

THESIS

Katalin Bella 2014

CREATING CREDIBILITY THROUGH WEB-BASED MARKETING

Case of a Start-up Company in Tourism Business

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Thesis

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2014

Commissioned by XXX

Supervisor: Ritva Junna

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The goal of this thesis was to create an effective marketing communication plan for a start-up company which wants to operate in the individual experience tourism sector. The main question that the thesis tries to investigate and give an answer to is "What are the means of marketing communication that create credibility through web-based marketing for a start-up company?" Since the firm is a start-up company and wants to operate successfully, it is vital to find the best ways to win the trust of customers. Web-based marketing acts as a main marketing channel nowadays. The secondary sub-question the thesis wants to give answers to is "How to reach the target group without using any travel agencies?" The second sub-question is "Who are the current competitors on the market?"

To start with, the current situation was analyzed. First the company was analyzed by the SWOT method as a part of the internal analysis. As an external factor competitors are presented. It is always very important for a business to find out who its competitors are. It helps to segment the market and to set the pricing strategy. Competitors operating in Arctic areas both in Scandinavia and worldwide are presented.

The secondary problem is to find the most efficient web-based marketing communication tools in order to reach the target group. The thesis gives suggestions which tools should be utilized. The main question „How to gain credibility through web-based marketing tools so that the customers dare to book tours online” is answered at the end.

The thesis is a functional thesis and it follows the so-called zipper method. Sections of theory and practical advice alternate are presented. Numerous amounts of books and internet sources based on marketing theory were used to create this thesis.

At the end, the most efficient web-based marketing tools and some non-web-based tools are suggested for the company for further use, which help to create a credible image cost-efficiently. The effective usage of these tools is suggested as well in order to reach the target group.

Keywords: marketing communication, marketing communication planning, start-up, web-based marketing, cultural tourism

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1 INTRODUCTION

The commissioner XXX is going to set up her one-person based small tourism company at the beginning of 2014. The company will be registered in Rovaniemi but offers its services all around Lapland. The goal of this thesis is to make a marketing communication plan for XXX's company to attract customers through web-based marketing communication tools. The request for a marketing communication plan came from the owner, as the functions of the company are clear; however, the ways to reach the target market efficiently and cost-effectively are more challenging.

There are two main elements of marketing planning, one is market research that identifies customer requirements, and the second is marketing planning that uses the elements of the marketing mix to meet these requirements. Market research is carried out by gathering all information on consumers, market, product and the competition. This information has to be analyzed to help making marketing decisions (The Times 2014.)

Based on the results of the marketing research, the company can start setting up a marketing communication plan. Marketing communication is in charge of defining the relationship between the organization and its customers. This communication strategy has to be chosen carefully, since it will have a long-term effect on the consumers. Also, communication channels have to be chosen carefully in order to meet customer's preferences (The Open University 2014.)

Overall goal of the thesis is to introduce cost-effective web-based and some non-web-based marketing communication tools that gain credibility for a start-up company. Therefore, internet marketing acts as the most important factor in this marketing communication plan.

2 SITUATION ANALYSIS

2.1 Company Introduction

“Tourism has always been about the selling of dreams, the creation of fantasies and the perpetuation of myths.” (Smith 2009, 31.)

XXX is planning to set-up her own tourism related company, offering individual cultural tours in Lapland. The company will be registered in Rovaniemi, but its operation will take place all around Lapland. The main business idea is to offer exclusive quality cultural tours for small groups of people. The main and only target group is the German-speaking 50+ Senior Free Travelers who belong to the group of Modern Humanists defined by the Finnish Tourist Board. (Rannisto 2012, 5). All packages are different from each other and built around different themes, such as culture/art, history, wilderness, well-being, and gourmet. Since the company offers individual experience packages the groups are not going to be bigger than 8 persons. The company is going to be entirely owned by the commissioner. In addition, the help of the commissioner's family is going to be utilized along the company's operation. Otherwise, employing external help is not planned in the near future (XXX 2013.)

XXX used to live in Germany and speaks fluent German, which was one of the main reasons she decided to segment the German-speaking market only. She has the background in marketing and tourism business, the abilities that give her a great base for operating her own company. The commissioner's husband runs his own company, therefore entrepreneurial skills are already presented in the family (XXX 2013.)

2.2 Internal Analysis

2.2.1 SWOT Analysis

Every business is affected by external and internal factors. SWOT is a tool that helps to realize these factors. The first two letters stand for internal factors and focus on the business's strengths and weaknesses. The last two letters are for external factors and help to identify opportunities and threats for a company. SWOT is a reliable tool to realize these factors and to turn current threats into opportunities and weaknesses into strengths (Professional Academy 2014.)

Table 1. SWOT Analysis of the Company

Strengths	Weaknesses
<ul style="list-style-type: none"> • Unique business idea • Clear vision • The commissioner owns 100% of the company • No direct competitors on the market • Wide range of packages • Strong experience in marketing and tourism • Language skills • Almost, no fixed costs (only for domain name and pay service provider) • Defined niche market 	<ul style="list-style-type: none"> • One-person company • In case of sickness, there is no-one to run the business • Dependant on counterparts such as catering service, flight companies, car rental • Vulnerability • Lack of human resources
Opportunities	Threats
<ul style="list-style-type: none"> • Leading company in the market • Product development (different colorful packages to offer) • Changing trends in travelling • More cooperation with other service provider companies • Copy the products to new markets, when all product development is ready 	<ul style="list-style-type: none"> • Weather conditions • Competitors • Lack of services and equipment in rural areas, such as preparation of food, first aid in case of accidents

2.2.2 Internal Factors

The business idea of the company can be mentioned as one of the most important strengths, since it is formed around a unique idea, therefore there are no direct competitors presented on the Scandinavian market at the moment. The owner has long experience in marketing and tourism, features beneficial for a successful business operation. Also, these skills enable the commissioner to develop a wide range of new and colorful packages to maintain the competitiveness of the company. (Entrepreneur 2013). As the business is focusing on a foreign market, the ability of speaking fluent English and German languages are important and somewhat necessary. Thus, the commissioner does not have to hire external help for guiding or translating purposes.

A well-defined niche market is indispensable for operating a small company. Many small firms spend too much on unnecessary marketing purposes by focusing on a too wide market (The Business Journals: 2013.) The fact that the commissioner is focusing only on the German-speaking Modern Humanist Senior Free Traveler group segments the market specifically.

Another advantage of the company is that there are almost no fixed operation costs. Initial investments cover marketing purposes as taking part on a trade fair in Germany in the beginning of 2014 and other marketing actions like printing brochures. Additional initial costs include the purchase of a company car and special equipment for accommodation purposes. Otherwise the company has to pay fixed monthly fees only for services, regarding the running of the website, for instance fees for a domain name and a pay service provider. If the company receives no bookings at all, the commissioner will not lose money, as there are no operational costs that have to be covered (XXX 2013.)

According to studies, there are a few important main characteristics of a successful entrepreneur. One has to have the passion for carrying out and operating a business. Being open-minded and ready for changes are crucial as well. The person should be able to adapt to changes and to react quickly. To be an expert on the topic helps to run the business professionally as well (Entrepreneur 2013.) As mentioned before, XXX has the background of marketing, tourism and German language. It is also important that the commissioner has a huge passion for the company and enjoys the possibility of solving difficult situations, and is able to adapt to those quickly. According to the theory found on the necessary characteristics of an entrepreneur, the commissioner is considered to be an ideal person for a business operation.

However, there are also weaknesses to overcome. Small companies are often lacking human resources. Small staff can lead to difficulties solving each and every operational problem (Chron 2014.) The commissioner's firm is a one-person company, which means that in case of sickness the offered tours might be canceled. A back-up plan should be utilized for this matter. The tours are going to be organized far away from Rovaniemi and they last at least a week. Since the owner and her husband are both entrepreneurs, finding the time for family matters is going to be challenging. The fact that there is going to be two entrepreneurs in the family, without any fixed monthly income increases the financial risk rate. There are almost no fixed costs for operation; however, in case of many cancelled trips due to no bookings the company will not receive any income or profit. Packages organized in rural areas carry the difficulty of finding the right equipment for certain operation. For instance preparing quality food might be challenging. As Bohn (2013) concluded in her thesis, written about tourism products, tourists from Central Europe usually expect high quality services.

