are the following:

- Social Media Marketing including Vkontakte marketing: creating Vkontakte group page based on the business goals and the marketing concept. Defining the key messages, tailoring the graphical layout of the group and performing its technical implementation.
- Blog marketing: creating individual blogs for the companies in Russian blog services such as Odnoklassniki and Livejournal.
- Roadmap to Russia: creating detailed strategy for online marketing, action plan for its implementation and marketing plan with the instructions for further content creation.
- Online marketing campaigns including search engine, display and social media campaigns.
- Russian content production and online customer service.
- Search engine optimization services and improving the visibility of the web pages in Russian search engines such as Yandex.ru and Google.ru. (Mediatalo Toimelias Oy 2012.)

To summarize, Mediatalo Toimelias possesses the sufficient level of expertise and a team of professionals in order to launch Travelbox, promote it and make it function, which is the first precondition of Travelbox's future success.

The second precondition is the extensive supplier base. As it has already been mentioned, Finnish tourism companies and service providers are more and more interested in penetrating Russian market via online channels, acquiring new customers and increasing the occupancy rates ("Finnish travel companies" 2012). Mediatalo Toimelias Oy possesses an extensive clientele, many of who represent travel and tourism organizations of Finland, both non-profit and private, for example, the regional umbrella tourism organizations such as GoSaimaa. The networking and already existing contacts and connections will contribute to the acquisition of the supplier base in order to provide Travelbox with the sales offerings.

The third precondition is the customer database. For Travelbox, it will not be problematic to acquire an extensive customer database over time. As it has already been investigated in theoretical part of thesis, Russian Internet market is always growing and the number of users is increasing. At the same time Russian people's awareness of Finland as a destination and their readiness to purchase travel products connected to Finland is steadily growing as well. The marketing power of the social networks (Vkontakte and Facebook) as well as viral marketing will contribute to the quick customers' database expansion.

The formula of Travelbox success can be summarized in the following figure:

Figure 2. Travelbox's formula for success

According to Figure 2, the uniqueness and possible future prosperity of Travelbox will be based on four factors:

1) The advantages of Private sales for travel business model, which have been

discussed in the theoretical part of the thesis;

2) Mediatalo Toimelias Oy's expertise in Russian online marketing and extensive network of potential suppliers;
3) The potential of the ever growing and developing Russian Internet market, which has been explored in the theoretical part of the thesis;
4) Interest of Russian Internet users in Finland as a destination and their willingness to purchase travel and tourism products that Finnish companies have to offer.

The first three factors of the formula can be proved statistically and theoretically, which has basically been done in the previous chapters of the thesis. The research to be carried out in the thesis is devoted to the latter part of Travelbox's formula – the degree of Russian Internet users' demand when it comes to travel and tourism products of Finland and their interest in Finland as a destination in general.

3.2 General Information about the research

The practical need of the research is to explore the interest of Russian Internet users in Finland as a destination and their readiness to travel and to purchase travel and tourism products in Finland. Furthermore, it will allow determining the preferences of Russian tourists concerning accommodation, dining options, activities and geographical regions of Finland, which may be appealing to Russian Internet users both now and in the future. In other words, the research will both evaluate the degree of relevance of the launching of Travelbox project among its target audience and will contribute to the initial content creation.

Quantitative research method was chosen for this thesis work. Quantitative research explains phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics) (Muijs 2011, p.1).

The data collection method used is online survey. Questionnaires nowadays are more and more often distributed online. According to Mujis (2011), the advantage of online questionnaires to pencil-and-paper is the possibility to directly store data saving a lot of time by eliminating the data input process.

Another major reason to launch the survey online is that it is, no doubt, reasonable to conduct it among the Russian Internet users, since it is them who will represent the potential visitors and customers of the Travelbox portal in the future.

The survey is to be launched on the Google Drive (Google Docs) platform, which is a free file storage and synchronization service, provided by Google. Google Drive platform is a free multifunctional tool enabling users to create and edit surveys answering their needs and to conduct quantitative market research of a small to medium scale online.

After the survey is created on the Google Drive platform, the link to the web page of the survey will be distributed online through social media channels, the most important of which will be the major Russian social network Vkontakte.

The survey was created on a Google Drive platform on the 12th of March 2013. Shortly after the creation, it was distributed online. The two major channels for survey distribution were Russian social network Vkontakte and the largest Russian-speaking forum about Finland Russian.fi.

In Vkontakte the survey was distributed in profiles, communities and groups with high density of Russian Internet users interested in Finland and traveling to Finland. The groups and communities included the following:

- Suomi Finland profile – independent profile owned by the author of the thesis with more than 2,850 subscribers. Used in the promotion and marketing purposes for Mediatalo Toimelias Oy's working projects. (http://vk.com/suomifin)
- Ski.fi – the official community of Finnish Ski Resorts Association Vkontakte with almost 4,000 members (http://vk.com/ski_fi)
- GoSaimaa – the official community of Saimaa region in Finland with more than 6,700 subscribers (http://vk.com/gosaimaa)
- Finnish Food Recipes – public page owned by the author of the thesis with more than 1,380 subscribers (http://vk.com/finnishfood)

- K-Citymarket Imatra – the official group of K-Citymarket Imatra Vkontakte. The number of subscribers: 2,175 (http://vk.com/citymarketimatra)
- OuluOn – the official community of the Oulu region in Vkontakte. The number of subscribers: 2,166 (http://vk.com/ouluon)

In addition, the survey was put in the separate thread on the biggest Russian-speaking forum about Finland in the "Tourism and Entertainment" section of the forum, which also significantly increased the visibility of the survey.

Throughout the one-month period (12th of March 2013 – 13th April 2013) the survey was being announced once in two days on the mentioned-above channels. In Vkontakte the survey was posted at different time every day, which allowed different users to see and fulfill it. Such mechanisms allowed achieving greater coverage of users and larger pool of samples.

The data was analyzed with the help of the Google Drive tool, containing the efficient analyzing feature "Summary of responses" allowing the editor of the survey to observe the statistics in graphs, charts and diagrams in real-time.

3.3 Survey design

The survey, the English version of which is presented in Appendix 1 of this thesis, was designed in a way that it is possible to distinguish two logical parts in the survey, each serving its own purpose. The survey has been distributed online in Russian. Appendix 2 shows the original version of the survey.

The first part of the survey includes the following questions:

1) Age

2) Occupation

3) Place of living in Russia

4) Usual purpose of traveling to Finland for you?

5) Who do you normally travel with?

6) How often do you travel to Finland?

These questions allow studying the profile of Russian Internet users and who they represent in “real life” by gathering the demographic information about the respondents. It also helps to evaluate their interest in Finland as a destination, based on the frequency of their visits, travel purpose and accompanying party, which will contribute to the evaluation of relevance of such project as Travelbox.

The second part of the survey is devoted to the accommodation, dining options, activities and regions of Finland that Russian Internet users tend to choose while traveling to Finland. The questions in this part include the following:

7) Do you stay overnight?

8) If yes, where do you usually stay?

9) What dining options do you usually choose in Finland?

10) What regions of Finland are you interested to travel to?

11) What kind of activities you normally do/would be interested to do in Finland?

