LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

FINNISH CUSTOMER EXPECTATIONS IN SENIOR RESIDENCES ON COSTA DEL SOL, SPAIN

Case: Villa Aurora Company

LAHTI UNIVERSITY OF APPLIED SCIENCES
Degree programme in International Business
Bachelor’s Thesis
Spring 2015
Le, Hoai Bao Tran

Lahti University of Applied Sciences
Degree Programme in International Business

LE, TRAN

Finnish customer expectation in senior residence on Costa del Sol, Spain
Case: Villa Aurora

Bachelor's Thesis in International Business, 74 pages, 3 pages of appendices

Spring 2015

ABSTRACT

The number of senior citizens in Finland has been increasing for decades, and this trend is predicted to continue due to the aging of Finnish baby-boom generations. The rise of aging population leads to the increase of demand in living places for senior people. At the same time, more Finnish retirees choose Spain as a destination for their retirement holidays, especially in winter. Another fact is that the hotels in Spain have low occupancy rates during winter. Therefore converting hotels into senior residences, particularly in low season, is likely a solution to maximize hotel facility utility and provide more comfortable living places for Finnish senior people.

Throughout this study, the deductive approach is applied with the assistance of qualitative method. The primary data is obtained from interviews with Finnish potential customers and with the director of the case company, and from communications via e-mails with senior residences in Spain. The secondary data is collected from books, journals, previous studies, and reliable Internet sources.

The research's aim is to assist the case company to improve their knowledge about the Finnish market for their new business, senior residences services. In this case, the research provides the findings about Finnish customer expectations towards senior residences. All analyses and recommendations have managed to achieve the research's objectives and can benefit later researches as a trusted study source. The conclusion is that Finnish customers have various expectations in senior residences in Spain regarding different aspects from services, facilities to locations, staff and price. Further research is necessary to study pricing issues as well as other groups of potential customers.

Key words: senior residences, retiree, retirement, customer expectation, interview, interviewees, zone of tolerance

CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 INTRODUCTION

1.1 Background

The elder population has increased steadily during the last decades, and there is a rise in the proportion of old people over 65 years old in the total population (United Nation 2013, 1). Particularly, in Europe, people over 65 years old will account for 28% of the whole European population in 2020 (COM 2011). This is the result of both the decline of fertility rates and longer life expectancy (WHO 2014). From 1950 to 2010, the world fertility rate decreased from 2.9 children per woman to only 1.7 children per woman (UN 2013). According to Figure 1, the life expectancy is predicted to reach 83 years in more developed regions and 75 years in less developed regions by 2045-2050.

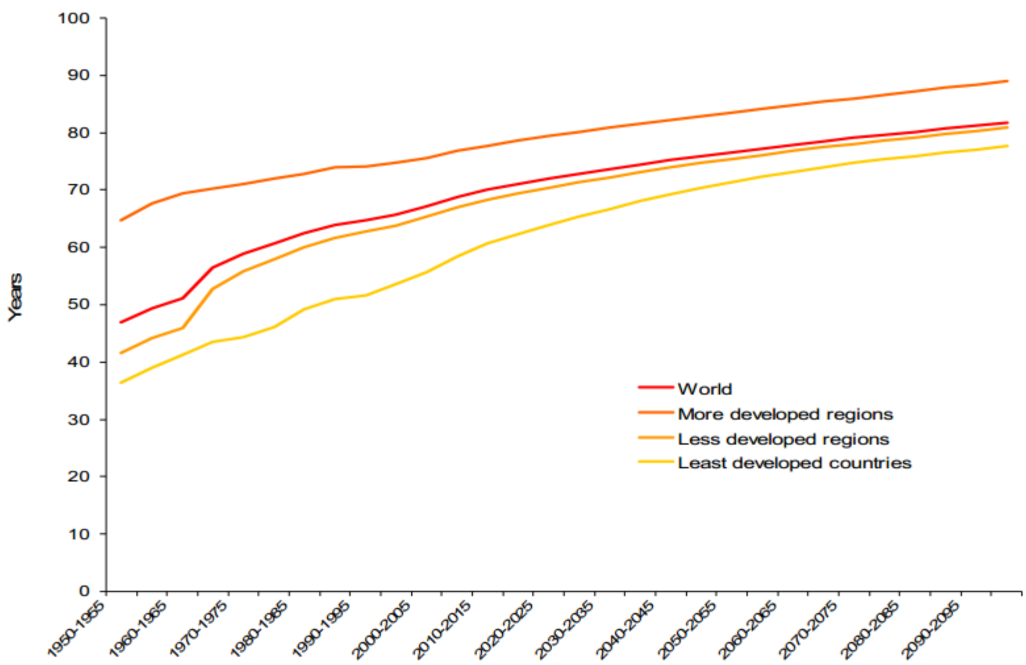

FIGURE 1. Life expectancy at birth 1950 - 2050 (United Nation 2013)

In Finland, the situation is similar to many other European countries with the dramatic increase of aged people. In 2014, according to CIA World Factbook, the proportion of people aged over 65 in Finland is 19,8% of the whole population while people aged from 55 to 65 who are going to retire soon, in the next ten years, account for 14,2%.

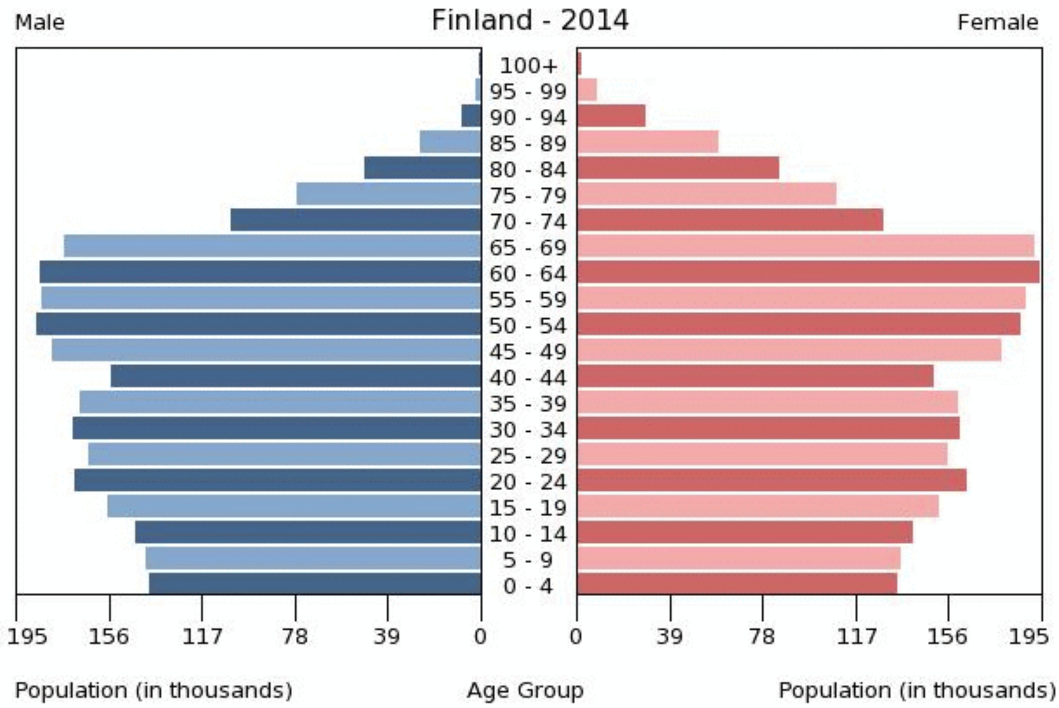

FIGURE 2. Population structure in Finland (CIA World Factbook 2014)

The increasing aging population drives the demand for senior housing (Scheinder 2013). Along with changes in society and technology, the requirements for senior residence have changed steadily. The elderly people do not simply look for a place to stay after retirement but a living environment which has familiar atmosphere but creates as much independence as possible, though they still need health care service and personal assistance (Stula 2012, 2). Particularly, in Finland, due to the very large number of aging people lately and in the near future, the demand for purpose-built apartments is up quickly in the next twenty years. Finnish elderly people opt for places designed specifically for them, but in fact, most of them live alone, and home service provided are not enough to create a friendly and warm living environment for them. (Tyvimaa 2010.) In addition, the weather circumstance in senior housing location also affects their physical and psychological sides (Portegijs 2014). Therefore, looking for a living place with proper conditions for retirement age is a priority to many Finnish people.

According to the World Tourism Organization (2013, 6), Spain took the third place, only after France and the U.S, in the top 10 rankings by international arrivals with totally 60.7 million arrivals. Moreover, with several advantages including warm climate, one of the least-expensive countries in Western Europe, good health care services, people and life styles, Spain is one of the top five best retirement countries in the world (International Living 2014). In accordance with Statistic Finland (2013) in figure 3, Spain is ranked the third one among the most favorite destinations of Finnish people to travel to, especially for long holidays with 610.000 trips in 2012. Finnish citizens, especially aged people, tend to travel to Spain to escape the cold weather during the long winter (Statistic Finland 2014).

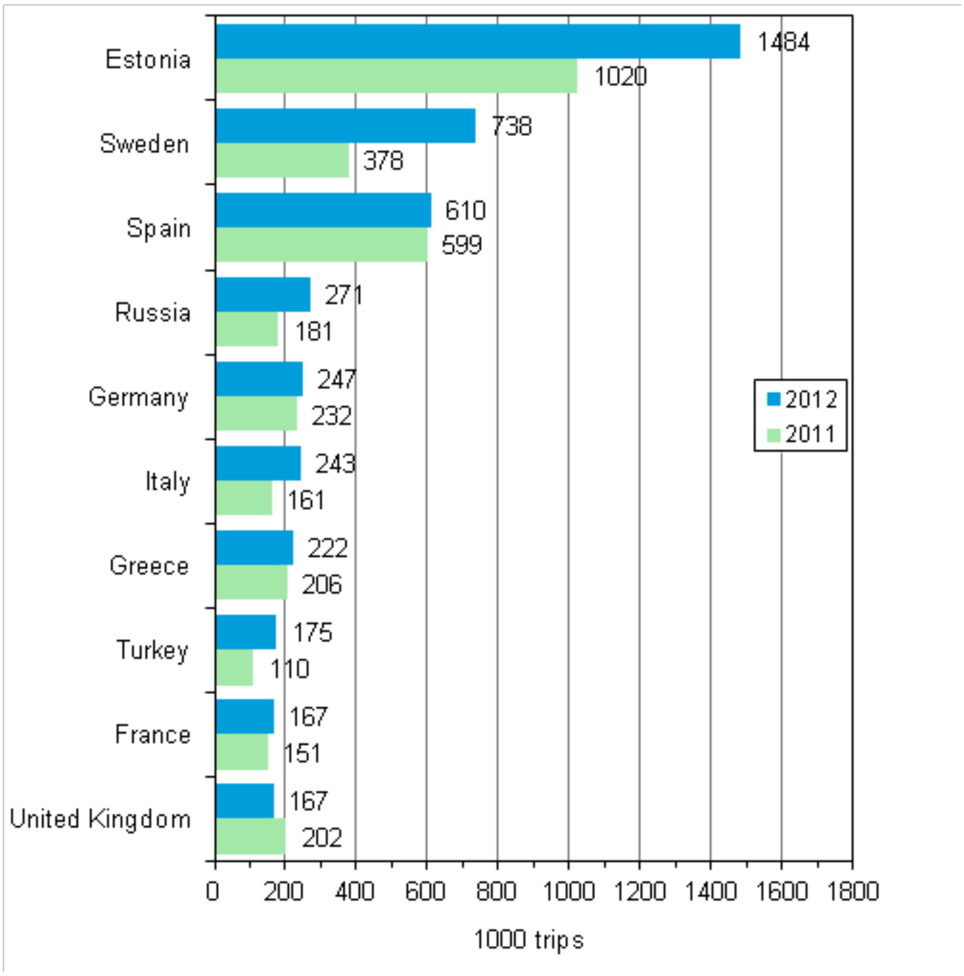

FIGURE 3. Finnish residents' favorite destination countries for leisure trips with overnight in 2012 and compared with 2011 (Statistic Finland 2013)

Along with a developed and well-known tourist industry, Spain has a wide system of hotels, which includes 15,112 hotels all over the country, and 16.44% of them are four and five star ones (INE 2014). The occupancy rates of either four-star or five-star hotels vary a lot in different months. For example, according to figure 2, from May to October in 2013, four-star and five-star hotels always had more than 50% of bed-places occupied and the rates peaked to 73% and 65 % respectively in July, while the rest of the year, the rates of occupied bed-places fluctuated from just over 40% to around 50%.

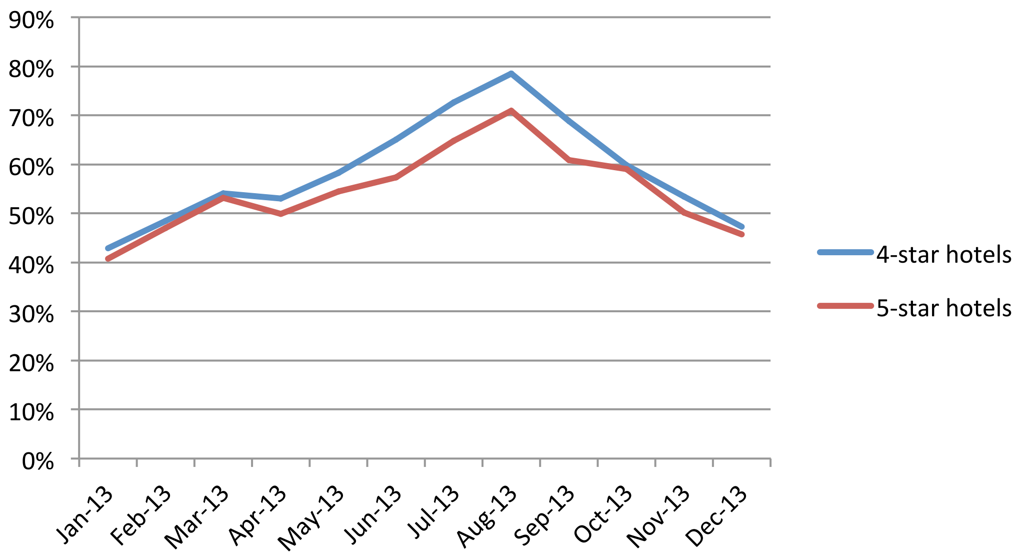

FIGURE 4. Occupancy rates of bed-places in four-star and five-star hotels in Spain 2013 (INE 2013)

Because of the decrease of guests during the low season, the hotels have to deal with problems in operation, and the most concerned ones are low revenue and inefficiency in use of facilities and sources. To avoid these difficulties, hotels need to either find alternatives or diversify their activities to compensate the loss of revenue during off-season time (Peers 2014.)

