



SAVONIA

From Idea to Implementation – Destination Finland

Developing a package holiday for German tourists

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Bachelor Thesis

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Tiivistelmä	<p>Tämän opinnäytetyön aiheena on kehittää asiakaslähtöisiä matkailutuote-ehdotuksia saksalaisille matkaajille Suomeen. Lisäksi opinnäytetyössä arvioidaan potentiaaliset tulevat segmentit. Saksan matkailu ja saksalaiset matkailijat on arvioitu, jotta on voitu selvittää Suomen matkailulle potentiaaliset saksalaiset matkailija segmentit.</p> <p>Teoriaosuuksista esitellään asiakaslähtöisen lähestymistavan matkailualan tuotekehitykseen. Lisäksi asiakaslähtöisyyttä ja asiakaslähtöistä markkinointimixiä on käsitelty. Opinnäytetyö tarjoaa taustatiedot segmentoinnille ja keskittyy kulutuskäyttäytymiseen sekä päätöksentekoprosessiin. Lisäksi teoria esitellään yleistiedot palvelutuotteista matkailun näkökulmasta, tuotekehitysprosessin ja tuotehinnottelu metodit, joita sovelletaan käytännön osassa. Yleiskatsaus kolmesta tyypillisestä kilpailijasta ja heidän tuotteistaan on esitelty antamaan yleiskuva nykyisestä markkina tilanteesta.</p> <p>Opinnäytetyön käytännönosa tuo esille vaihtoehdot matkailupaketti ehdotuksille, ja sitten määritetään seniori- ja yritysryhmille suunniteltujen ehdotuksien rakenteet, päättynen ehdotusten hinnoitteluun, joka perustuu toimeksiantajan käyttämään kustannuksiin perustuvaan hinnoitteluun. Lopulta viimeisessä kappaleessa arvioidaan opinnäytetyöprosessi. Lähtökohtana oli kehittää kattavat matkailutuote tarjoukset korkeintaan kahdeksi viikkoksi sisältäen kuljetukset, majoitukset ja aktiviteetit kohteessa.</p> <p>Avainsanat Matkailu, Suomi, Saksa, tulevat segmentit, aktiviteetit, asiakaslähtöinen, kattava, päätöksenteko prosessi, seniorit, yritysryhmät, tuotekehitys, hinnoittelu metodit</p>

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Abstract Topic of the present thesis is to develop customer-oriented tourism product proposals for German tourists travelling to Finland. In addition potential new upcoming segments are estimated. German tourism and German tourists are evaluated to figure out the segments of German tourists which are potentially interesting for Finnish tourism industry. The theory presents the customer oriented approach for product development in tourism industry. Moreover, customer orientation and customer oriented marketing mix variables are discussed. The thesis provides background information for segmentation and focuses on the consumer behavior as well as the decision making process. Further the theory presents general knowledge about services from a tourism perspective, product development process and product pricing methods, which are applied in the practical part. An overview about three representative competitors and their offers is presented to give an overall picture of the existing market situation. The practical part of this thesis points out the options for the tourism product proposal, and then determines the compositions of the developed proposals for senior- and company groups, while it ends with the pricing for the proposals based on the cost-based pricing method used by the client organization. Finally the last chapter evaluates the thesis process. The preset is to develop comprehensive tourism product offers up to two weeks including transports, accommodation and activities at the destination.			
Keywords Tourism, Finland, Germany, upcoming segments, activities, customer-oriented, comprehensive, decision making process, seniors, company groups, product development, pricing methods			

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SAVONIA

1 INTRODUCTION

1.1 Motivation and objectives

Today Finland still is a more or less unknown tourism destination outside Scandinavia. Bringing Finland face to face with people abroad mostly generates a large and deep interest in getting to know more about Finland. Besides the personal background of the author, this thesis focuses especially on Germany because of the potentially high spending capacity of its citizens. In addition the client organization MJS Travel is interested in extending their business relations to the Finnish tourism market. This generates the demand for this thesis and connects it to the working life.

The topic of this thesis is to develop tourism products for the German tourists traveling to Finland. It was elaborated in collaboration with the CEO of MJS Travel, who is the organizational client of this thesis. The objectives are on the one hand to develop customer oriented and for the selected segments suitable tourism products which can be applied in practice and on the other hand to promote Finland's tourism in Germany.

Starting point of this thesis is the wish of MJS Travel to extend its portfolio to service future oriented segments with new destinations. Therefore MJS Travel desire to offer travels to Finland for groups of German travelers up to 20 persons. The preset is to develop comprehensive travel offers up to two weeks including transports, accommodation and activities at the destination. The task is besides to develop tourism product proposals, in addition to estimate potential new upcoming segments. The proposals should include the pricing without publishing the company's business secrets. For completeness MJS Travel reserved the marketing concept and the potential disposal to be done by the company.

1.2 Client organization

MJS Travel is the client organization and partner of this thesis. The description of the company bases on the interview with Mark Spas, CEO of MJS Travel, conducted in Berlin on 21.10.2013.

MJS Travel is a family-held travel agency founded in Berlin in 2009. Being a subsequent company of T&S Galaxis, MJS Travel carries on the contact- and customer-networks as well as the main partners of the preceding company. MJS Travel's busi-

ness field consists, besides tourism brokerage, of incoming and outgoing tourism. For inbound tourism the main partners are all the online systems and some selected hotels in Germany. For outgoing tourism the most important partners are tour operators in Ukraine and Georgia as well as the German tour operator FTI.

MJS Travel is member of two cooperation networks; a small cooperation network with the Ukrainian tour operator OFIT and the Georgian tour operator GEOFIT, and the large Schmetterling network consisting of about 1500 travel agencies in whole Europe. While the small cooperation focuses on the service delivery for incoming and outgoing tourism in Germany, Ukraine and Georgia, the Schmetterling network focuses on service delivery in whole Europe.

MJS Travels' main segments are groups of travelers with destinations in Germany, the whole Europe, Ukraine and Georgia, besides individuals of all ages with destinations in Germany and whole Europe. For reaching the best customer satisfaction, MJS Travel's customer oriented process tailors the product portfolio consisting of self-developed or mediated leisure trips as well as business and incentive trips.

The pricing method used by MJS Travel is cost-based pricing. To the sum of costs whether a fixed commission for group travels or a certain percentage for individuals is added. The most profit MJS Travel generates with group trips to Ukraine. Risk management is considered by minimizing the companies fixed costs. In other words MJS Travel works on demand to ensure the fitting of the offered products to the customers' wishes as well as to avoid in particular the warehousing of unsold, mediated offers.

The most important marketing methods are providing catalogues, Email- marketing, incentive tourism and participating in international travel fairs, like ITB in Berlin and MITT in Moscow. For Email- marketing MJS Travel uses an own database of existing customers. Incentive tourism is a great help for networking and to raise the awareness of the own offers. In future MJS Travel wants to strengthen existing cooperation, reaching new destinations and expanding by establishing new branch offices.

1.3 Thesis overview

The thesis is divided in two parts, the theory and its practical application. In the first part the basic knowledge and the theoretical framework for the practical part is prepared. Information was collected by applying the desk survey method to different lit-

erature and researches. The customer-oriented approach for tourism product development is presented in order to familiarize with its different individual components. It analyses the customer orientation, provides the background for segmentation and explains the consumer behavior as well as the decision making process (DMP). Customer oriented marketing mix variables are briefly discussed. Moreover, the general knowledge about services, in particular from a tourism perspective, is described. The product development process and product pricing methods, which are applied in the practical part, are discussed in general. The thesis proceeds with examining German tourism and German tourists. From a general overview the reader is led to more detailed information, for example the characteristics of German tourists, and finally reaches such segments of German tourists which are potentially interesting for Finnish tourism industry.

The practical part of this thesis begins with the framework for the proposals. It examines the options for the different components of a proposal. The results on the one hand are based on the general theory as well as on the evaluation of the German tourists, and on the other hand are used to determine the composition of the proposals. The practical part finishes with the pricing for the proposals. The pricing is based on the theory of pricing methods, in particular the cost-based pricing method used by MJS Travel. Finally in chapter 8 the evaluation of this thesis occurs.

2 CUSTOMER ORIENTED TOURISM PRODUCT

Customer oriented tourism product is a wholeness consisting of many different parts. In this chapter is dealt with the theoretical framework of elements the customer oriented tourism products contain. The information is collected from different literatures using desk survey method.

First will be clarified basics of customer orientation. Second this chapter explores market segmentation. Moreover, marketing's basic variables and how they can be used in customer oriented way will be briefly discussed. Furthermore, chapter explores the consumer behavior and the consumer's decision making process, as well as it points out the special characteristics of tourism products. New product development will be processed from perspective of tourism field. Finally product pricing will be looked at in general.

2.1 Customer orientation

Today customer oriented service and operation is a prerequisite in tourism industry, too. Customer orientation is at the same time an attitude or a way of thinking as well as a marketing method. Customer orientation highlights the product's value to the customer (Komppula & Boxberg 2005, 21). As well it understands customer's needs and wants to satisfy them (Komppula & Boxberg 2005, 66). The first step towards customer orientation is to adopt customer centered attitude. That means the whole company has to consider the customer first and to understand that customers generates the assets (Kotler, Bowen & Makens 2010, 7). Komppula & Boxberg (2005, 66) present in their book four basic elements of customer orientation:

1. Tourism product provider need to know the customers' needs, motives and consuming behavior to satisfy the customer needs in a competitive way.
2. Every member of the company is responsible to accomplish the customers' needs and at the same time to consider the company's internal and external factors.
3. The company has to engage in long-term cost-conscious operations.
4. The company has to know its market position related to competitors and partners.

2.2 Market segmentation

Customer orientation includes building and improving a network of customers. Markets today are so large that companies cannot target all possible customers in the marketplace. Also the needs of customers are so differing that it is not possible to satisfy all of them. Companies divide their market into the smaller target groups, the segments, to satisfy needs of their potential customers better. One company can focus on many segments by using different marketing methods or providing different products and services to each segment. (Kotler et al. 2010, 199; Komppula & Boxberg 2005, 75; Middleton, Fyall & Morgan 2009, 99.)

Thus, segmentation means to separate a whole market into smaller segments, to manage marketing better (Middleton et al. 2009, 101). Through segmentation the company can attract right customers with cost-effective, targeted marketing and also offer products and services satisfying segment's needs better (Komppula & Boxberg 2005, 78; Middleton et al. 2009, 101). Segmentation is not a simple process because there are so many possible criterions to divide people into homogeneous groups. A single person can fit into different groups depending on its needs, role and motivation in the situation (Komppula & Boxberg 2005, 76). Also changes for instance in customers' buying behavior generate challenges on segmentation, causing that segments need to be monitored regularly (Middleton et al. 2009, 99).

Plog's (1977) and Cohen's (1972) classifications of tourists are used as criterions of segmentation (Komppula & Boxberg 2005, 76). Classof1 provides online tutoring and learning material on their homepage, in particular the following information about Plog's and Cohen's classifications (Classof1 2002a):

Cohen's classification divides the travelers based on their motivations. He distinguishes four groups of tourists; the organized mass tourist, the individual mass tourist, the explorer and the drifter. Considering Cohen (Classof1 2002b):

- *The organized mass tourists* are less independent and not adventurous group. They want to stay in a hotel or only participate in organized, guided tours. They do not make own decisions.
- *The individual mass tourists* have already taken one step outside the hotel by themselves. They might make some own plans but they still rely a lot on tour operator.

- *The explorers* are independent travelers who still prefer some conveniences. They search for host community's culture and they have requirements to survive in different situations abroad, and
- *The drifters* are the most self-confident and experienced traveler group. They are very curious to learn new cultures, meet new people and see new places and do not hesitate to take risks. They finance their traveling often working within the community.

In contrast Plog divides travelers into three groups. (Classof1 2002b):

- *Allocentrists* are independent, curious and social travelers.
- *Psycho-centrists* prefer traditional destinations and they are less curious to explore new places. They seek safety and like things unchanged.
- The *Mid-centrists* are between the two first mentioned groups. Members of this group want to have new experiences and activities are welcome if they are safe.

There are also many other methods to segment consumer markets than the classifications above. The best way to effective segmentation in tourism field is to combine wisely different methods (Middleton et al 2009, 103; Kotler et al 2010, 199).

Komppula & Boxberg (2005, 78-89), Kotler et al. (2010, 199-209) as well as Middleton et al. (2009, 103-114) all highlight some factors the segmentation of tourism business can be based on. These are:

1. Geographic factors: Nations, states, regions and cities
2. Gender
3. Socio-demographic factors: Age, life cycle, income, profession
4. Psychographic factors: Lifestyle, personality, social class
5. Buyer behavior: Loyalty, occasion, user status
6. Purpose of travel
7. Buyer needs and motivations
8. Price

The criterions enable to divide the segments so accurately that tailored marketing and products' differentiation for each segment is possible. In addition the segments should be large enough to provide sufficient incomes. (Komppula & Boxberg 2005, 76.)

2.3 Marketing Mix

Products' marketing mix is normally focused around the four basic variables, four P's, which are product, price, place and promotion. With these variables producers seek to make the marketing as effective as possible. Four P's concept takes the seller's view of the market and that's why it doesn't fit into the customer-driven marketing strategy as such, which tries to foster business by satisfying the customers' needs. Consumers' views especially in service marketing could be thought through four C's concept (Kotler et al. 2010, 70; Middleton et al. 2010, 139):

- *Product* is defined as a selection of goods what the company provides to target market. In four C's product is seen as *customer value*, which means the benefits, service, quality of experience and value for money customer receives and how they meet the needs and wants of customer compared to competitors. Customer value is the reason for customer to do business with the company.
- *Price* is the amount of money customer must pay for the product and means *cost*, defined as "the consumer-focused equivalent" (Middleton et al 2009, 139).
- *Place* is the activities the company needs to make a product available but in customers' view it means *convenience*, access to the product.
- *Promotion* is the company's activities to show the benefits of its product and tempt customers to buy the product. In four C's it means *communication* between producer and customer comprehending two-way relationship marketing.

When focusing on service marketing the four P's can be expanded to be seven P's. Then people, process and physical evidence have to become considered in marketing mix, too (Middleton et al. 2009, 143-153):

- *People* consist of the consumers themselves, other visitors, as well as the whole staff of the company, the inhabitants of the destination and interaction between these groups.
- *Process* includes all activities and services belonging to generate a satisfying customer experience.
- *Physical evidences* are tangible, visible parts of the tourism product, for instance all buildings, signs and design. Further they support the service delivery and bring extra value to the customer. Each customer experiences physical evidences differently through his senses.

2.4 Consumer behavior and decision making process

Different human's needs influence our behavior and decision making process (DMP). People travel for different reasons and there are many researches made why we travel and what factors influence our DMP for example when buying a trip. For instance these researches are for foster marketing and improving its effectiveness. Consumers' buying behavior alters all the time and researches also give information what consumers will need and want as well for what kind of products or services the demand on a market in future might increase.

Individual characteristics, consisting of needs and motivations, cultural, personal, psychological and social factors as well as economic circumstances, influence our consumer behavior and DMP. As well as internal also external factors, like marketing, existing products and opinion of other people influence to our choices. (Kotler et al. 151-163.) Motives in the context of this thesis are defined all these factors which influence our decisions. Komppula & Boxberg (2005, 68) highlight the importance of understanding why people decide to buy or not to buy the product. It is necessary to understand the difference between different travel motives. Komppula & Boxberg (2005, 68) divide motives into two groups: Primary and secondary motives. Leisure, business or visit friends and family as well as religion and culture are reasons to travel. Listed above are primary motives because they answer to question why people travel. Secondary motives, in turn, determine for example where to travel, with whom and how, as well as the accommodation chosen and what activities are desired to participate in.

There are several theories about how people actually make their buying decisions. Kotler et al. and Middleton et al. discuss about the topic through the rational stimulus-response model (figure 1).