2.2.3 External Factors

Opportunities are promising for the company. Since there are no direct competitors, the company might become the leading business in the cultural tourism market offering individual experience tourist packages. Due to professional experiences of the owner, the ability of creating different, colorful packages is certainly considered to be an opportunity. (Entrepreneur 2013). Cooperation with other service provider companies can be mentioned as a future opportunity as well.

Nowadays there is a changing trend in travelling. People do not want to be guided through places following a tight schedule anymore. They want to experience the authenticity of the area and to see the places that are mostly visited by the locals (Rannisto 2012, 4, 12.) The vision of the company is based around this new concept, which gives the opportunity to be a pioneer serving this new trend. Due to the uniqueness of the business idea, the company has a chance of using high-end pricing. This feature helps to narrow the target market and lets the consumers assume good quality (Chron 2013.) According to an interview with another individual tour operator, that offers high-priced tours, the recession was barely noticeable. The target segment can easily afford these exclusive tours, and has barely gotten affected by the recession (Bohn 2013.) If the operation is successful, and the company wants to spread its operations also on other foreign markets, copying the already developed products considered to be an opportunity.

The company should be aware of facing threats as well. First of all, weather conditions are always a great threat for every tourism company, especially for a business that operates mainly outdoors. Since most of the company's tours are based on being outside in the nature of Lapland, coping with different weather issues can be rather challenging in rural environments.

Problems with counterparts might occur also, which might affect the experience of the whole trip. According to Blythe (2006, 124) the product or service experience starts already when leaving home and ends only when arriving home. In short, customers are affected by many external impacts before reaching or after leaving the travel destination.

Depending on the packages offered by the commissioner, customers have to fly from Germany either to Rovaniemi or Kittilä (XXX 2013.) Flights might be canceled or delayed due to weather or mechanical conditions, which according to the theory would affect the whole experience. The fact that customers are going to fly from different parts of Germany increases the risk of delays. Another threat factor is that in the rural areas it is hard to have the right or necessary equipment for certain operations. As mentioned earlier, tourists from Middle Europe expect high quality services, including meal services as well. (Bohn 2013). Also in case of accidents, it is difficult to have all the necessary equipment.

2.3 Product Description

In tourism and hospitality a product can be any service or experience offered by a destination that is targeted to a certain segment to satisfy the needs for recreational and resting purposes (Blythe 2006, 124.) Usually it consists of elements such as accommodation, transportation, dining, entertainment, attractions and tours. These elements all together create an experience in the form of a tourism product (Ohridska 2010.)

Cultural tourism consist of 'core' cultural sectors. These sectors are for example visual art, performing, heritage, museums, festivals and cultural events. The output of these elements is the cultural product. Cultural products are often presented in a form of tangible products, such as art works and museum collections. These are often passively consumed by the

public. On the other hand, creative industries involve creativity as an active input. The outcome of this might not be in a form of a tangible product, rather, the possibility of accessing information. Creative industries are usually based on global production. Meanwhile cultural industries are national or local, for instance museums, art collections, theatre or folk festivals. Another feature is that the cultural sectors are usually more educational and intellectual, whereas creative industries are more modern, entertaining and interactive. The usage of new technologies is very low in the cultural industry, whereas it is very high in the creative industry. Often, cultural industry can be visitor-unfriendly, since it is more art or artist-centered and focuses on the value of the art (Smith 2009, 152- 153.)

Product tours are also part of the product offered by tourism and hospitality. Product tours are offered in order to visit different tourist destinations all around the world. It can be in the form of nature, culture and art (New Atlantis 2013.) Many tourists, especially frequent visitors to a certain destination, are seeking experiences that are based on the 'authenticity' of a local area. To these visitors the 'true' culture of a region is more desirable than a purpose-built attraction (Smith 2009, 181.) Smith (2009, 197-98) concluded that there are two different types of authenticity, such as 'objective authenticity' and 'constructed authenticity'. Objective authenticity refers to the traditional and historical sites whereas constructed authenticity refers to the staged events or artificially created cultural attractions.

Many different kinds of activities can be included in creative tourism, for example: cookery, painting, drawing, photography, wood or stone carving, pottery, crafts, sculpture, music or dance. To enhance the experience, local people should run or assist in the process of these workshops. Such holidays may be organized in small groups by tour operators to ensure privateness. In short, this creative tourism form can be defined as exploring and expressing one's creative potential whilst on holiday (Smith 2009, 158.)

The commissioner is going to offer ten different packages spread all around the year. All tour packages are based on art, culture, history and the nature of Lapland. Packages consist of activities that present Lappish people's everyday life. The main concept is to visit Lappish festivals and villages to interact with local people such as artisans, reindeer herders, fishermen, artists and activities as wandering in the forest, fishing, collecting berries and cooking. All packages are between the duration of 7-8 days and offered to a maximum of 8 participants to ensure the privateness and exclusiveness of each tour. Getting to know the locals, local lifestyles and to behave like one during the tours is also part of the unique experience. Agreements have already been made with local citizens living in certain villages and small towns of Lapland to introduce their profession and lifestyle to the tourists in order to experience the real face of Lapland (XXX 2013.)

Table 2. Offered Packages by the Commissioner (XXX 2013)

**Removed for the request of the commissioner*

2.4 The Experience Economy

“Experience economy can be understood as the production, distribution and consumption of experience-based products in new and traditional business contexts.” (BI Handelshoyskolen 2013.)

Nowadays, there is a changing trend in tourism, where experiences are becoming the most important elements of a holiday. This trend is representing the growth of the so-called 'experience economy'. The main economic offering is the staging of experiences. Nowadays, consumers have an unquestionable desire for experiences and more and more businesses are responding by designing and promoting new experience based services and products. This can be explained with the fact that in most capitalist societies, material possessions have already been accumulated, and now people wish to focus more on experiences. Another theory states that some people wish to 'downsize' their material richness and are becoming more spiritual (Smith 2009, 188.)

Moreover, Smith (2009, 188) added that the experience creation is based on customer participation, which can be either passive or active. Clearly, the most memorable experiences are those that engage the customer in active participation. This might, for instance, require the engagement of all five senses. Tour operators seem to recognize this new trend and are providing more flexible packages nowadays. Tourists play a bigger role in planning their own experiences.

Tour operators, just like the commissioner, who promote special interest tourism, focus on providing the visitor with a unique experience in previously under-visited holiday destinations. This might include remote wildlife, indigenous destinations and adventure tours. Expectations may vary according to whether the tourists are seeking for authentic culture or only for experience (Smith 2009, 189.)

There are different practical tools that help to develop a tourism product. According to the story designer Anne Kalliomäki (2013), a personal story will create an authentic and unique image for the company and it makes it easily recognizable among other service providers. The story helps to make a service unique and can be easily utilized on the company's services: for instance on accommodation, food services, and marketing communication. This tool helps to bring all of the company's services together, and presents them in the form of a complete experience. The story that the company creates is also integrated into customer experience. This tool helps to make a company more memorable and recognizable for the customers. Also a very important factor of this tool is that those services that are built around a story, are easier to sell and more beneficial for the owner. Those service providers that use a story are more likely to be recommended by their customers (Tarinakone 2013.)

Another great practical tool to analyze and enhance the experience-based elements of a product is the experience pyramid developed by the Lapland Center of Expertise for the Experience Industry (LEO). There are different levels of an experience. The first level, called motivational level is in charge of awakening attention. This stage demands that the marketing of a product is genuine, personal and interactive. The so-called physical level helps to experience the product through one's senses. A good product ensures a positive experience at this stage already. On rational level, the customer already decides whether the product is satisfactory or not. On the other hand, also at this stage a good product offers something new to learn. Emotional level is the stage where the customer receives a meaningful experience if the product is good. At the last level, called mental level, a positive emotional reaction is experienced by the customer, followed by a personal change (Lapland Centre of Expertise for the Experience Industry 2009.)