The author came up with the thesis topic when she was doing her internship in Marbella, one of the most well-known tourism destinations in Spain. There are many senior foreigners who plan to stay long there in the long term, since they prefer the warm weather and living style there but would like to keep high living standard with fine health care services at the same time. In addition, the author worked with Mr. Johannes Schumacher, who is a director of Calidum Resort S.L. and also the director of that company's new subsidiary named Villa Aurora. This brand will operate luxury senior residences on Costa del Sol generally and in Marbella city specifically based on the facilities of its hotel partners. He has realized the high potential markets for this service, since in the near future, baby-boom generations who were born from after the World War II to the late 1960's, are about to retire and look for retirement destinations. And the case company considers Finnish market is one of the potential markets due to its constant growth of aging population. At the same time, luxury hotels in Costa del Sol are highly possible to be converted into senior residences and exploit their available facilities and infrastructure. With a positive forecast about the high demand for high-class senior residence, if this hotel transformation is learnt and conducted with discretion, success will likely be more within reach.

For the purpose of assisting the case company Villa Aurora in providing the right new services in terms of senior residences with hotel standards, the author focuses on learning the expectations of target customer groups, particularly in Finnish market, for luxury living places located in Spain for elderly people.

In this thesis, the group studied is Finnish people aged 55 and over who are about to retire during next two decades or have retired already. This group is also the one that case company targets to in its business plans.

1.2 Thesis Objectives, Research Questions and Limitations

The main objective of this thesis is to support the case company in understanding what potential Finnish customers look for in terms of luxury model of senior residence. The final goal is that the analyses, researches and examinations of this thesis can contribute to the market knowledge of Villa Aurora in the Finnish market in order to run its new-brand business successfully at the beginning.

The main research question: *What are service expectations of Finnish customers for high-class senior residences in Spain? And, is there the Finnish market potential for the case company in term of customer expectations?*

To facilitate answering the main question, following sub-questions are formed below:

- What are customer expectations?
- How are living places organized for Finnish senior citizens in Finland?
- How have Finnish retirees been living on Costa del Sol, Spain?
- What does Villa Aurora plan to provide for clients?
- What do Finnish target customers expect from the new model of senior residences?
- Is there the Finnish market potential for Villa Aurora to target?

Limitations

The thesis does not cover pricing issue, which is an important factor when the company targets to any market. Study the price and price determinations are left for further research. In addition, the study is only limited in Finnish market while there are potential markets in several European countries, for instance the U.K market or other Scandinavian countries. Another limitation is that the senior residence services will be run for the first time in summer 2015, which means when the author studied about the case company, this business was still on plan, so it had not brought any result yet to analyze.

However, under the support and guidance of the thesis supervisor and the case company director, the study is completed and brings noteworthy results.

1.3 Research Methodology and Data Collection

The thesis research method is showed briefly in the following figure

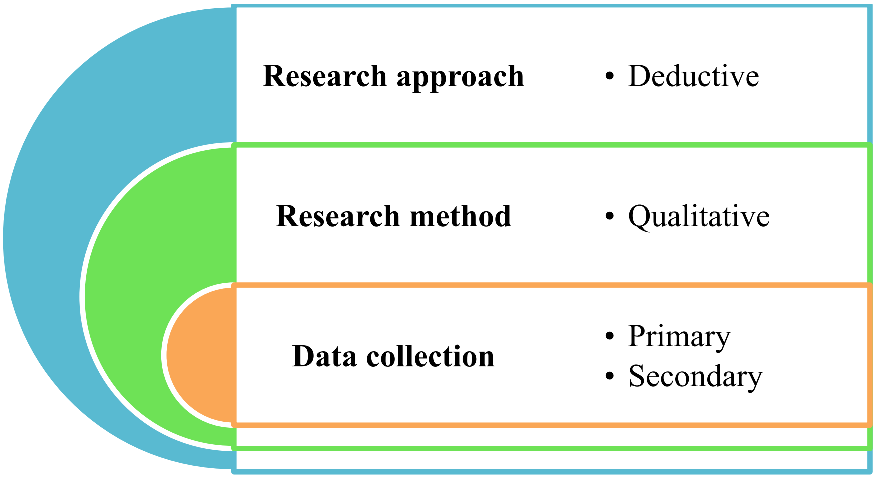

FIGURE 5. Research methodology

Research approach

Deduction and induction are two common research approaches used in business researches. These approaches are opposite to each other. While induction is to build and develop a theory from empirical activities through collecting data and resulting data analysis, deduction is applied to test a hypothesis from theory as if it is valid in given circumstances. The emphasis of the research and the nature of the research topic are the most important aspects affecting the choice of research approach. Another issue considered when choosing a suitable approach is time limit. For example, deductive research usually consumes less time to complete. However, it is not obligatory to choose only induction or deduction, but it is possible to combine both approaches in a research. (Saunders et al. 2009, 124-127.) According to the main goals of the thesis and time limitation, the author applies deduction as the appropriate approach throughout the research.

Research methods

Saunders et al. (2009) states that quantitative and qualitative methods are two methods often used in business research. Quantitative method uses a large volume of data, especially numerical data. The data can be collected by different techniques such as questionnaires, surveys. Qualitative method focuses on non-numeric data, which is generated via, for instance, group discussions, interviews. Some researchers mix both quantitative and qualitative method to conduct their researches, since it is necessary to have various types of data for different paths in their analysis to generate results with high accuracy.

In this thesis, the author aims to clarify the expectations of Finnish senior and elderly people for high-class senior residences. To understand the expectations of target customers aged 55 and over, semi-structured interviews are conducted among 11 people who are finding a destination for their retirement age and later period, apart from normal senior living places or children's house, to find out which aspects people are concerned about and at which level. Consequently, the author decided to apply qualitative method to her research.

Data collection

In this study, the author collects both primary and secondary data to carry out the results of the research.

Researchers can collect data through various techniques including interviews. The interviews can be divided into three types including structured interviews, semi-structured interviews and unstructured or in-depth interviews. In structured interviews, the interviewers use a set of questions. The interviewees answer question by question until the last one; and the interviewers ask the exact questions listed with neutral voice. This type of interview is standardized and often applied in quantitative method. In contrast, semi-structured and in-depth interview are unstandardized. In semi-structured interviews, the interviewers use some basic questions and cover all concerned issues during the interviews. However, the order of questions is changeable as it depends on which direction an interview goes. Some accidental questions can be raised and added during an interview to collect additional data. In-depth interviews allow interviewees feel free to talk without any predetermined question even though the interviewers are still conscious about what they need to get from interviewees' answers. This interview has no clear direction, and it is considered informal way. Both semi-structured and in-depth interviews are usually used within qualitative method. (Saunders et al. 2009.)

In this research, primary data is the data gathered directly by the author via semi-structured interviews. The author collected data from Finnish people aged 55 and over who are going to retire in following years or who have retired already. Ten interviewees are living in Lahti and surrounding area. One interview was conducted via Skype, since this interviewee was in Helsinki. Additionally, the author also had an interview with a person who has worked and helped elderly people in a nursing home. The author had every interview individually with each interviewee. Every interview lasted 40 to 50 minutes; and questions were made according to the particular evolution of each interview. The interviews encouraged people to express their own opinions as much as possible. Interviewees' answers were either written down on paper or recorded. Most of the interviews were completed in a library, the others happened in interviewee's private house. On the other hand, to support the case company and market analysis, the author collected data of senior residences in Spain by contacting five senior residences located in Marbella city via e-mails during her practical training period in Spain, and had in-depth interviews with the director of the case company.

Secondary data also plays an important role in this study due to the limitation of the author's knowledge in various fields and thesis construction time. The sources for secondary data are books, reports, journals, articles, previous studies in the literature, and electronic sources.

1.4 Thesis structure

The figure 6 displays the whole thesis structure as below

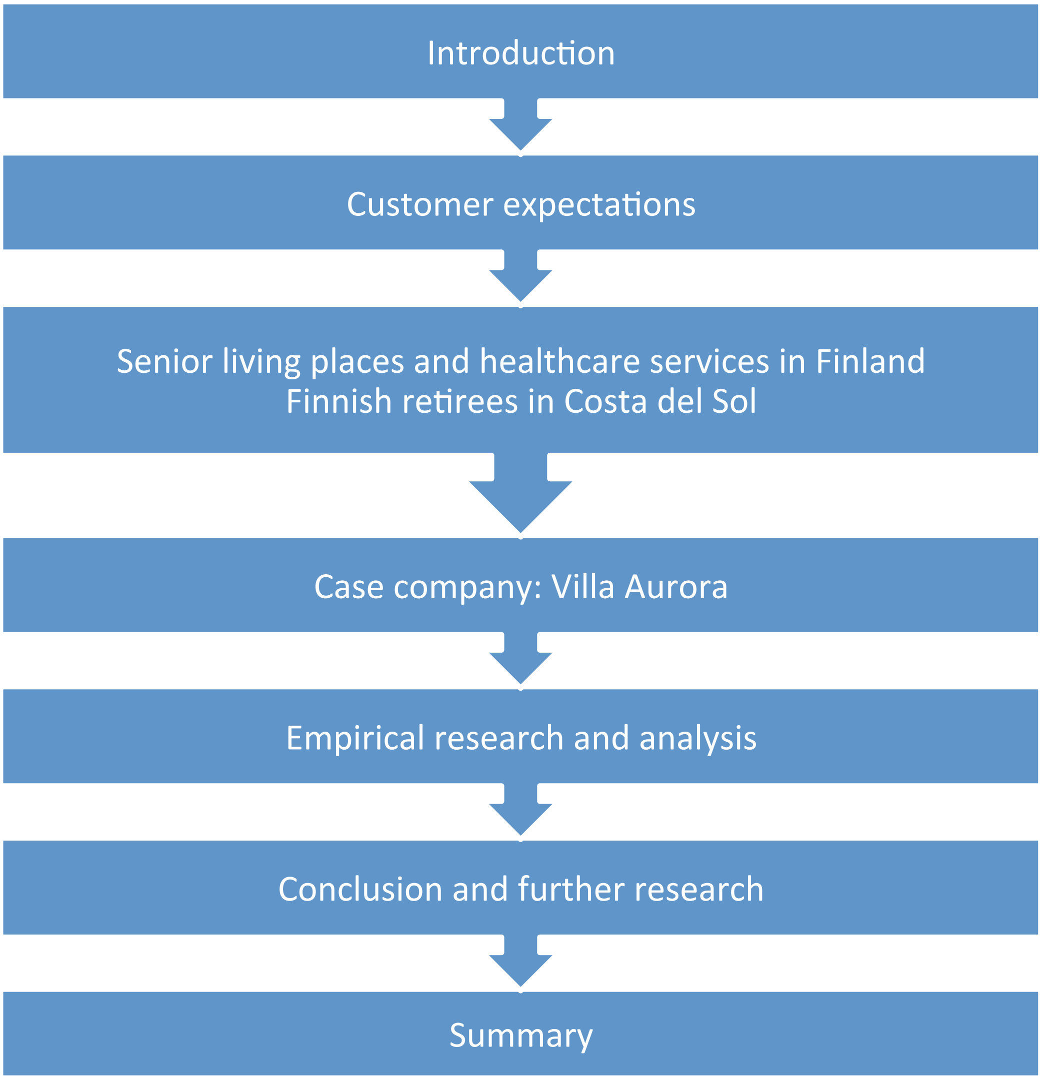

FIGURE 6. Thesis structure

Chapter 1 introduces the background information, the objectives of this study, the research design including research method and data collection.

Chapter 2 lists and details customer expectations and attributes influencing levels of customer expectation.

Chapter 3 discusses current living places and healthcare services available for senior citizens in Finland as well as provides the general views about several living aspects of Finnish retirees on Costa del Sol, Spain.

Chapter 4 displays information about the case company Villa Aurora consisting of background, aims and objectives and services offered.

Chapter 5 reports an empirical study and author’s analysis based on semi-structured interviews to carry out what are customer expectations for the model of senior residence of the case company.

Chapter 6 presents recommendations and suggestion for further research and studies

Chapter 7 gives a conclusion with final thesis summary

2 CUSTOMER SERVICE EXPECTATIONS

Customer satisfaction is a key to succeed a business (Bennani 2013). In order to satisfy customers, a company does not need to concentrate on improving its products or services all the time but must meet customer expectations (Mudie & Cottam 1999). Therefore, before deepening in any practical part related to the services of the case company, it is definitely important to understand thoroughly customer expectations, for example, what expectation means, which factors drive expectations, and how much they influence customer expectations.

In this chapter, essential knowledge about customer service expectations is presented in order to support the empirical research. Firstly, understanding customer service expectations is displayed. Secondly, the author goes through factors influencing different levels of service expectations.