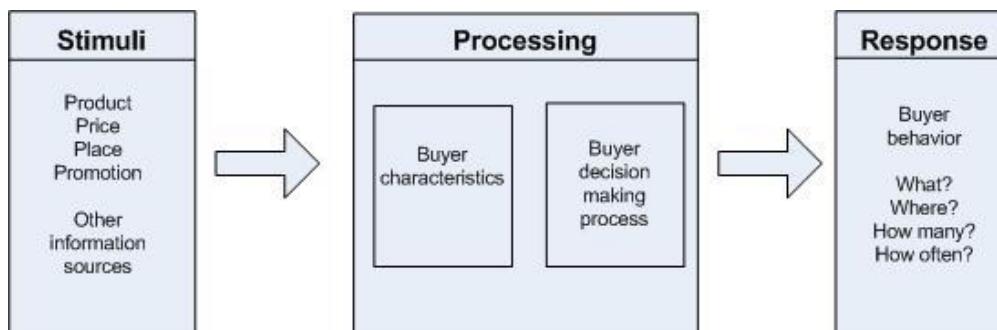


Figure 1. A stimulus response model of buyer behavior. (Kotler et al. 2010, 151; Middleton et al. 2009, 78)

In this model consumer receives a stimulus from marketers and existing products. The consumer's reaction to the stimulus and the further process depends on personal needs and individual characteristics. DMP consists of five steps. First consumer noticed the problem, for instance the need to travel. Next step will be the information searching over the possible destinations followed by considering of those alternatives and a possible purchase. The last step is the evaluation of post-purchase experience where the consumer will experience, depending on the individual expectations and how the product performance matched with them, satisfaction or dissatisfaction. These information are useful for tourism companies to create new and better marketing methods. (Kotler et al. 2010, 151; Middleton et al. 2009, 78-90.) Based on these post-purchase experiences the consumer behavior can become influenced by improving the stimulus of the tourism product. Komppula & Boxberg (2005 ,73) handle this topic from a different perspective whereby the buying decision is unique and individual as well as customer's decisions can vary depending on the situation. According to this theory DMP can't be rational.

No matter which model is implemented anyway it is important to the company to identify the factors influencing its target market. Otherwise there is a risk that money will be invested in expensive marketing methods which don't influence the target segment effectively and do not lead to the desired effect.

2.5 Decision making process of groups and organizations

The DMP of groups has some special characteristics whereby it differs from the DMP of individuals. Due to many people are involved in the DMP as well as the decisions affect many actions of the company the purchasing process of organizations is often complicated. Large companies usually have an own decision making department for purchasing situations. The members of this department have different roles: Users, influencers, deciders, approvers, buyers and gatekeepers. (Kotler et al. 2010, 176-177.) Often in business tourism the traveler is not the one who makes decisions about the travel or books it. Instead the traveler is the person who gives the feedback to the decision makers for instance about the arrangement, quality and service at the destination. Depending on the feedback the company might keep co-operating with the travel agency or not.

Referring to Kotler et al. (2010, 178) organizational buyers have to consider several factors when making decisions. The cheapest price is not always determinant even

though it plays a considering part in process. Good quality of service or product features affects the decision making strongly, too. Because decision makers in companies are also humans, personal factors such as emotions and feeling as well as favors and risk avoidance influence the decisions. Kotler et al (2010, 178) divide the influencing factors into four groups:

1. Environmental: economic situation, demand and costs of company
2. Organizational: objectives, structures and policies of company
3. Interpersonal: group dynamics, authority and interests of decision makers
4. Individual: personal motivators, preferences and perceptions of each decision maker

Organizational DMP can be divided into eight steps. First step is a problem recognition, which can be caused by external or internal stimuli. Second step is to make a general need description, which defines the requirements of the service or product needed, continuing the specification of the requirements. When all needed requirements are determined the buyer needs to search a supplier. Often buyers tender the offers of suppliers, which is the next step. The suppliers' task is to send a proposal performing the capacity and resources of the company which stands out from the proposals of the other suppliers. Based on these proposals buyer selects directly a supplier whose product will be purchased or the buyer tries to negotiate better prices and terms with the most appropriate supplier. When the supplier is chosen the buyer makes the final order with order-routine specifications. Eighth and last step is performance review made by buyer. This step is comparable to evaluation of post-purchase experience. (Kotler et al. 2010, 177 – 179.)

2.6 Tourism product and a new product development

A development of customer oriented tourism product should always base on the needs and demand of customers. In addition it is necessary to understand the essence and nature of the tourism product and how it differs from the other products. These differences force the tourism products to be seen from different perspectives as the tangible products, for example when developing a new package holiday.

Compared to a normal tangible product, a tourism product has some special characteristics what make it to be more a service than a product. Its nature is intangible but it can include tangible parts like food and equipment. Typical for a service is the inseparability. In other words, it is produced and consumed at the same moment.

(Komppula & Boxberg 2005, 10; Middleton et al 2009, 47.) Through this classification of “service” a new product developing model (figure 4.), which starts with an idea generation and ends with the commercialization of a certain idea, does not fit to the use in tourism field as such. Problem of this model is that it bases on tangible goods. Even though this problem is well known, due to services are so different from each other it is difficult to create a model for developing new services. (Komppula & Boxberg 2005, 97.) Typical for a tourism product are seasonality and high fix costs, too. Seasonality causes big variations in demand to many tourism companies and high fix costs as well as perishability challenge income producing in tourism industry. (Middleton et al 2009, 49.)

It is difficult to give a clear answer to the question “What is a tourism product?” because it is a subjective experience. Thus, it is individual and everyone can understand and experience it in an own way. (Komppula & Boxberg 2005, 21.) Experience can't be twice the same because each customer by his or her behaving and responding influences the moment when experience is generated. That also complicates the measuring of the tourism products' quality. Therefore the tourism product is also variable and heterogeneous. The customer itself but also other customers, people and personnel as well as weather and surrounding affect the generation of a tourism product. (Komppula & Boxberg 2005, 10-11.) Due to these changing circumstances a tourism product cannot really become “produced” and many times the provider can only create the necessary conditions for the generation of the tourism product. These necessary conditions consist of the three components, service concept, service process and service system, and can be explained with the model described by Komppula & Boxberg (2005, 21):

- *Service concept* is the core of a tourism product and it bases on the customers' needs. Referring to the “four C's” it represents the value and benefits to the customer.
- *Service process* is the description of a tourism product and includes the processes related to customer as well as to personnel.
- *Service system* consists of internal and external resources needed by the company to produce the value expected by the customers. These resources are operational environment, equipment as well as controlling and organizing personnel.

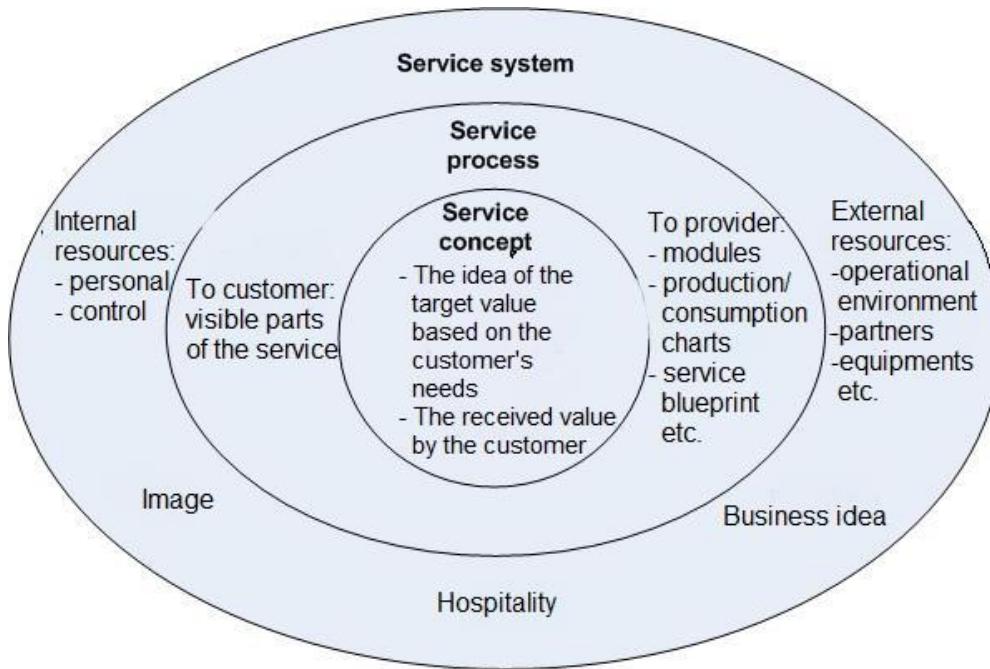


Figure 2. Basic elements of customer oriented tourism product (Komppula & Boxberg 2005, 24).

Kotler et al. (2010, 231-233) as well as Komppula & Boxberg (2005, 13-14) describe a tourism product consisting of four product levels:

1. *Core products*
create the value and benefits the customer receives.
2. *Facilitating products*
are necessary services and products to enable the customer to use the core products.
3. *Supporting products*
are not mandatory but they give an extra value to the core products. This means they create differentiation and improves visibility of the main product and helps to place the product better on market.
4. *Augmented products*
determine the way how customer experiences the tourism product. They are very important elements because they deliver the quality of service and comfort. They also give the last finishing touch to a well-developed and satisfying tourism product. Augmented products are everywhere all the time present through atmosphere, accessibility, interaction and customer participation.

Figure 3 demonstrates how a tourism product is a service package consisting of several modules. This kind of interdependence is particular characteristic for a tourism product (Middleton et al 2009, 51). Like the two models mentioned above have al-

ready pointed out, a core product in customer oriented tourism product is the customer value. A customer participates and receives different services which are described by service modules. These modules together are called service chain. Image of the company, partners, place, equipment, personnel and hospitality constitute the service system. This model can be used to describe the content of the whole trip as well as an individual service module, like accommodation, activity and transport. (Komppula & Boxberg 2005, 24.)

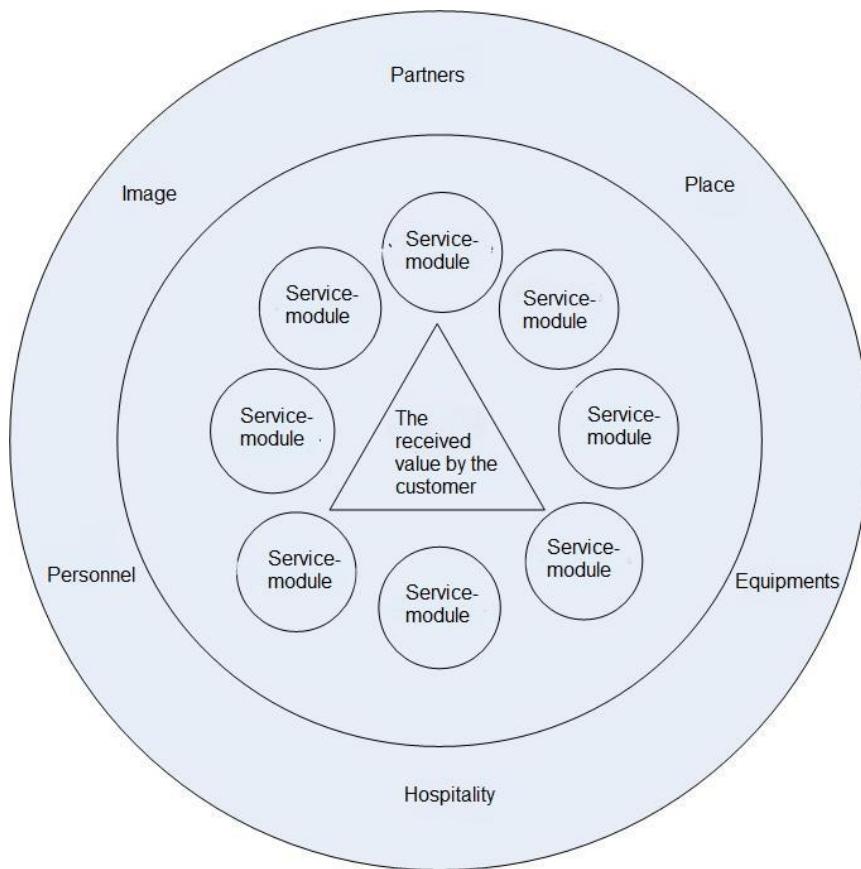


Figure 3. Tourism service package. (Komppula & Boxberg 2005, 25).

These three models explain how the whole customer oriented tourism product is based on customer value and expectations. They can also be used as a help in a product developing process. Due to the lack of the model for service products in this thesis the already mentioned model for tangible goods will be applied.

For developing a new product first it is necessary to generate ideas. Ideas for new products can be gained for example from customers, producers or from the competitors. A Company should have a strategy for new product development. It needs to be clear what the objectives of the new product should be and how much effort and resources the developing process needs. Second is the idea screening where the

proper idea should be identified and poor ideas will be dropped. Screening also includes some evaluations about the market size, product price, amount of developing time and a cost estimation. After the screening step a concept will be developed and tested. Fourth step is to create a marketing strategy and make business analysis. While these five steps belong to the planning phase, the last steps mentioned in figure 4, product development, test marketing and commercialization, are parts of the implementation phase. The new idea can be dropped out in each step if further developing is not profitable anymore. (Komppula & Boxberg 2005, 97-98; Kotler et al. 2010, 244-248.)

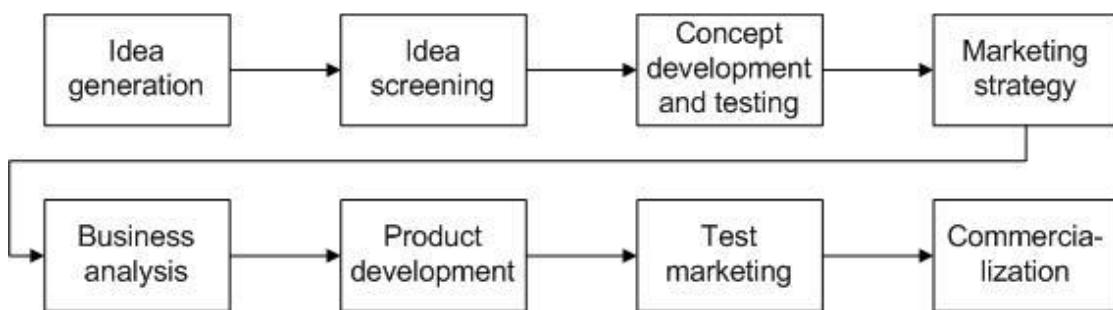


Figure 4. Major stages in new product development. (Kotler et al. 2010, 245).

All services and processes concerning a tourism product should focus on how to create customer satisfaction. Because a tourism product consist of many stakeholders, like customer, producer, retailer and operating environment, it is not always easy to satisfy everybody's expectations (Komppula & Boxberg 2005, 90). For a successful result it is important that all members of the product development work well together and aim to the same goal. Satisfied customers are always good chances to establish long-term customer relationships which are vital to all companies in terms of business success. Thus, a tourism product is the wholeness which is provided based on customer needs. It consists on several parts and is built together in collaboration of many different providers and their services.

2.7 Pricing

Price-setting is a challenging task because the balance between costs, expected profit and consumers' value is necessary. Price should be competitive and fair, meeting the expectations of producer and consumer.

Internal and external factors affect price setting decisions. Costs, marketing objectives and strategy, on the one hand, demand, competitors, price changes and consumers' perception on the other hand have to be considered carefully in pricing process. (Kotler et al. 2010, 292-302.) Price is one of the marketing mix variables and more it is the only return on invest. Marketing mix variables are dependent on each other, so pricing decisions become influenced by decisions made for other variables. Hence a company should deliberate all marketing mix decisions together when setting the price and creating a marketing concept. (Kotler et al. 2010, 294.) Especially companies using the market-led pricing method consider the price together with other marketing variables (Kotler et al. 2010, 305). This method is one of three main pricing methods. The other two are cost-based pricing and competition-based pricing (Kotler et al. 2010, 303).