A meaningful experience is build up by different elements as well. The first element is individuality which refers to the uniqueness of a product. This step orientates the customer toward the product. The element of authenticity introduces the authenticity of a culture of a certain region. Authenticity is followed closely by a story. It is one of the most important steps to connect these elements of the product into a story, and to make the experience unique and attractive. The multi-sensory perception element lets to experience the product through different senses. All sensory stimuli should be in harmony in order to make the experience positive. Contrast means the difference between the experience and the customer's everyday life. The customer has to experience something new and exotic in order to have a positive experience. The last element is interaction, which is in charge of a successful communication between the product and customers (Lapland Centre of Expertise for the Experience Industry 2009.)

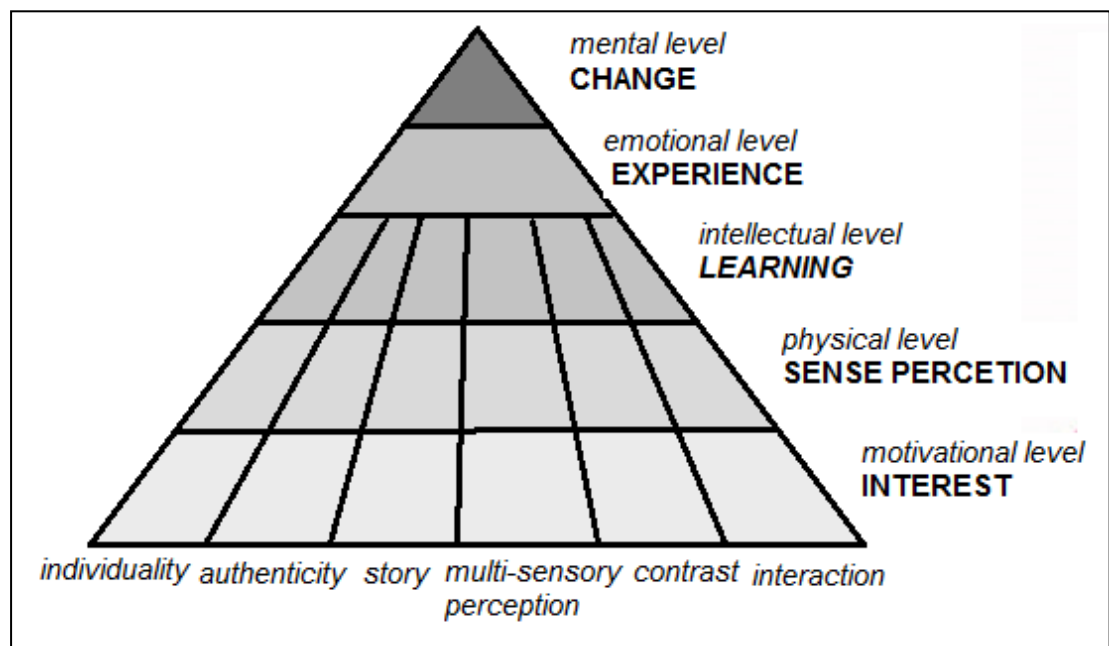


Figure 1. The Experience Pyramid (Lapland Centre of Expertise for the Experience Industry 2009)

The commissioner is planning to utilize the concept of both tourism product developing tools to maximize customer experience satisfaction. Customer experience will start already before the actual tours. The commissioner is planning to prepare a little hard-cover book for each participant, which will include pictures of the places to-be-visited and will introduce a certain story to the costumers. The books are going to be created by using the service provided by ifolor or another similar service provider. Each package will be built around a different story. This method generates interest and lets the participant to become part of the story during each tour (XXX 2013.)

According to the research conducted by the Finnish Tourists Board (2012) the Modern Humanists group have similar expectations regarding holiday destinations. In the following tables these characteristics are listed. Table 2 collects the expected qualities of an exotic holiday destination. In Table 3, the expected characteristics of a nature-based holiday can be seen. Table 3 lists both summer and winter activities that the Modern Humanists want to experience in Finland.

Table 3. Characteristics of an Exotic Holiday Destination Described by the Modern Humanists (Rannisto 2012, 15)

Characteristics of an Exotic Holiday Destination		
<ul style="list-style-type: none"> destination is new 	<ul style="list-style-type: none"> possible to follow and experience the new exotic culture 	<ul style="list-style-type: none"> possible to see and experience an exotic culture that the mass have not known yet
<ul style="list-style-type: none"> the destination has interesting and different eating habit, cuisine 	<ul style="list-style-type: none"> the destination has interesting and different eating habit, cuisine 	<ul style="list-style-type: none"> the destination is for "early" visitors
<ul style="list-style-type: none"> possible to experience and adventure 	<ul style="list-style-type: none"> possibility of self-examination and wander around 	<ul style="list-style-type: none"> interesting and exotic accommodation possibilities
<ul style="list-style-type: none"> possibility of exotic nature 	<ul style="list-style-type: none"> exotic climate 	

Table 4. The Expected Characteristics of a Nature-based Holiday for the Modern Humanist (Rannisto 2012, 15)

Expected Characteristics of a Nature-based Holiday
• possibility of spending time in nature
• possibility of seeing untouched nature
• impressive nature environment
• possibility of seeing spectacular views at the destination
• possibility of spending time near water
• possibility of wandering in nature

Table 5. Summer and Winter Activities in Finland that Interest the Modern Humanists (Rannisto 2012, 31)

Winter activities	Summer activities
• to visit Lapland	• to see lakes
• to see the northern lights	• to swim in a lake
• to experience dog and reindeer sledging	• to spend some time in a park
• snow related activities	• to bike
• to try winter related sports (skiing)	• to see islands
• to see Santa	
• to drive a snowmobile	
• to skate on ice	

2.5 External Analysis

2.5.1 Competitor Analysis

Competitors are considered to be a threat but also an opportunity for the development of a company. Competitors are companies which rival against each other and have a similar product or service. If there are many competitors on the market, the situation might lead to price reduction, as they all tend to gain a market share from the same market (Business Dictionary.com 2013.)

In order to maintain a successful business operation, competitors have to be studied carefully. Competitor analysis helps to set up an efficient strategic plan for the company. There are two parts of the competitor analysis. First step is to collect information on the rival companies, second is to use these information to foresee the competitors' behavior. The analysis helps to identify those competitors that have to be competed with, and how those competitors might react to other competitor's actions (NetMBA 2010.)

There are different types of competitors. A successful marketing strategy has to take all competitors into account and not only the direct ones. The first type of competitors is direct competitors. These businesses offer a similar product or service and are also focusing on a similar or same target market. Secondly, indirect competitors are offering an alternative service or product to the consumers. The third type, potential competitors are companies that offer a service or product that may become either direct or indirect competitor in the future. Both indirect and potential competitors have to be monitored carefully, as they might become direct or indirect competitors of the company (Something we like 2014.)

Competitors were carefully studied in the commissioner's case as well. First, competitors in Scandinavia were looked for and secondly competitors operating in Arctic conditions worldwide were identified. Since the company has a clear business idea to only offer its services for German-speaking tourists and to offer only authentic cultural experiences in Lapland, the numbers of direct and indirect competitors are rather small. As a result it was found out that there are no direct competitors present on the market to compete with. However, there are few indirect competitors sharing a similar vision, the operations of which should be monitored carefully in the future as well, since they might attract potential customers from the same segment.

2.5.2 Competitors in Scandinavia

Conducting this study was rather challenging. Even though, numerous search words were used both in English and German, the results were hard to find. This shows how important it is for a company to use the right keywords and use a well-written content in order to be found by the search engines. Using only German search words in different search engine providers generated more or less only Swedish companies as a result, which shows that there are no direct competitors on the Finnish market sharing the same vision as the commissioner.

In Scandinavia overall there are few competitors that offer small-sized individual tours. There are few Sami companies that offer quality tours with reindeer both in Sweden and Norway (Swedish Lapland 2013, ZubAski 2013.) Also, companies offering adventurous packages such as kayaking, fishing, mountain climbing are presented on the Scandinavian market (Arctic Adventure Tours 2013.) Some bigger companies can be found on the market as well operating from Norway offering high arctic tours to the Faroe Islands, Iceland, Greenland and the Spitzbergs (Gadventure 2013.) Nevertheless, no companies based only on cultural experience tourism, or offering its services only in German language were found.