2.1 Understanding customer service expectations

> *"Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged." (Zeithaml et al. 2009, 75.)*

When people are about to use or buy a service, they often rely on previous personal experiences about this kind of service or the same service provider to raise their expectation for that service. They will compare the real service performance to what they believe the service, at least, is acceptable. These comparisons influence customers' purchase decisions significantly toward to the service in the future. Therefore it is necessary to understand customer expectations' features. (Zeithaml et al. 2009, 75.)

Differentiating between customer need and customer expectation

Since there is often confusion between customer expectations and other concepts including customer needs (Customer Needs/ Wants/ Customer Expectations – What's The Difference), the author distinguishes meaning of these two concepts. Schneider and Bowen (1995) believe that customer need and expectation are different from each other in certain ways. Need is unconscious, deep in psyche, more global and long-lasting while expectation is more conscious, more specific and exists in short term. Need is derived from “human existence” while “service encounter” generates expectation. The reactions of customers are also different when their needs or expectations are not meet. Without meeting customer expectations, a service can just make its customer dissatisfied or disappointed. However, when customer needs are not completed, more aggressive reactions will be showed, for example, anger, outrage or even physical hostility. For service business, violation of need is also much more serious than that of expectation as they can lose their customers instead of recovering. (Kusluvan 2003.)

2.1.1 Components of service expectations

There are different ways to classify customer expectations. For example, Ojasalo (1999) divides expectations in terms of its clearness to service providers. According to his theory, there are five types of expectations: fuzzy expectations, explicit expectations, implicit expectations, realistic expectations and unrealistic expectations (Ojasalo 1999). Muller (1977) classifies customer expectations into four types: ideal, expected, minimum tolerable and deserved (according to H. Keith Hunt). Zeithaml (2009) states that different levels of service expectations can be created with regard to customer’s reference points. The service expectations can be scaled from the highest level “desired service” to the lowest one “adequate service”. Between these two levels there is an area named “zone of tolerance”. (Zeithaml et al. 2009.) Though both of these formulations of expectations share similar idea about different levels of customer expectations, for example, Zeithaml’s idea about “adequate service” can be compared to Miller’s “minimum tolerable” level (Zeithaml 1993), there are certain differences between them in classifications (Ekinsi 2003). In this thesis, the author relies on Zeithaml’s formulation to explain the levels of customer expectations.

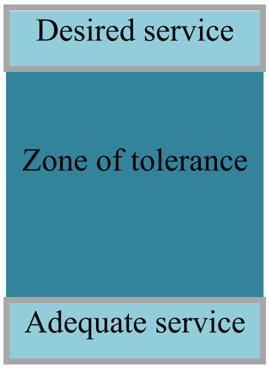

FIGURE 7. Levels of customer expectations

Desired service "*is the level of service the customer hope to receive- the 'wished for' level of performance"* (Zeithaml et al. 2009, 77). It reflects what a customer would like to receive from a service (Campos & Nobrega, 2009). Customers expect highly in a service at this level as it not only "can be" but also "should be" like what they believe. Customers would properly only purchase or use a service when their wishes, hopes and belief on it are completed (Zeithaml et al. 2009.) This is the top level of customer expectations (Campos & Nobrega 2009). For example, in a study about services in a family hotel in Chiangmai, Thailand, customers who stay in the hotel during their visit expect highly in hotel staff among various service factors. They believe that employees not only just finish their works normally but also "should work professionally and have expertise in their jobs". (Wonglorsaichon & Wiriyakitjar 2013.)

Adequate service is the bottom in the whole scale of customer expectations. At this level, customers still keep what they wish for highly, but they decrease the service expectations to "acceptable" level. This level is the "minimum tolerable expectation" (Zeithaml et al. 2009, 77.) For instance, a person is looking for a bottle of milk in a small local shop. Usually, he drinks special milk only available in certain big super markets. When entering the shop, he still keeps a hope that he can find his favorite milk there, but he knows that it is properly impossible. Therefore he only expects, at least, the shop has some kinds of milk, even just the normal ones. In this case, his expectation for the shop is at adequate level.

2.1.2 Zone of tolerance

The term "zone of tolerance" can be used in different periods in customer's purchase process, which means it is not only applied in customer expectations in service performance before the service process but also in customer satisfaction both during service process and post-purchase stage (Johnston 1995). In term of pre-performance expectations, zone of tolerance (ZOT) is defined as a range between the two extreme levels of expectations "desired service" and "adequate service" (Zeithaml et al. 2009). When customer expectations fluctuate in this zone, customers do not really pay attention to service performance even there are changes or differences. In contrast, when a performance of service is out of the zone, either higher or lower, it can catch people's attention, as clients are either very pleased or surprised or completely dissatisfied or disappointed with the service. Every customer owns different widths of ZOT across various industries, services, and components characterizing a service. (Lovelock et al. 1996.) Even to a customer, the width of ZOT of a service can vary in certain situations (Zeithaml 2009). It reflects how sensitive customers are to that service. The narrower ZOT is, the more strictly customers judge a service performance. With customers who have wide ranges in service expectations, they tend to be more relaxed and tolerant to the service. (Johnston 1995.)

As mentioned above, ZOT is limited by the two maximum and minimum levels of expectations, so changes in these two levels cause changes in ZOT including being wider or narrower, increase or decrease. According to Walker and Baker (2000), adequate level is more changeable than desired level. Usually desired service level is likely to change slowly, since it is set in a high position by customers who keep the same quality concepts for services across different service categories or sub-categories. On the other hand, adequate level is typically a subject to change significantly, since at this level, many factors can influence customer expectations easier than at the top level. (Lovelock et al. 1996.) A company's business can be safe if it provides services located in ZOT. However, to be successful in service business, it needs to be more than just delivering services, which are more than acceptable and less than ideal level.

Dimensions of service expectations

Customers' ZOT varies across different attributes regarding to service quality (Zeithmal et al. 2009). Parasuraman et al. (1988) suggest a framework with five different dimensions where customers usually rely on to create their expectations to a service and then judge it. These dimensions are named reliability, tangible, responsiveness, assurance and empathy (Parasuraman et al. 1988).

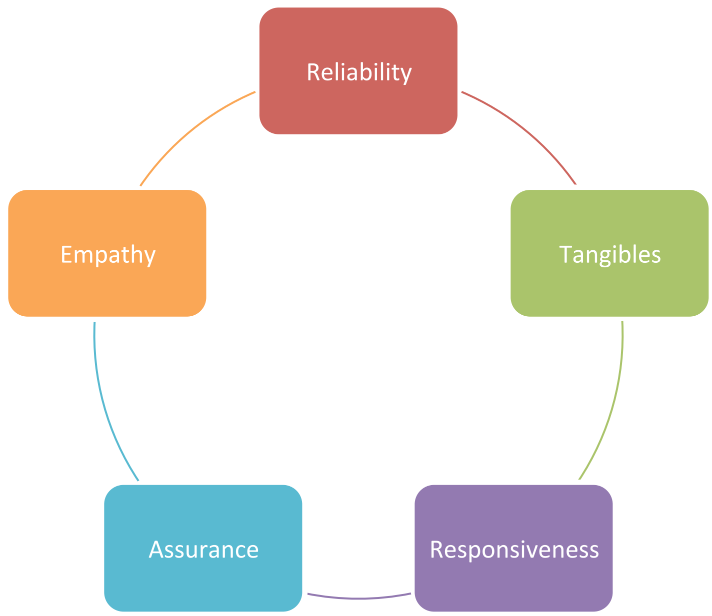

FIGURE 8. Five service dimensions

Reliability is how correctly a service can keep its promise about its performance to customers. This attribute is considered as the most important determinant among these five ones. (Mudie & Pirrie 2006.)

Tangibles are the presence of facilities, equipment, and individual and communication materials (Mudie & Pirrie 2006).

Responsiveness is enthusiasm in supporting customer and delivering good service (Mudie & Pirrie 2006).

Assurance is a service ability to create trust and confidence in customer's mind (Mudie & Pirrie 2006). It can be from experiences of staff, carefulness in service process, provider's awareness of market and services.

Empathy is *"the caring, individualized attention the service provides its customers"* (Mudie & Pirrie 2006). If a customer feels like he is understood and cared by a service, it will be a great chance that he will be a loyal customer to that provider (Estep 2011).

Among these five attributes, reliability is focused within service outcome whilst the rest of dimensions are considered more during service process (Parasuraman et al. 1991). A study by Parasuraman and his colleagues indicates that reliability is concerned most. As a result, customer ZOT for service reliability is narrower than that for other four dimensions, and both adequate and desired service expectation levels are likely set higher for this dimension. Customers tend to be less tolerant of mistakes in service reliability while they are more relaxed to service tangibles, responsiveness, empathy or assurance. (Parasuraman et al. 1991.) In addition, in different services and fields, each dimension is weighted more or less than other ones. For example, tangibles is concentrated more in hospitality industry, such as hotels, beauty salons, whereas assurance plays more important role in health, financial and legal services (Mudie & Cottam 1999).

2.2 Factors influencing service expectations

Since the ZOT is formed by the highest and lowest levels of customer expectations, it is crucial to understand which elements drive these two levels directly and influence the ZOT's range indirectly, which presents customers' sensitiveness to a service. The figure 5 below presents the influencers of desired service, adequate service and both of them. These factors are explained in detail in the following parts of this chapter.

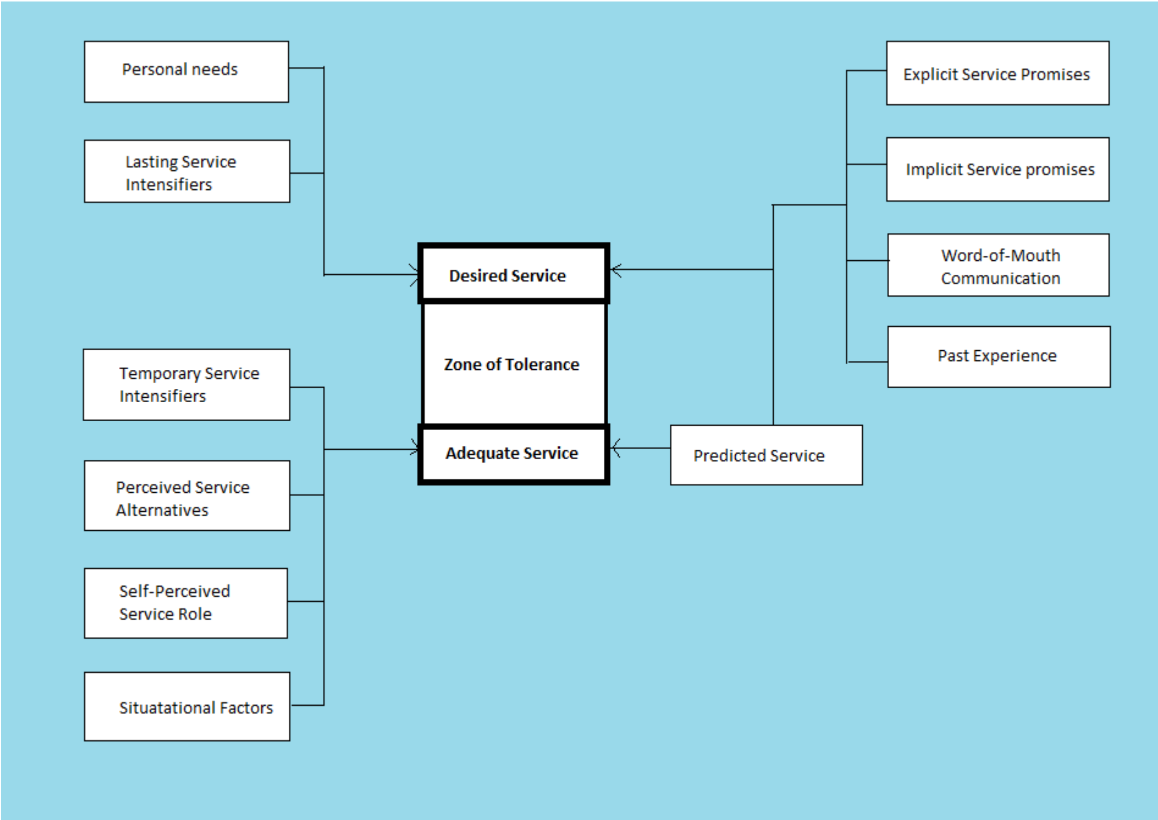

FIGURE 9. Influences of desired service and adequate service

2.2.1 Influences of desired service expectations

Zeithaml (2009) concludes that two central factors affecting desired service expectation are personal needs and lasting service intensifiers.

Personal needs are very basic issues existing deeply and unconsciously inside people's minds and driving people to complete them if they are missed (Lovelock et al. 1996). According to Maslow hierarchy, the needs of a person vary from the basic stage "biological and physiological needs" to the most complex stage "self-actualization". All those different types of personal needs play the main roles in generating desired service expectations (Zeithaml 2009). Though everyone owns quite similar needs, some people are needier than others in respect to each certain one. As a result concerning in business, to service providers, this phenomenon partly shapes customer expectations even more unpredictable (Brink and Berndt 2004.) Nowadays, when basic needs are eventually fulfilled, people pay more attention to their upper needs, which are more difficult to be completed. This trend creates the demands for advance services, which are both opportunities and challenges for service business. (Lovelock et al. 1996.)