- *Market-led pricing* or *buyer-oriented pricing* consider consumer needs and price perceptions. This method needs to be supported with customer-oriented business idea and marketing decisions. The consumer actually is the one who decides whether the price is right or not by considering if the perceived value is enough compared to asked price. Marketers should try to settle consumers' situations when deliberating the price: What is the price customers are ready to pay for a particular value? Different segments have various needs which drive marketers to choose different pricing strategies for each target group. This means they vary the price depending on the provided product features. (Kotler et al. 2010, 296-297.) In tourism industry this method probably is the most difficult to apply, because marketers need to quantify experiences in money what can be really difficult due to the subjectivity, variability and heterogeneity of the tourism products. How to estimate the value of the perceived experience, if the only indicators are previous experiences, individual characteristics and uncertain expectations of the customer? Particularly for setting a price of tourism products definite segmentation and behavior profile researches are important as well as best practices of the marketer. Price setting is easier if the marketer is familiar with the needs and expectations of the target group. Then it is also

possible to create a balance between the price, customer value and return on invest.

- *Competition-based pricing*, also called as *going-rate pricing* method is based on prices of the competitors. The company can set the price higher, lower or same as the competing companies on the same market. Pricing does not take into account costs or demand. Competition-based pricing is easy to use and companies believe in avoiding price wars by holding going-rate price. (Kotler et al. 2010, 306.) A company using this price setting method has to consider its image and market position compared to the competitors. The main disadvantage is that a saturated market can lead to lower selling prices than the costs to cover by the provider or other financial consequences.
- In *cost-based pricing* the price consists of all costs and the added surcharge, for example 12 per cent. This kind of method is the easiest to use, but it does not necessarily lead to the cheapest price. The disadvantage of this method is that it does not focus on customers' willingness to pay or to the competition on the market. A decreasing amount of customers whether decreases the profit, if the surcharge is a percentage of the price, or increases the selling price if the surcharge is applied as fix costs divided by how many times the offers is sold. (Kotler et al. 2010, 303.)

3 COMPETITORS' OFFER COMPARISON

It is necessary to know what products and services competitors already provide on the market when developing a new product. This chapter explores what the actual market provides to German tourists travelling to Finland. The presented results are based on an internet research. The used information was collected from the companies' homepages. The reason of the internet research was to get general information what kind of Finland holidays and trips competitors provide and to whom.

There are several German travel companies providing trips to Finland. Because the contents of the offers are mostly the same, the results were summarized in this chapter and only three representative ones will be presented in the following for a detailed analysis. These representative results are Hummel Reiseideen, Fintouring and Top-Nord GmbH. The reasons to take particularly these three companies were:

- First the professional look of the homepages
- second comprehensive offer selections
- third the covering of whole Finland as a possible destination, and
- fourth that the presented offers are representative.

3.1 Hummel Reiseideen

Hummel Reiseideen is a German travel company founded in 2002. It organizes trips to Island, Norwegian, Sweden and Finland and provides hotels and cottages to tourists. On Hummel's homepage the whole Hummel team is introduced. That creates trust and reliability to the company and its products by showing the customer who is behind the planning and organization. In all destination countries Hummel Reiseideen provides several holiday packages and tours with different activities. They have a wide selection of package holidays, but customized trips are available, too. (Hummel Reiseideen 2013.)

Destination countries are introduced with general information, tips and articles. Finland's main features and Finnish culture are taken well up. The topics of the articles prepare the traveler what to expect about the holiday in Finland. The offers in Finland consist of one week trips with various themes and activities. German guiding is specially mentioned in detailed description. (Hummel Reiseideen 2013.)

The selection of tours by car is small but sufficient, because the whole country has been taken into account when the tour was planned. The “base” cities are Helsinki and Oulu. Heading from Helsinki to the east tourists can enjoy the nature and lake scenery as well as explore the city sightseeing. From Helsinki it is possible to make a pulsating city tour to the south-west of Finland, too. From Oulu there are possibilities to head direction Lapland and to the west coast. To discover real northern exotic, Hummel offers a car round tour to Rovaniemi and Taivalkoski where wild nature waits its visitors. The west coast offers see life á la Finland when driving from Oulu down to Kalajoki. Highlight of the trip is a visit and overnight stay in lighthouse island Ulkokailla. On winter time there are two different car tours in program to the region of Polar circle, which are located in the north of Finland. (Hummel Reiseideen 2013.)

At the destinations tourists have several activity possibilities to participate. Activities are classics Finnish activities, for example during the summer hiking, biking, bear watching, swimming, fishing and going to different kind of saunas. In program are also some cultural events. On winter time ice breaker drive, ice-swimming as well as ice-fishing, skiing, snowmobile-, reindeer and husky-safaris are recommended activities. During Christmas- and New Years' Eve- season special packages are available with tourist's highlights Aurora Borealis and Santa Claus. (Hummel Reiseideen 2013.)

Overnight stay possibilities are in hotels, guesthouses and in traditional Finnish cottages and blockhouses. For the travelers who want to experience the Finnish winter even deeper as an accommodation Hummel offers glass-igloos or the snow hotel in Lapland. (Hummel Reiseideen 2013.)

The prices of the packages provided by Hummel Reiseideen include accommodation, airport transport, German speaking service and some extras, like hotline and tips for the trip. Some packages include themed activities and equipment, too. Prices for flights, other accommodation categories or additional persons can be requested separately. Car round tours include in its prices accommodation, a rented car, the necessary car insurances and unlimited kilometers (Hummel Reiseideen 2013.)

3.2 Fintouring

Fintouring rents cottages and organizes individual-, family and group holidays in Finland. It is a family business established in 1973 which currently employs several people in various fields. As Hummel Reiseideen also Fintouring has introduced its staff comprehensive on their homepage to convince the customers that they are dealing with real people. (Fintouring 2013.)

On the homepage besides actual and important information about Finland also a culture section can be found where some useful Finnish words, recipes and Finnish preferences are collected. Fintouring offers a practical accommodation search engine on their homepage. This function simplifies the process for searching a suitable accommodation for the preferred time period, because the customer can immediately see if there is an accommodation free and what its facilities are. (Fintouring 2013.)

For the different preferences and interests Fintouring has a very large selection of packages and holiday apartments all around Finland. The themes of trips are for example round tours by car or by train, nature and activity holidays as well as city and culture trips. They also provide houseboats to explore the Finnish lake region. The lengths of trips vary from couple of days to two weeks. (Fintouring 2013.)

On summer time Fintouring offers several various round tours, either by car, by bike or by train. For people who want to have an active and sporty holiday there is also a combined round tour by kayak and bicycle available. All round tours, except one, start from Helsinki and head up to the north, east or west of Finland. Some tours lead the traveler from Helsinki through other cities back to Helsinki and some goes from south to north and customer can be flexible with return trip. The tours take from one to two weeks and every night is spent in different cities. These trips spend hours on a road and are suitable for travelers who want to see as many places as possible within a limited period of time. (Fintouring 2013.)

Fintouring holidays focus on a lot of nature and outdoor activities in Karelia and in Lapland. Huskies, snowmobiles, skiing and reindeers play big role on winter time in program as well as Sámi culture and Polar lights. On summer time hiking, biking and fishing are the main activities along wild animals watching. Fintouring provides many identical activities as Hummel Reiseideen but they have also some specials to offer, like ice-rally, ice-skating, mountain biking and wild water rafting. If the client wants to

try how it is to be like a Finnish “Erä-Jorma” (person with know-how and skills to survive in wild nature) Fintouring promises to organize a fitting hiking tour for that, too. Generally all packages consist of the same main activities; but time, place and segment change. (Fintouring 2013.)

Fintouring organizes for example flights and accommodation, but not activities and sightseeing tours in a city. City trips are more or less short trips and located mostly in the southern part of Finland. City holidays by Fintouring provide possibilities to shop and get to know the local culture and historical events. With considering exceptions, like swampfootball World Championship in Ukkohalla and Air guitar World Championship in Oulu, Fintouring portfolio does not contain organized individual trips to special events. (Fintouring 2013.)

As a highlight Fintouring (2013) provides holidays only for women, a trip to swamfootball World Championship, a tour to Nordkapp and holidays with theme photographing or painting.

- *Women holidays* are active holidays in nature with amazing scenery and possibility to relax.
- *Swampfootball World Championship* is something fun and crazy for groups.
- *Nordkapp trip* leads from Finnish Lapland to Norwegian Lapland offering fresh air, nature and midnight sun.
- *Photographing and painting holidays* are for anyone interested in arts. Along other activities participants can enjoy their hobby and learn more from professional teacher.

Fintouring has contact to hotels all over the Finland, so customers have several options to spend their holiday nights. This company has a number of different variations of accommodation from simple facilities to luxurious ones. Nights on active and nature holidays are mostly spend in cottages, guesthouses or farms. In addition on winter time snow hotels and igloos are in commission. (Fintouring 2013.)

For the offered prices the Fintouring includes flights from particular German airports to the destination airport in Finland, airport transport, accommodation, English or German speaking guidance and hotline. Further the package prices include themed activities, suitable clothes and equipment or other additional services. All non-inclusive services can be booked for the listed prices on the homepage to extend the package. (Fintouring 2013.)

3.3 Top-Nord GmbH

Top-Nord GmbH is a company who organizes holidays to destinations in whole Scandinavia, the Baltic countries, St. Petersburg, Island, Greenland and to Faroe Island. They have more than 10 years of experience in providing trips to the northern countries. The main segments of Top-Nord GmbH are individuals and groups who want to spend their holiday by enjoying the fresh air and northern exotic. Besides the package holidays customers can tailor their own holiday from individual products. Stages and destinations as well as accommodation, transport and activities can all be chosen individually. (Top-Nord 2013.)

Top-Nord organizes various round tours mostly by car but also by train, ship or a combination of these possibilities. If the customer wants to combine sports and a round tour Top-Nord offers a tour for about one week and 450 kilometers long ski tour from Kuusamo to Kemi. Car tours are available on summer as well as on winter time. Winter car tours go round northern Finland offering unique experience to drive along ice streets. Top-Nord's winter program also provides a special winter round tour in Lapland with driving training in winter conditions for the travelers with few or no experience in driving on ice and snow. The summer catalog of Top-Nord includes several various car tours around Scandinavia between one and three weeks. Finland round tours organized by Top-Nord often are combined with other countries, like Sweden, Estonia and Norway or the tours are planned to only stay inside one of the four main tourism areas in Finland: Lapland, lake Finland, west coast and the capital region. Only one tour leads through the whole country: the nature and wellness car tour, which brings the traveler through Finnish Spa cities from Helsinki to Ivalo in 11 days. (Top-Nord 2013.)

In Finland Top-Nord organizes very few train tours for example compared to Sweden or Norway. Reasons might be that in Finland travelling by train is not that easy considering long travel durations and long waits between many connections. Also the train ticket prices are quite high in Finland. Top-Nord GmbH has only three different Finnish train tours in program and two of them are organized on winter. Train tickets in second class belong to the price as well accommodation, breakfast and arranged activities. (Top-Nord 2013.)

On winter time Top-Nord GmbH offers many activity holidays in Finnish Lapland and in north-east Finland, Kainuu. Again the most provided activities are husky-safaris, snowmobile driving, skiing, reindeer-sleight tours, ice breaker swimming, walking by snowshoes and sauna. Downhill skiing and ice-skating are as well in program. Polar lights belong relevantly to Finnish winter and in Top-Nord's program Aurora Borealis has very big role during late autumn and the whole winter program. Polar light packages provide for instance the possibility to visit the polar light research center and stay overnight in Northern lights hotel with extra polar light alarm. (Top-Nord 2013.) A holiday package relying so much on Polar lights is a little bit risky because it is impossible to ensure that the sky will be clear enough and northern lights to be visible.

For the summer time Top-Nord does not offer so many holiday packages in Finland as Hummel Reiseideen or Fintouring. Main themes of summer packages are round tours, but more diversity to the program bring the citybreaks and weekend trips organized during the year (Top-Nord 2013). Unfortunately only Helsinki and some other larger cities are taken into the selection and all smaller, more authentic cities are completely left out. Recommended activities for the summer time are hiking and biking in natural parks, as well as cruising on the Gulf of Finland or on inland waters (Top-Nord 2013).

Accommodation possibilities of Top-Nord are similar to the ones Hummel Reiseideen and Fintouring also provide. The offers consist of founded hotels, guesthouses or blockhouses. Igloos and snow hotels are available after request and for extra payment. (Top-Nord 2013.)

The included services in Top-Nord's holiday packages vary depending on the themes of the holidays and activities. Some package include only accommodation, but others, besides the accommodation, also include airport transport, activities and the necessary equipments as well as necessary transports between the destinations. Extra activities and additional services are listed on the homepage with itemized prices. Prices of the offered car round tours include accommodation and a route map. Rented cars and other services are available on request for extra money. (Top-Nord 2013.)

3.4 Summary of the competitors' offers

The research on the competitors' offers showed that on summer time for Germans in Finland the most provided holidays are round tours by car. Even though the slow and careful traffic behaving in Finland can shock and irritate German drivers at the beginning, driving by car is the easiest way to move around in Finland. The reasons therefore are first because of very good ferry connection between Germany and Finland and second because of long travelling distances between remote locations of tourism places and destinations.

Often tourists come to Finland to look for fresh air as well as rest and recreation. That might be the reason why most offered summer activities are hiking and biking in Lapland or in natural parks, for example in Koli. Due to a wide spread network of lakes and rivers canoeing and inland water cruising are popular tourism entertainments, too. Because many people live in cities and do not have the possibility to see wild animals in their own habitat, watching wild animals is an unique experience to come back to nature.

The fascination of Finnish winter consists of its long duration, and the few hours of daylight. The white and snowy winter offers many activity possibilities to tourists which German's cannot find in their home country. Snowmobile- and husky-safaris as well as traditional skiing and ice-skating are almost without exception in each winter program of travel companies. During the dark time of the year, from end of August to April, a phenomenon called Aurora Borealis leads a lot of tourists to Lapland to see this dance of the colorful waves on the sky.

Still the traditional way to spend the summer holiday in Finland is to run away from "the urban life" and disappear to the summer cottage which is in the middle of the forest or on an island without any modern comfort like electricity or fluent water and not to mention about an indoor toilet. For tourists who like to have a traditional Finnish summer accommodation instead of a hotel and stay near the nature are typical Finnish summer cottages available. The scale of the cottages is huge and prices as well as facilities vary a lot from wilderness cabin with no comfort to luxurious all year round inhabitable holiday cottages. On winter time glass-igloos and snow hotels often are provided accommodations for tourists besides the normal three or four stars ho-

tels. Because of the unusual nature of igloos and snow hotels they are mostly available for extra money only.

The pricing of a tourism product means the pricing of expectations and experiences. Considering chapter 2 it is difficult to measure the quality of a tourism product, because these expectations and received experiences are individual. Without taking part in the provided trips of competing companies it is difficult to measure the price-performance ratios of their products. Due to the variable and heterogeneous character of a tourism product the measuring of price-performance ratio even after participating still keeps difficult. However, considering the framework of a bachelor thesis and the missing breakdown of pricing of some competitors' offers, measuring the reliable price-performance ratio of competitors' products is not feasible.

Out of the three example companies, Hummel Reiseideen, Fintouring and Top-Nord GmbH, the included services in the package prices vary a lot. Some only offer the accommodation and airport transport, but other ones provide, also activities and equipment included in the basic price. None of the companies present the disaggregated prices for the offered packages. They just give the total price. Only the additional services which can be booked are presented with itemized prices, or can be requested.