Both the local offices of the Development Centre of Rovaniemi (Rovaniemen Kehitys) and The Centres for Economic Development, Transport and the Environment (ELY-keskus) were visited by the commissioner during the autumn of 2013. According to both institutions, the commissioner has no competitors on the Finnish market and its business idea is unique (Rovaniemen kehitys 2013, ELY-keskus 2013.) On the other hand, there are two competitors that are worth mentioning, since they might attract customers from the same segment. They share a different vision from the commissioner, but might be considered as indirect competitors on the Scandinavian market. There is a company in Sweden run by two German women. They offer nature based recreational tours for women (8 seasons 2013.) The other company is a Finnish company operating from Muonio. They have two packages to offer during the winter season only in German for German-speaking customers. However, they have ready-made packages based on Lappish activities for bigger groups, up to 15 persons (Region Arctica 2013.)

Table 6. Competitors in Scandinavia

Sweden	
Swedish Lapland	<ul style="list-style-type: none"> • Reindeer quality tours • Not so well described packages • No pricing
8 seasons	<ul style="list-style-type: none"> • Run by two German women • Unique business idea • Offers relaxing individual nature based tours for women • Groups can also be only up to 8 persons • Pricing is quite affordable compared to other individual experience tourism companies
Granö Beckasin	<ul style="list-style-type: none"> • Both ready and tailor-made packages • Length of a tour can be chosen from one to seven days • Packages are based on adventure and extreme sports • Packages are well-described and pricing is available
Norway	
ZubAski	<ul style="list-style-type: none"> • Sami company • Website is well-planned and packages are well-described • Pricing is not available online
Arctic Adventure Tours	<ul style="list-style-type: none"> • Adventure tours such as dog sledging, kayaking, hiking, fishing, hunting and skiing
Gadventures	<ul style="list-style-type: none"> • Big company • Offering arctic adventure tours in Iceland and Norway • Duration between 8 to 14 days • Cruising, kayaking and hiking
Finland	
Region Arctica	<ul style="list-style-type: none"> • Wide variety of packages • Well described packages • Packages host 15 persons

2.5.3 Competitors Worldwide

A study concerning the competitors operating in Arctic conditions worldwide was also conducted. In this case it was easier to find results. Most of the companies are established in the United States or Canada. The packages are often taking place in the form of cruise trips, organized in high Arctic conditions (Polar Cruises 2013, Quark Expeditions 2013.) Almost all of the packages are built around the concept of expedition, watching wild animals living high above the Arctic Circle, such as polar bears, whales and seals (Adventure Canada 2013.) The companies seem to be rather big, and certainly not run by only one person. The websites are well-presented with well-written content and illustrated with beautiful professional pictures. Pricing is almost always explained and stated clearly on the website. On the other hand, there was one Canadian company which offered some culture based tour packages. These packages were sold-out already for the spring of 2014, which shows high interest towards this theme (Adventure Canada 2013.) These companies can be considered neither direct nor indirect competitors since they operate in a slightly different environment and their activities are offered in the form of cruise trips. However, it is important to monitor their operation, as they are considerable potential competitors and might become indirect or even direct competitors later on in the future.

Table 7. Competitors Worldwide

Competitors Worldwide	
Arctic Odysseys	<ul style="list-style-type: none"> • Small-group packages to the North Pole, Arctic Canada, Alaska, Greenland, Iceland, Spitsbergen, Russia, and Antarctica • Numerous packages offered all around the Arctic
Adventure Canada	<ul style="list-style-type: none"> • Offers different tours in Canada • Mainly cruise tours • Other packages f. e.: wild animal watching, culture/art) • Cultural trip called Art on the Rock 2014
Polar Cruises	<ul style="list-style-type: none"> • Different cruise trips to the Arctic and Antarctica • Luxury expedition too
Quark expeditions	<ul style="list-style-type: none"> • Cruise trips • Tours to Greenland, Canada, Spitzbergen

2.6 Pricing

Pricing is a method that helps to set the selling price of a certain product or service. Usually it is calculated, based on the company's average costs and on the customer's perceived value in comparison of the competing products or services (BusinessDictionary.com 2013.)

There are numerous varieties of pricing strategies. The commissioner's company is going to focus on the quality leadership pricing, which belongs to skimming pricing strategy. This strategy is chosen by companies that offer an exceptionally high quality and unique product or service. Those companies that follow the quality leadership pricing method conduct a carefully precised marketing research in order to understand their customer's needs. This strategy lets the company to set the highest price that customers will pay for the offered product or service. However, the price will not drop at a latter point, where other competitors enter the market (Chron 2013.)

Prices of the packages, offered by the commissioner, are going to include all transportation costs during the tours, which mean both train and car related expenses. Accommodation and food are also going to be included in the price. The owner is going to own some accommodation related equipment such as, pillows, blankets, some kitchen ware products, some fishing equipment and decorations. The price will include breakfast, lunch, dinner and two snacking possibilities during the day (XXX 2013.) The food service and the menu should be planned carefully as different equipment are needed. For dinner, certain alcoholic beverages should also be included in the price. As mentioned, customers from Central Europe expect high quality, and drinking alcohol while dining is also a common habit (Bohn 2013.) However, transportation to Finland is not going to be included in the pricing strategy, at least not at the beginning of the operation. It would be rather challenging to book the flight tickets for each and every participant, so it is wiser not to provide this additional service in the price. Of course assistance is going to be offered by the commissioner for those customers that require some help with choosing and booking their flights to Finland (XXX 2013.)

According to a research conducted by the Allensbach Institute, income level has the biggest impact on German's travelling behavior. The table below shows the relation between income and amount of customers that booked a tour online at least for the duration of 5 days in 2012.

Table 8. Relation Between Income and Amount of Booked Tours Online (IFD Allensbach 2012)

Net income	%
Net income under 1750 EUR	38%
Net income between 1750-3000EUR	57%
Net income over 3500 EUR	72%

As it is stated in the following table, over 10% of expenditures were spent on high-priced trips by German travelers in 2011, which numbers are rather promising for the commissioner.

Table 9. Expenditure Spent on Online Booked Trips in 2011 (DRV 2011)

Expenditure spent	Amount in %
0-500 EUR	6,2%
500-1000 EUR	24,5%
1000-1500 EUR	29,7%
1500-2000 EUR	17,7%
2000-2500 EUR	9,5%
2500-3000 EUR	5,7%
Over 3000 EUR	6,6%

3 MARKETING COMMUNICATION

3.1 Communication Objectives

The role of marketing communications is to communicate the benefits of the offered product or service to potential consumers (Durham Associates 2013). In order to understand the meaning of marketing communication, it is important to have a closer look of both elements. Marketing can be described as a managerial process where goods, services and ideas are exchanged for profit. Communication is a process of meaningful information exchange. Marketing communication is a commercial intent that benefits an organization either directly or indirectly. The aim of marketing communication is to provide a meaningful conversation between the company and its audiences, which will lead to purchases. Marketing communication is more than just presenting a brand. It relates to a careful information strategic approach. Therefore communication is a vital part of the marketing strategy of a company (McCabe 2008, 71.)

First of all, the visions of the company have to be stated clearly, in order to communicate it well to the aimed target. The goal of the company is to offer the best quality tours based on the values of authenticity and culture of Lapland. The target group has been chosen carefully, as the company offers its operation only to the German-speaking 50+ years old Senior Free Travelers, who belong to the group of Modern Humanists (XXX 2013.)

Since the firm is a start-up company and will start its operations in the spring of 2014, the target market has not been reached yet. Another aim of the company is to have already fully booked tours for the spring of 2014 (XXX 2013.) In order to achieve that, the right marketing communication tools have to be selected. After the selection, these tools have to be applied carefully to gain credibility for the company and to assure an efficient amount of bookings.