These questions will help to find out what accommodation, dining options and activities should be included in the packages, and what geographical regions of Finland should be picked out when creating the sales offerings.

The combination of the questions will allow evaluating the relevance of Travelbox concerning the last element of its success formula – Russian Internet users’ interest in Finland as a destination and will help the creators of the website to design the initial content for Travelbox – travel packages.

4 RESULTS OF THE RESEARCH

Overall, it was expected to receive 150-200 responses in a one month time period. The size of the sample practically filled online was 174. The number of the respondents was sufficient, since they represented “quality” respondents – Russian people who frequently travel to Finland and / or are interested in Finland as a potential destination. The collected data was analyzed and is presented question by question to the reader below.

4.1 Age of the respondents

The question about the age of the respondent was compulsory to answer. It has been included in the survey in order to determine the average age of those Internet users in Russia who at the same time are interested in Finland.

Figure 3 illustrates the age groups of the respondents.

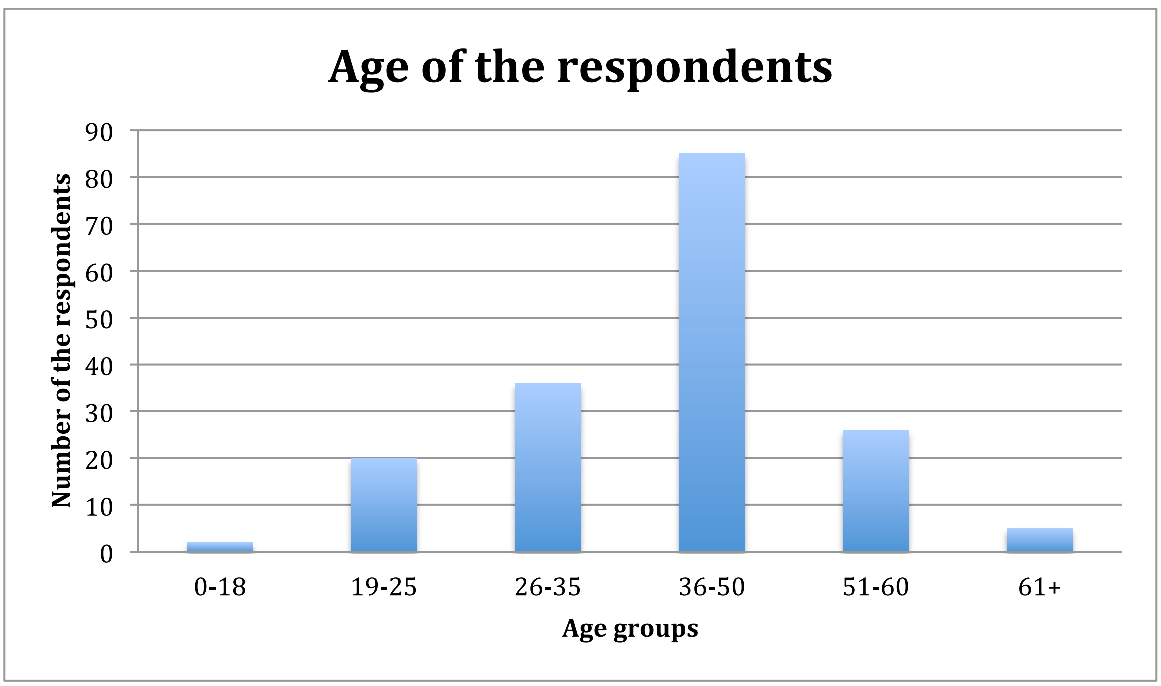

Figure 3. Age of the respondents (N=174)

According to Figure 3 the prevailing age group of the respondents is from 36 to 50 years old. It includes 85 people, which is 49% of the total number of the respondents.

The second largest age group is from 26 to 35 years old. It covers 36 respondents, which is 21% of the total number of the participants. The third biggest age group is 51-60. This group is represented by 26 respondents, which is 15% of the total amount. 20 young people aged 19 to 25 answered the survey (11% of the respondents). The least represented groups were the seniors aged 61 and more – 5 participants and 3% of the respondents – and the teenagers under 18 – 2 persons and 1% of the respondents respectively.

The statistics confirm the statement that the online survey has been carried amongst the “quality” respondents. Often, the major problem for carrying out the online surveys is the dominance of kids and teenagers in the online society, especially in social networks. Such scenario would have been unwanted, since the target audience of the private sales website is those who can afford the sales and are financially independent - adults and middle-aged people.

4.2 Occupation

The question about one’s occupation was a freeform text entry question meaning that the respondents were able to enter the information about the occupation by themselves.

According to the answers of the participants, several occupation groups have been distinguished: office workers, housewives or unemployed, businessmen or managers, those who are in accounting or engineering, students, and others, less represented groups. The statistics are illustrated in Figure 4.

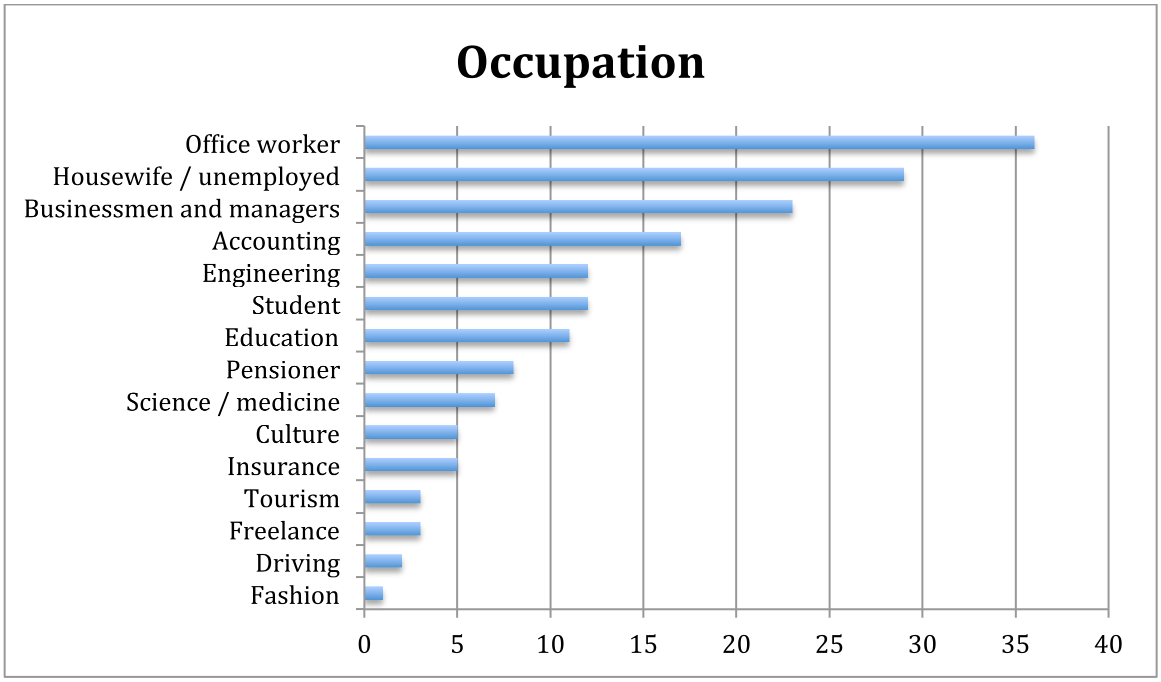

Figure 4. Occupation (N=174)

The majority of the respondents referred to themselves as “office workers”. This group has covered 36 people (21%).