4 TARGET GROUP GERMAN TOURISTS

4.1 Overview about German tourism trends and peculiarities

Germany is the largest outbound market in Europe. It has almost 82 million inhabitants who made all together approximately 90 million departures in 2011. (ITB Berlin 2012, 10; Euromonitor International 2012, 1.) Despite the difficult economic crisis during the last three years the numbers of Germany's outbound tourism have been staying steady, even a bit increasing by one per cent (ITB Berlin 2010, 7; 2011, 7; 2012, 10). Most Germans do not want to abandon their every year holiday. High savings ratio enables Germans to keep on travelling abroad even during recession. The result of this behavior is a good achievement of outbound tourism. (Euromonitor International 2012, 1.)

For years German travelers have been on a top of the "international tourism expenditure"-list what makes them to be one of the world's top spenders in tourism (UNWTO 2011, 10; 2012, 13; 2013, 13). Between 2006 and 2011 expenditure has been growing year by year excepting in 2009. The strongest effects of the recession are registered in 2009, when the amount of outbound tourists as well as the spending decreased. In 2006 spending were slightly less than 59 million Euros. In two years expenditure grew up to 62 million Euros. In 2011 spending did not reach the values of 2008, caused by the decrease in 2009, but still they were respectable 61,6 million Euros. Most of the money at destination is spent on accommodation, food and shopping. Germans also like to take part in events and activities; hence they use quite much money for excursions and entertainment. (Euromonitor International 2012, 5.)

Germans travel mostly for leisure and holiday, but business travelling has been increasing in previous years. (Euromonitor International 2012, 5 & 7.) Air and land transports are the most used modes by Germans. While rail transport has been decreasing during the last 6 years, sea departures slowly increased due to cruising holidays. Hard competition between the different air lines and the rapid increase of the petrol price are supposed to be the reasons for the rising amount of air transports and falling numbers of land transports at the same time. Due to high costs people do not travel anymore so much by car than before. (Euromonitor International 2012, 1 & 4.)

Between 2006 and 2011 couples and families have been the main segments for leisure travelling but singles have also been increasing their amount of travelling steadi-

ly every year. Families have begun to reduce their travels because of the high costs. (Euromonitor International 2012, 4.)

German tourists prefer to travel to Austria, Italy or Spain. Main factors to be preferred holiday destinations for those three countries are easy access, cheap prices and German language service in the touristic areas. Austria is cheaper than Germany and Switzerland. Second it provides many-sided holiday experiences all the year from nature and adventure holidays to city breaks. In Austria Germans also tend to stay longer than in other destinations which increases spending during the holiday. Italy and Spain are popular destinations because of the sun and beaches. Also cuisine in Italy makes the country an attractive destination for Germans who love Italian food. (Euromonitor International 2012, 2.) Other destinations for German's are France, Turkey, Poland and United Kingdom. (Euromonitor International 2012, 4.)

Euromonitor International (2012, 3) estimates that Germany's outbound tourism flow increases about 1 per cent, departures reaching approximately 90,6 million in 2016. If the challenging economic situation in the world is going on it might causes that Germans will shorten the duration of their holidays. Because of the cheap prices Turkey will rise as a preferred summer destination while, due to many advantages, Austria will keep its place as a most popular destination. In consequence the challenging economic situation might reduce the total spending of tourists during their trips.

Further evaluations show that in future especially families and individuals will prefer short city breaks and domestic trips more than long holidays abroad, because they fit better into the limited budget (Euromonitor International 2012, 3) and to the increasing rush in everyday life. In this case the seniors make an exception by still taking also longer holidays (Finnish Tourist Board 2013a).

Germans prefer to organize their trips by themselves using Internet and magazines. Nowadays less people use the services of the travel agencies and bureaus. Planning and organization for longer trips can take even six months but short city breaks can be organized spontaneously and instantaneously. Bookings are mostly made by the Internet, some prefer to book per telephone to interact with the holiday provider. German tourists do not necessarily travel because of destination or tourist attractions only. For example food, hobbies, family and friends are important reasons to choose a particular destination. Opinions and experiences of friends and relatives are highly important when looking for and choosing the destination. For example interesting advertises in public transports influence the destination decisions, too. (Newsbrokers

Ltd. 2011.) As well as sustainability and green values affects to Germans for selecting a destination, because 40 per cent of German tourists also would like their holidays to be eco-friendly and almost 50 per cent prefer sustainable tourism (Finnish Tourist Board 2013a).

4.2 Facts and figures about German tourists in Finland

German tourists are important for Finnish tourism, but since 1990's the amount of German tourists have decreased in Finland (Savon Sanomat 19.9.2013; Ministry of employment and economy 2011, 13). For tourism providers it is important to know what kind of travelers Germans are, what they expect from their holidays in Finland, what they look for and how to deliver them a satisfying experience. For example tourism and customer analyses are important tools to look for an answer to these questions. In this thesis a desk survey method based on existing researches from the two organizations "Finnish Tourist Board" and "Statistics Finland" is used to determine the profile of German travelers in Finland.

Considering Statistics Finland 7.6 million tourists visited Finland in 2012. From Germany arrived approximately 342 000 passengers. (Statistics Finland 2013, 6.) They spend all together about 128 million euro in Finland in 2012 (Statistics Finland 2013, 46), 45 Euros a day and 374 Euros per visit in Finland (Statistics Finland 2013, 58). The most of the money was spent for overnight stay (Statistics Finland 2013, 47).

Finnish Tourist Board (2013c) presents on their homepage the main competitor destinations of Finland. They also confirm the results of chapter 3 about desired activities, accommodation and products for tourists in Finland. Finland's main competitors are other so called "green destinations", like Sweden, Norway, Denmark or Canada. These destinations provide same kind of tourism products like Finland does and still enjoying better awareness and accessibility than Finland. The accessibility will improve on winter 2013-2014 because from Germany will be established two new charter flight connections; one from Hannover and one from Frankfurt. Short break holidays become more common and these flights answer especially to demand of "long weekend" trips as well as package holidays. Through these connections particularly tourism in Lapland will be promoted, because both connections fly to Kittilä, to north-Finland. (Finnish Tourist Board 2013b.)

In the introductory part Euromonitor International (2012, 2) defines two major attitudes of German tourists, price-sensitiveness, and the preference of German speaking service. In contrast Finnish destinations are known for high prices. This high price level does not improve attractiveness but it must not be an insurmountable problem either. Considering section 2.7 the price is not the only factor, but a very important one which in future will impact more and more the destination choices. Important is to concentrate on highlighting the strengths in price-performance ratio based on the high quality and the unique, high-value experiences Finland provides to its visitors.

Germany is a country whose people prefer even abroad to speak their mother language. Nowadays German people can speak English well, even older ones, but German speaking service still is preferred (Euromonitor International 2012, 2). This is something the German traveler easily can find in Italy and Spain, but in Finland German service still is not self-evident. Already menus in restaurants, basic instructions in everyday life, homepages and product offers in German language would make Finland more approachable for German tourists.

Newsbrokers Ltd. (2011) has published its research results about Germans travel habits, travelling in general and interest to travel to Finland in the "Silence Reportage". Newsbrokers Ltd. interviewed Germans in Berlin and in Düsseldorf. Interviews showed that the poor awareness is one of the biggest problems of Finnish Tourism. Germans do not know Finland well because of the low marketing and advertising level so people do not consider Finland as a possible holiday destination. Interviewees' opinions and views vary depending on the knowledge about Finland. Many Germans believe Finland is more expensive and more far away than it actually is. They even are not aware of the difference between Finland and other Scandinavian countries. Images about bloodthirsty mosquitoes, complicated Finnish language and year round coldness cause unattractive images and some people even considered Finland to be a well-functioning and boring country, country which is too safe and where is not possible to experience adventures. On the other hand these last features were valued because they enable to let go of the daily life, relax and enjoy the silence and peace. Germans who has visited Finland have been positively surprised about the attractiveness, versatility and relatively close location of it. Holiday experiences in Finland have been almost only positive. (Newsbrokers Ltd. 2011, 3-7.)

4.3 German tourist segments

Newsbrokers Ltd. (2011) has published its research results about Germans travel habits, travelling in general and interest to travel to Finland in the “Silence Reportage”. Therefore they interviewed Germans in Berlin and in Düsseldorf. The “Silence Report” points out three different potential main segments: Young explorers, families with children and culinarists (Newsbrokers Ltd. 2011, 3 & 4). Segmentation based on the result of the interview analysis.

- *Culinarists* travel for different, exotic food and tastes. They are often over 50 years old and they spend large amounts of money if they have possibility to taste the best delicacies of the world. For this group Finland provides first class restaurants with Michelin stars and clean raw-materials. (Newsbrokers Ltd. 2011, 5.)
- For *young explorers* Finland offers new experiences and activities as well as exotic destinations combining urban city life and wilderness. Extraordinary accommodations, adventurous activities and interaction with local people could be suggested for this segment.
- For *families with children* Finland is a well-organized destination (Newsbrokers Ltd. 2011). During one holiday a city as well as an active holiday combining exotic activities and places can be experienced in a safe way.

Finnish Tourist Board (2012) has researched that the most potential for Finnish tourism marketing actions are the “Modern humanists”. Modern humanists are tourists valuing modernity, multiplicity of life, humanism and caring. Their life style is active, vital and healthy and they look for new emotional experiences and balance between mind, soul and body. They are interested in other cultures and they want to get know new people and places. Briefly said this group consists of quite normal tourists, who are demanding and they know what they want. Moreover, they prefer to experience Finland as it is. (TNS Gallup 2012, 26.)

This segment group has been studied more in depth using qualitative and quantitative methods in research “Modern humanists and traveling to Finland” (TNS Gallup 2012). Research focuses on potential Finland travelers from Italy, Great-Britain, Germany, Spain, France and the Netherlands (TNS Gallup 2012, 1). The result of the research highlights five sub-groups of “Modern humanist” (TNS Gallup 2012, 54):

- *Tourists searching for a break*
- *Active family fun tourists*

- *Culturally individualist-tourists*
- *Tourists preferring safe adventures*
- *Ordinary modern humanists*

Two of these five segments are particularly potential segments for Finnish tourism because their probability to travel to Finland is higher than the other groups. These are “active family fun tourists” and “culturally individualist-tourists”. (TNS Gallup 2012, 99.) *Active family fun tourists* are well-educated having a great or well economic situation. Their average age is between 31 and 45 years. Almost half of the segment has children younger than 18 year old who influence significantly the destination and activity decisions. This segment is highly price-sensitive. (TNS Gallup 2012, 107.)

Active family fun tourists are interested in all types of holidays. The important elements of the holiday are sustainability, activity and diversity. Particularly nature activities are preferred among this segment in Finland. In addition sauna and spa are attractive activities for this segment. Good quality of accommodation and service are highlighted. (TNS Gallup 2012, 110.) Helsinki and Lake-Finland are the most interesting regions in Finland for this segment. Lapland interests almost as much as Lake-Finland. For active family fun tourists Archipelago is the less attractive region. (TNS Gallup 2012, 111.) 18 per cent of Germans belong into the sub-segment active family fun tourists (Hietasaari Kristiina 2012). A sub-segment of active family fun tourists is *young adventure tourists*. They are under 35 years old and are especially interested in action-packed and physical activities. Cultural attractions focus on music, weird Finnish habits and different types of arts. (TNS Gallup 2012, 112.)

Culturally individualist-tourists’ average age is over 46 years (Hietasaari Kristiina 2012). Segment is not singularly price-sensitive and economically they come in average very well or well along. A major part does not have under-age children influencing to the holiday decisions. (TNS Gallup 2012, 100.) Culturally individualist-tourists mostly prefer city breaks, culture holidays and activity holidays in meaning of a lot of many different activities instead of sport. This segment wants to have nature experiences without physical effort. They are highly interested in locality and originality in a destination, like culture, history and traditions as well as habits of the host community. In Finland Finnish delicacies, Sámi culture, wilderness and traditions as well as nature and its phenomenon, reindeer- and husky safaris and archipelago are listed to be a top activities and attractions. (TNS Gallup 2012, 100.) The most interested destinations for culturally individualist-tourists in Finland are Helsinki, Lapland and archipelago while Lake-Finland and coastal Finland are considered to be less attractive

(TNS Gallup 2012, 103). In Germany 21 per cent of modern humanists are culturally individualist-tourists (Hietasaari Kristiina 2012).

5 FRAMEWORK DEFINITION FOR THE TOURISM PRODUCT PROPOSALS

5.1 Segments

German tourists form the largest outbound market in Europe (ITB Berlin 2012, 10) and their spending abroad are some of the highest in the world (UNWTO 2013, 13). These facts combined with their passion to travel, make Germans an interesting segment for tourism industry. Because the German market is very wide and competition over the tourists is global (Finnish Tourist Board 2013c), the challenge is to stand out from the advertising clutter and reach the potential customers. The segmentation of the German tourism market is highly influenced by the chosen segmentation method. The overview of these methods is mentioned in section 2.2.

Researches of Newsbrokers Ltd. (2011) and TNS Gallup (2012), discussed in chapter 4, both bring up some segments which are quite homogeneous with each other and highly interesting for Finnish tourism. These are *families with children*, *active family fun tourists* as well as *culinarists and culturally individualist-tourists*. Two more are *young explorers* and *young adventure tourists*. The expectations and wishes of family groups and young explorer are quite homogeneous with each other. Moreover, the characteristics of group “culinarists” can be found also from segment “cultural individualist-tourists”. These two segments are commonly interested in new and tasty food experiences as well as other similar activities. So in this thesis these segments will be considered as just two, homogeneous target groups, *families* and *seniors*.

In Germany already more than one quarter (26,7 per cent) of the population is older than 60 years. It is the third oldest population in the world (HelpAge International 2013). Rapid aging affects tourism industry creating more senior travelers, when time and money rich seniors decide to explore the world. In addition they are not tied to work- or school schedules what means they can travel also during the mid-seasons or whenever they want. Through attracting seniors the problem of seasonality in tourism industry can be reduced. Finland interests German seniors tourists (Finnish Tourist Board 2013a), what means that in future they will become an important tourism segment in Finland and this can't be ignored. It is important to understand that senior travelers are active, demanding and fit (Ministry of employment and economy 2011, 15). They are full educated, curious and quite internet savvy, too. This situation suggests that easy access to airplanes, buildings and sightseeing attractions as well as

travel packages with suitable activities and entertainment need to be organized for seniors.

Many companies suffer because of the hard economic situation, so they have to reduce costs. These reductions have strong effects on the tourism industry by shortening the duration of the stay and the expenditures (Finnish Tourist Board 2013d). Nevertheless, as discussed in section 4.1, among the German companies business travelling has increased in recent years (Euromonitor International 2012, 5). Travels of organizational groups bring a lot of people at the same time to one region. For these travels the organizations often spend big amounts of money. For the travel industry this is a chance to gain long-term, reliable customers out of them.

Considered further to the section 4.1 the most active leisure travellers in previous years have been families, but because of the recession and the hard economic situation they have been reducing their travelling abroad. It is estimated they head their holidays to the domestic destinations, at the same time shorten the duration of the holidays and reduce the spending during it. (Euromonitor International 2012, 3-4.) For that reason in this thesis families are not considered to be a profitable target group for the next few years.

Because of increased business travelling among German companies, the decreased travelling of families and the German seniors becoming to be a significant tourism segment and having a lot of potential tourists for Finland, the *companies* and *seniors* will be taken into consider as reasoned segments in this thesis. Further considered the given preset, that companies and groups generate the most profit of MJS Travel and individuals and couples shift more and more to online booking instead of using the services of travel agencies, particularly *organizational groups* and *small senior groups* are chosen as segments developed proposals developed in this thesis.