3.2 Target Groups and Segmentation

The concept of segmenting is based on the purchasing behavior of people. Consumers buy products for three reasons: To satisfy a need, to solve a problem, or to make themselves feel better. A company has to decide, which of the three purposes its product or service fulfills. Then the product or service has to be marketed according to the customer's needs (Growthuniversity 2010.)

Market segmentation aims to divide the market into smaller groups, since each group has to be targeted differently with a different promotional message. Different factors can be used to segment the market. There are four basic categories; first category is the geographic segmentation which separates people according to their region as international or domestic, urban, or rural. Second type of criteria is the demographic segmentation, which uses age, gender, ethnicity, social class, education, occupation, and income as segmenting factors. The third is the psychographic segmentation that uses attitudes, values, beliefs and lifestyle to segment the market. At last, behavioral segmentation is used, which uses factors as behavioral patterns, brand loyalty, price sensitivity and benefits sought (Chron 2013.)

Segmenting the market carries many advantages in itself. It helps to identify the competition. A company can focus only on the target segment's desires and needs. Focusing only on a small target market can save a significant amount of money for the company (Chron 2013.) Often customers do not fit into only one single category. A segment can be quite complex. The most convenient way is to divide the target group into multi-level groups. For instance, dividing the target group first into age groups and secondly according to their income level. After segmentation, resources should be channeled so that the targeted audience becomes loyal customers of the firm. Segmentation helps to gain a larger portion of the desired market (Growthuniversity 2010.)

The second step after segmenting the market is to choose the right target segment. This step should be well-studied and chosen carefully. After careful consideration, the segments are chosen and they become the firm's target market (KnowThis.com 2013.)

As mentioned before, the commissioner used to live in Germany for many years. Her language skills and ability to understand and get on well with the Germans led to convenience-based segmenting by choosing this particular demographic segment. Since the segment is quite narrow, it makes marketing communication considerably easier than to reach a wider segment. To widen the market, the commissioner decided to focus on other German-speaking countries also, such as Switzerland and Austria. In this case demographic, behavioral and lifestyle targeting were used. Purchasing and travel behavior, income and need for something new were considered as segmenting factors as well (XXX 2013.)

According to a research by the German National Tourist Board (GNTB), the so-called "Best Ager" groups of 50-69 year old people are quite active travelers. Out of them, 61% took part on a trip during the last 12 months before the research was conducted. Also 40% of the 70+ years old group went on a trip (IFD Allensbach 2012.) These data are promising regarding the commissioner's business.

The Finnish Tourist Board (MEK) has identified three main groups who belong to the Modern Humanist description. The first is Young Free Travelers (18-30 yrs) the second group is Family Travelers (31-40 yrs) and the third is the Senior Free Travelers (51-70 yrs). XXX has chosen the third group as her niche market. The people in this group can be identified as singles and couples. If they have any children, they are already grown up and do not travel with their parents anymore. The people in this group are curious travelers, who want to visit places that are unique, and have not been affected by the mass tourism yet. They want to see the destination with the

local's eyes, and experience it as a local during their stay (Rannisto 2012, 5-6.)

According to Smith (2009, 158), creative tourists develop their creative potential and get closer to local people by participating in interactive workshops and learning experiences that introduce the culture to them. Through this interactive method, these tourists are more actively involved in the culture of the countries or communities they visit. They develop new abilities and gain new experiences through these holidays. These are especially important for those that are seeking authentic experiences. The desire of experiencing the life of locals on a vacation makes them the pioneers of this new travelling trend. (Rannisto 2012, 13).

Nature-based holiday destinations have become more and more important to the Senior Free Travelers, since they usually come from big, busy cities. They want to experience and wander in the untouched nature which in their opinions can be found in Finland and Norway out of all Scandinavian countries. They want to experience the nature in its authentic form. These travelers want to get away from their average normal life and want to get to know and experience some new exotic culture through locals, which at the end, would lead to a life changing experience (Rannisto 2012, 10.)

Cultural tourism is clearly lifestyle and life-stage driven. Cultural tourists want to engage fully with the destinations and to interact with local inhabitants. They are constantly looking for authenticity and spectacular experiences (Smith 2009, 33-34, 36.) These travelers want to visit local places such as bars, supermarkets, and restaurants, where they can meet locals and learn something new about their exotic culture and way of life. They prefer a local person guiding them through these experiences (Rannisto 2012, 15.)

According to Smith (2009, 124), the Senior Free Travelers tend to visit art attractions or venues at home as well. They usually have a relatively high level of education, income and cultural competence.

The following tables list the most important characteristics of the Senior Free Travelers according to the research, conducted by the Finnish Tourist Board (2012, 12.) In Table 10, the overall characteristics of the Senior Free Travelers are presented. In Table 11, those activities are shown that the Modern Humanists want to experience in Finland.

Table 10. Characteristics of Senior Free Travelers (Rannisto 2012, 12)

Characteristics of Senior Free Travelers	
• open to new things and culture	• confident
• culture vulture	• fearless
• curious	• carefree
• interested	• freedom-loving
• social	• flexible
• adventurous	• relaxed
• exploring	• experienced
• experimenting	• tolerant
• demanding	• independent

Table 11. Activities that the Modern Humanists Want to Experience in Finland (Rannisto 2012, 12)

Activities that the Modern Humanists Want to Experience in Finland	
• wander in nature	• to visit cottages
• see untouched nature	• to see forests and nature
• to taste local food	• to hike on hills
• to do things like local Finns	• to live and eat simply like a detox-cure
• to get to know local Finns	• to visit museums based on culture and history
• to see wild animals	• to visit local Finnish bars
• to go to the sauna	• to fish

3.3 Marketing Communication Mix

Marketing communication mix is a specific method that promotes a company and its products and services to the target audience (Chron 2013). The combination of the marketing communication tools are in charge of reaching the target market effectively. There are five main elements of the communication mix that should be studied carefully when developing a marketing strategy (Azcentral.com 2013.)

The first is Advertising, which uses mainly mass media to deliver a message. It is an effective way to waken customer's attention. Advertising is often a very costly non-personal message that presents a product or service by a sponsor. It can be forwarded from channels that reach the mass, for instance, radio, TV, billboards, mails to a local community (Azcentral.com 2013.)

Promotions are usually short-term activities to encourage consumers to buy more than they usually do, or to help get rid of extra inventory of a company. Promotions can be in the form of free samples, discount coupons, or offers as buy three pay two. Promotional tools can be targeted through channels such as direct mails to households or magazines, newspaper cut-outs (Azcentral.com 2013.)

Public Relations (PR) is a long-term process, which creates public awareness by communicating regularly with the target market. It aims to create trust towards the company and its products or services. (Azcentral.com 2013.) Public Relations is similar to advertising, since often it is communicated through mass media channels (Chron 2013).

Packaging is part of the marketing communication mix. Packaging is used as a platform to promote the brand of a company or product. A well-thought design can increase the value of the product or service and can easily make it to stand out from the crowd (Azcentral.com 2013.)

Event sponsorship is the fifth element of marketing communication mix. It is often included within the first tool, advertising. A company pays for its presence on a community event such as sport event or entertaining event. It offers a mix of benefits as samples, and gifts are handed out to the audience, and the name of the company is mentioned and emphasized during these events (Chron 2013.)

The company has control over the first three promotional mix elements. Advertising, personal selling and sales promotion can be monitored by the company. Although over Public Relations, which is another non-personal communication form that reaches a large number of audiences, the company has less control (Chron 2013.)

The product itself is part of the communication elements that should be carefully promoted. Product promotion includes brand name, design of packaging and trade-marks. Price can communicate itself as well. For instance a high price can reflect prestige and is equal to quality (Chron 2013.)

3.4 Web-based Marketing Communication Tools

XXX is not planning to be marketed through tourist agencies, so the target market has to be reached through different direct marketing communication tools. The first reason for not choosing the service of travel agencies is that the commissioner wants to be in control as much as possible of the service chain the customer faces during the whole process, beginning from the booking of the trip. Secondary reason is the high commission fee travel agencies charge for their services (XXX 2013.)