The second biggest group of 29 people (17%) covered both the housewives and the unemployed.

The following group covered those respondents who referred to themselves as “businessmen” or “managers” – 23 people and 13% of the total number of the survey participants.

Accounting and engineering occupations occupy the 4th and the 5th place in the ranking respectively.

4.3 Place of living in Russia

The question about the place of living in Russia was a free-form text entry question as well. The results were sorted according to the answers of the survey participants. Several locations were distinguished based on common sense and perception. Among them are Saint Petersburg – the largest city in Northwestern Federal District of Russia, Leningrad Oblast, including all the other cities and municipalities in the Saint Petersburg region, Karelia region, Moscow and so on. Although being a part of Leningrad Oblast, Vyborg has been distinguished as a separate location, since it is an important formation in the immediate vicinity of Finnish-Russian border and is often referred to as an independent locality. The statistics are illustrated in Figure 5:

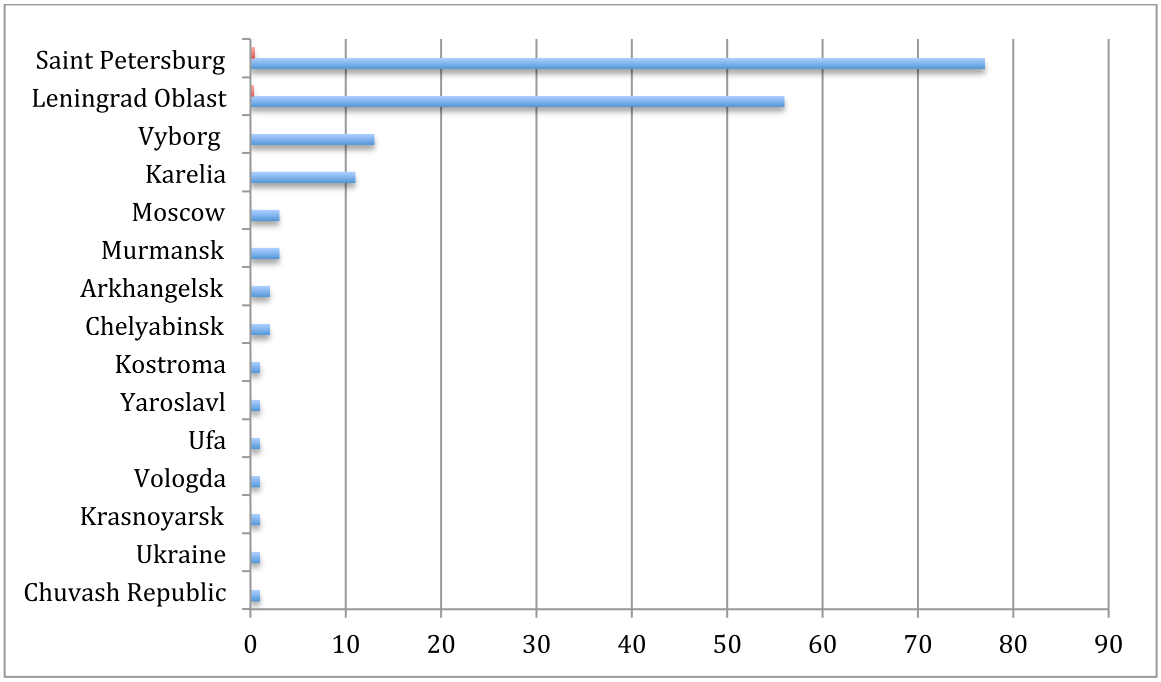

Figure 5. Place of living in Russia (N=174)

The absolute majority of the respondents named Saint Petersburg as the place of living in Russia: 77 people and 44% of the total number of the respondents.

The second biggest group of people represents those coming from the Leningrad Oblast: 56 respondents and 32%.

The following group covers those who live in Vyborg: 13 and 7% respectively.

Karelia occupies the 4th place in the ranking and is represented by 11 people (6% of the respondents).

4.4 Purpose of traveling to Finland

The question about the usual purpose of visiting Finland was a compulsory question. There were offered only three response options: leisure, business and a freeform text entry "other" implying that the respondents will be able to answer it themselves.

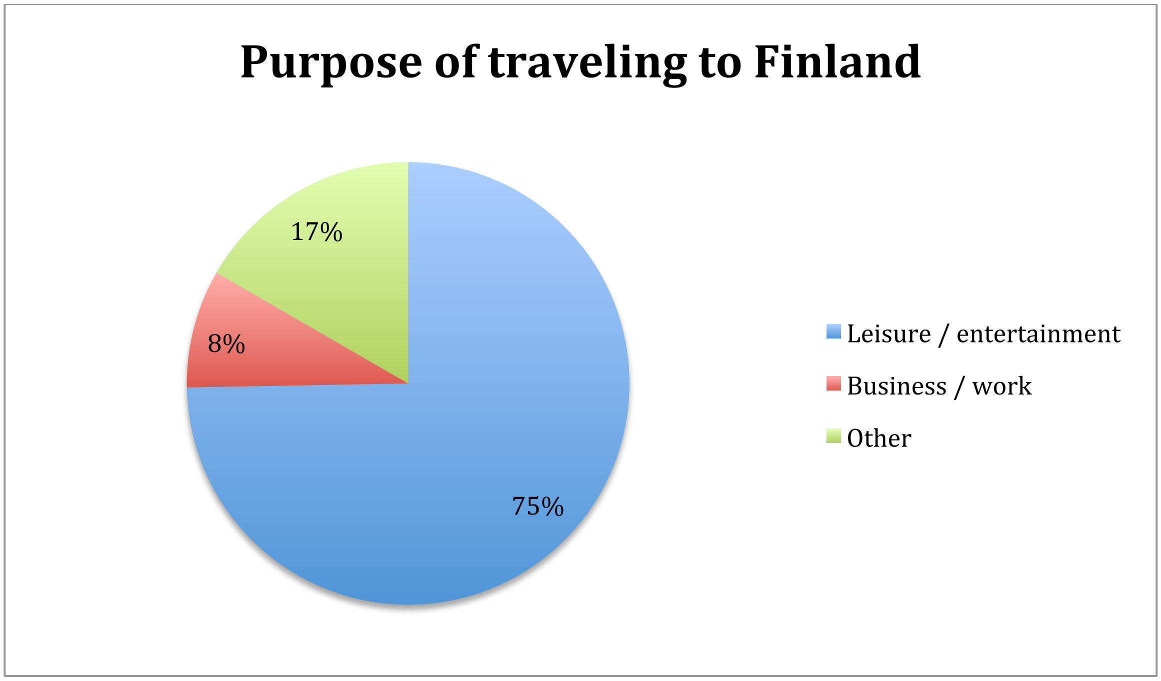

Figure 6. Usual purpose of traveling to Finland (N=174)

According to Figure 6, the absolute majority of the respondents usually travel to Finland for leisure and entertainment. The number of the respondents choosing this option reached 130, which is 75% of the total amount of the survey participants. People who usually travel to Finland for business are 15, which is only 9%.