Lasting service intensifiers are determinants lasting in long term and tending to stay unchangeable. These aspects regulate the increase of customer desired expectations. (Zeithaml et al. 2009.) Bitner (2009) argues that among several lasting service intensifiers, there are two significant ones called "derived service expectation" and "personal service philosophy". Derived service expectations are customer service expectations shaped mainly by people around a customer. Usually, these people join as parties who receive or use the service. They would add their expectations to service decision-maker's expectations either intentionally or unintentionally, so in general, thanks to this factor, the desired service level is enhanced. (Zeithaml et al. 2009.) Gilber and Wong (2003) present an example in their study about derived expectation when people choose an airplane company for family vacation. The decision-maker is choosing flights for not only himself but other family members who have different expectations in airplane. He experiences derived service expectation, as he wants to delight his family. If his family members are not happy with the airplane, he may blame himself for that. Another important intensifier is personal service philosophy. This is about how well a person knows about a service regarding to its internal activities and tasks. The more a person has known about a kind of service, the higher level he expects in it. Since a customer has been through a service as his previous or current work, he can judge how that service should be from the point of view of experienced person, which is probably less tolerant. On the other hand, if a person has no idea about how a service is operated, they tend to expect less and be easier. (Zeithaml et al. 2009.) For example, in a study by Kinney (2008) about online privacy perception, experts hold much higher expectations in what kind of information should be included in its policy than armatures do. As they own many experiences in this specific field, they doubt more the reliability of information announced in the policy while normal people with fresher minds about it likely think that information is conceivable (Kinney 2008).

2.2.2 Influences of adequate service expectations

The group of five aspects driving adequate expectation level includes transitory service intensifiers, perceived service alternatives, customer self-perceived service role, situational factors and predicted service. Unlike factors influencing desired service, these factors exist in limited periods and change regularly. (Zeithaml et al. 2009, according to Chand 2015.) This can explain the instability of adequate service expectation level, which is the main cause of extension or narrowing of customer service expectation extent.

Transitory service intensifiers are individual factors happening in temporary time and raising customer's consciousness to the need of that service. These intensifiers increase the level of adequate expectation, which narrows the range of their service expectation and make customers more sensitive to service performance. Zeithaml (2009) introduces two common intensifiers, which are instant cases and problems with first service. When a circumstance is urgent, customers probably would like to solve it by a service as soon as possible, so they may expect better response from the service than normal (Zeithaml et al. 2009). For example, a customer who has a broken window in his flat in winter time expects staff from house repair service company to come and fix right the time instead of one or two days like in summer time. If a customer has difficulty with the first service, the service provider who delivers the second service needs to be even more aware. Since a customer receives a failed service in the first time, s/he adds more expectation to the second service and believes that s/he deserves to get a better one in terms of reliability (Zeithaml et al. 2009).

Perceived service alternatives present different service substitutes which customers realize that they can choose from when comparing to a service they are going to use (Zeithaml et al. 2009). As customers can find different approaches in order to solve the same basic problem (Lovelock et al. 1996), service providers have to bear in their mind that not only offers from direct competitors but also all possible substitutes can replace their service to complete customer needs (Bitner et al. 2009). The more alternatives are offered, the more customers heighten they adequate expectation level to that service (Hoffman & Bateson 2010). On the contrary, if a customer is limited in choosing the types of service, he tends to be more open-minded to the service and widen ZOT (Zeithaml et al. 2009).

Customer's self-perceived service role shows how deeply customers try to get involve in a service performance that they receive. If customers think that they have stated apparently or made clear what they requires to have when using service, they expect more in adequate service. This is because they believe they have already played his own role well to contribute to a good service and service provider should do so for the rest of it. In other cases, customers who do not prepare their roles in a service performance, their expectations in acceptable service level are lower, which means their ZOT are larger. (Zeithaml et al. 2009.)

Situational factors are influences service providers cannot control. These factors exist in short period and are likely urgent. Customers consider them not faults caused by service providers but by objective elements. Consequently, customers are more lenient to adequate service expectation and set this service level lower than normal, which makes the ZOT wider. Those factors can be weather, natural disasters, and accidents, especially situations affecting seriously many people. (Rao 2011.) When temporarily situations are over, the expectation of customer in adequate service properly changes to another level.

Predicted service is what customers predict to receive from a service. Their prediction is about how a service will possibly be performed or what will happen during that service's transaction. (Zeithaml et al. 2009.) Miller (1997) argues that predicted service is also taken into account as a level in customer expectation scale (according to Strandvik 1993). On the other hand, Zeithaml (2009) believes that predicted service expectations are only for specific service transaction between customers and one service provider. Every time customers are about to use a service from a company, they hold different predictions about the service. Predicted service is very dependent on individuals and their particular situations with service providers. This feature differentiates predicted service from both desired service and adequate service. Therefore predicted service is considered as a crucial element affecting adequate service level instead of a level in customer expectation range, according to Zeithaml's model. Predicted service can change adequate service expectation to lower or higher levels. If customer predict a service performance is good, they unconsciously upgrades their expectation levels, and in contrast, if customers believe that they will receive a poor service, they will expect less. (Zeithaml et al. 2009.)

2.2.3 Influences of both desired and predicted service expectations

Apart from factors influencing either desired or adequate service, some components can affect both of them. According to Zeithaml (2009), these factors guide desired service level directly while determining adequate service level indirectly through effects on predicted service. In other words, in this part of the chapter, the author gives explanations about influences on desired and predicted service level. These four factors include explicit service promises, implicit service promises, word-of-mouth communications and past experience.

Explicit service promises are clear statements that providers promise to customers (Zeithaml et al. 2009). These promises can be delivered in different ways, either face-to-face communication or indirect channels (Brink and Berndt 2004). In the personal way, providers contact customers directly, for example, through salespeople, via email, by telephone or fax (Law, 2009). The non-personal promises of service providers are stated in websites, catalogues or brochures or mass media such as television, radio, and newspaper. Zeithaml (2009) believes that explicit service promises have deep effect in both desired and predicted service expectation since those promises build customer's belief about the service and also support them to forecast what probably occurs during service transaction. In the opposite side, in Devlin's study in banking business, he concludes that explicit service promises have poor influence on both types of service expectation (Devlin et al., 2002). In some previous studies, the authors also prove that explicit service promises made through advertising have no significant effect on predicted service (Clow et al. 1997; Dion et al. 1998; Webster 1991; according to Kalamas et al. 2002). Therefore it is possible to state that the amount of explicit service promises' effect on service expectation varies among different business (Olli 2007).

Explicit service promises are considered a controllable factor to service providers since this is the only one that providers can manage completely (Zeithaml et al. 2009). Therefore in order to partly influence customer expectation, it is important for service providers to manage explicit service promises well. The more providers promise, the more customers expect in both desired and predicted service. Unfortunately, over-promise is one of the most common mistakes companies make (7 most common customer service mistakes, 2014). This happens when salespeople over-estimate their service or believe the service is always delivered in the best condition. Moreover, even though representatives really mean to keep promises accurately, the service can be delivered differently every time. (Zeithaml et al. 2009.)

Implicit service promises shape customer expectations through implied signals relating to a service. The customers can collect clues and make assumption how a service will be performed in the future. Those clues are delivered through tangibles associated with the service and the service price. (Zeithaml et al. 2009.) The tangible cues can be a firm's office decoration, furniture, equipment and the exterior of facility (Clow et al. 1997). Customers usually collect tangible evidence both in pre-purchase and during service performance to adjust how much they should expect in service (Berry & Clack 1986; Bitner 1990; Kurtz & Clow 1991; Shostack 1977; according to Clow et al. 1997). Customers expect less in service if they go to an old beauty salon located in a small street corner, and in contrast, they believe that the service is better in a bright salon equipped with brand-new machines in a main and busy street. Another factor also changing customer expectation level is service price. Customers raise their expectation according to how much they pay for a service (Bitner 1990; Kurtz and Clow 1991: Zeithaml et al. 1993; according to Clow et al. 1997). The relation between price and expectation is positive since the higher price is offered, the more customers expect in the service (Zeithaml et al. 2009). Overall, implicit service promises have significant effect on and positive correlation to both desired and predicted service expectation level (Prugsamtz & Petecost 2006; Devlin et al. 2002).

Word-of-mouth communication can determine a customer's expectation through other people's statements around him, for example, family, friends or acquaintance (Zeithaml et al. 2009). Word of mouth has been ranked as the most powerful marketing tool since people tend to trust people they know and their recommendations (Global survey: Word of Mouth the Most Powerful Selling Tool 2007). According to Zeithaml (2009), word of mouth communication drives both predicted and desired service expectation in positive correlations. However, in a study about banking service conducted by Devlin and his colleagues, they prove that word of mouth only significantly affects desired service while its influence on predicted expectation is not clear. In general, word of mouth communication has a positive correlation with level of customer expectations (Zeithaml et al. 2009; Devlin et al. 2002). The more positive word of mouth a customer gets from other people about a service, the higher expectation he places on it. This is also a challenge for service providers, as they need to improve their service to please customers. (Devlin et al. 2002.)

Past experience is one of the antecedents of service expectations, which is mentioned in several models and studies before (Gronroos 1983, 1984, 1990; Webster 1991; Zeithaml et al. 1993; Clow et al. 1997; Dion et al. 1998; according to Kalamas et al,. 2002). Customers base their forecast of what a service might be or how it would be delivered on their previous experiences. These experiences can come from different sources. Customers can compare what they are going to experience with the same service from the same company they used times before; or they judge the focal service with a similar one from other companies; or customers even take a comparison across different industries. For example, when about to use service in a hotel, guests can gather all their experiences they have had with either that hotel, other hotels in that hotel chain, other hotel chains and even to hospital service. (Zeithaml et al. 2009.)

3 SENIOR LIVING PLACES IN FINLAND. FINNISH PEOPLE'S LIFE IN SPAIN

In the previous chapter, the author discusses the concept of customer expectation and the factors driving it. To apply that knowledge in understanding customer expectations in the case company's particular services, it is essential to learn about the recent situations of closely similar services and organizations in Finland, for instance, what services are already available and how good they are. Moreover, later on, the lives of Finnish people living in Southern Spain are also concerned because they gives ideas about what factors did, do and will drive Finnish senior people to move to that area.

3.1 Living places and healthcare services for Finnish senior citizens

It is a matter of fact, that population aging has been a long-term trend in Europe since the last decades, and is proved with the dramatic increase of people aged 65 and over. While around 25,8 million people who are from 65 years old in 2004, this number reached to 31 million in 2013 among 28 EU member countries. (Eurostat 2014.) In addition, the baby-boom generations are entering retirement period soon, the amount of aging people is predicted to boost in the very near future. Eurostat 2005 forecasts that the proportion of individuals aged 65 will share 30% of whole European population in the year 2050 (according to Lundborg 2006). The population in Finland also follows the aging trend. The figure 3 below presents the gradual increase of the group of people aged over 65 in Finland. The number and the share of aged people are increasing gradually in decades. In the next two decades, the high volume of people who belongs to the baby-boom generations will retire and begin their third age period. The volume of this group is predicted to reach nearly 1,5 million in 2030, which accounts up to 26,2% of total Finnish population and go up eventually to 1,75 million in 2060. (Statistic Finland 2012.) Within European countries, Finland is the first country which has to deal with the aging population challenge due to the baby- boomer period and also one of the quickest aging countries (Liikanen 2008; Gebreyohannis & Kharel 2012).

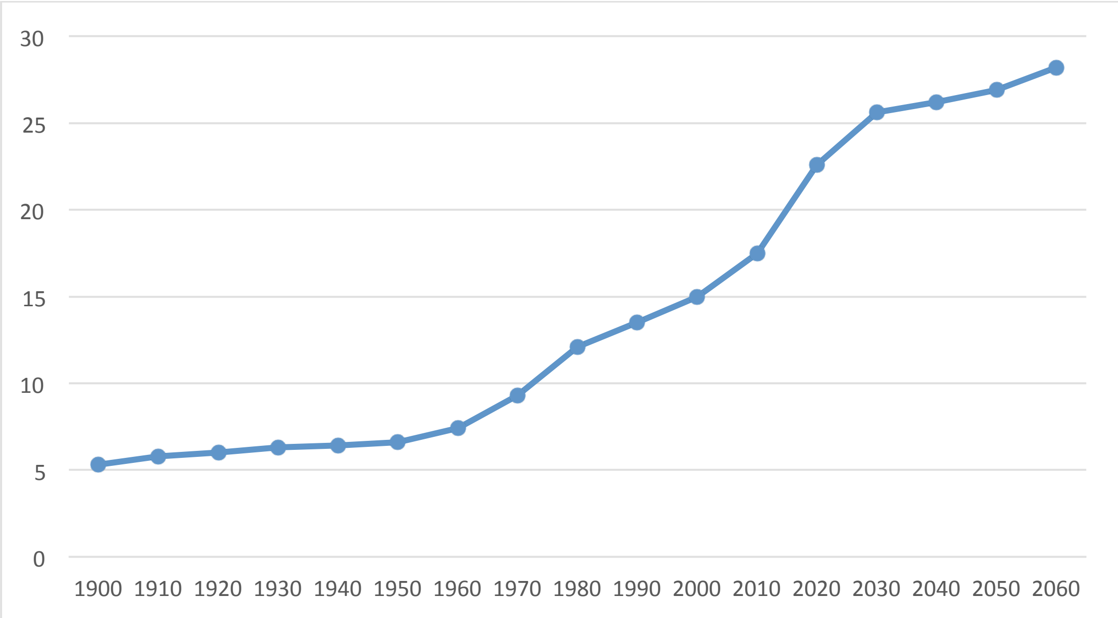

FIGURE 10. Proportion of people aged over 65 in Finland from 1900 to 2060 (2020-2060: projection) (Statistic Finland 2012)

As a result of continuous increase in number and share of elderly people, the demand for products and service concerning this group of people rises significantly, especially housing issues (Nummelin 2005). “Where to live?” is one of the most concerned questions of people when they are getting older. Some choose to stay in their own home; others decide to take alternatives, for instance, moving to shelter house or relocating in other regions or even other country. In accordance with each type of household, different health care activities and services are offered in order to match their particular features.