In these days, World Wide Web is the most popular channel to communicate with users. According to Indexmundi (2013), the total population of Germany was over 81 million inhabitants in 2013. Regarding to the Internet World Stats`s (2012) research, 83% of the German population were using the Internet actively in 2012. This data ranks Germany as the 7th most active Internet user country in the world in 2012.

In the following table, the age distribution of the Internet usage in the first quarter of 2012 can be seen. According to these data, 71% of the 45-64 year old German citizens use the Internet every day, also 59% of the 65+ group of people use the Internet actively every day. These numbers prove that the senior group is rather easily approachable through web-based marketing tools.

Table 12. Age Distribution of Internet Usage in 2013 (Destatis 2013)

Age group	Every day/nearly every day	At least once a week	At least once a month
Altogether	77%	18%	6%
10-15 years	63%	28%	8%
16-24 years	90%	8%	No data
25-44 years	84%	12%	3%
45-64 years	71%	21%	8%
65 and older	59%	29%	12%

3.4.1 Social Media

Shortly, social media is today's interactive form of public relations. It allows businesses to get to know their customers as it was not possible before. It encompasses a wide variety of content formats such as video, picture, PDF and PowerPoint, audio and text. It also provides one-to-one, one-to-many and many-to-many real time communication exchange between users. The users can access social media via computer, tablets or mobile phones. Social media includes channels only for user-generated content (Cohen 2011.)

Social media can be also described as an online platform for people to engage in a conversation. Individuals can share contents with their friends to share their interests. Businesses can monitor what people think of their brand, and are also able to start a conversation with customers to get to know more about their needs. This way businesses can develop their products or services according to their customers' opinion. Since social media has become so popular nowadays, being present and active on these channels is a critical customer care element for businesses. Customers find those companies trust-worthy that are active on social media, as they are being openly present (Cohen 2011.)

Social media includes all online communication channels together, and enables its users to interact, collaborate and share content. One of the most important social media channels is Facebook. It lets users to create a profile for free, which can consists of pictures, videos, PDF files, Power Point, audio and text contents. Users can communicate with their friends, family and colleagues through their profile. A second very popular channel is called Twitter. It functions as a free microblogging service and allows members to share short posts called 'tweets'. It also allows members to become followers of each other's tweets. Wikipedia is a free encyclopedia that is created and maintained by the members called Wikipedians. LinkedIn was designed for the business community. It lets its members to upload their professional

background in order to built a professional social network among friends and people working in the same field. Reddit is a social channel to share news and stories. The site is written by sub-communities called 'subreddits'. Each subreddit is written on a different topic such as politics, music, techonology. Pinterest helps to share and categorizy images online. The main focus of the site is on the visual content. Each pictures directs the user back to its original location (WhatIs.com 2012.)

In Table 13, the top social networks among German Internet users in 2012 are listed. As it is seen all social network providers were used by millions.

Table 13. Top 10 Social Networks Among Internet Users in Germany, 2012 (E-Strategy Trends 2012)

Social network channels	Amount of active users
1. Facebook	38,6 millions
2. XING	4,2 millions
3. StayFriends	3,5 millions
4. Twitter	3,1 millions
5. Odnoklassniki.ru	2,9 millions
6. Ask.fm	2,8 millions
7. LinkedIn	2,7 millions
8. Tumblr	2,6 millions
9. wer-kennt-wen.de	2,5 millions
10. DaWanda	2,2 millions

According to Table 14, Germans are active internet users. Also older people are actively engaged in the social media networks. These facts are promising for the commissioner. The numbers reflect that the niche segment can be reached effectively through different social media networks.

Table 14. Age Distribution in Holidays Booked Online in 2011 in Germany (DRV 2011)

Age	Amount of bookings
18-30 years	20%
31-40 years	20%
41-50 years	50%
51-60 years	20%
61-70 years	8%
over 70 years	2%

As it is shown in Figure 2, German booking behaviour was the following in 2012 compared to 2005. This research predicts the increasing popularity of online booking and the decreasing trend of travel agencies.

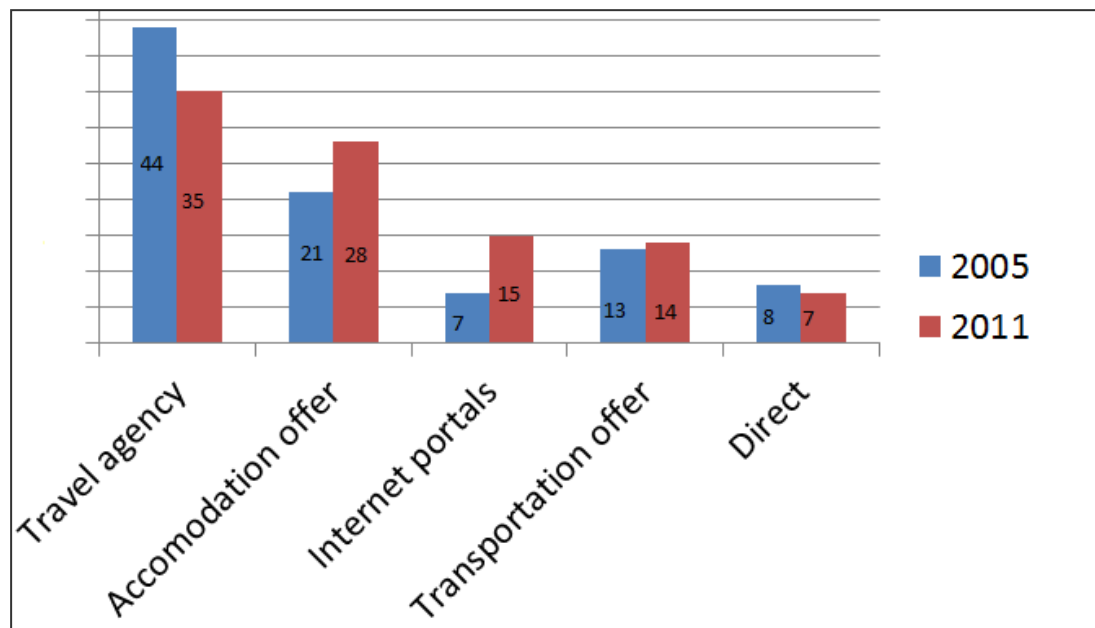


Figure 2. German Booking Behavior 2005-2012 (DRV 2011)

The commissioner should actively engage in using different social media channels. First, a company profile page should be created on Facebook. The profile should be illustrated with beautiful images taken by a professional photographer to attract more followers. After gaining a right amount of followers the commissioner should start an interactive conversation with its audience. The posts should be engaging enough to increase interest. For example pictures of daily life in Lapland and recipes of traditional dishes could be posted on Facebook. The blog could be started separately or through Facebook as including the link of the blog on the company's profile. Everyday tweets on Twitter should be utilized as well. Twitter and Pinterest are both linked together with Facebook and let each other know in case of a new post. If the followers subscribed to one of these, they instantly will be notified in case of a new post, comment or upload. These social media channels should contain less text than the blog, which would function like an article or a journal.

3.4.2 Blog

A blog is a communication tool that organizes diary-type documentation in chronological order and archives of older articles. The articles are organized into categories. Blogs can range from personal to political or scientific subjects. Many blogs deal with one particular topic as sports, technology or home decor. Some function as personal journals, representing the author's thoughts and daily life (Wordpress.org 2013.)

The act of writing and posting a blog is called blogging. Leaving comments on someone else's blog is also called blogging. Blogs became very famous nowadays since this type of communication enables people to leave their comments and to interact with other readers (Sterne 2001, 270.)

Travel blogs are a growing activity nowadays and they consist of user-generated content. These blogs are useful and important for tour operators, travel agencies and accommodation providers (Sterne 2001, 270.)

Blogs were the first form of online social network that let people to express their opinion like an online diary and also allowed them to have a conversation with other users. Nowadays some blogs and their authors called bloggers have become so famous that their blogs function as an online magazine or newspaper (Sheehan 2010, 99.) For this reason, blogs became one of the most important marketing communication tools these days. Blogs are greatly influencing consumer's purchasing behavior. Before a purchase decision, people tend to look for reviews on blogs. Popular bloggers can have a huge impact on the follower's decision. To exploit this huge influence, blogs sell space for advertising purposes. Companies are trying to influence bloggers as well. On a regular basis companies send products to bloggers in return for a product review (Sheehan 2010, 61.)