The number of the respondents who chose a freeform text entry option is 29. The major reason for traveling to Finland for them turned out to be shopping and visiting relatives.

4.5 The number of people in the group while traveling to Finland

The question about the usual number of people accompanying the respondent in trips to Finland was a compulsory question. Five options for an answer were given: alone, as the couple, as a family with kids, with friends, and a freeform text entry answer option “Other”.

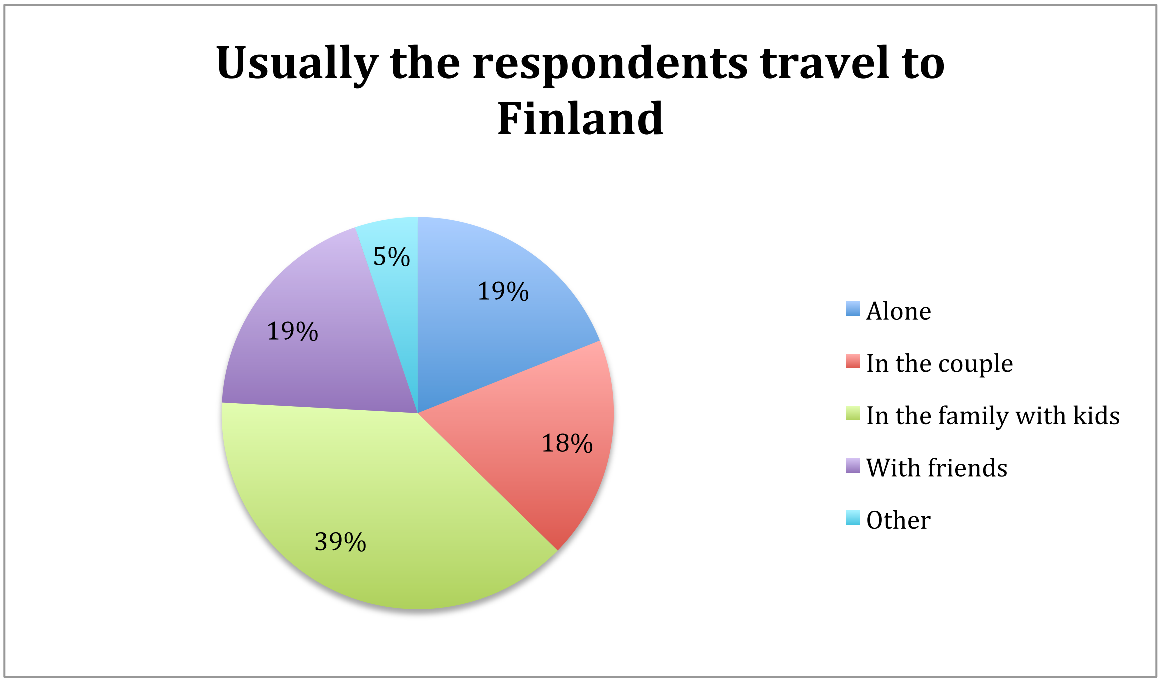

Figure 7. Accompanying groups (N=174)

The biggest group of the respondents was those who as a rule visit Finland as a family with kids. This group is represented by 67 people resulting into 39% of the total number of the respondents.

The number of those, who usually travel to Finland with friends or alone, is equal: 33 (19%) and 33 (19%) respectively. 32 respondents prefer to travel as the couple and represent 18% of the total number of the survey participants.

9 people, who are 5% of the number of the participants, have chosen the freeform text entry option. They have not, however, clarified whom are they usually accompanied by.

4.6 The frequency of visiting Finland

The question about the frequency of traveling to Finland was a compulsory question, and has been answered by all of the participants.

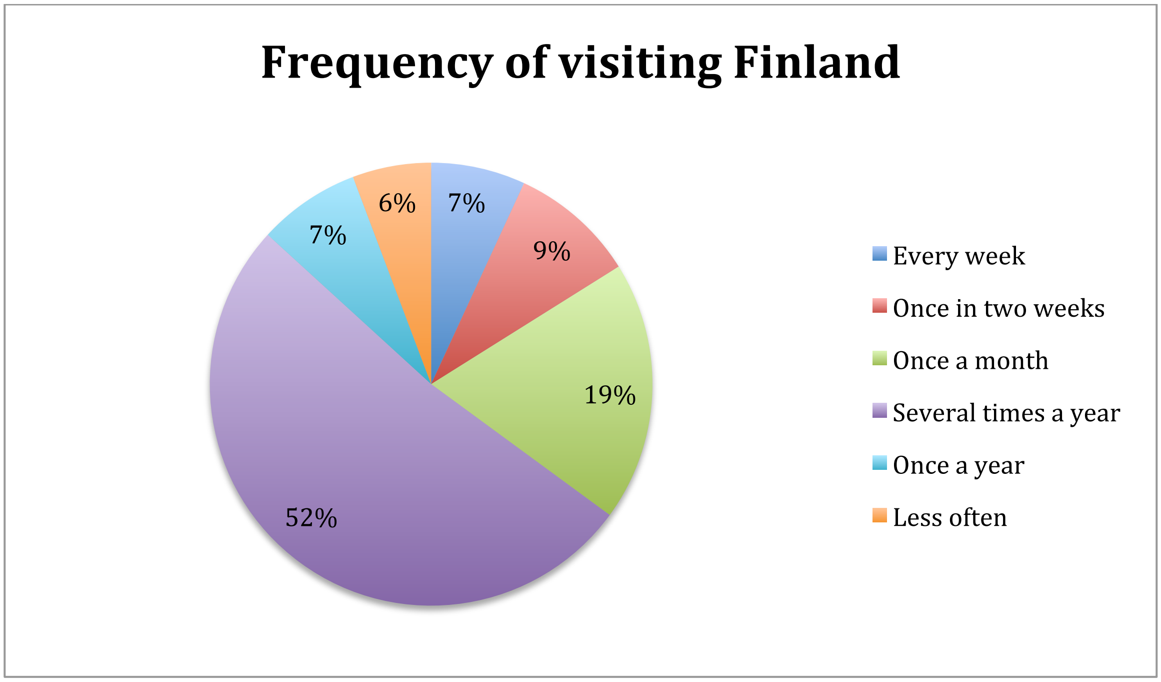

Figure 8. The frequency of visits to Finland (N=174)

The absolute majority of the respondents claimed to visit Finland several times a year. 90 people represent this group, which is 52% of the total number of the participants.

The next largest group of the respondents is those who visit Finland at least once a month: 33 people and 19% of the participants.

The following groups shared almost the equal amount of the respondents: once in two weeks (16 people and 9%), once a year (13 people and 7%), every week (12 people and 7%).

The least represented group was of those who travel to Finland less often than once a year – 10 respondents and 6% of the total number of the participants.

4.7 Overnight stays

The question about staying overnight was compulsory and implied only two answer options: positive or negative.