5.2 Possible destinations

Finland is a nature destination with interesting culture as well as small and charming cities. The advantage is that one holiday can combine nature and city activities. German tourists come to Finland because of the nature, relaxation, outdoor activities as well as culture. Finland has five main tourist areas and all regions have own specialties:

- *Lapland* is the northernmost part of Finland. The main attractions are polar lights, Sámi culture, Santa Claus and wild nature.
- *Coastal Finland* extends from Oulu to the south, following the coast of the Gulf of Bothnia. Attracts with the broken coastline and highlights seabirds, islands and lighthouses.
- *Lake-Finland* includes the middle- and the eastern part of Finland. Lake-Finland attracts with amazing lake landscape, water activities and culture.
- *Archipelago* covers the area by Turku and Åland Islands attracting with tens of thousands islands, beautiful landscape and Finnish history. A great area to explore by bike or by canoe.
- *Capital area* is the region around Helsinki and the south-Finland. Provides a lot of culture, gourmet food and is a very good area for city breaks.

For selecting the main destinations first a general overview was necessary. The general overview was made using the desk survey method. The material and information is gathered from the internet using homepages of the possible destinations. Due to comprehensive homepages of the destinations as well as own knowledge and experiences about the destinations, the desk survey method was the best method for this thesis. The selection of destinations for the intended proposals of this thesis is guided by the idea of offering experiences to the customers they cannot find in Germany. The level of fulfilling the customers' preferences and expectations belonging to the chosen segment highly influenced the selection of destination, too. Therefore this thesis focuses in particular on two regions, Lake-Finland and Lapland. The reason to pick up particularly these regions is that they have a good infrastructure which is necessary for tourism, a large diversity of attractions and they are less frequented than Helsinki which is for already 37 per cent of the German tourists in Finland the primary destination (Statistics Finland 2013, 31). Further the West-coast and Archipelago were also skipped, because most of their features whether can be experienced in Germany or the other Finnish regions.

Considered destinations in Lake-Finland were Kuopio and Tahko. Kuopio is a central city in Lake-Finland and Tahko is an international tourist center situated in village Nilsjä. The material used in this thesis is collected from homepages of Kuopio Tourist Info (Kuopio Tourist Info 2013) and Tahko (Tahko 2013).

Kuopio is a city located in central Finland, next to the Kallavesi Lake. The city is a many-sided destination offering a lot of diverse activities and attractions, abundant

shopping possibilities, rich cultural life, amazing nature and local delicacies. For tourists who look for a wellness-, adventure-, nature holiday or a city break Kuopio has the right settings. Also the combination of different travel types during one holiday can be organized. Due to very good traffic connections excursions to the other cities and villages around Kuopio are easy to plan and implement. Particularly on summer Kuopio is a very appealing city with full of life. Kuopio Harbor, active market life of Kuopio market place, Pujo Tower and ski jumps, Pikk-Pietari market alley, local delicacy "Finnish fish pasty" and of course cheerful people are examples of Kuopio's attraction. Kuopio has a wide selection of especially water and adventure activities, like inland cruising, canoeing, jet-skies and (ice) fishing as well as ATV- and snowmobile safaris, rock climbing, diving and paintball. In addition, tour skating, snowshoeing, golfing, geocaching, boating, bowling and disc golfing are for example provided, too. The rich cultural life consists of museums, theater shows, events and festivals. Kuopio has some international popular events, like Kuopio Wine Festival and Kuopio Dance Festival. Kuopio RockCock festival is also a famous summer festival where a lot of international bands take part. Kuopio has an own international airport which provides easy access from and to Germany. (Kuopio Tourist Info 2013.)

Tahko is an international tourist center situated in village Nilsä, approximately 65km north-east of Kuopio. Tahko has good settings for adventure-, nature-, snow- and wellness holidays. Due to partly same activity providers Tahko offers a great selection of activities which are similar with ones provided in Kuopio. On winter the main outdoor activity is downhill skiing. Because Tahko is surrounded by water and forests it has very good trails for ATV and snowmobile driving, biking, skiing, orienteering, hiking and riding as well as great settings for jet-ski driving and cruising. In addition, shooting, archery, paintball and rope activities as well as (ice) fishing, wild water rafting, ice rally and husky safaris are possible, too. Provided indoor activities are tennis, bowling and SPA-services. Unfortunately the culture life in Tahko is not very versatile. Nevertheless, in the vicinity of Tahko some museums, theaters, attractions and even smaller events are provided during the year. In addition, services of Kuopio are not far away. Shopping possibilities are limited, offering mostly sport equipment, clothes, food stuff and local handcrafts. (Tahko 2013.) There is no airport in Tahko, so the town is dependent on the closest one, in Kuopio.

Considered main destinations in Lapland were Rovaniemi, Kittilä and Sodankylä. All three cities are popular destinations in Lapland and offer similar or same activities, like hiking, biking and different safaris. Used material is collected from the homepag-

es of Rovaniemi Tourist Information (Rovaniemi Tourist Information 2013a), Sodankylä Tourist Information (Sodankylä Tourist Information 2013) and Kittilä municipality (Kittilä municipality 2013).

Kittilä as a destination focuses on outdoor and winter sports, particularly on downhill skiing due to two international ski centers, Ylläs and Levi. Other possible activities are hiking, biking, snowmobile driving, husky- and reindeer safaris as well as skiing and snowshoeing.

Cultural life consists of some events, museums and galleries (Kittilä municipality 2013). The biggest and the most popular event in Kittilä is the international slalom World Cup Levi (World Cup Levi 2013).

An own international airport is the reason for easy access to Kittilä from Germany. Direct flights from Frankfurt and Hannover to Kittilä operate daily.

Rovaniemi is the biggest city of Lapland and is called its “capital”. The city offers a very comprehensive selection of culture and different activities. Rovaniemi combines the city life and wild nature seamlessly. In addition to the mentioned activities in Kittilä, the unique attraction of Rovaniemi is Santa Claus and his own village which is one of the main attractions. Other activities are the elk-safari by a car, wild water rafting in the summer, ice-golf and ice-rally, for example.

Rovaniemi provides cultural experiences through museums, galleries, theaters and events. Already walking through the city is a cultural experience due to architecture of Finnish Alvar Aalto, who has been designed for example the Lappia-house. Finnish design impacts the products sold in several shops of the city.

Rovaniemi is located in southern part of Lapland and the distances to other important destinations like Kittilä, Kemi and Sodankylä are not that far. Because Rovaniemi has an own international airport the access from Germany is also good. (Rovaniemi Tourist Information 2013a.)

Sodankylä provides great settings for different outdoor sports. The cultural offerings consist of many events organized through the year and the traditional Sámi culture. Sodankylä has a large selection of extraordinary attractions and places to visit: The Amethysts mine, Gold Village, igloo-village Kakslauttanen and Aurora House.

In contrast to Rovaniemi and Kittilä, Sodankylä has no own airport. So the city is dependent on the close international airports like Kittilä. (Sodankylä Tourist Information 2013.)

5.3 Trip configurations

Trips can be developed as a round tour or they can be centralized in one host destination with several short trips to remote destinations around. *The round tour* leads the tourist through many different destinations offering several places to visit and a lot to see. The round tour shortens the total travelled distance for a predefined amount of attractions to visit. To get the best out of the round tour and to avoid unpleasant surprises tours should be well planned. Especially abroad the national holidays might cause problems for spontaneous and unplanned travelers. At the same time the predefined route can become the biggest disadvantage impeding the flexibility to modify the ongoing trip. For the tourists wanting to get in contact and interact with the host culture and the host community the round tour might leave the impressions of the destinations too superficial. For the tourists searching new destinations are round tours a great way to explore a lot of places in a limited time. Especially young explorers and couples of all ages travelling through Finland and picking up new experiences and perspectives are supposed to be suitable segments for round tours.

The centralized holiday is characterized by a central host. The centralized holiday also provides the possibility to explore many destinations if the host destination is chosen wisely. The customer has a central point to return, so it is not necessary to carry all the time all the luggage and equipment. The strength of centralized holidays is besides the chance to focus on certain attractions, the high flexibility in selecting the attractions individually and the amount of time to spend at each remote destination. Tourists who are not interested in certain attraction can decide to skip them or to change them for another attraction. The price therefore is an almost double travel distance compared to the round tour. The tourist has a chance to focus on a limited area. So a closer interaction with the host community, culture and destination can be achieved. Centralized holiday fits better for example to families with children, who do not have the patience to sit for a long time in a car. The seniors who like to have a restful holiday with interesting program might be potential customers for centralized holiday, too.

5.4 Variation of transports

First this section gives an overview about transport possibilities from Germany to Finland. From Germany to Finland it is possible to travel by airplane, by car or by ferry. Air and land transports are the most used modes by Germans but due to high costs

people do not travel anymore so much by car than before (Euromonitor International 2012, 1 & 4). Most of the potential tourists in Germany are settled in regions approximately 90 minutes away from the main airports. These are regions around Berlin, Hamburg, Düsseldorf, Frankfurt, Munich and Stuttgart. (Finnish Tourist Board 2013c.) All of these airports offer flights to Finland. Flying to Lapland mostly involves one change in Helsinki, but the new flight connections from Hannover and Frankfurt to Kittilä mentioned in section 4.2 are direct connections. The travel duration by airplane is only a couple of hours, although Germans still believe that Finland is far away and access is difficult.

Another option to travel to Finland is to drive by car through Denmark and Sweden or the route through Poland, Baltic countries and further through Russia. The disadvantages of the second option are the duration and the road conditions besides the visa issues concerning Russia. To avoid spending hours on the road it is always possible to take a ferry from North of Germany to Helsinki. Departures are available from Travemünde and Rostock and take approximately 30 hours to Helsinki. Travelling by ferry usually is more expensive than by airplane.

Second this section gives an overview about transport possibilities during the stay in Finland. The most of the Finnish airports and harbors host car rental companies. For an independent, self-organized holiday a car is the easiest and the most fluent way to travel between the destinations. A rented car is not needed with a package holiday, because the price usually includes transports between the airport, the accommodation, the destinations and the attractions (see chapter 3). This pre-organized transport simplifies the travelling for the tourists. They need not to concern anymore about routes, orientation or other details. A side effect is the increased value of the package for the customer and possibly an increased selling price for the provider.

Another option is to travel by bus or train. The traffic infrastructure in Finland is extensive but, like mentioned in section 3.3, due to expensiveness, long travel durations and long waits between the connections the use of public transports is not suitable for all tourist segments. At summer time there is also possibility to travel by bike, but due to long travel distances in this thesis going by bike is considered to be more an activity than a transport vehicle.

5.5 Selection of accommodation

Considering the competitors researched in chapter three the most provided accommodation modes in Finland are hotels and hostels, the cottages and the glass-igloos. In turn, considering the Finnish Tourist Board article (Finnish Tourist Board 2013c) the most popular accommodation types among the German travelers are these with a extraordinary, the igloos, the snow hotels and the lighthouses for example. The fourth accommodation type is guesthouses. Hummel Reiseideen is the only company of the three compared in chapter three providing also possibilities to stay in guesthouses.

Hotels and hostels are uneventful but easy ways to stay the night. In Finland there are a lot of domestic and international hotel chains. The selection is wide and standards differ from simple to luxury. The hotels mostly are located nearby the city centers or in the urban areas with quick and easy connections to the city center. For this reason they fit well to tourists having a city break or preferring accommodation next to the main services of the city. Depending of the hotels' standards the prices usually include breakfast as well as the permission to use sauna, gym and other facilities.

The *cottages* are authentic and a very "Finnish" kind of accommodation. Often the cottages locate nearby the nature offering more privacy and calmness than hotels. Nevertheless, in Finland the tourist- and ski centers offer a lot of cottages which locate next to the main services, like supermarkets and pistes. Like in the hotels the features of the cottages vary from simple to very modern and well-equipped. The cottages are preferred and practical for families as well as for groups. Prices often do not include breakfast or other meals. The *guesthouses* combine the characteristics of a hotel and a cottage. They provide the services of hotels but the location is close the nature like cottages. In guesthouse individual tourists as well as groups feel at home. The *igloos, snow hotels and lighthouses* are accommodation types which are used as a highlight in program to create additional value to the customer. These accommodations are normally very expensive to book separately and many times they are provided as optional event with surcharge. Because of the extraordinary nature they attract tourists.

5.6 Selection of activities

Preferred activities in Finland among the Germans are husky-safaris, hiking and biking (Finnish Tourist Board 2013c). Considering the comparison in chapter three, besides these activities the tourism companies often provide further activities like sau-

na, polar lights, skiing, canoeing, snowmobile- and reindeer safaris, as well as fishing and wild animals watching. Clean nature, fresh air and remote destinations offering relaxation attract German tourists. Germans are also interested in Finnish history, culture, habits, its location as well as the relationships to Sweden and Russia.

Germans appreciate green values and sustainability. These values are important to them during the holidays, too. (Finnish Tourist Board 2013a.) Eco-friendliness and sustainability are influencing factors also when deciding the destination. Tourism providers who consider these preferences increase the attractiveness and value of their programs for German tourists.

As discussed, Germans can be divided into the several segments and each segment highlights different elements and activities.

- For *young explorers'* examples of the interesting activities and attractions could be wild water rafting, geocaching, ice-rally, horse trekking, water skiing, polar lights and ice fishing as well as festivals.
- For *families'* holiday cottages, husky- and reindeer safaris, Santa Claus, wild-life watching, adventure and theme parks, hiking and canoeing as well as Finnish products, (ice) fishing and sauna are examples of preferred activities and attractions (TNS Gallup 2012, 107).
- For *seniors* Finnish delicacies, the location between East and West, Sámi culture, sauna, nature and relaxation as well as events, architecture, and Finnish traditions are examples of the suitable activities (TNS Gallup 2012, 100).

Seldom or not provided activities should be offered for supplementing the classic portfolio to create innovative tourism products. In order to this approach in the following a brief overview about a lack of the activities in the offers of the competitors mentioned in chapter three is presented based on a desk survey:

- *Jet-skies* are a great way to explore lakes in Finland. They are often provided among the Finnish tourism providers.
- *Water skiing* is a challenging but funny way to spend a warm summer day.
- *Gold panning* is an activity which is offered particularly in Lapland. Gold panning also belongs to Finnish history.
- *Wine farms*. There are 25 berry and wine farms in Finland. Most of them are located in Lake- or southern Finland. (Suomen viiniyritykset Ry 2013.)
- *Traditional therapies*:

- *Natural and herb therapies* offer well-being at the same time to the mind and body.
- *Earthing* means “the direct contact with the ground”. It eliminates the stress by combining the traditional, Finnish natural treatments and direct contact with the ground, like walking barefoot on different natural surfaces for instance. (Finnish Tourist Board 2013a.)
- *Mindfulness* is a method to learn how to manage stress and to slow down. Combined with warm sauna Mindfulness offers fully relaxation. (Tupaswillä 2013b.)
- *Wilderness dinner* provides an unforgettable dining experience surrounded by nature. Due to hundreds of variations it can be customized to all segments and it is very easy to combine with other activities. Activity can be organized in different environments with all kind of menus.
- *Overnight in laavu* (a shelter in the woods with three walls and a sloped roof) offers an authentic experience for real adventurers. This accommodation is easy to combine with activities like biking, hiking and hunting and is suitable for individuals and for small groups with professional guide.
- *Wild water rafting* is suitable for many different segments because of various difficulty levels. It is an adventurous activity, proving amazingly the barrenness and the power of the nature.

6 PROPOSALS OF TOURISM PRODUCTS

This chapter presents the package holiday development for German tourists. Objectives are to develop two tourism packages, which are feasible in practice and can be tailored according to customers' wishes and requirements.

6.1 Proposal for companies

The first proposal is developed for organizational groups with 5 to 20 persons and for duration of three nights. Package is made for summer season and destination will be Kuopio, East-Finland. The proposal's major benefit will be the providing of high quality teambuilding possibilities in an exotic environment. Teambuilding travels for example are used by companies as a praise of good work, booster of motivator as well as strengthen the teamwork between the team members. The proposal's concept is to be a centralized holiday, first because of the short duration of the travel and second to avoid the nonstop transporting of the baggage.