According to the following table, 27% of the niche market is actively using social media channels such as chats, blogs and social networks. Blogging is going to act as one of the main marketing communication channel in order to reach the target market for the commissioner as well.

Table 15. Online Social Media Activities by Age Distribution in the First Quarter of 2012 (Destatis 2013)

Age group	Active participation in social networks, forums, blogs, chats
Altogether	42%
10-15 years	59%
16-24 years	86%
45-64 years	21%
65 years and older	7%

In order to grow a blog, time has to be spent on promotion. Since there are so many blogs on the Internet, search engines are not the most effective tools to drive awareness and traffic to one's blog. There are many different steps that one could follow to achieve awareness towards his or her blog. One important step is to find other blogs and leave comments on them. If this step is maintained, other users will slowly start noticing. After each comment, the user's own blog's URL should be stated, so that the other users could visit it easily. Luckily, there are quite many personal blogs and forums written by Germans living in Finland on the Internet. Leaving comments on their blogs can awake interest in their followers who might check the commissioner's blog and become followers of her site too (About.com 2013.)

Another important step is to remember post frequently. Each new post helps for search engines to find the blog (About.com 2013.) The most effective topics in the case of the commissioner are posts about everyday life in Lapland illustrated with spectacular pictures. Posting details about life in Lapland from cuisines to transportation would be an interesting topic for the target group living in Central Europe. Recipes and beautiful pictures could be also included in the content of the blog.

Participating in online forums related to the blogger's topic, can attract more traffic as well. After stating the user name, the link to the blog could be left, so it is always available to other users. Promotional opportunities offered by social media channels is also a key to success. After joining the most popular sites, for example Facebook or Twitter, a link to the blog can be posted in the user's profile. Including the blog URL to email signature, business card and to basically every possible places will boost traffic (About.com 2013.)

Holding a blog contest in a form of a give-away, is also a beneficial tool. A small or bigger price can be offered for one or more users. If the price is tempting enough, more and more people are going to subscribe to the blog. Guest blogging is an often used tool to attract more reader to one's blog. Teaming up with another blogger and guest blogging at each other's blogs will attract visitors from both sides to the other (About.com 2013.)

3.4.3 Search Engine Optimization

Search engine marketing can be divided into two basic parts, natural search and paid search. Natural search includes free search engine providers such as Google and Yahoo!. Search engines 'crawl' the web to find relevant information for the search word. These 'crawlers' are also known as 'spiders'. The keyword is used to match the content of the websites and the search engine measures whether the site is relevant or not. If a company wants to be found it has to be linked to numerous keywords. For example, a department store appears when customers type words like 'dress' or 'umbrella' or 'parfume' into the free search engine. Since there are so many companies and products on the market, employing scientific approaches and resources in order to improve search results can be crucial. This is called search-engine optimization (SEO). In order to optimise natural search, choosing the right keywords can offer more traffic. Also giving relevant names to one's site's pages is a smart move. Submitting a site to many specialised directories creates many relevant links to a site makes the spider easier to find also (Sheehan 2010, 36-37.)

Paid search is a guaranteed place on a search result page. It can also be a rotation of results based on the amount marketers pay for the place. In these days the biggest source for advertising revenue comes from paid search advertising. Paid and natural search results are presented on the same webpage. Usually paid search results are shaded with different colors or labelled as 'sponsored links'. Google, the largest search engine, sells these spots for keywords based on a certain auction (Sheehan 2010, 38.)

Search ads are usually sold on a cost-per-click (CPC) way. This means that the advertiser pays the search engine after every time someone clicks on it. This cost can be relatively cheap or expensive depending on the keyword and the competition. Paid search is important for marketers as it guarantees visibility. On the other hand natural search results have higher click rates (Sheehan 2010, 39.)

According to the table below, more than 80% of Germans seek for information about consumer goods and services in the internet. The senior group is also very active on searching information online.

Table 16. Online Activities by Age Distribution Among Germans in 2012
(Destatis 2013)

Age group	Information about consumer goods and services
Altogether	88%
10-15 years	59%
16-24 years	85%
25-44 years	94%
45-64 years	91%
65 years and older	84%

The keywords used in the text of the company's website should be considered carefully. The recommended keywords are: Lapland, Arctic holiday, art/culture holiday, creative holiday, experience holiday, individual holiday, name of the different events and festivals, summer and winter in Lapland, Finland

3.5 Other Recommended Marketing Communication Tools

3.5.1 Trade Fairs

Trade shows are exhibitions that attract a huge number of manufacturers to present their products or services to retailers, distributors, wholesalers and end-users in a particular industry. Travel fairs are often open also for the public. These events are perfect to increase the possibility of finding potential customers. As McCabe noted (2008, 187), 86% of the attendees are considered to be decision makers or influencers. Exhibitions and trade fairs are favoured by many companies, since a larger number of customers

can be reached face-to-face at a considerably low cost compared to personal sales visit.

Trade fairs can serve two main marketing communication forms. The first form is when activities are being directly related to making sales and the second form involves more promotional activities. On the sales related trade shows people can directly purchase products. On promotional fairs new products are being introduced to the audience. Trade fairs have a key role in business-to-business marketing as well (McCabe 2008, 188.)

According to McCabe (2008, 188), in Germany trade fairs have a more important role than in any other country in the world. These events often gather people and companies together, who otherwise might have not even heard of each other. Exhibitions are considered to be neutral territories where both counterparts can feel relaxed. Trade fairs are also an important factor of relationship marketing.

XXX is planning to take part in a trade show as well. Germany is organizing many tourism related fairs all around the year. The commissioner is going to visit the Culture Travel Fair organized in Hamburg at the end of February 2014 (XXX 2013.) In order to find out, which are the most interesting and important exhibitors to visit, the map of the trade fair should be checked carefully, before taking part in the event. It is also recommended to visit smaller fairs instead of bigger ones. Smaller fairs might offer more interaction with the exhibitors than a huge fair full of attendees. Leaving business cards by the visitors at a crowded booth is suggested as well. Most of the exhibitors place a bowl or box at their table for this purpose, since exhibitors spend a large amount of money on participating in these events they do not want to miss any potential customers. These companies will spend the time on contacting the attendees after the trade show (Entrepreneur 2013.)

3.5.2 Word-of-mouth

The most effective form of promotion is word-of-mouth. It is an oral or written recommendation by a satisfied customer (Business dictionary.com 2013).

Word-of-mouth is also often called as a brand's social voice. It is much more difficult to build than creating a Facebook or a Twitter profile. Gaining a good reputation involves hard work and strategic thinking. First recommended step is to reach the influencers of a group of people. For instance, these leaders could be bloggers, public figures, or journalists. Engaging the audience or followers in a conversation via social media is also an effective way. This is a more direct form of communicating and even more valuable than verbal word-of-mouth. More than half of the Internet users are registered on at least one social media site. Also, more than half of these users liked a brand page's profile and shared it on their wall. According to statistics, every second actual purchase made by customers was promoted through word-of-mouth by other satisfied customers. Products or services that are worthy to talk about have to be out-standing and exceptional (Forbes 2013, McKinsey&Company 2013.)

As the company is offering unique tours at the high-end sector, it is crucial to gain a good reputation. As a result in another thesis based on individual experience tourism, previously satisfied customers often return and bring new friends and relatives with them to the tours. In the individual experience industry customers have to be treated extremely carefully and individually (Bohn 2013.)

4 BUILDING CREDIBILITY THROUGH WEB-COMMERCE

4.1 Web-design

Building credibility online is a crucial marketing tactic, in order to reach new customers. A company can make its presence obvious and to prove that there are real people standing behind the company. It is more likely that consumers will purchase products and services from a company that they trust and like (Chen 2013.)