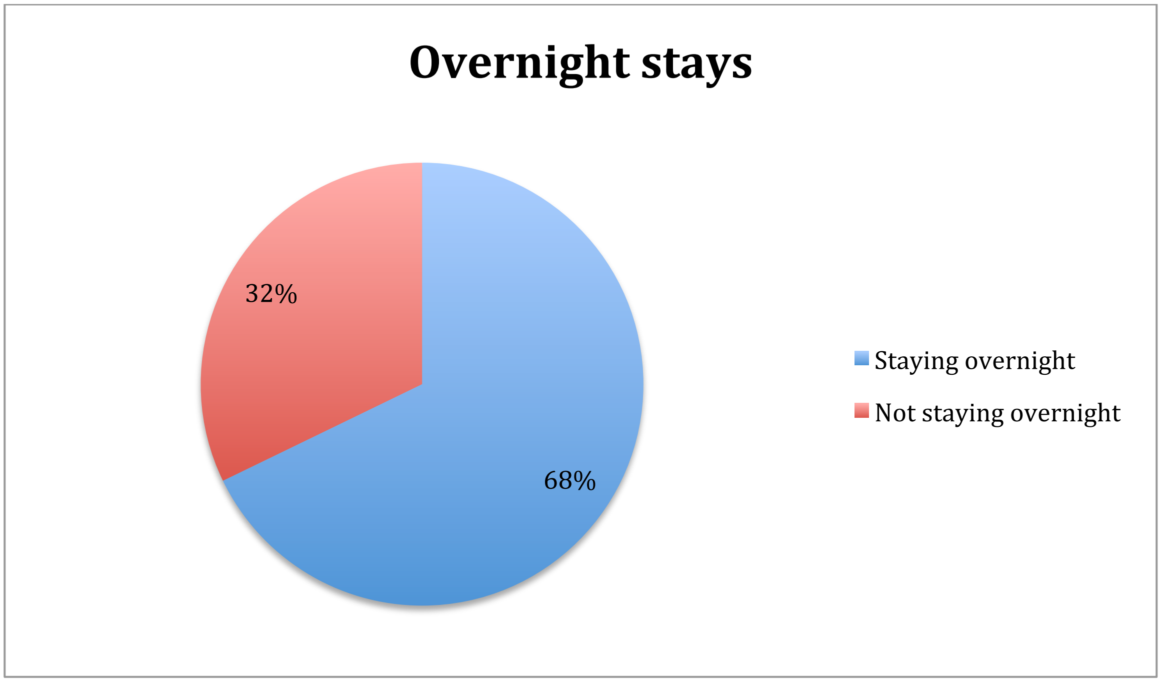

Figure 9. Overnight stays (N=174)

The absolute majority of the respondents answered positively, claiming that they tend to stay overnight while visiting Finland. The number of people in this group reached 118 resulting in 68% of the total amount.

56 participants (33% of the respondents), however, gave the negative answer.

4.8 Accommodation choice

The question was formulated as follows: “Where do you usually stay overnight in Finland?” Possible answer options ranged from 4- and 5- star hotels to budget accommodation, such as hostels and motels. The option of staying overnight at friends’ or relatives’ was included as well.

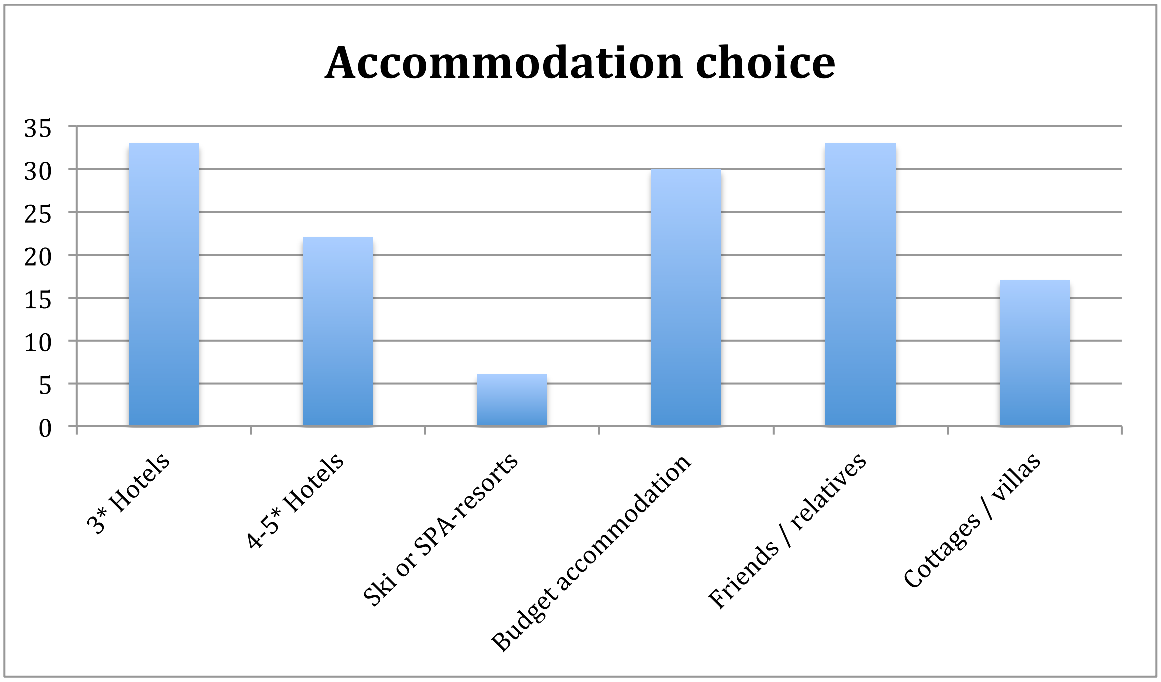

Figure 10. Accommodation choice (N=174)

Two groups of people shared the equal number of the respondents: those who prefer to stay in 3 star hotels and those who stay at friends' or relatives'. These groups covered 33 people each, who represent 23% of the total number of the respondents.

The group of those who prefer budget accommodation while traveling to Finland is following closely: 30 people and 21%.

22 respondents claimed to choose 4- or 5- star hotels (16%). 17 people, which is 12% of the respondents, prefer cottages and villas. The least represented group covered those who choose ski and SPA-resorts for accommodation: 6 people and 14% of the respondents respectively.

4.9 Dining options

The question about the dining options in Finland was compulsory for all of the respondents. The offered answers varied from high-class restaurants to fast food and cafes. The option of buying food in the supermarket has been included as well.