6.1.1 Destination

Kuopio and Tahko both are located in Lake-Finland and offer similar activities. Both destinations provide a very comprehensive selection of activities offering adventure, relaxation and activity. Kuopio became more considerable destination for companies than Tahko because of the better infrastructure, more central location and an easy access due to an own airport. In Kuopio all important services can be found, too; like shops, bars, restaurants and museums. Kuopio has also a rich cultural selection. The bunch of activities, local culture and local cuisine can be combined to generate an attractive tourism product. Product customizing in Kuopio is easier because there are more choices to choose between activities, culture and cuisine. Hereby, Kuopio is chosen as a main destination for companies.

6.1.2 Accommodation

Due to the different preferences of the groups the package has two accommodation alternatives; the hotel and the cottage. These alternatives are chosen because of the suitable characters of the group accommodations and Kuopio has a comprehensive selection of hotels as well as cottages. Guesthouses in Kuopio area are located quite far from the city center. Therefore they are not included to the basic package. Hotels

in Kuopio mostly are located nearby the city center. Hotel services, like restaurant, lounge and room service might simplify the arrangements for the bigger groups. A hotel room offers more privacy than a big cottage, which in turn is more authentic. Although cottages mostly are located near to the nature, it does not necessarily mean to be far away from the services of the city center. Focusing the teambuilding aspects a cottage accommodation is more efficient way to get people to know each other.

6.1.3 A core product – service concept

The tourism service package of the first proposal is shown in figure 5. In this proposal the core product is considered from the point of view of the company director. The value of the teambuilding travels for company director is to receive a more efficient, effective and cooperative team of employees who reaches and achieves the objectives of the company better. Through this the performance of the company or department improves and at the same time the satisfaction and motivation of the employees will be maintained. The challenge of the business travel is that the directors of the company might have different expectations for the travel than the employees. The product modules need to be selected in a way that expectations of both parts can be successfully fulfilled. Also the content and scheduling has an important role in success of the travel. Unattractive activities as well as a too tight or too thin program decrease the satisfaction of the employees.

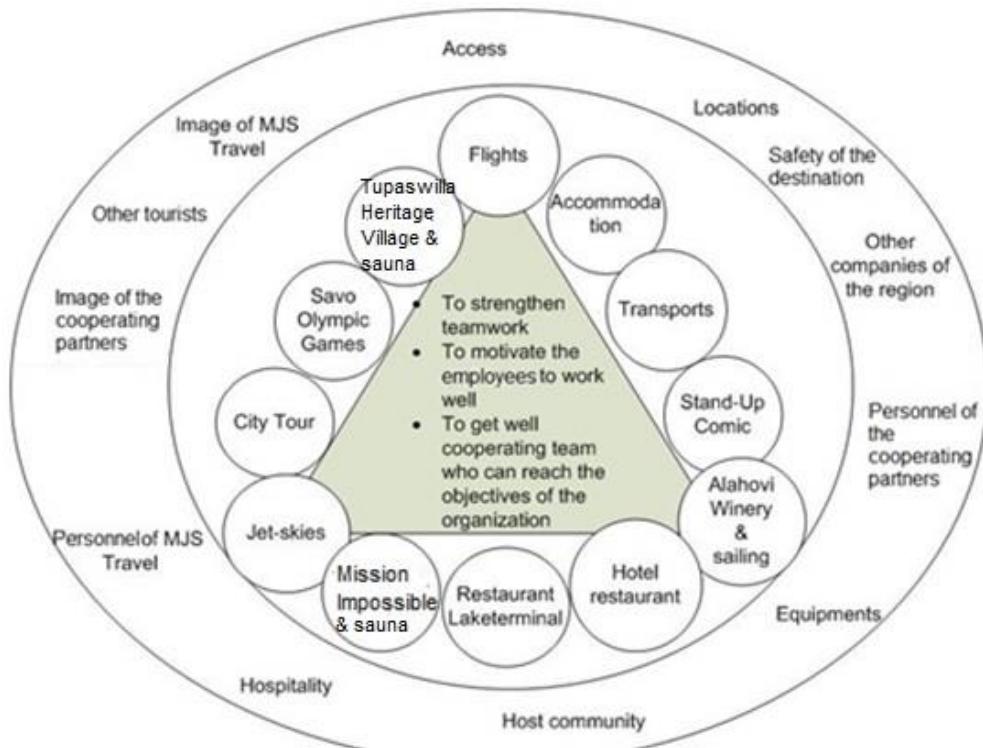


Figure 5. A Teambuilding travel from the company director's perspective.

6.1.4 Activities – Travelers' service process

Provided activities are diverse to enable as many participants as possible to enjoy and have fun at the same time building stronger connections to the colleagues. To get the all benefits from the activities, active participating by each participant is required. Authentic and suitable locations, environment, professional and friendly personnel, safe equipment and a positive atmosphere provide a framework for satisfaction of each customer. The teambuilding theme is represented in the activities to strengthening the feeling of “doing together”, to give the chance to make the acquaintance of other team members and at the same time to provide active, fun and relaxing business trip.

The provided *Kuopio city tour* (Kuopio Tourist Info 2013) increases the awareness of the city, the culture and the history. Pictures and heard stories the visitors take home and by sharing their experience with their friends at home they promote Kuopio and Finland which might be a pull-factor to other tourists, too. Visiting *at Alahovi Winery* (Alahovi 2013) promotes the awareness of Finnish wines and Finnish products. Alahovi is located in Vaajasalo Island which is reachable by ship. At destination the history about the function of Winery and wine manufacturing in Alahovi is presented to the group. Later the group will enjoy a lunch which will be served in Alahovi Wine Tavern. *Savo Olympic Games* (Tahko Safarit 2013a) familiarize the group with each other in a funny way. Inside the large companies the departments can be that huge that tens of people are working together without really knowing each other at all. To get to know each other is not easy in a big group. Savo Olympic Games divides participants into the smaller groups who playfully compete against each other. The main ideas of the game is not winning but to work as an icebreaker and let forget the rigid formalities through the spurring and together doing. Unnoticed the atmosphere rises and people start to chat with each other. Besides, after Savo Olympic Games everybody has something in common to talk about alongside the work.

Tupaswilla is a company organizing activities and wellness-experiences for individuals and groups (Tupaswilla 2013b). The first activity, *improvisation- and drama exercises* lead the group to consider together the actual situations in working community with a professional theater director. All companies and working communities have some challenging topics which need to be handled. Besides boring and official meeting they can be dealt through plays and theater exercises which make the process more innovative and creative. Problems will be solved together and so the team spirit

becomes strengthened. Afterwards the visitors will make a tour around the *Heritage Village* in Tupaswilla and will have a traditional *Finnish sauna* experience either the biggest smoke sauna in the world of two floors (Tupaswilla 2013b). Before driving back to Kuopio a tasty homemade dinner will be served in Tupaswilla.

An excursion to Tahko can be chosen of the Tupaswilla excursion. Customers can choose which activity appeals more. This generated more variety to the package. *Mission- Impossible* (Willi 2012a) is an activity where the whole team needs to participate actively to get the best out of it. This activity measures the team's skills of cooperating. It also reveals the roles of the team members. A *Panorama Sauna* offers scenic relaxation. Sauna's window gives a view over the Tahko's amazing landscape. (Liinamaa Palvelut 2013b.) After the sauna a dinner will be served in Pehku Bar.

Jet-ski safari (Tahko Safarit 2013b) is integrated to the package to provide something different, active and funny. It is a great way to explore Finnish lake scenery. It is very easy to make different variations out of this activity. The length and duration of the drive can be changed, as well as the destination. It can be combined with many different elements and modules. The selected version in this proposal is just a one, possible combination. *Laketerminal* (Loimutar 2013) is chosen to be the last restaurant because of its location, great access by jet-skies, fluently German speaking personnel and facilities to serve an unforgettable wilderness dinner in wilderness hut close to Kuopio airport. They also support sustainable tourism and use local products and raw-materials which is important for German tourists.

Due to the wide selection of menus at Pehku Bar and Laketerminal for this proposal a pre-selection of the offered menu was necessary. From the selection of Laketerminal six wilderness menus (Loimutar 2013) and from Pehku Bar four summer barbecue menus (Liinamaa Palvelut 2013a) are chosen. Through wise and versatile pre-selection customizing of the dining experience is possible.

6.1.5 Service system

Tourists are dealing with very many factors and people during their holiday. So it is impossible to control and affect every single meeting with service personal, other travelers and host community. Nevertheless, many factors can be affected. The personal of the own company can be trained in customer oriented way as well as the positive image can be built with persistent effort. This is the way to control what kind of first impression the customer receives. Reliable, professional and customer oriented cooperating partners are important as well as for the business and the own image but also for the customers' impression. By choosing the proper partners the customer satisfaction is easier to achieve. The safety of equipment and professionalism are vitally important through the whole holiday. The best way for the travel agency to ensure that conditions and service satisfy the promised and expected level is to get to know cooperating partners and to participate in the offered activities by themselves before including the product to the own portfolio. In consequence in this thesis some existing tourism providers are selected based on own experience.

6.2 Proposal for senior groups

Segment "seniors" is such a wide and heterogeneous group that it is necessary to concentrate on some particular, more homogeneous senior group. Based on one Finland's target market, "culturally individualist-tourists" (TNS Gallup 2012, 100), and Finland's characteristic as a destination will seniors who have good or quite good economic situation, who are active and social as well as interested in culture and their own well-being for this proposal the segment "seniors" is limited to this specified target group.

Package holiday for seniors will be developed for groups with 3 to 18 persons. The duration of the holiday will be seven nights in wintery Finnish Lapland. The proposal is developed to be a centralized holiday. Without the integration of rented car considering the transportation issues centralized holiday is the better option. The excursions generate variability and expand the image of the Lapland. Further, the customers are seniors wanting relaxation and balance. Centralized holiday can offer it more and easier than a round tour. In addition centralized holidays can offer more free time and increase the level of flexibility.

6.2.1 Destination

Based on the collected information of the destinations and result of the overview presented in section 5.2 for this proposal Rovaniemi is chosen as a main destination and Sodankylä and Kittilä as additional destinations for separate excursions. Rovaniemi has an own airport which makes it easy to reach. In addition, the flights from Germany to Rovaniemi are cheaper than to Kittilä. Further, it offers the services of the bigger city, a lot of attractions to visit and a lot of culture which is important for the segment. The distances from Rovaniemi to the other interesting tourist destinations are not so far and the city life is easy to combine with the wilderness. Besides, as mentioned in section 5.2, Lapland is one of the most attractive destinations and has a selection including the most interesting activities for seniors (TNS Gallup 2012, 100).

6.2.2 Accommodation

The selected accommodation alternatives for the seniors are a double room in a hotel or a cottage. These alternatives are chosen because of the reasonable range of prices. Other consideration was glass-igloos but because of the really high price level they were dropped out, thought the segment is not particularly price-sensitive (TNS Gallup 2012, 100). Snow hotels and glass-igloos are more highlights and suitable for one night experiences than for the accommodation for the whole duration of the holiday. The general overview about the destinations showed that there are some nice cottages and small houses for the tourists available around the city center of Rovaniemi still locating in calm areas. The central locations of both main accommodation types were also a reason to consider them as the main options.

6.2.3 A core product – service concept

The proposal is develop considering the characters and preferences of the segment “modern humanists”, particularly “culturally individualists-tourists” (TNS Gallup 2012, 100). It describes best the selected, active, economical well situated and culturally interested seniors. Because for seniors the own well-being, other cultures and communities as well as emotional experiences are important (TNS Gallup 2012, 25) this proposal has been developed to consider all these aspects. The received values of the customer are new experiences and balance for soul, mind and body which will be delivered through various activities creating holistic well-being. Security is a very important factor in satisfying holiday. A safe environment for example means besides

the safety of the destination also professional and care taking personnel, secure equipment and suitable activities for example. These factors together generate safe holidays.

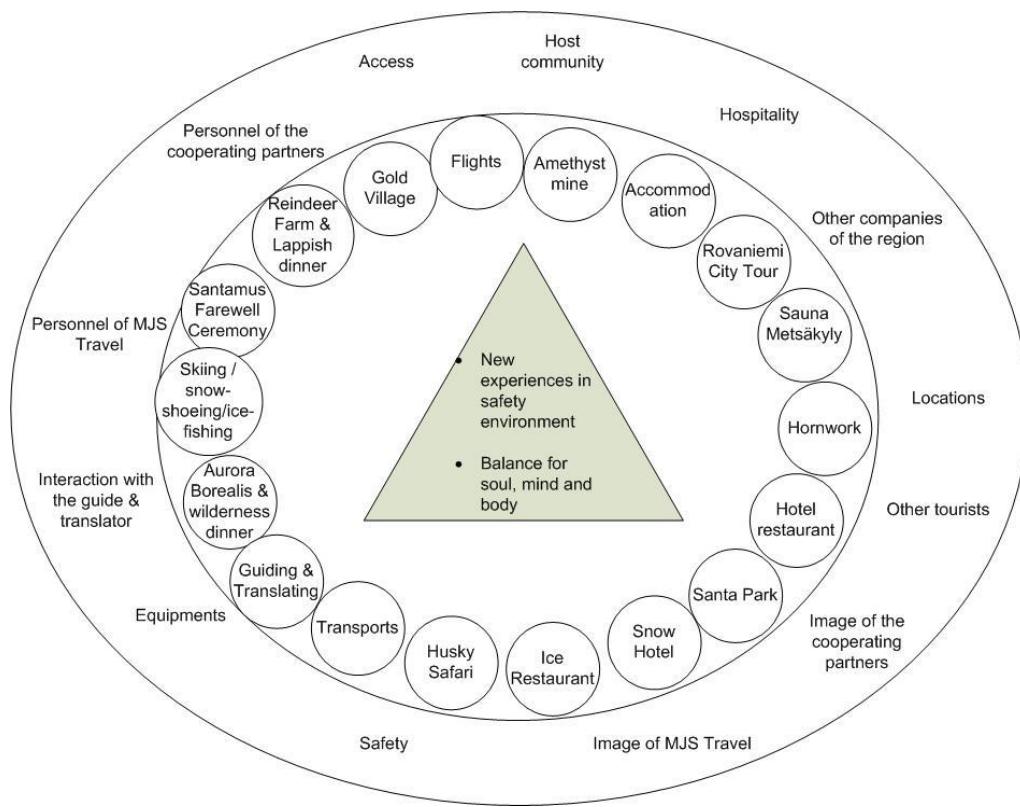


Figure 6. Holidays in Lapland from a customer's perspective.

6.2.4 Activities – Travelers' service process

As presented in figure 6, the selected activities consider the general interests and age of segment members. The package is built to give a comprehensive picture of Lapland and to create new experiences. Because mental as well as physical well-being is important to the target group activities are chosen so that finally both of them as well as culturally curiosity are satisfied. Especially important themes during the holidays for seniors are new cultures and traditions, host community, wild nature, cuisine and history (TNS Gallup 2012, 101) which are considered for the activity selection.

Authenticity is the leading spirit of the tourism products, which has been delivered to the program through the interaction with host community, nature phenomenon, Finnish traditions and cuisine. For instance these are the meetings with the host of a Purnumukan reindeer farm (Purnumukan Porofarmi 2004) and with the handworkers of

Hornwork (Hornwork 2013), phenomenon Aurora Borealis and Finnish sauna. The participation level of activities varies from passive to active participation.

Seniors are really interested in culture and architecture (TNS Gallup, 103). Lapland combines modern, traditional and historical cultures. Good examples from the modern culture are the architecture of Rovaniemi city and the products with Finnish design as well as galleries. *Rovaniemi city tour* provides detailed information about attractions and important buildings (Rovaniemi Tourists Information 2013b). The city tour selected in the proposal familiarizes the visitors with the most important attractions of Rovaniemi and leads to Santa Park where visitors have free time to explore the village of Santa Claus individually. The historical cultures of Finland are provided through different *museums* and *Sámi culture*. Old traditions and industries are slowly dying out what increases their attractiveness. *Reindeer herding* and *Lappish hand-works* are traditional, still existing industries in Lapland which have a long history.