In Finland, the government tries to keep apartment supply as well as health care service supply for senior citizens stable, yet the rapid raise of aging population lately and in the near future boosts the demand over the supply in long term (Finnish Ministry of the Environment 2013). In a report about European elderly, Mette (2005) states that when people get older, their dependence also increases due to their gradually functional decrease, so providing care and supporting them in daily activities are especially important. The ratio of dependent senior people is also up currently and in the next twenty years in Finland. The government encourages elderly people live in their own houses as long as possible, and those people themselves wish the same. However, moving to senior living places with availability of health care services and activities is likely need-to-do issue for elderly people. (YM 2013.)

There are not many options of living places for elderly people (Tyvimaa 2010). A part from living type that senior people live in their own house alone, with spouse or family members, Tyviamaa (2010) classifies three main different types of living places including nursing home, sheltered housing and senior residence. The coming part of this chapter details about natures, advantages and disadvantages and accompanying services of each of these housing forms. The author focuses on these types because they have several similar features to the case company's model of senior residence. Knowledge about attributes associated with these types of living places is needed in order to understand expectations of elderly people for the living model of the case company since they probably have comparisons in accordance with the current conditions of these kinds of living places.

3.1.1 Nursing home

Nursing home is for senior citizens who are unable to handle themselves and need intensive professional cares (Medicine Net 2012). Nursing home is a type of institutional cares which used to be common in Finland. The amount of nursing home in Finland was ranked as one of the highest ones all over Europe. Nowadays, with support from the Finnish government to encourage elderly people stay home as long as possible, this type of house as well as other kinds of care institutions are down in number. (Tyvimaa 2010.) Stakes (2007) reports the amount of people aged 85 and over living in nursing house declined in a decade from 15,4% in 1995 to 10,4% in 2005 (according to Tyvimaa 2010). Central government mainly covers fees for care and service in nursing homes while senior people only pay a small part of it. For example, in 2005, the payment of elderly people living in nursing houses accounted for 9% of total cost, and the rest 91% was transferred by the government. (OEDC 2011.) However, an old person can only stay in nursing home if he has a referral from a doctor to prove that he has great difficulties in daily self-care activities and needs intensive care (Palliative care options 2009).

Each resident in nursing homes is usually taken care individually in the most of daily activities, especially in eating and mobility. (MedicineNet 2012.) The service and care are usually available 24 hours per day. Besides time residents spend their own room, senior people can gather in common spaces and are encouraged to join activities with people who share the same level of health condition (Social and Service Networks 2010). Nursing homes provide basic medical equipment and have collaboration with other care institutions such as hospitals, day care centres (Mauno Kaihla Koti Nursing Home 2015).

3.1.2 Sheltered housing

Sheltered housing has other names such as assisted living facilities or service housing. This housing type is defined as a rental apartment located in a building where several care services are offered consisting meals-on-wheels, hygiene assistance, housework, shopping and banking assistance. Usually sheltered housing offers daytime services, but in some assisted living, health conditions of old people require care all the time, then 24-hour services are also available. The purpose of sheltered housing is to deliver durably physical and partly medical aids to old people who face to functional challenges but can live quite independently. (Kemppainen 2006.) Sheltered housing is similar to nursing home in certain features, but according to Cleary (2003), it is more flexible than nursing home in setting. Sheltered housing creates more home feeling to old people as well as provides healthcare services and private living area (Cleary 2003). Moreover, people living in sheltered housing are able to make their own decisions and do activities controllably while, in nursing homes, people find it greatly difficult or impossible to take care themselves (Anderson 2007, according to Tyvimaa 2009). Due to its less restrictive settings, sheltered housing has different types of services and activities which are responded by either professional nurses or non-skill staff (Cleary 2003). In addition to being a permanent home, sheltered housing can be applied as a short-term stay for people. For example when home informal caregivers are not at home in months or busy in short periods or when an elderly person needs proper professional care while waiting to switch from hospital formal care to home care. (Kemppainen 2006.)

Stake (2007) reports that during period 1995-2005, the number of nursing homes and their users went down while the number of people staying in sheltered housing was doubled from 5,8% to 11,5% because of "aging in place" trend (according to Tyvimaa 2009). The services in sheltered housing are provided by private parties or public ones or by the co-operation of both of them (Kemppainen 2006). Regards to Stake (2007), in 2005, 44% of sheltered housing was provided by organizations and foundations, 42% by municipalities and 13% by private service providers (according to Tyvimaa 2009). Similar to nursing home, most of service costs in sheltered housing is carried by the government; and old people need suggestion from doctor or group of welfare professionals to move in sheltered housing (Kemppainen 2006).

In a study by Kemppainen (2006), seniors are satisfied with most services in sheltered housing, for instance, meals, sauna, laundry and the kiosky. Moreover, they also appreciate peaceful atmosphere, safe environment and high possibility to reach staff's help. On the other hand, people find staff's attention and care somehow overwhelming, and either they do not like nurse's interruption to their privacy. The other important issue mentioned is that some elderly people do not feel like home in sheltered housing despite of the length of their stay. (Kemppainen 2006.)

3.1.3 Senior residences

Senior residences are also named independent living facilities or senior houses in Finland. This housing type has been more common in Finland since 1990's (Kemppainen 2006). Finnish laws state that people aged 55 and over are main objects of this type of living place. They are for senior citizens who can live independently and do not need health care every day (Tyvimaa 2009). This housing type provides more independence and privacy for residents while the designs of facilities are specialized for people when they are older. Accessibility and adaptability are the most superior requirements concentrated in the construction of senior housing. There is no unique quality standard set for senior residences in Finland so they are varied across different constructors and service providers. Senior living buildings often have elevators and the WCs and bathrooms specialized for wheelchair mobility. (Kamppainen 2006.) Basically, there is no service or personal staff available in senior residences, but people who need of help or assistance can require services from health service centres. In accordance with the levels of services provided, Rasila and her colleagues (2006) suggest three different types of senior residents available in Finland. The first one is building which is technologically feasible to elderly people, for example automatic front door, no doorstep and possibility to install necessary equipment regarding to senior people's needs. The second type of senior living has certain nursing services for residents which are not included in rent, in addition to similar technical conditions to the first type. The third kind is the most advanced one with several flexible services offered depending on individual needs of tenants. These houses are also designed with high level of technological practice and welcome surrounding. (Rasila et al. 2006.) Senior housing is usually built near to city centre with urban residence services and other care institutions to facilitate elderly people's health care and their independence as long as possible (Kemppainen 2006; Tyvimaa 2009.)

3.2 Finnish senior people on Costa del Sol, Southern Spain

As mentioned in previous parts of this paper, Finnish baby-boomers are entering retirement years. People belonging to this cohort have experienced more travelling than older generations, and they consume more actively. They are travelling a lot in their retirement time; and moreover, they create new practices for retirees with seasonal migration on such an example (Karisto & Konttinen 2004, according to Karisto 2007). In accordance with Stein (1998), retirement period can be divided into three phases named Go-Go years, Slow-Go years and No-Go years according to how active elderly people are in their retirement. The lengths of these phases are not the same for everyone, as they depend on both physical and mental ability of each person.

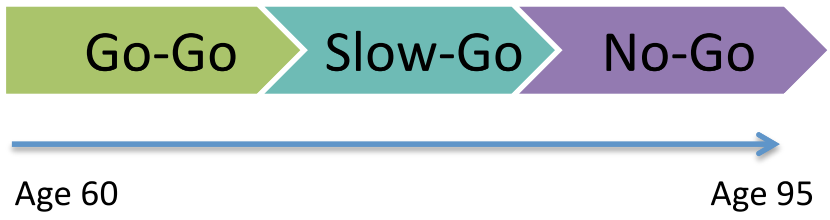

FIGURE 11. Three stages of retirement period (Stein 1998)

Go-Go stage is from the point when a person starts retiring, and it lasts for a decade or even longer (Go-go, slow-go and no-go: Longevity and retirement lifestyles 2014). This stage is called "active" one, since retirees achieve high level of activities. People still have quite similar lifestyle to that of pre-retirement period, but they have more free time for other activities such as travelling, enjoying other hobbies instead of working. On the other hand, some retirees continue working as part-time employees. Generally, retirees often stereotype the Go-Go phase as their retirement dream. (Yih 2015.) The following stage Slow-Go is marked when aged people slow down and slightly decrease their activities. This stage usually comes between 70 and 84 years old (Yih 2015). In this stage, people's health condition decreases slightly. They are more stable and less excited about the idea of retirement. Retirees tend to follow fixed routines, for instance, specific stuff for specific days, since patterns help them save energy and minimize effort but still enjoy their life. (Yih 2015.) People also spend less for travelling and switch to much less expensive lifestyle (Kitces 2014; Go-go, slow-go and no-go: Longevity and retirement lifestyles 2014). Slow-Go years are also named "stable retirement phase" (Yih 2015). The third stage No-Go, also named "limited retirement phase", happens when elderly people have more health problems concerning either physical or mental side (Yih 2015). The level of activity engagement decreases dramatically, since the priority changes to rest and relaxation (Go-go, slow-go and no-go: Longevity and retirement lifestyles 2014). As the matter of fact, when Finnish baby-boom generations retires, they start the first phase "Go-Go years".

Among different oversea destinations for both travel and relocation, Spain is one of the most common and favorite choices for Finnish retirees. The increase in number of Finnish citizens, especially senior ones, moving to Spain for either permanent or temporary period is continuous (Number of Finns in Spain on rise

2014). The correct number is probably unable to be recorded as these people usually live part of a year in Spain and the rest in their home country (Väänänen et al. 2006). Different studies have addressed various explanations for this phenomenon. According to Rodriguez and his colleagues (1998), the climate is the most essential factor influencing people's decision to move to Spain, particularly Southern Spain. The following factors listed are other environmental features, previous migratory experiences, relation between health problem and weather, living standard and cost, social factors, family relationships, and distance. (Rodriguez et al. 1998.)

Since the case company plans to develop its new model of senior residences on Costa del Sol, Southern Spain, the author focuses on discussing the natural as well as social features of this region which influence the moving decision of Finnish senior citizens who are living or plan to stay there regularly or temporarily.

3.2.1 Climate

In a study by Rodriguez and his colleagues (1998), they conclude that climate is the most important pull factor to not only Finnish citizens but also other Nordic people to go and stay on Costa del Sol area. Pull factor is defined as something attracting people to go and live in a particular destination (Macmillan Dictionary 2014). It was estimated around 20.000 Finns staying on Costa del Sol in winter (Finns on Costa del Sol expressed their hopes to the Foreign minister 2010). There are three main climate attributes of this area including warm weather in wintertime, many hours of sunshine during a year and few rainy days per year (Rodriguez et al. 1998). Coastal mountains protect the land from the extreme Andalucía climate, so the weather on Costa del Sol maintains mild almost whole year. In winter, it only falls to 10-11 Celsius degrees. In addition to moderate winter, Costa del Sol has 320 days of sunshine per year, so the region is bright and warm most the time. (Bryant 2007.)

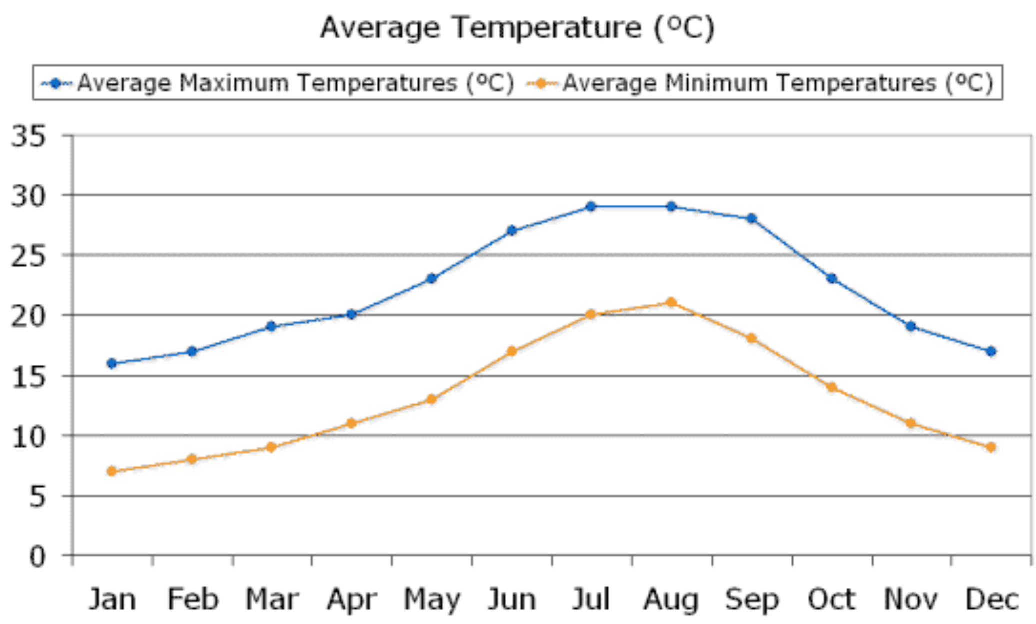

FIGURE 12. The average temperature on Costa del Sol year around (Benavista Holiday 2015)

This is different significantly from Finland where the temperature can drop to -30 Celsius degrees sometimes in winter and snow can reach to 20-30 cm of thickness in Southern Finland. In addition, light in winter is another serious problem of Finnish winter. In December, in average, Finnish southern region has 6 hours of daylight while, up to the north, the number decreases to 4 hours. (Weather in Finland – Four distinctly different seasons 2015.)