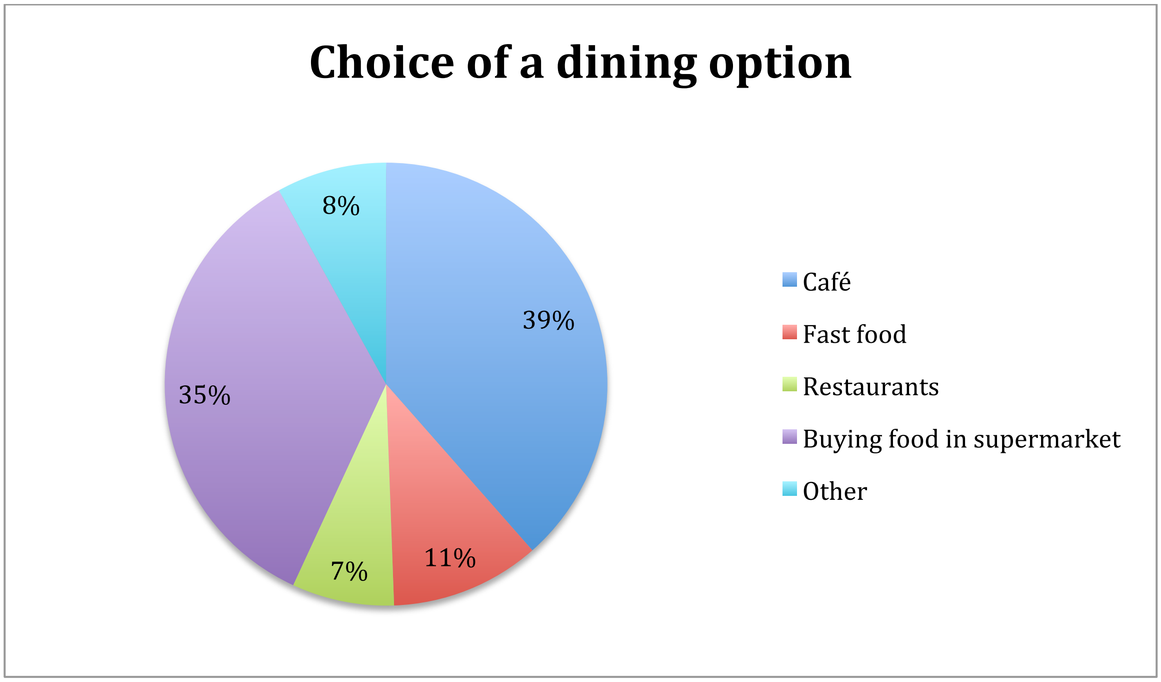

Figure 11. Choice of a dining option (N=174)

The majority of people prefer to dine in cafes while traveling to Finland: 67 people and 39% of the respondents. The closely following group covers the ones who usually buy food and groceries in the supermarkets: 61 people and 35%.

19 respondents chose fast food as a usual place to dine while being in Finland (11%). Only 7% of the participants chose restaurants: 13 people.

14 respondents (8%) have chosen a freeform text entry option, clarifying, that they usually eat at friends', relatives' or bring the food with them from Russia.

4.10 Regions of Finland

The next question of the survey was formulated as follows: "Which regions and towns of Finland have you already visited / plan to visit in the future?"

The question was compulsory and multiple-choice.

The regions of Finland have been grouped by the author of the thesis according to the formation of regional touristic organizations in Finland, major ski resorts and places of interest and general knowledge of the country.

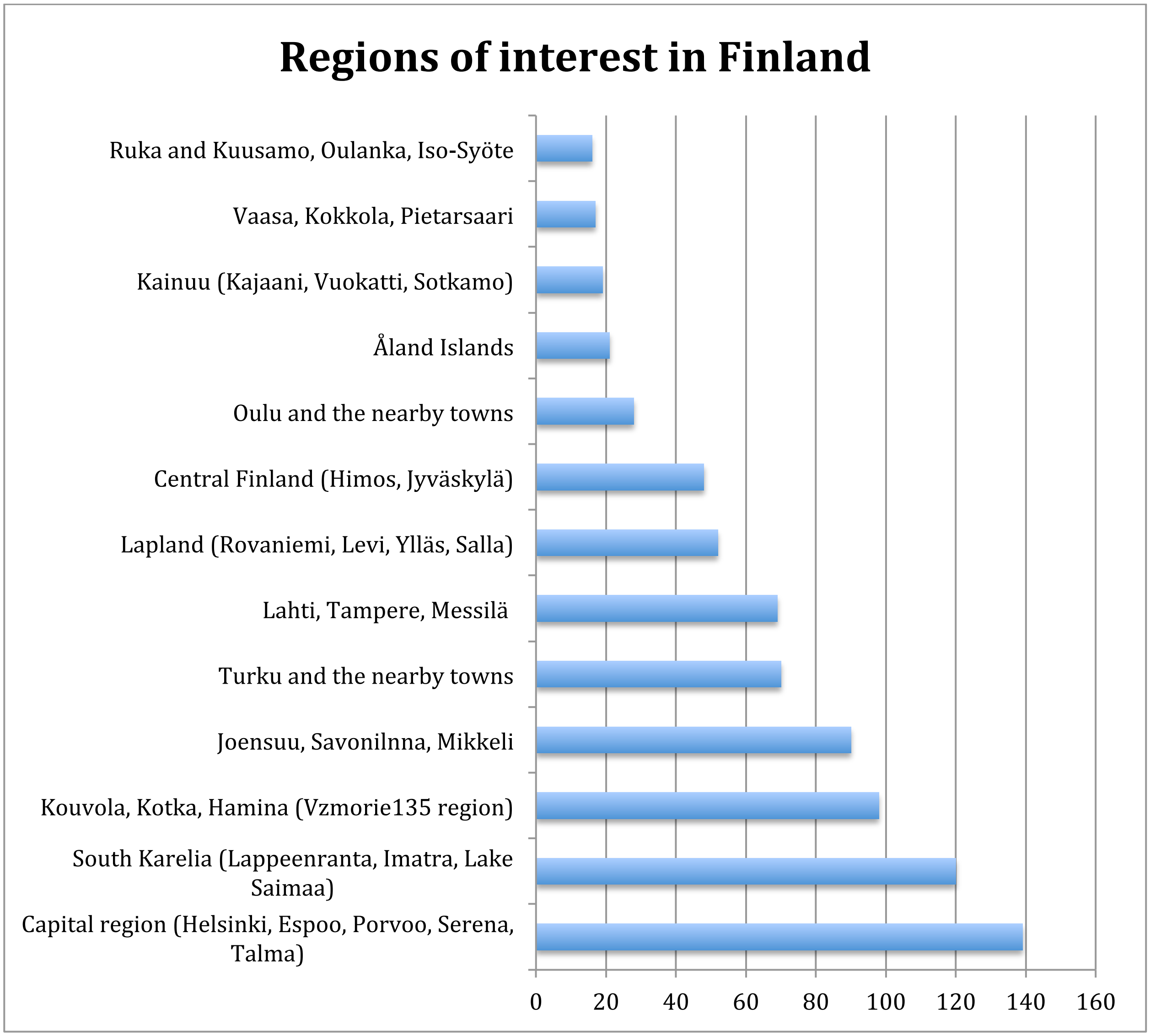

Figure 12. Regions of interest in Finland (N=174)

Most of the respondents tend to be interested in the capital region including Helsinki, Espoo, Porvoo, aqua park and ski resort Serena and Talma ski resort: 139 people and 18% of the total number of survey participants.

South Karelia or Saimaa region ranked the 2nd and earned the sympathies of 120 people (15% of the respondents).

The third most popular place of interest for Russian tourists in Finland turned out to be

Kaakko135 or Vzmorie135 region (Kouvola, Kotka, Hamina) with 98 respondents and 12% of the total amount of the participants. 90 people (11%) chose Joensuu, Savonlinna and Mikkeli as a place of interest in Finland.

4.11 Preference of activities

The question was formulated as follows: “Which activities / entertainment options have you already tried or would like to try in the future in Finland?”

The question was compulsory and all of the survey participants have answered it. It was a multiple-choice question – it was possible to choose several options as answers.