Visit at *Santa Park* (Santa Park 2013) awakes the sleeping child in each heart while *polar lights* and the *snow hotel* (Arctic Snow Hotel 2013a) bring mysticism and magic into the holiday program. In *Sauna Metsäkyly* (Metsäkyly 2013) visitor receives a traditional Finnish sauna experience in tranquility of nature. It offers calmness and relaxation through warmth and sauna treatments. *Lampivaara Amethysts mine* (2013) as well as *Gold Village* (Tankavaaran Kultakylä 2013) and *Gold museum* (Kultamuseo 2013) expand the knowledge about Finnish industries and products. Visits combine history, landscape, culture and active participating. Due to physical sports are not the top activities among the segment (TNS Gallup 2012, 101) *husky*- and *reindeer safaris*, instead hard sport, are provided and only few *outdoor activities* needing light physical effort are offered. *Farewell ceremony* (Santamus 2013) will be organized in *Santamus*. The ceremony delivers the Lappish magic one more time to the visitors. Cuisine is a very important factor on holidays and culinarism can be used as a program highlight. Homemade *Lappish delicacies* are served in authentic surroundings with additional effects, like stories, shows and northern lights. Particularly *wilderness dinner* (Unique Lapland 2012a) is something very special and is an unforgettable experience even without nature phenomenon. Already the light of candles and fire together with the contrast of the warm air in wilderness hut and cold outside temperatures create the magical atmosphere where the old stories awake again.

Customizing and tailoring is considered in this proposal by a selection of flexible activities and providers. The region around Rovaniemi, Kittilä and Sodankylä has a lot

of different providers offering reindeer and husky safaris, polar light tours and sauna experiences. They also provide a lot of different products and activities. Providers, like for instance Unique Lapland and Metsäkyly, and activities are examples chosen for this proposal and can be changed. The outdoor activity selection can be modified as well, if for instance harder physical activities are desired than the existing ones in this proposal. Amethysts mine, Santa Park, Gold Village and Santamus are extraordinary places and cannot be found from elsewhere.

The provider of offered Husky safari in Ylläs, Kittilä is not explicit nominated because there can be found many husky safari providers at the ski center. In this case a husky safari is not the destination by itself, but an activity in destination Ylläs. Purnumukan Reindeer Farm is nominated because it locates in Finland's southernmost Sámi village and is the main a destination of the particular day.

6.2.5 Service system

As mentioned in sections 2.6 and in 6.1.5 the service system includes many factors which must be considered carefully. Customer orientation needs to be the guiding principle in the actions between the own and the partner companies. Partners need to be selected carefully. The destination and activities must be suitable for the target segment and safety of the destination, activities, equipment and professional personnel in each destination and activity are vital.

The proposal is developed to be quite guided generating the feeling of the safety and care. Nevertheless the tourists still have possibilities to decide by themselves how to spend their time. For the safety reasons the proposal is developed with common transport instead of renting a car. German seniors are likely not used to drive in Finnish winter conditions so common transport reduces risks. In addition, organizing of the transport is easier when the whole group goes at the same time to the same place. Although German people speak in general good English they prefer to have service in their mother language. In Finland the German service is not available everywhere. To avoid misunderstandings and for safety reasons a German speaking guide is provided as an optional service for surcharge.

7 PRICING OF PROPOSALS

This chapter discusses the pricing of the developed proposals. Considering the framework of this thesis as discussed in chapter 5 the proposals are dedicated for groups. Therefore the pricing focuses on such groups. The objective is to calculate the proposal's selling price for a group of five persons. The leaving out of particular activities by the customer is possible and reduces the total package price. The size of five persons has been chosen because it is considered to be a good balance between business oriented groups like companies, and social interacting groups like people who travel with friends. The prices for different size of groups will be provided on demand.

Prices are calculated using prices of the products and services available on November 12th 2013. The selected pricing method is cost-based pricing as discussed in section 2.7 discussed because it is the used method of MJS Travel. From the average prices is reduced 5 per cent discount because the buyer, MJS Travel is a company and it assumed that a 5 per cent discount can be negotiated. Thus, the purchase prices for MJS Travel are 95 per cent of the services' normal prices. Due to MJS Travel is a profit making company 10 per cent surcharge is added to the discounted purchase prices. Therefore, the selling price consists of purchase price minus 5 per cent discount plus 10 per cent surcharge. The total selling price is equal to 104,5 per cent of the original price.

Due to the lack of the reliable information the transport costs could not be included properly in the pricing, so to the transport costs have to be added to the selling prices of the proposals. Nevertheless, the offers and prices need to be put out to tender to get the best offers before the proposals will be implemented.

7.1 Description of pricing process

Selected German airports for the return flights for both proposals are:

- *Berlin*, because it is the capital of Germany,
- *Frankfurt*, because it is the biggest airport in Germany,
- *Munich*, because there the largest proportion of MJS Travel's target group is located.

As mentioned in section 4.3 seniors are not particularly price-sensitive (TNS Gallup, 100). It can also be suggested that the both segments, companies and seniors, are not willing to travel 16 hours to Finland if also flight with 4 or 5 hours is available for only a little bit higher price. Considered these two points the flight prices are selected on the strength of the easiest and the shortest connections instead of the cheapest price.

Proposals are calculated for two different accommodation types, for a hotel and for a cottage. Hotel accommodations are a double room including breakfast. Cottage accommodations consider cottages for 4 to 6 persons because the pricings are made for the groups with 5 persons.

First was collected the price information from the homepages of the companies whenever possible: These companies are:

- Alahovi Wine and Berry Farm
- Arctic Snow Hotel
- Airport Taxi Rovaniemi
- Cumulus
- City Hotel
- Gold Village
- Gold Museum
- Kotareitti
- Komiikkateollisuus
- Kotitie
- Kuopio Tourist Info
- Kylmämaan Ohjelmat Ltd.
- Lampivaara Amethysts mine
- Lapland Safaris
- Liinamaa Palvelut
- Loimutar
- Pohjoisa-Savo.info
- Rantatuuli
- Rami's Huskies
- Rovaniemi Tourist Information
- Santa Park
- Scandic Hotels

- Snow Fun Safaris
- Sokos Hotels
- Spa-hotel Rauhalahti
- Tahko Safarit
- Tupaswilla
- Unique Lapland
- Villakuopio
- Willi

Second was to call to the companies who did not provide the information on their homepage. In detail this was applied for followed companies:

- Hornwork
- Tupaswilla

Third step was to write email to the companies with no prices on the homepages and who did not answer the phone call. This was necessary to do for the following companies:

- Alahovi Wine and Berry Farm
- Metsäkyly
- Santamus

Last step was to use online-price scanner Skyscanner Ltd. (2002) for estimation of the ticket prices for the flights. Because for flights daily prices are applied for the company proposal the recherché covered prices for June, July and August 2014. Because the main winter season occurs until April, in the proposals for the seniors the average flight prices have been calculated from January to April 2014. Finally, the averages of these prices were calculated for each proposal. For the easier calculations each months was weighted equally.

7.2 Pricing for company proposal

This proposal consists of the flights, accommodation, transport, full board meals and activities. Next, the sources for the price information are presented here:

For the flights the homepage of Skyscanner Ltd. (2002) was used as described in section 7.1. Moreover, the basic prices for accommodation were collected from:

- Rantatuuli (Lomahuvila Rantatuuli 2013)
- Scandic (Scandic Hotels 2013)

- Sokos(Sokos Hotels 2008)
- Villakuopio (Villakuopio 2013)

As mentioned in the introduction of chapter 7 reliable information about transportation costs were only available for the airport transport on Pohjois-Savo.info (2013). Due to lack of information further transport costs have to be requested on demand yet before the proposal can be applied in practice.

For the meals the price information were collected from:

- Alahovi Wine and Berry Farm (Hallman, T. 15.11.2013)
- Loimutar (2011)
- Liinamaa Palvelut (2013a)
- Rauhalahti (2013)

The idea of the proposal was to provide also buffet meals to the customers, although none of the selected hotels, but Spa-hotel Rauhalahti, provide information for buffet prices. Therefore, in this thesis is assumed that the buffet prices presented by Spa-hotel Rauhalahti (2013) can be negotiated with the selected hotels, too. At last Spa-hotel Rauhalahti was not selected as accommodation because of the high room prices.

The prices for the activities were collected from:

- Alahovi Wine and Berry Farm (Hallman, T. 15.11.2013)
- Komiikkateollisuus (2013)
- Kuopio Tourist Info (2013)
- Liinamaa Palvelut (2013b)
- Tahko Safarit (2013a, b)
- Tupaswilla (2013a; b)
- Willi (2013b)

In the following an explicit overview on the proposal's pricing is presented. The prices of the different elements of the proposal were given in different ways. Some of them were given for one person and one use, some others were given for one use and any number of persons and some were given for a concrete number of persons for the entire duration of the proposal. In consequence all these prices had to become homogeneous first. As already mentioned in section 7.1 and presented in appendix 4 the price was calculated for the entire duration and groups of five persons. These average interim prices finally were added to the total price of the proposal excluding op-

tional add-ons. Considering the intended possibility of customizing of the proposal the customer can choose between two different accommodations (hotel or cottage) and two different excursions (Laukaa or Tahko). As presented in appendix 4 this results in four different total prices between 4263 € and 5578 € for five persons and three nights depending on the combination of the choices.

7.3 Pricing for senior proposal

This proposal consists of the flights, accommodation, transport and activities, some of them with meals included. Next, the sources for the price information are presented. For the flights the homepage of Skyscanner Ltd. (2002) was used as described in section 7.1. The trustable information about transportation costs was only available for the airport transport on Airport Taxi Rovaniemi (2010). Before the proposals can be executed in practice the further transport costs have to be requested on demand. Further, the prices for the accommodation were collected:

- City Hotel (2013)
- Cumulus (2013)
- Kotareitti (2013)
- Kotitie(2013)

For the activities the price information were collected from:

- Activities with meals
 - Arctic Snow Hotel (2013b)
 - Kylmämaa tours (Kylmämaan Ohjelmat Ltd. 2012)
 - Unique Lapland (2012a)

Because Purnumukan reindeer farm's price was not available and Kylmämaan Ohjelmat offers a similar excursion as Purnumukan the reindeer farm excursion was calculated with the price of Kylmämaan Ohjelmat (2012).

- Activities without meals:
 - Gold Museum (Kultamuseo 2013)
 - Gold Village (Tankavaaran Kultakylä 2013)
 - Hornwork (Kangasniemi, A. 2013)
 - Lampivaara Amethysts mine (2013)
 - Lapland safaris (2012)
 - Metsäkyly (Kuusisto, S. 14.11.2013)
 - Rami's Huskies (2013)
 - Rovaniemi Tourist Information (2013b)

- Santamus (Viitala, E. 15.11.2013)
- Santa Park (2013)
- Snow Fun safaris (2012)
- Unique Lapland (2012b)

For a German guide, which is an additional service, the price was collected from Taloussanomat (2.1.2012). Considering the reference Taloussanomat (2.1.2012) the salary of the guide approximately is 11€ per hour. In this thesis the standard length of a working day, 8 hours, is used to calculate the price of a guide.

The next is presented the explicit overview on the proposal's pricing. As mentioned by section 7.2 the prices of the different elements were given in different ways and it was necessary they to become homogeneous first. The price was calculated for the entire duration and groups of five persons. The average interim prices were added to the total price of the proposal excluding optional service. To improve the customizing of the proposal the customer can choose between two different accommodations (hotel or cottage) and three different outdoor activities (skiing, snowshoeing and ice-fishing). As presented in appendix 5 out of the outdoor activities' individual prices are an average price calculated. Two different accommodation alternatives result in two different prices: With hotel accommodation 11218€ for five persons and with cottage accommodation 6916€ for five persons.

8 CONCLUSIONS

My idea for an appropriate topic for this thesis was surrendered by the wish to work on a topic which is practical and useful to me as well as to the client organization. The topic of this thesis fulfils all these terms and I am very happy for the opportunity to develop a concrete product what at the same time fosters me to progress in my expected career.

The working process was interesting and taught me many things about the analytical working and the developing process of a new tourism product. Also my academic English improved during this process. Because I prefer practical work the practice-based method fitted to me and my working behavior. Though I already had the basic knowledge about the discussed topics in this thesis I still got a lot of new information about the Finnish tourism regions, possible activities and of course about German tourists, their behaviour and possible future tourism trends. The collected information is very useful and important for my future career. My purpose is to establish and strengthen cooperation between German and Finnish tourism operators in order to use my strengths in my future work like language skills, living experiences in Germany and Finland and the knowledge of the different cultures.

The most difficult part for me during the process was the beginning. After initial difficulties the rest of the working process proceeded quite smoothly. The research for the proposals' framework and the concrete developing process of the proposals was easy and interesting. There were contradictions between the different sources. Therefore the collection of the material and information for the theoretical framework took the most time, and in addition the amount of the reliable and available information of the different topics was heterogeneous.

First the scope of the thesis was formulated too wide and during the process, on request of the client organization, MJS Travel, it was reduced and focused to essential aspects. This process did not change the objectives of the thesis but it gave me a more precise perception of the topic, facilitated to define the framework of the thesis and improved the work's suitability for the use of MJS Travel.

The structure of this thesis can be understood as a funnel. From top to bottom the bunch of information becomes structured and finally all the elements become put together to the final products, the two developed proposals.

The focus of the thesis was the development of the tourism product proposals. Marketing as well as sale will be applied by MJS Travel in the wake of this thesis.

The result of this thesis consists of two tourism product proposals with an average pricing for German tourists. One is developed for company groups and the other one for small senior groups. These two segments have been chosen in order to the previous analysis. Company groups were selected for the first proposal. Considering the experiences of MJS Travel, in particular the strengthened independence of individual travellers, the increasing demand for business travels and team building actions as well as the introduction of bonus systems for employees between German companies, company group's importance as tourism segments is expected to rise in future. Seniors generally can be considered to have enough free time to go on holidays during the whole year. Further these seniors who go on holidays also can be considered as willing to spend money for their comfort and recreation. In order to the general demographic aging of the German society, seniors are considered as another growing segment for Finnish tourism industry.

The destination for the companies is the summery city of Kuopio in eastern Finland. Due to different options to select the proposal has four different prices varying from 853€ to 1116€ for one person and three nights. The destination for the seniors is the wintery Lapland. The price per person for one week is 1383€ with a cottage accommodation or 2244€ with a hotel accommodation.

The objective of this thesis to develop customer oriented tourism products for the selected segments appropriate which can be applied in practice was completely achieved. In addition the thesis' results can improve Finland's incoming tourism. An outlook to further work in tourism studies is to develop for seniors' suitable autumn tourism products could extend the tourism season in Finland and at the same time it would decrease the influences of the seasonality.

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Appendix 1 – Interview with CEO MJS Travel

Protocol of the Interview of Tuija Preda with Mark Spas, the CEO of MJS Travel within the framework of her thesis

In the following this protocol presents the questions and the answers during the interview within the framework of the thesis: "From Idea to Implementation – Destination Finland. Developing a package holiday for German tourists".

1. When has MJS Travel been founded?

25.05.2009

2. Who founded MJS Travel?

The Schaz family

3. What is MJS Travel's history?

The company's founding occurred as a result of the bankruptcy of an previous company. The most important partners and contacts have been transferred to the new company.

4. Who are the most important partners of MJS Travel?

For domestic tourism the most important partners all online booking systems and a selection of German hotels.

For tourism abroad there is FTI for holidays besides an Ukrainian and a Georgian Travel agency.