For small and medium enterprises this is a crucial marketing tactic, since often they lack of customer awareness. First of all, a great website design that reflects professionalism will ease the process of finding information, and will reflect a great image of the company. Moreover, a small company with a great and professionally designed web page can look more credible, than a multinational company's amateur website (Metheney consulting 2013.)

A good webpage has to be easy to navigate, informative and user-friendly. Using professional photography on a webpage helps to gain credibility as well. It is important to be presented as an easily approachable company by providing all contact information on the website. It shows that the business is legitimate and do not hide its contact information such as phone numbers, addresses or email address from its customers (Metheney consulting 2013.) Responding to emails should not take more than 24 hours; otherwise the customer might feel that the company is not available and distant (Arrow internet marketing 2013).

Third-party supporters reflect trust as well. Legally using graphics such as Visa, MasterCard, and Pay Pal help to gain credibility. Also, the company being recommended by a trusted award or trade fair awakes interest and trust. User security verification logos, for example McAfee Secure or Symantec presented at the sales funnel can decrease customer concern (Marketing experiments 2013.)

A well-written content that is free from spelling and grammar mistakes, current and accurate, written in an easy but enjoyable way will gain credibility too. On the other hand, visually appealing images such as pictures and logos can increase interest. A professional photographer is recommended for the company to be hired in order to give the best quality possible for illustrating the website (Arrow internet marketing 2013.)

The company has to show interest towards its customers. Being active on social media sites is a great way to maintain customer's attention. Responding in an engaging way, to each and every comment left on the company's website or blog creates trust as well. It makes customers feel appreciated for expressing their opinion. Nevertheless, a satisfied target audience will spread a good reputation of the company (Arrow internet marketing 2013.)

A website should also contain clear information on the company. For instance an 'About Us' section that describes the history of the company followed by pictures of the owner and employees is a great way to develop trust. Feedback is important for every business. Having a separate 'Leave your feedback' section gives the opportunity for customers to share their experiences. If a company acts honestly and is open for either negative or positive feedback it will increase the trust in future potential customers (Arrow internet marketing 2013.)

4.2 Recommendations

Multimedia information systems allow the creation and promotion of new cultural experiences. This can happen through channels like chat rooms, web forums and newsgroups. All of these channels can be either real-time or interactive. They can promote a cultural heritage attraction or create a virtual community of cultural practitioners, visitors and education. People can access large amounts of information through these sites. The rapidly growing

number of travel blogs has created a new source of 'real' information. It is important to mention that these sources are not official; however, they often provide a much more realistic picture, than official websites of a certain destination (Smith 2009, 226.)

Trip Advisor is the world's largest travel site that helps travelers to plan their journey ahead. The website contains reviews and opinions on those tourism companies that are listed on the website. There are more than 260 million monthly users of the site and over 125 million reviews covering more than 3.1 million accommodations, restaurants and attractions all around the world. The site is operated in 34 different countries at the moment. Trip Advisor provides advice of trusted travelers and information on a wide range of travel destinations. It also gives a platform for booking tools and planning features. The company first has to request to be listed on the site. After being accepted it can start adding information, photos and responds to the reviews. All the services on the Trip Advisor are free; hence it is a great and cost-effective marketing communication tool, especially to reach foreign visitors (Trip Advisor 2013.)

Another free marketing communication tool that is recommended for the company is Google Maps, provided by Google. Companies that want to be listed on Google Maps have to create a google account and will receive a free listing spot on the map. When visitors search for information on Google Maps, the address of the company is going to be automatically listed on the map (Google 2014.)

4.3 Terms of Payment

Terms of payment can be described as a process of completing sales by the seller. The terms describe the allowed period of time until the payment has to be completed. The payment can be in forms of cash in advance, cash on delivery or deferred payment. The average period of time for completing the

payment is 30 days or more. In case of smaller businesses the interval of the time is shorter than 30 days (Business dictionary 2013.)

Nowadays, most of the payments are completed via electronic payment. That is a financial exchange that takes place online between the buyer and the seller. There are different digital financial instruments such as credit card numbers or electronic cheques that are provided by a bank or an intermediary. These forms of payment are considered to be inexpensive methods, since nowadays technology is at a highly advanced level. Electronic transactions save paper and time as well (Ignou 2013.)

However, there are also some disadvantages of payments completed online. An e-payment system has to guarantee a secure environment for payments. The system should be protected with a program that ensures a safe environment and protection for the personal information of the buyers (Pasupathinathan 2013.)

As the table shows below, Germans' online banking behavior is also very active. More than 40% of the selected segment is using online banking.

Table 17. Online Banking Activities by Age Distribution of 2012 (Destatis 2013)

Age group	Online banking
Altogether	50%
10-15 years	3%
16-24 years	38%
25-44 years	69%
45-64 years	49%
65 years and older	43%

There are many worldwide known and regional pay service provider systems. One that is reliable and popular in Germany, is the company called Ogone Collect. The service allows the company to accept payment methods in different countries with one single contract. This is a convenient service, if the company operates in many different countries (Ogone 2013.)

Another service provider is called Service Credit Union. This company is also active in Germany and offers financial advice services. They provide free business checking service, which was designed particularly for individual business owners (Service Credit Union 2013.) In Table 18, the most suitable service account is suggested for the commissioner.

Table 18. Offered Services by Free Business Checking Account (Service Credit Union 2013)

Free Business Checking
• No minimum opening balance
• No monthly fee
• Free and Instantly Issued Business VISA® Debit Card
• Free 24/7 Online Account Access
• Free 24/7 Live Person Service
• Earn points with a Business Debit Card
• No transaction fees for the first 250 items processed monthly (50 cents per item after that)
• Free notary services

5 CONCLUSION

This marketing communication plan can be used as a framework in planning marketing communications of XXX's company. The objective of the thesis was to find cost-effective web-based marketing communication tools that gain credibility for a start-up company, so that the customers dare to book tours online. Since Internet plays such a significant role in today's marketing, the main focus was on the web-based marketing communication tools; however, some non-web-based marketing tools were investigated as well. Recommendations were given also on the usage of these tools in order to build a credible image.

A detailed SWOT analysis was conducted at the beginning of the thesis, which is an important tool to analyze both internal and external factors of a company. After the company gets a clear picture on its internal situation it can focus on external impacts. This was followed by a competitor analysis, since it has a significant impact on the organizational success. According to the results conducted by the author and of the interview by the Development Centre of Rovaniemi (Rovaniemen Kehitys) and The Centres for Economic Development, Transport and the Environment (ELY-center), the commissioner's business idea is so unique that it has no direct competitors on the Finnish market, and it can be considered as a pioneer of serving the new tourism trend recognized by the Finnish Tourists Board.

The main business goal of the company is to offer the best quality tours based on the values of authenticity and culture of Lapland. The target group has been chosen very carefully by the commissioner. The company will focus only on the 50+ German-speaking Senior Free Traveler group, recognized by the Finnish Tourist Board (2012).

Another objective of the company is to have fully booked tours for the spring of 2014 (XXX 2013). In order to achieve that the right marketing communication tools have to be selected and applied carefully. In today`s marketing Internet acts as the most important communication channel. As it was found out, Germany was the 7th most active nation using the Internet in 2012. Also the 50+ age group is using the Internet frequently for different purposes, such as chatting, reading blogs, booking a trip online, online banking and looking up reviews on certain products or services. This fact is very promising, since it shows that the target segment can be rather easily approached through web-based marketing communication tools and nowadays the power of travel agencies is showing a decreasing tendency.

Mainly web-based, but few non-web-based marketing communication tools were also recommended for the commissioner in order to reach the target market. Different web-based communication tools, such as social media platforms, search engine optimization and blogging were introduced and investigated. The usage of these tools was presented in the thesis as well. Trade fairs are a popular way to market certain products and services in Germany, so the commissioner should pay close attention exploiting this non-web-based tool.

At last, guidelines for gaining credibility through the selected marketing communication tools were mentioned. It is crucial for the company to gain a credible image in order to assure an efficient amount of bookings. It is the commissioner`s choice whether the suggested marketing tools will be implemented and practiced or not. The effectiveness of the plan and suggested marketing communication tools can be measured by the sales of spring and summer of 2014.

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