The range of the activities offered as possible answer options represented the actual types of indoor and outdoor activities provided by Finnish program service companies and resorts.

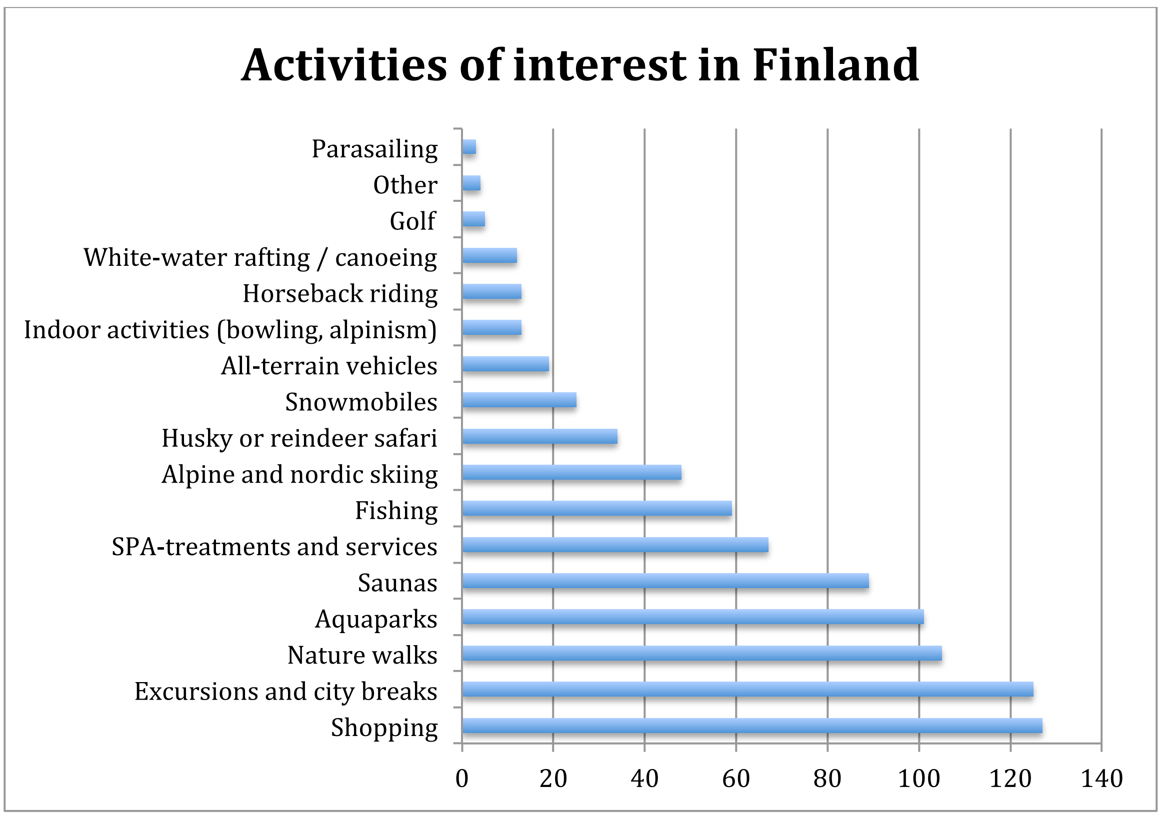

Figure 13. Activities of interest in Finland (N=174)

According to the Figure 13, the absolute majority of the respondents have chosen shopping as a dominant free-time activity: 127 people and 15% of the respondents.

Excursions and city breaks have ranked the second with 125 people and 15% of the respondents, as well.

The third most popular activity among Russian tourists in Finland, according to the survey, is nature walks – 105 people and 12% of the respondents respectively.

5 CONCLUSIONS AND RECOMMENDATIONS

As it has already been mentioned in the chapter 1.2, the research questions have been designed in a way that it is possible to distinguish two different parts in the survey, each serving its purpose. The first part - questions 1 to 6 - was created in order to study the profile of Russian Internet users and whom they represent in “real life” by gathering the demographic information about the respondents.

According to the results, the typical profile of a respondent can be described as the following: aged 36 to 50, coming from Saint Petersburg or Karelia, and either working in the office, leading their own business or being a housewife, which is rather typical for women in Russia. No doubt, such results confirm the reliability of the gathered samples, since the described profile represents the target audience for the majority of Finnish travel and tourism enterprises. The percentage of housewives in the survey results is extremely important, since it shows the prosperity of the family where the stable income of the husband is enough to support the whole family. At the same time it is the wife who has enough free time to surf the Internet and to make spontaneous and impulsive purchasing decisions, for which Russian women are very well known. In other words, it is reasonable to suggest that Travelbox portal will manage to attract the extensive customer database consisting of the “quality” users and to establish the dialogue between them and the suppliers offering touristic packages and products on Travelbox.

The absolute majority of the respondents tend to come to Finland very often – a couple of times a year. It is only reasonable to make a conclusion that Finland represents a very attractive travel destination in the eyes of Russian Internet users, which is basically the last necessary predicament to Travelbox’s success formula (suppliers, private sales, professional team and demand), as it indicates the great demand among the Russian Internet users concerning Finland as a destination.

Most of the respondents tend to visit Finland for leisure and with family (with kids), which indicates that there will possibly be demand for leisure packages, many of which are traditionally created for family and couple vacations.

In a nutshell, it is possible to suggest that Travelbox is very likely to enjoy the popularity of Russian Internet users, because they represent target audience of Finnish travel companies and express interest and demand in Finland as a destination and its touristic products.

The second part of the survey (questions 7 to 11) has been designed in order to study the preferences of Russian Internet users concerning accommodation, dining options, activities and geographical regions of Finland. This information will help to create the initial content of Travelbox website.

The absolute majority of the respondents usually stay in Finland overnight, which confirms the reliability of the survey once more, as it helps to discard the one-day shoppers, who are not likely to be interested in packages and travel products and are mostly interested in tax-free shopping in the supermarkets in the vicinity of the Russian-Finnish border.

Of those who stay overnight and do not stay at friends' or relatives', the majority prefers 3 star hotels and budget accommodation. However, 17% have chosen cottages and villas, and 16% preferred 4 and 5 star hotels. This statistics indicates the demand for different accommodation types in Finland and it is reasonable to create packages including different options and satisfying different customers: hotel package, cottage package, resort package. Besides, the discount policy may possibly persuade even cost-conscious customers to consider high-class accommodation options.

Concerning the dining options, most of the respondents have chosen cafes and supermarkets as the principal place to eat out and shop for food in Finland. This indicates the reluctance of the majority of the people to spend on restaurants. Consequently, the dining options should not be included in all the packages, only the breakfast, traditionally included in the accommodation. However, it is possible to include the restaurant services in some packages, depending on the theme and the accommodation class. It is reasonable to suggest that the consumers who purchase accommodation in 4 and 5 stars hotel may agree to purchase high-class dining as well. It could also be possible to offer separate offers for eating out on the website, for example, coupons to use in restaurants and cafes in Finland. In this way, only the users who are interested in dining and eating out will purchase this option.