On the other hand, in summer, the weather on Costa del Sol is considered too hot for Finnish senior people. According to a study of Rodriguez (1998), retirees from Nordic countries including Finnish citizens mostly enjoy winter but not summer on Costa del Sol. They state that the heat from the sun and the dry climate during summer period are much more than they need and are seen as a disadvantage of this region. Therefore people refer being seasonal residents, which means they stay in Spain in winter and enjoy summer in their home country, to have the best of both worlds. (Rodriguez et al. 1998.)

Retirees believe there is a tight link between the climate and good health (Rodriguez 1998). With longer daytime and more sun than in their home country, people feel encouraged to go outside and enjoy outdoor activities and sport.

Furthermore, brighter and warmer environment makes elderly people ease their mind and feel more active and positive. (Mullan 1993, according to Rodriguez et al. 1998.)

3.2.2 Lifestyle and living cost

In a survey by Karisto and his colleagues, Finnish people find it not important to be close to Spanish residents and it is somehow hard for them to get familiar with the locals. On the other hand, Finns are still interested in Spanish culture and lifestyle through comparing differences between their own culture and Spanish culture. Karisto (2008) suggests several differences in daily manners, architecture, living atmosphere, traffic and behaviours, dressing up, decoration, grocery story transactions and other types of social intercourse. Though at first Spanish lifestyle annoys Finnish people at some points, eventually they adapt to it and unconsciously get used to it well. For example, people start hugging and sending air kisses more; or in wintertime, they more socialize and enjoy activities. To residents from Finland and other northern European countries, Spanish lifestyles mean "relaxed, easy-going and open", and local people are friendly, welcome and generous. However there are also obstacles for foreign residents since many Spanish people do not speak English and usually have lower education background than people from the northern countries. They find it difficult to prolong a conversation with local people, as they do not see many common things to share. (Rodriguez et al. 1998.)

Many Finnish retirees still keep the same daily schedule as they are used to in Finland. For example, they wake up early in the morning and go to sleep early at around 22-23 o'clock, and they have lunch at 11-12 and dinner at 16-18, which is very early for Spanish people. (Karisto 2013.)

Cost of living is also one of the most crucial attributes when people decide to move to Spain generally and to Costa del Sol specifically (Rodriguez 1998). In terms of several sectors, Spain is usually cheaper than Finland though there are some specific products and services having similar or lower prices in Finland. The most difference is groceries prices which is 53,78% higher in Finland than in Spain. (Cost of living comparison between Spain and Finland 2015.)

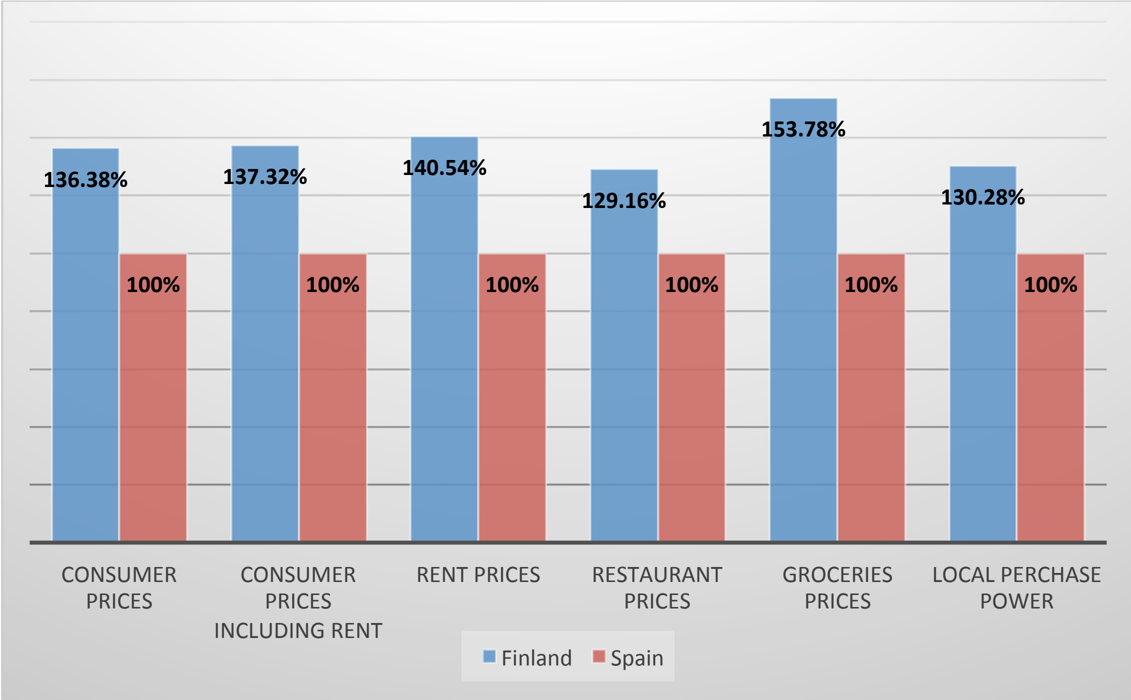

FIGURE 13. Differences in aspects of living costs between Finland and Spain (Numbeo.com 2015)

Recently, cost of living in Spain is increasing steadily, but it is still considered low and beneficial for people from Northern countries. Especially, they find plenty of local products such as fish, fruit, vegetable, and olive oil and so on fresh and much cheaper in their home country. This encourages retirees to have a healthy diet and eating habit. (Clewes 2015.) In accordance with Rodriguez et al. (1998), retirees believe that their pension is worth more in Spain and living cost is cheaper on Costa del Sol.

3.2.3 Finnish community

Finnish retirees have large communities on Costa del Sol region. There is even a town along this region so-called “Little Finland”, Fuengirola. This town has the biggest Finnish community outside Scandinavia. (Muñoz 2013.) In some towns, people can even meet Finns and communicate in Finnish more than in the local language. This is considered as an advantage for some people while others find it uncomfortable. (Roschier 2015.) Many services and products are provided to conform Finnish retirees' lives. They have Finnish schools, libraries with Finnish books, and also Finnish bookstores. Finnish newspaper and magazines like Helsingin-Sanomat are available, and there is a Finnish radio channel. Moreover, Spanish news and what Finnish people have been doing are put to a weekly magazine, Uusi fuengirola and Suomalainen Espanjassa. (Muñoz 2013; Roschier 2015.) There are several Finnish restaurants and cafes serving Finnish cuisines by Finnish chefs as well as banks, housing services, travel agencies, rental car companies and so on specialized for Finnish citizens (Roschier 2015). In 2011, the first Finnish mall was opened in Fuengirola with Finnish shops arming to serve Finnish living on Costa del Sol as well as local residents. It is the first Finnish shopping centre outside of Finland. (Fuengirola opens the first Finnish mall 2011.)

Finnish community on Costa del Sol has different cultural, educational and entertaining activities within different associations, clubs and institutions (Spänäri 2013). For example, several Finnish associations are established in Fuengirola, Benalmadena and Torremolinos and offer various events including Spanish courses, trips and dancing activities (Suomaiset yhdistykset aurinkorannikolla 2015). Especially, religious activities are very common to both Finnish permanent and seasonal immigrants. According to Spänäri's study (2013), religious activities and services are ranked the second most popular events for Finnish people at Costa del Sol. Her research leads to a conclusion that one of the main reasons for people to join in religious activities is to meet other Finns frequently. Churches and places belonging to churches are platforms for creating and developing social networks (Ebaugh & Saltzman Chafetz 2000, according to Spänäri 2013).

4 CASE STUDY: VILLA AURORA

This chapter is divided into two main parts. The first part presents information of the case company Villa Aurora including its background and mission, the company's services, its cooperation with hotels to manage these services and its targeted customers based on Stein classification of retirement. In the second part, the author analyses the market rivalry and the case company's strengths in comparison of its competitors.

4.1 Villa Aurora

Company profile

Villa Aurora is a brand which belongs to the company, Calidum Resort S.L. Calidum Resort S.L. is a service company. Its business is active in several fields including health insurance, real estate, medical service and senior residence. All brands are under the control of the same group of people. Villa Aurora is the latest subsidiary of Calidum Resort S.L.

Villa Aurora was established in July 2014. The founder is Johannes E. Schumacher who is also a shareholder as well as the director of Calidum Resort S.L. The company is located in an international city in Spain, Marbella, where people from different countries go to for holidays and business. Villa Aurora specializes in organizing long-term stays for international senior residents. Since the brand has been available in the market for very short time, and its business is in beginning phase, there has not been significant achievement or activity yet. However, with its business plan for next five-year term, Villa Aurora can win customers attention and become one of the main competitors in senior residence market on Costa del Sol region.

Villa Aurora's mission is to create the best living environment with warm and homey atmosphere for people who enter their retirement and later periods. *"It is time to replace senior residences where no one wants to stay. Making great hospitality and accommodation accessible to seniors rewards them for what they have done for our world"*, says Schumacher (2014), Villa Aurora director. To achieve this mission, Villa Aurora is operated as an alternative of normal senior residences with high quality in attractive locations and additional medical services.

Company operation

Villa Aurora operates long-term stays for elderly people in luxury hotels. It is important to bear in mind that Villa Aurora only arranges living place and suitable services for customers, and it does not own any facility. The facilities belong to hotels cooperating with the case company. Either hotel employees or Villa Aurora's staff carries out services. All of them are under the supervision of Villa Aurora to ensure service standardization. Services for normal tourists are also available for regular residents, for example, luxurious restaurants, indoor and outdoor swimming pools, spa centre, 24-hour reception, preparing for a personalized stays, sport clubs, golf course, laundry and dry-cleaning services and so on. Customers can occupy long-term living places from three to twelve months per year or even longer as they wish, so they can make themselves feel like home. This combination brings new experience to customers, as they can have both home feeling and hotel atmosphere in the same places. To comfort elderly people during their long stays, the company arranges other services including medical services from sick nursing to intense care and health insurances. These additional services are operated by the other subsidiary of Calidum Resort S.L in cooperation with Villa Aurora. Villa Aurora is responsible for customers when they stay in cooperating hotels and use services of those hotels as well as services offered by Villa Aurora.

Hotel cooperation

Since Villa Aurora does not have any facility and only takes responsibility for arranging and ensuring high-quality services during customer stays, it needs the infrastructure and facilities of hotels that are established and operated already. Therefore the case company looks for the cooperation with hotels to run this business. The hotels only become the partners of Villa Aurora after meeting its requirements. According to the company standard, to become a partner, a hotel must fulfil the requirements below at least.

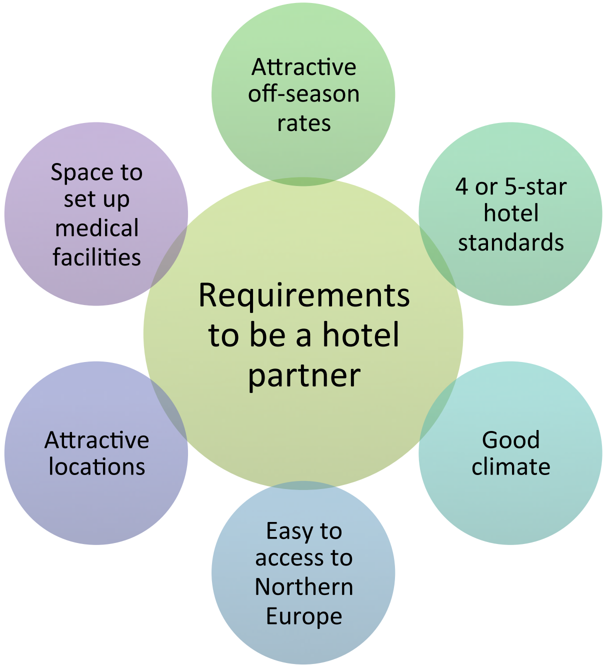

FIGURE 14. Basic requirements for a hotel to become a hotel partner of Villa Aurora (Schumacher 2015)

The cooperation brings a win-win situation to both parties. From the side of hotels, they can receive guests from Villa Aurora, especially in off-season when the numbers of tourists and hotel bed occupancy rates often go down. It prevents the hotels from wasting their facilities and labour. In exchange, the case company can exploit hotels' facilities and their professional knowledge of hospitality. This saves the company time and money, since, to achieve that high level of infrastructure and knowledge, it may take the company several years and huge investments.

Targeted customers

As mentioned, Villa Aurora offers living places and services for senior people. Its targeted customers are those who are in their retirement period. According to the director, the services are designed suitably for aged people who are still in quite good health condition and do not need daily special care or help. Therefore the main group the company targets is people aged from 60 to 75, though it is also possible for it to provide services for older group with some appropriate modification. According to the classification of Stein (1998), say, the targeted customer group of Villa Aurora is the Go-Go group. Go-Go people are in their first stage of retirement and still active. They often continue similar lifestyles to that of pre-retirement period but spend more time for extra hobbies and activities like travelling (Kitces 2014). Therefore they spend a lot of money during this first phase of retirement, and sometimes, their expenditure is even over the budget that they used to live on before the retirement (Stein, according to Three stages of retirement 2015). Go-Go people would probably be more willing to pay high prices for high-quality services than older groups, Slow-Go and No-Go, who spend less and tend to save money for unforeseen cases.

4.2 Competition

In this sub-chapter, the author discusses the main direct competitors of Villa Aurora and specific services they have, and two aspects of the strengths of the company, which differentiate it in the market.

4.2.1 Competitors

There is no official record about the number of firms, which provide senior residence services in Marbella, Costa del Sol. According to a research by Villa Aurora, it determines the main competitors including Residencial El Carmen (REC), Residencial Sanyres (RS), Sar Quavitae Azalea (SQA), Margarethenhof (Mar) and Johanneswerk (Joh). The author contacted these senior residences via e-mails and learned from their official websites for further information about their companies and services. The table 1 below details services and facilities available by the main competitors of Villa Aurora.