5. Please describe a) the main clients of MJS Travel as well as b) its main segments and c) its main products.

- a) Clients with destinations in Germany and Europe, Ukraine and Georgia
- b) Individuals and groups from small towns
- c) Tailored travels on demand

6. What are the main destinations of MJS Travel's offers?

Ukraine, Georgia and European Union

7. What is MJS Travel's main source of income, in other words which products generated the most profit?

Group travels to Ukraine

8. Which price building method is MJS Travel using?

Sum of costs + surcharge = selling price

9. Which marketing methods does MJS Travel use?

Fairs, Email marketing to existing clients and PEP REISEN

10. What are MJS Travel's plans for the future?

Improving the cooperation to partners, optimization of buying costs, extend MJS Travel's portfolio to visa required destinations

Appendix 2 – Proposal for organizational groups

Teamwork á la Finland

Teambuilding travel to Finland (3 nights)



Picture 1. Sunset.



Picture 2. Puijo Tower.



Picture 3. Rowboats.



Picture 4. Pond Valkeinen.



Picture 5. Lake Scene.



Picture 6. Summer evening.

Day 1:

You will arrive in the afternoon to Kuopio. The Airport transport drives you from Kuopio airport to the city center. After your check in there you will have a welcome dinner in a selected restaurant of Kuopio.

Day 2:

Breakfast and a city tour in Kuopio. You will see for instance the city center, the shopping hall (here you can find the best local delicacies, like “Finnish fish pasty”), Kuopio University and Technopolis as well as Puijo Tower. The tour ends at Kuopio Harbor where you will step in to the ship. The ship sails you to Vaajasalo island where the local Berry and Wine Farm Alahovi is situated.

After a tasty lunch it is time to play some funny games! You will participate in Savo Olympic Games where the victory can be achieved only through cooperating and good vibe! Before the trip back to Kuopio harbor you can take an advantage and buy Finnish berry wines from Alahovi Wine Shop.

The dinner will be served at the hotel restaurant. Later in the evening “Restaurant & Bar Intro” invites you to spend hilarious time with stand up-comedy. Afterwards the warmth of the summer evening can be enjoyed by the patios of different restaurants.

Day 3:

On forenoon there are some hours of free time for example for shopping. Many shopping centers and boutiques offer you a great possibility to find the nicest gifts and souvenirs. Take a bus and drive to a tens of shops including shopping center Matkus or discover local handcrafts selling market alley Pikku-Pietari in city center and take a look at the market life in Kuopio market place. Lunch will be served in the hotel restaurant.

For the afternoon you can choose in advance between a trip to LAUKAA or to TAHKO. LAUKAA is situated in the middle of Finland, 150km west-south from Kuopio. The transport brings you into the woods, where the tranquility of the nature is almost touchable. There, in the middle of the forest a base of the company Tupaswilla is located. First you will participate in the improvisation- and drama exercises dealing with the working community. Next the host of the Tupaswilla leads you around the Heritage Village in Tupaswilla. After the tour there will be time to get a relaxing sauna experience. Let the warmth relax your mind and body, go swimming in crystal clear lakes and listen the sounds of nature. After the sauna the food also tastes better. It is time to enjoy the delicious, homemade dinner in Tupaswilla.

The alternative is the excursion to TAHKO. In the afternoon you will drive to Tahko, international ski center in Nilsiä. Tahko locates approximately 65 km to north-east from Kuopio. First you will have there a short round tour around Tahko area during which you will hear stories about Tahko and its origins, history and present days. The round tour leads you to your activity for today. Together you have to find something important, and rescue it. Therefore the whole group needs to work together. Mission impossible, is it? If the mission succeeded the price will be a sauna experience in a panorama sauna. After the sauna a delicious dinner will be served. When you arrive back to Kuopio it is already quite late in the evening. Take advantage of the opportunity and take a walk in bright summer evening around the pond Valkeinen which is nearby the city center.

Day 4:

It is the final day in Finland. Enjoy the wide-ranging breakfast and prepare yourself with sporty clothes. A Transport takes your group to Rauhalahti camping. Ashore of the Kallavesi Lake professional guides with jet-skies are waiting for you. A Trip by jet-ski is a great way to enjoy the summer day and the lake scenery. The drive will head to the restaurant Laketerminal which is situated next to Kuopio Airport. The Personal of Laketerminal cooked an amazing lunch which you can enjoy in an atmospheric wilderness hut, Kota. All of your bags will be transported to the restaurant by car. After the lunch it is time to go on to the airport for check-in. We wish you a pleasant way back and hope to see you again!

Package includes:

3 x overnight in hotel in double room OR

3 x overnight in a cottage for 5-6 persons (other accommodations on request)

3 x full board

Transports as in program

Activities and equipment as in program

Appendix 3 – Proposal for small senior groups

Health and strength from the Lappish magic and polar lights

Package holiday to Finland for active seniors (7 nights)

Arrive and departure always on Saturday.



Picture 7. Reindeer.

Picture 8. Winter.

Picture 9. Ice restaurant.

Day 1: Arrival

Arrival to Rovaniemi. You will be picked up from the airport and driven to your accommodation. After a long trip you can enjoy the Lappish hospitality and cuisine for example in restaurant Nili or restaurant Gaissa. If you prefer international cuisine the restaurant Monte Rosa will be the right choice.

Day 2: City and Village of Santa Claus and Snow Hotel

Breakfast. City tour in Rovaniemi, the official city of Santa Claus. The tour will lead you to Ounasvaara fell from where the trip continues to the science center Arktikum. After familiarizing with Lapland's culture and heritage you will go to Santa Park, the Village of Santa Claus. There you can explore the area independently and do some shopping. Duration of the guided tour is 2,5 hours.

Before the afternoon's activity you have some free time for example to enjoy a lunch. In the afternoon it is time to put on warm clothes and step into the car which drives you 30km away from Rovaniemi. There, in darkening wintry evening you will find an Arctic Snow Hotel creating mystical atmosphere with mood lighting reflecting from ice sculptures. Guided tour in Snow Hotel offers you a memorable experience to all your senses. Never thought about how the dinner could be when enjoying it surrounded by ice and snow? Now you have a great opportunity to try it in Ice Restaurant where everything except meal and beverages are made on ice. During enjoying your meal

you can admire the great ice art made by professionals and delight in the magic the ice creates around you.

When walking back to the car, turn your gaze to the sky. If the weather is propitious you might see how the colorful fires dance hand in hand with stars. After the exotic experience we will drive back to the hotel where a warm bed waits creating a nice contrast to the coldness of ice. For the night owls the city offers many places for socializing and time spending. Sip a beer for instance in Rovaniemi Oluthuone (Beer room) or enjoy a class of wine in Bar & Café Hemingway's.

Day 3: Husky safari

Today you will have a free forenoon. You can explore the city by yourself, do shopping or use the second day of your entrance ticket to Santa Park and visit there again by public Santa's Express bus which leaves from Rovaniemi city center. The city center offers nice small shops as well as a shopping center Rinteenkulma to buy gifts or souvenirs. You can find several shops of manufacturers selling products with Finnish design, for example Marttiini sells the original Finnish knives and Marimekko fabrics and clothes. From Taigakoru you can find jewelries made in Finnish Lapland.

At noon the trip to Ylläs begins. Ylläs is an international tourist- and ski center located approximately 186km to northwest from Rovaniemi. On a way you can enjoy the amazing scenery of Lapland. Before arriving to Ylläs ski center we will visit in Ylläshumina, where you have possibility to buy products and handworks with original Finnish design. In Ylläs ski center you will experience the dog safari with real Huskies! Jump on the sled and wrap yourself into the warm blankets. Release your senses and let the dogs lead you into the snowy Finnish forest.

After the safari you have some free time to explore Ylläs by yourself. Take a gondola and drive up to the top of the fells to admire in front of you opening landscape. If the sky is clear you might see the lights of the ski center Levi, which locates 50 km from the Ylläs. If you just want to sit down and take a breath step in to one of the cozy pubs and enjoy a hot chocolate in original Finnish way. For the hungry persons a wide selection of restaurants tames the smaller and the bigger hunger. Back to Rovaniemi feel free to continue the cheerful evening in the Irish Pub Oliver's Corner.

Day 4: Gold Village & Reindeer Farm

After breakfast the journey towards Tankavaara Gold Village starts. It is located approximately 200km north of Rovaniemi. There you can experience the gold rush, get information about the world's gold history and visit the world's only international Gold Museum. Good luck for the gold panning following next in the program! If you get hungry during exploring the Gold Village you can enjoy tasty lunch in restaurants in the region.

The journey continues towards Riekkovaara Reindeer Farm in Vuotso. Village Vuotso belongs to Sodankylä city and is Finland's southernmost Sámi village. Sámi people are the only indigenous population within the European Union.

At the destination the reindeers already wait for the visitors. After dressing with warm winter clothes the experience can begin! You will learn about the reindeers as well as reindeer herding and the host will teach you how to drive a reindeer sled! After lasso throwing and reindeer feeding you will get your belly full of Lappish delicacies in warm cottage.

Back at Rovaniemi. There is a possibility to spend the evening at the restaurants Valdemari or Pub Pisto.

Day 5: Handcraft and wellness

On forenoon the driver takes you out of the city and brings you to the east side of the Ounas River. There is located a handcraft workshop Hornwork. Hornwork manufactures Lappish handworks, like knives, spoons, drums and jewelers by using reindeer antler and leather as well as bark, silver pine and burl. You get to know how the traditional handcrafts are made and you will also prepare an own souvenir for a keepsake. During the visit you will also get to know the Lappish lifestyle and hear interesting stories about the reindeers.

What would be a holiday in Finland without a real sauna? After this evening you will feel yourself cleaner and more relaxed than ever before! In a middle of the arctic forest Sauna Metsäkyly leads you to the perfect relaxation for mind and body with nurturing sauna treatments. The wonders of nature and climate combined with the warmth of sauna and the taste of the local finger food guarantee an unforgettable experience.

If you want to continue your evening in Rovaniemi city center the "Iloinen Ilves" welcomes you warmly.

Day 6: Amethyst mine in Sodankylä and Aurora Borealis dinner

The Program this morning consists of a trip to Lampivaara Amethyst mine. The mine is situated in the middle of the Pyhä-Luosto National Park, approximately 120km north of Rovaniemi. Special vehicle, pendolino, drives you to the mine. At the destination you will hear the interesting story about Amethyst while enjoying some warm drinks. After a nice introduction you can try your luck down in the mine by searching an own piece of this violet stone. A way back to the car will be made again with pendolino. The trip continues to a small Mine shop. Different Finnish made jewelers of Amethyst and other stones are sold there. This small shop respects principles of sustainable tourism. From the Mine shop you will return to Rovaniemi. On the way you will have a stop for a lunch.

After the mine trip you the afternoon is free. Just use your time for relaxing or take an advantage of the opportunity and check the great selection of Museums and Galleries of Rovaniemi. You should not miss for example The Culture House Korundi with an Art Museum as well as Lappia-Talo and the Theater of Rovaniemi made by the Finnish architect Alvar Aalto. You can also go and see some other Museums of Rovaniemi, like the Forestry Museum of Lapland.

When the day turns into evening and the daylight already has been gone, you need warm clothes again. The transport picks you up from your hotel and a 45 minutes long trip towards white Lappish forests begins. Behind the snowy trees you find a wilderness hut calling visitors to step in. Candles and sparkling, warming fire in a fireplace together with silence create a feeling of togetherness with nature. While enjoying a delicious Lappish wilderness dinner you will be told stories about northern lights. If you are lucky and the sky is favorable for polar lights you can follow the magical light show direct in the front row!

Late in the evening you will arrive back to your hotel. Depending on your mood, the night might continue in Restaurant Wanha Mestari.

Day 7: Outdoor activities and a Farewell surprise

Today you can choose from different outdoor activities the preferred one. Wear sporty and warm clothes, fill your lungs with fresh air and let your worries behind you.

You can choose one of three typical Finnish winter outdoor activities - skiing, snowshoeing or ice-fishing.

Surely you have already noticed that Lapland is full of nice surprises, exotic and mystique. The time of the surprises is still not at the end. Prepare in the evening to open all your senses and receive the magic of Lapland with your eyes, ears, mouth and nose but above all with your soul and heart!

Day 8: Departure

In the morning you will be driven to the airport. We wish you have had a nice time in Finland and we welcome you to visit us again!

Package includes:

7 x Hotel accommodation with breakfast in double room OR
7x Cottage accommodation
3 x dinners
1 x finger food
Activities and equipment as in program
Transports as in program

On request:

German guide

Appendix 4 – Pricing of the proposal for companies

Proposal 1: Teambuilding for companies

Prices available on
12.11.2013

Service /Product	Purchase price € / 1 pers.	Purchase price € / 5 pers.	Average package price for 5 pers.	Discount 5 %	Surcharge 10 %
Kuopio city tour	40	200	200	190	209
Return ship transport to Vaajasalo	14	70	70	67	73
Alahovi tour	5	25	25	23,75	26
Stand up		395	395	375	413
Savo Olympic Games	39	195	195	185	204
Jet-ski safari			650	618	679
Jet-ski safari, driver	170	850			
Jet-ski safari, co-driver	90	450			
Interim sum				1604	

Airport transport				
Return Kuopio airport - city center	10	51	48	53

Meals				
Hotel buffet dinner	18	90		
Hotel buffet lunch	16	80		
Lunch in Alahovi	9	45		
Lunch in Laketerminal	36	182		
Sum Meals	397	397	377	415

Flights				
Berlin	206	1030		
Frankfurt	272	1362		
Munich	208	1040		
Average Flight		1144	1087	1195
Interim total				3267

Excursion					
Excursion A:					
Tupaswilla	455	455	432	475	
Improvisation & drama exercises	180				
Heritage village tour & Sauna inc. dinner	55	275			
Excursion B:					
Tahko	736	736	699	769	
Mission - Impossible	350				
Sauna	250				
Dinner	27	136			

Accommodation					
Hotel (DB + breakfast)	295	1475	1475	1401	1541
Cottage 4-6 person	398	1991	1991	1892	2081

TOTAL 1: Excursion A with hotel	1057	5284
TOTAL 2: Excursion A with cottage	853	4263

TOTAL 3: Excursion B with hotel	1116	5578
TOTAL 4: Excursion B with cottage	911	4557

Appendix 5 – Pricing of the proposal for seniors

Proposal 2 Holiday for seniors

Prices available on 12.11.2013

Service /Product	Purchase price € / 1 pers.	Purchase price € / 5 pers.	Average package price for 5 pers.	Dis-count 5 %	Sur-charge 10 %
City tour	40	200	200	190	209
Reindeer Farm excursion inc. Dinner	165	825	825	784	862
Gold Village			45	43	47
Gold Village, regular	10	50			
Gold Village, seniors	8	40			
Gold Museum	7	35	35	33	37
Santa Park	33	165	165	157	172
Snow Hotel inc. Dinner			410	390	428
Snow Hotel inc. Meal A	79	395			
Snow Hotel inc. Meal B	85	425			
Husky safari			478	454	499
Husky safari company A	103	515			
Husky safari company B	88	440			
Hornwork visit	36	180	180	171	188
Amethysts mine	37	185	185	176	193
Sauna Metsäkylä inc. finger food	44	220	220	209	230
Aurora Borealis wilderness dinner	73	365	365	347	381
Sport activities			272	258	284
Snowshoeing	75	375			
Skiing	46	230			
Ice-fishing	42	210			
Santamus	35	175	175	166	183
Interim sum				3714	

Transports					
Return Rovaniemi airport - city center/person	14	70		67	73

Flights					
Average Flights			2075	1972	2169
Berlin	414	2069			
Frankfurt	409	2046			
Munich	422	2111			
Interim total				5956	

Accommodation					
Hotel (DB + breakfast) /week		5036		4784	5262
Cottage 4-6 persons /week		3675		3491	3840

Total with Hotel	2244			11218	
Total with Cottage	1383			6916	

Additional service					
German translator/group/week		616		585	644