Most popular activities, that should be included in some packages, are city breaks and shopping – a ready-made theme for a city-break package, for example, in Helsinki, Turku, Oulu, or some other town. Nature walks, aquaparks, saunas, SPA, fishing and skiing are popular among Russians as well. Many of these are suitable for the creation of seasonal and themed packages, such as “Pampering” package or “Fishing experience” package. The ideas for creation of theme-based packages could be numerous and depend on the imagination of the creator.

The most popular geographical locations of interest for Russian users turned out to be Capital region, South Karelia (Imatra and Lappeenranta), Kymeenlaakso (Kaakko135), the cities of Joensuu, Savonlinna and Mikkeli, Turku, Lahti and Tampere. It is reasonable to start creating packages based on the accommodation and service providers based in these regions. Fast development of the travel and tourism industry in South Karelia region may contribute to the creation of the sales offerings based in this region in particular.

6 EVALUATION OF THESIS PROCESS AND THE RESEARCH

Throughout the course of the thesis all the research questions were answered and the objectives reached, which is the major indicator that the thesis process was successful.

The theoretical part of the research was challenging in terms of structure and distinguishing point relevant for this thesis out of the broad fields of Internet and E-commerce. However, a sufficient amount of corresponding literature and publications was found, which allowed to explore theoretical concepts in-depth.

The quantitative research was successful as well. A sufficient amount of quality samples was gathered and the conclusions were made.

In general, this thesis will be beneficial to the creators of the Travelbox portal, Mediatalo Toimelias Oy. The information gathered with the help of the online survey will be practical for the interested parties.

Tables

Figures

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Appendix 1 - Survey

1. Age:

☐ 0-18 ☐ 19-25 ☐ 26-35

☐ 36-50 ☐ 50-60 ☐ 60+

2. Occupation: _________________

3. Place of Living in Russia: _________________

4. Usual purpose of traveling to Finland:

☐ Leisure ☐Business

Other, please specify ____________

5. Most often travelling:

☐ Alone ☐ Couple ☐ Family

☐ Friends ☐ Other, please specify _____

6. How often do you travel to Finland?

☐ Weekly ☐ Once in two weeks

☐ Monthly ☐ Several times a year

☐Once a year ☐ Less often

7. Do you stay overnight?

☐ Yes ☐ No

8. If yes, where do you usually stay?

☐ 3* Hotel ☐ 4-5* Hotel

☐ Resort (Spa/Ski etc.) ☐ Budget accommodation (Motels, hostels)

☐ Relatives / Friends ☐ Cottages / villas

9. What dining options do you usually choose in Finland (possible to choose more than one option)?

☐ Cafes ☐ Fast food

☐ Restaurants ☐ Shopping for food

10. What regions of Finland are you interested to travel to (choosing more than one option is possible):

☐ Uusimaa (Helsinki, Porvoo, Espoo, Serena, Talma Ski)

☐ Kymenlaakso (Kouvola, Kotka, Hamina)

☐ Lahti & Tampere (Messilä Ski)

☐ Joensuu, Savonlinna, Mikkeli

☐ Turku area

☐ Åland islands

☐ Vaasa, Kokkola, Seinäjoki

☐ Pori & Rauma

☐ Lapland (Rovaniemi, Salla, Levi, Ylläs)

☐ Oulu area

☐ Kainuu (Kajaani, Vuokatti, Sotkamo)

☐ Ruka & Kuusamo, Oulanka, Iso-Syöte

☐ Etelä-Karjala (Lappeenranta, Imatra, Lake Saimaa)

☐ Kuopio & Varkaus

☐ Keski-Suomi (Jyväskylä, Himos, Jämsä)

11. What kind of activities ao you normally do / would be interested to do in Finland (choosing more than one option is possible)?

☐ SPA-treatments ☐ Ski/snowboard

☐ Safari ☐ Shopping

☐ City breaks/excursions ☐ Sauna rental

☐ Nature walks ☐ Fishing

☐ Rafting / canoeing ☐ Golf

☐ ATV and jeeps ☐ Snowmobiles

☐ Indoor activities (bowling, wall climbing) ☐ Aqua parks

☐ Horse-riding ☐ Parasailing

☐ Other, please specify____________________

Appendix 2 – Survey in Russian

1. Возраст:

☐ 0-18 ☐ 19-25 ☐ 26-35

☐ 36-50 ☐ 50-60 ☐ 60+

2. Род деятельности: ________________

3. Место проживания в России: ________________

4. Цель путешествий в Финляндию (обычно):

☐ Отдых / развлечения ☐ Деловой туризм / работа

Другое ___________

5. Обычно Вы приезжаете в Финляндию:

☐ Самостоятельно ☐ В паре

☐ С семьей (с детьми) ☐ С друзьями

☐ Другое _____

6. Как часто Вы приезжаете в Финляндию?

☐ Каждую неделю ☐ Раз в две недели

☐ Раз в месяц ☐ Несколько раз в год

☐ Раз в год ☐ Реже

7. Приезжая в Финляндию, останавливаетесь ли Вы обычно на ночь?

☐ Да ☐ Нет

8. Если да, где вы обычно останавливаетесь?

☐ Отели 3*　　☐ Отели 4-5*

☐ Горнолыжные или СПА-курорты

☐ Бюджетное размещение (мотели, хостелы)

☐ Друзья / семья / знакомые

☐ Коттеджи / виллы

9. Где вы предпочитаете обедать / ужинать, находясь в Финляндии?

☐ Кафе　　☐ Фаст-фуд заведения

☐ Рестораны　　☐ Приобретаю еду в супермаркете

10. Какие регионы и города Финляндии Вы уже посещали / планируете или желаете посетить в будущем? (Возможно выбрать несколько вариантов ответа.)

☐ Uusimaa (Helsinki, Porvoo, Espoo, Serena, Talma Ski)

☐ Kymenlaakso (Kouvola, Kotka, Hamina)

☐ Lahti & Tampere (Messilä Ski)

☐ Joensuu, Savonlinna, Mikkeli

☐ Turku area

☐ Åland islands

☐ Vaasa, Kokkola, Seinajoki

☐ Pori & Rauma

☐ Lapland (Rovaniemi, Salla, Levi, Ylläs)

☐ Oulu area

☐ Kainuu (Kajaani, Vuokatti, Sotkamo)

☐ Ruka & Kuusamo, Oulanka, Iso-Syöte

☐ Etelä-Karjala (Lappeenranta, Imatra, Lake Saimaa)

☐ Kuopio & Varkaus

☐ Keski-Suomi (Jyväskylä, Himos, Jämsä)

11. Какие активитеты / размещения Вы уже попробовали или хотели бы попробовать в Финляндии? (Возможно выбрать несколько вариантов ответа.)

☐ СПА-процедуры и услуги ☐ Аквапарки

☐ Горные или беговые лыжи / сноубординг

☐ Сафари на собачьих / оленьих упряжках

☐ Шоппинг ☐ Экскурсии и прогулки в городах

☐ Сауны ☐ Прогулки на природе

☐ Рыбалка ☐ Рафтинг / сплав по порогам / каноэ

☐ Гольф ☐ Квадроциклы и джипы

☐ Снегоходы

☐ Занятия в помещении (боулинг, скалолазание и тд.)

☐ Конный спорт ☐ Парасейлинг

☐ Другое ___________________