TABLE 1. The senior residence service providers in Marbella and their available services

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]				[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
[redacted]					[redacted]
[redacted]		[redacted]	[redacted]		
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]		[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]			
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]		[redacted]		

In general, these competitors offer high-class living places for elderly people with various services. The kinds of services offered by these companies are quite similar to each other. However, none of them has more than three-star facilities and services. In addition, these companies are operated with the traditional concept of senior residences.

4.2.2 Company's advantages

Market knowledge

Though Villa Aurora was established in 2014, its director has firm experience and knowledge about the market on Costa del Sol. The director has been living in Marbella for over twenty years and operated different business activities earlier though he is not Spanish. He has good long-term relations with local co-companies, product and service suppliers, investors and clients. In addition, with a wide social network he has built for years, the director gathers information from reliable sources to make an overview about local business situations. With his experience and knowledge, the company has the forecast about the future demand for senior residences, chooses potential and attractive co-hotels and estimates the size of this business and quality level that services must reach. With a foreign background and experience in local market, the director has the views toward the senior residence business from two different perspectives. Moreover, working team includes local and international staff. Together, they complete and harmony the knowledge about local market aspects and international customers. (Schumacher 2015.)

Supports from the other brands of Calidum Resort

As discussed, Villa Aurora is a subsidiary of Calidum Resort S.L., which owns brands within different fields including medical services. Firstly, when aged customers often demand medical services, the case company can provide it conveniently, and customers can save time from looking for the same service outside. Since the brands belong to the same parent company, communication between them is better than between Villa Aurora and external medical service firms. When customers use the medical services of Calidum Resort's brand, it is also more guaranteed since Villa Aurora has known clearly the quality and service packages that brand offers to customers. Secondly, the medical service brand has worked with different hospitals and welfare organizations as well as health insurance firms, so it has a large network of people who are potential customers to Villa Aurora services. When these people have ideas about living in Spain, they probably consider Villa Aurora as a possibility. (Schumacher 2015.)

5 EMPIRICAL RESEARCH AND ANALYSIS

5.1 Interview design

The data collection included two different processes and was conducted in two periods separately. Since the data about Finnish senior citizens played the main roles in the analysis, the author gave priority to its data collection design. The author used semi-structured interviews to collect the primary data from them. This type of interview allowed the author to prepare questions ahead to make sure all concerned issues will be covered during the interview. At the same time, it also gave informants the freedom to express their own ideas and opinions (Cohen D. & Crabtree B. 2006). In purpose to understand what elderly people expect from the case company's senior residences, the author arranged a set of issues that need to be answered. These aspects are presented in different questions and in various orders during the interviews depending on the flows of conversations with interviewees. Some questions brought yes/no answers while most of the questions were open-ended. Basically, the contents of the interview questions were similar to the author's original interview design. However, after the first interview with the man who has worked for a nursing house, the author issued some further questions and added them to the interview in order to clarify interview issues better, so the author modified the interview design a bit. The main points explored in the interviews are displayed below:

- What are their experiences or knowledge about living places and health care services for elderly Finnish people in Finland?
- What are their experiences or attitudes toward Spain and the idea of living in Spain? Why would they like to move there?
- What do they expect from the services of a luxury senior residence model? And what are the reasons for that?

5.2 Data collection process

Three groups author collected data from are the case company, five senior residences in Marbella, Spain and senior people in Finland. The data about Villa

Aurora and other senior residences was gathered during the author's internship in Spain in 2014. To collect the data of the other senior residences, the author contacted their customer relation departments via e-mails. Those e-mails embodied questions about their available services as well as price range. With the case company, the author had two interviews with the director Johannes E. Schumacher. These interviews' aims are to explore the company's background, goals, its business operation and hotel cooperation. All information was written down carefully or recorded and saved by the author for the purpose of providing a clear overview about the case company in her thesis. After the end of her stay in Spain, for additional information about the case company, the author contacted the director via e-mails. Generally, most of the information about the company was from the director, and other data was collected from its official website.

The second part was collecting data from potential customers. To choose correct people to interview regarding the purpose of this thesis, the author relied on three categories. Firstly, the author looked for Finnish people who have been living in Finland. Secondly, people who are going to retire in the next ten years and who have retired already. Lastly, people who have willingness to stay abroad for either short or long term. The author used her personal contacts and the support from Multi Culti organization to find interviewees, and then spent time on participant screening. After having the list of potential interviewees in hand, the author sent them interview invitation emails or called them to arrange interview date and time. All 12 interviews were conducted carefully in week 6 and 7 of 2015. The interviews happened in either English or Finnish. 11 interviews were face-to-face and one interview was via Skype. There is an interview with a man who has worked for a nursing home. This interview provided a point of view about expectations for senior residence from a different perspective, since he knew what should be available and good for aged people according to his work experiences. Since it is excluded, the research analysis is based on 11 interviews with target interviewees. As a matter of fact, this number of interviews does not say all about the Finnish market, but it can give ideas to the case company about Finnish customers' opinions toward its senior residence business.

5.3 Data analysis

As mentioned above, 11 interviewees were used for analysis. In this part, first of all, the author provides a general look at people who join the interviews in terms of their current living situation, the age and retirement period. It is important to understand their background since this may influence people's expectations.

The ages of interviewees are ranged from 55 to 75. More than half of interviewees are aged 55-60, which is followed by the group of people aged 65-70. Each of the age groups 60-65 and over 70 has one respondent. Therefore most of them are about to retire in the next ten years. Some people even plan to retire earlier than their actual retirement age. Eight out of eleven respondents stated that they were in pre-retirement phase while three interviewees had retired already within the last two to seven years.

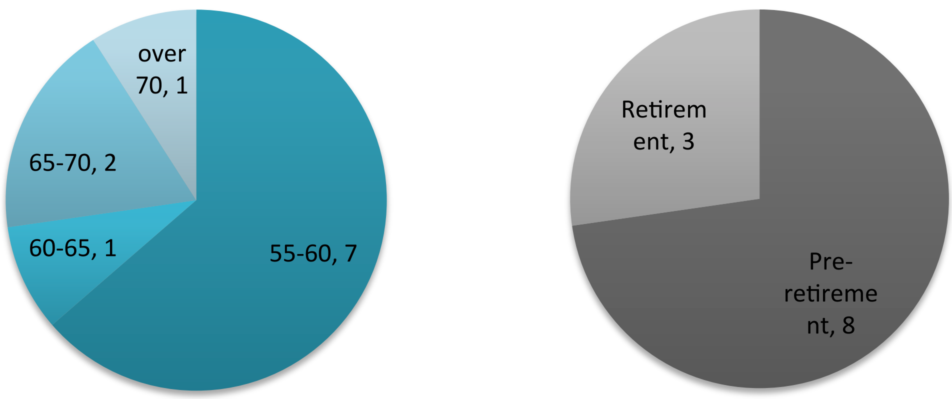

FIGURE 15. Proportions of interview participants

Many participants are living with their spouse or family while some are living alone. Some people living with spouse or family often express that they would like to stay in their own home as long as possible since they find it comfortable and pleasant. As one respondent explained:

> *It is more than just a living place. I feel totally safe and happy whenever I am inside my house. It is a part of my life.*

In contrast, most of the respondents living alone tend to look for a good living place to move in when they get older. There are several reasons for it, for example, the house is too big for one person, or there is a lot of house stuff to take care of, or it would be better to be in the same places with other people who are in the same age, and so on. One interviewee living alone expressed: "*It takes me hours to garden at weekend. I love it but I doubt if I can do the same when I get older.*"

5.3.1 Experiences with senior residence or other types of senior living places in Finland

None of the interviewees have experienced in any type of living places for elderly people. Half of them stay in private houses whilst the others are living in rental apartments. Five participants have known about senior residences or nursing homes from their parents or friends who live there. The others have heard about those living places through mass media or their visits. There is one interviewee who said he did not know anything at all about senior residences except that they were places for elderly people.

Most of the participants held positive views about living places for elderly people, particularly about facilities and equipment. They appreciated facility designs specialized for senior people and the availability of modern equipment assisting and conforming their daily activities.

In terms of staff, all of the interviewees agreed that they were qualified enough. However, many respondents stressed that there was not enough staff available. This issue was a concern, since they believed that they might not receive proper care or assistance from staff. In addition, participants mentioned the staff's attitude toward old people. One said: "*Since they are so busy with many tasks, they sometimes ignore some senior residents who need small favours*." Most of the respondents seemed to be empathetic to staff since they see them busy with many people. However, all the interviewees agreed that, more or less, there was lack of staff in senior living places, and this situation needed to be improved.

There were other issues mentioned about senior residences. The activities for residents in these living places were considered quite poor. In addition, some interviewees found these activities not interesting at all. They would prefer "staying alone" instead of joining "boring activities".

One participant paid her attention to other residents. She did not like to be surrounded by people who were in bad health conditions. As she argued:

> "*It would make you feel worse both in mood and physical side since it is like you see your future right there in a dramatic way."*

Some interviewees showed their serious concerns for the price of senior living places and services available there. This is important for retirees since there is a tight relation between their pension and retirement expenditure. Most of the respondents found the prices for living in senior residences reasonable and affordable. A member stated some of them were "quite expensive" and sometimes "unnecessary". The interviewees seemed to consider carefully the prices when choosing a senior living place to stay regardless of their income.

5.3.2 Experiences with Spain and reasons to move to Spain

Eight interviewees have been in Spain for leisure holidays or business trips while the rest wish to visit it. They gave many reasons to go to Spain, especially to Costa del Sol region. Similar to a previous study by Rodriguez and his colleagues (1998), the most important reason for Finnish people to go to Spain was the weather. All respondents emphasized that warm and sunny weather had driven them to Spain. Two retirees believed that "sunshine and warm weather" were especially essential to elderly people and Spain had "super great weather" in wintertime in comparison with Finland. In addition, many people also mentioned inconvenience and danger in transport in Finland as a woman said:

> *"I do not mind the cold weather but slippery roads. I am worried about the danger of falling down when walking on the street. With injury, it's not easy for my body to heal since I am getting older. Hence I would like to "escape" to Spain during winter."*

The most second common reason Spain attracts interviewees was food. Many participants prefer vegetable, fruit and dishes in Spain. One man who is going to retire next year said that Spanish food looked “very either fresh or tasty” while another respondent found it “stimulate taste buds” and “good for health”. Most of the interviewees appreciated highly the quality of food in Spain.

Spanish culture and people also interested many participants. A couple of interviewees showed their curiosity in Spanish lifestyle, history and art fields while others liked Spanish people as they explained:

> *“Spanish culture is so different and it has long history, unlike Finnish culture.”*
>
> *“They look so lively, full of energy and easy-going. That is very different from Finnish people. I think I can be more active when staying there.”*

There were other different reasons given among interviewees, for example, low living cost, atmosphere, beautiful sceneries and mountains and beaches as some expressed:

> *“It is cheaper in super market in Spain and I can get bunches of stuff with 50 euro.”*
>
> *“I love the beautiful beaches in Marbella. I was there two years ago, and I would love to come back.”*

Most of the reasons seem to be about aspects, which are better or much different in Spain comparing to Finland.

5.3.3 Expectations for new model of senior residence in Spain

Expectations vary from a person to another, and even a person has different expectations in the case company’s model of senior residences. To be easy to follow, the author found common points in respondents’ answers and sorted them into several groups. In the following part, first of all, the author presents whether the interviewees are willing to have long-term stay in senior residences in Spain. Next, she goes through their various expectations related to location, services and facilities. Lastly, the author shows service prices estimated by interviewees.

Willingness to move to senior residence in Spain

The author received “yes” or “maybe” answers for this question. All interviewees in pre-retirement said they would like to stay in Spain after pointing out themselves the advantages of living in Spain. One retiree also planned to stay in Spain next year since he wanted to “study real Spanish and play golf”. The other two retirees were unsure about the idea of living away from Finland, so they responded “maybe”. The pre-retirees were more excited about living in Spain since they might picture the retirement period bright and positive, and feel able to be active and do many things when having more free time. In contrast, retirees probably experienced retirement already and become less active, so they might prefer to stay stably in their home country instead of living abroad.

All respondents preferred to stay in senior residences in Spain only during the wintertime since the weather was not good in Finland at the same time. None of them showed their interest in living in Spain in summer. In other words, no one wished to stay in Spain in whole year. This result is similar to a study by Rodriguez and his colleagues (1998). In their study, Finnish people said that summer in Spain was too hot for them while summer in Finland was very beautiful. Many interviewees agreed with that opinion as they explained:

> *“Finnish summer has great weather and beautiful nature. The country is so lively during summer. I would live to enjoy that atmosphere in my home country.”*

The lengths of stays in Spain are various. Some informants were willing to stay there half of the year. One man said that he did not like moving “all the time”; another wanted to enjoy Spanish atmosphere “as much as possible”; and two respond that staying six months in Spain may benefit them regarding their tax issues. All these people who would like to stay half of the year in Spain have been there at least twice. This may be because they have had ideas about this region, how everything goes, lifestyle, people and so on. Other interviewees preferred to be in Spanish senior residences two to three months when Finnish winter was the worst. These respondents used to travel to Spain once or have not been there earlier. Therefore they may want to stay a shorter time to try it and see if they are comfortable when living in Spain in long term.

Locations of senior residences

The location was one of the first aspects coming up to interviewees' minds when discussing their expectations in the senior residences on Costa del Sol. Through the author's brief description about the case company's business, the participants were interested in the locations of the senior living places. Ten out of twelve interviewees expected the senior residences to be placed near to beaches or at least have large sea view from their rooms.

> *"The sea is pretty blue and wonderful in Nerja (a town in Costa del Sol region). Walking to the beach in the morning is a great idea for me, so I hope to stay somewhere close enough to it."*
>
> *"I expect to have my room with sea view. It is definitely ideal place to wake up every morning."*
>
> *"The hotel or senior living places should be near by the sea since the air from sea is good for me that I can breath easier."*

This expectation of being near to the sea is explained by the fact that interviewees have been in Costa del Sol or heard about this region, which is well-known for its beaches and sea. When they talked about Costa del Sol, the first thing they told the author was about the sea, beaches and the sun. Therefore if they stay in senior residences there, they would likely enjoy this advantage of the region. Through respondents' replies, it is clear that they have known about or experienced this region, so they have high expectations in the locations of the senior residences. Some of them are also satisfied if the living places are built on mountainsides because these places are "calm and quiet" and also have "great views to the sea". In contrast, one interviewee preferred to stay near to the city centre because she liked to be "around many people" and enjoys "talking to people". This personal need of hers has influenced her expectation of senior residence locations and also makes it quite different from the rest of interviewees. While another participant added that he liked to live in quiet areas:

> *"I love locations near to the beaches so much, but if it is full of people or tourists, I prefer places far away a bit from the beaches and have peaceful and quiet atmosphere. I dislike noise."*

In general, most of the interviewees had high expectation in the location of senior residences when they heard the senior residences would be run in Costa del Sol. According to their knowledge about this region, the respondents mostly liked to be in senior residences near to the sea or on a mountainside.

Staff

To many interviewees, staff is one of the most important elements in creating the quality of senior residence service. All participants agreed that the positive attitude toward residents would be the top priority in evaluation of staff quality. They expected staff to smile, show warmth, enthusiasm and politeness. As one retiree explained:

> *" People are more sensitive when they are older. They need to be treated in kind and warm way."*

Few respondents also expected staffs working in this senior residence to be professionals in health care service. These respondents have known about senior living places via mass media. On the other hand, interviewees who had acquaintance with living in senior residences had lower expectations in staff. Most of them just needed staff to do normal tasks "like in hotels" and have "basic knowledge" about taking care elderly people. It may be explained that these people who have heard about how staff is in senior living places from their acquaintances are influenced by those comments or opinions. Hence, if the acquaintance has low expectations of staff, the interviewees may have low expectations as well.

Two interviewees also stressed the ease in reaching staff help. The staff should be available 24 hours and easy to reach by phone, bell or some kind of similar system, not only for emergency cases but also for daily normal stuff. This is because one informant has a history of serious heart problems while the other has paralysis of the lower limbs. Therefore they were concerned more significantly about this aspect than the rest of the interviewees who are in better health conditions.

Services and facilities

- Health maintenance

Ten out of eleven interviewees expected senior residences to have sauna. They stated that the availability of sauna would be one of priorities when they considered a senior residence. It is understandable since sauna is considered a part of Finnish tradition as some of them expressed:

> *"I love sauna. I must go to sauna at least twice a week, and this habit has been lasting for decades."*
>
> *"I am a Finn. I only stay long term in a place if there is sauna there."*
>
> *"Being in sauna make me feel like home regardless of staying in Spain or somewhere else. Hence, sauna must be available there."*

Respondents also expected the availability of different facilities and services regarding maintaining good health condition. Some preferred to have large indoor and outdoor swimming pools while many liked to have a gym inside the senior residence area. According to one woman who is in pre-retirement phase, a gym should have equipment which is "simple but suitable" to the health condition of senior people. In addition, an instructor is necessary in the gym in order to guide people in doing exercises and keep them safe while using equipment.

- Restaurant, food service and kitchenette

All interviewees shared the idea about restaurants in the senior residences. As mentioned earlier, Finnish people are curious about Spanish culture including Spanish food and cuisine (Karisto 2008). Karisto (2008) concludes that Finnish seasonal or regular migrants find Spanish food healthy, delicious, exotic and inexpensive. The interviewees also had similar explanations when they were asked the reasons for restaurants in the senior residences. More than half of respondents expected there would be, at least, one restaurant serving local dishes in the senior residence. One woman in her sixties preferred two or three different small restaurants because she did not want to "have the same taste" in "the same place" for months. Most interviewees mentioned "tapas" when talking about their expectation in the restaurants. In addition, two men stated they would like to be served not only Spanish dishes but also international food in the restaurants. Though interviewees admitted that they could go outside to try local food, they still expected highly the availability and quality of the restaurant in senior residence because of its convenience, hygiene and food safety, and that they could meet their neighbour residents. As some interviewees explained:

> *" It is easier for me to just go a place in senior residence, sit down and have great local dishes instead of wandering around the city or drive to somewhere to have a meal."*

> *"Spanish food is delicious but sometime I wonder if it is safe enough, especially in restaurants outside."*

> *"It would be a great place to see other people living in the same building since I guess many people like going there to have a meal like me. With my experience, people are easier to talk to when they are with food since it makes them feel happy."*

Besides restaurants, some people also mentioned their expectation in other food services, for example, "food delivery" and "cooking meal by personal order". Two interviewees in their sixties and seventies thought it was necessary for the senior residence to provide food delivery service since sometimes elderly people might not feel good enough to cook or go somewhere for a meal themselves. A disabled man in his fifties expected a kind of service that the resident could order food with his personal request. He focused on the meal nutrition since he needs a "specific amount of different nutritive" in each meal due to his health condition. These expectations were minor since they were raised by the personal needs of respondents.

Even though Finnish people are curious about Spanish cuisines and want new taste experience, Karisto (2008) finds that with the need of security, people want to keep some familiar eating habits. In the interviews, this fact was showed through the expectation of informants in kitchenette arrangement in their own flats or rooms. Five interviewees preferred rooms or flats, which have a kitchenette so they themselves can cook sometimes. As they gave explanations:

> *"I want to cook Finnish food sometimes. Though I admit Spanish food is tastier to me, I still need some "Finnish spirits" which appear when I cook and eat Finnish dishes."*
>
> *"I want to make myself a coffee every morning at home like when I am in Finland. It brings different feeling to me comparing to having a coffee in restaurant."*
>
> *"It would be a lot of money if I always go outside for meals, so I prefer to cook at home sometimes."*

Respondents did not expect highly in kitchenette's size, but they said it "should be" available if the senior residences would offer long-term stays to people.

Activities

Interviewees did not only focus on senior residence facilities but activities they can participate in when living there. In general, they expected the senior residences to have various activities and make them "attractive". The respondents detailed differently what activities they love to join in and what elements make activities interesting.

Day trips were looked forward to by most of the interviewees. As mentioned earlier, many interview participants showed their interest in Spanish culture and lifestyle, so they also took it as reasons to expect day trips. Excitedly, interviewees listed things to visit, including old towns, local museums, historical sites, local food shops and restaurants and so on. They would like to explore things "as local as possible". This may be explained that since interviewees think them as seasonal migrants in Spain, they have more time to learn about the local features than normal tourists and they would love to do that.

> *"Last time I travelled to Spain, I only had few days so I went to some famous tourist sites. Hence, I prepare myself to explore more local Spanish stuff if I spent my retirement there."*

> *"It's different when you are not a tourist anymore but a migrant. You don't have to rush. You can take time to see something really local."*

Interviewees also mentioned groups or clubs to diversify their activities when living in Spain. The type of groups or clubs is related to yoga, dancing as salsa, flamenco, sports as golfing or walking, and reading, and so on, which depends on their hobbies or interested. These activities were expected to happen weekly or monthly. In addition, a lady in her seventies really expected religious activities for Christians since she stressed they were "inseparable" activities to her. A research by Spännäri (2008) supports her opinion since it finds that Finnish seasonal migrants on Costa del Sol are more religious than other Finnish people and even themselves when they are in Finland.

With any type of activities interviewees expect, it is clear to see that they would like to spend time with people, especially with people who are in the same age or share similar interests. The idea of belonging to groups of people affects interviewees who are in either retirement or pre-retirement. There are changes in personal integrative process due to the changes of physical environment (Mehta 2009). People start again searching for the purpose and meaning in life, which is sensitive and real needs of elderly people (Spännäri 2008). Through their answers and attitudes toward that idea, it seems likely that the older interviewees, the more desirable for social activities and the higher expectations for them. As the oldest interviewee states

> *"I expect professional senior residence providers to understand how important activities are to elderly people who often feel lonely. And again, they says they are professional, they should know how to design and provide suitable activities."*

Other expectations

There are several other expectations varying from facilities, equipment to environment and living atmosphere. Though these expectations are minor among interviewees, it is noteworthy to consider them.

A lady in her fifties expected a pet-friendly environment in senior residences since personally, she owns a pet. In addition, she believed that many elderly people also had their pets and they usually had their pets with them when staying somewhere in long term. According to her, at least, owners can have their pets in their rooms or flats and in common places in the senior residences.

An informant expressed the places had to be free wheelchair accessible and friendly to disable residents. Though other people did not pay attention to this, he had high level of expectation on it. Since this man is disable, so he understands clearly the importance of this issue.

> *"How can you feel comfortable to move around on your wheelchair if there are steps everywhere? A good senior residence provider should bear in mind that problem."*

A library inside each senior residence was preferred by an interviewee who is in her fifties. This expectation is affected by not only her reading hobby but her current job as a librarian. She suggested a small library with books in Spanish, Finnish and English, so she can read books and spend time with other readers.

Price

Interviewees found it tough to respond to questions related to pricing issue. They explained that they had not ever tried this model of senior residence before, not to mention the location in Spain, so there were not many clues to price the services. However, some of the interviewees tried to estimate the price when they companred to quite similar services in Finland such as normal senior residences, sheltered housing. Among 11 interviews, seven informants gave estimated prices while other four refused to price it. For one-month stay in the kind model of senior residences, they estimated the prices differently from 700 to 2000 euro, and the price around 1000 euro was preferred the most. The figure 16 below shows the difference in interviewees' price estimation.

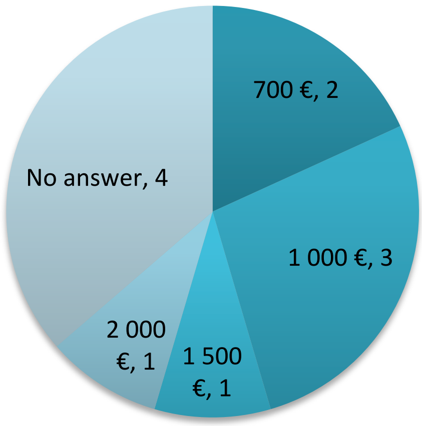

FIGURE 16. Differences in pricing one-month stay in the senior residences

Though interviewees set their desired expectations highly for different services in the senior residences, they do not want to pay a huge amount of money for services which are considered "too luxury" and cost a lot money. Interviewees said that their decisions that if they stay in this senior residence depended a lot in their pensions since these would be their main or only incomes when they retire.

6 CONCLUSION AND SUGGESTION ON FURTHER RESEARCH

6.1 Answers for research questions

Based on the analyse part, the author comes up with the answers on research questions below.

What are customer expectations?

Customer expectations are what they believe a service or a product should be according to their standard or reference points. A customer expectation is not fixed but various in a range, which is formed by the highest level, desired expectation, and the lowest one, adequate expectation. Desired expectation is what customers expect a service “can be” and “should be” while adequate expectation is what customers can accept a service reasonably. Customer expectation range changes when either desired expectation or adequate expectation changes. There are different influences in the changes of either of them or both of them.

How are living places organized for Finnish senior citizens in Finland?

Finnish senior citizens can choose where they live depending on their health condition. Three common senior living places in Finland are nursing homes, sheltered housings and senior residences. Each of them has different levels of health care services. Nursing homes are the most intensive ones to support elderly people who are probably unable to take care themselves. Senior residences are for senior citizens who can live independently.

How have Finnish retirees been living on Costa del Sol, Spain?

That senior Finns move to Costa del Sol for seasonal migration is more common. They stay there for reasons related to weather, Spanish lifestyle, and living cost. The Finnish community on Costa del Sol is strong and active. A lot services specialized for Finnish people are available in this region. Most of the Finnish people enjoy living on Costa del Sol, especially in wintertime, despite of differences in culture and lifestyle.

What does Villa Aurora plan to provide for clients?

Villa Aurora plans to provide senior residences in Costa del Sol. They are located in four or five-star hotels, so facilities for the senior residences are also high quality according to standards of four or five-star hotels. Customers can use normal hotel services as well as services designed specially for senior people.

What do Finnish target customers expect from the new model of senior residences?

The most common expectations of Finnish interviewees are related to the location, staff, facilities and services, and social activities. They expect the location near to the sea or mountain, or at least having sea views. Staff should be friendly and enthusiastic. Installation of sauna is “must-be” aspect in the senior residences for Finnish customers besides the availability of gym, spa centre and massage services. High expectation in restaurants is that they serve local Spanish cuisines. Kitchenette is expected to be available in every room or flats. The senior residences should arrange and organize different both outdoor and indoor activities for residents, for instance, daytrips, sport clubs, music and dancing group, and religious activities. Other expectations are listed including pet-friendly environment, free-wheelchair accessibility and small library. The price should be in range from 700 to 2000 euro per month.

Is there Finnish market potential for Villa Aurora to target?

When comparing the available capability of Villa Aurora to the expectations of Finnish targeted customers, it can be concluded firmly that the case company is able to meet those expectations and satisfy the customers. However, this conclusion is only made in consideration of customer expectations. There are further issues for the case company to consider if they plan to target Finnish market. In this study, an important issue raised by major of interviewees is the price. Finnish senior people probably do not pay a large amount of money for a senior living place, even for luxury or high-class services, due to their limited pensions. Hence, if the case company aims at Finnish customers, it should figure out compromises between the levels of prices and service offers, which means the price is in acceptable range while the service quality is still ensured appropriately. Or it needs to target the exact groups of wealthy people in Finland. Otherwise, Finnish market is probably not ideal or potential to target.

TABLE 2. Answers on research questions

RESEARCH QUESTIONS	ANSWERS
What are customer expectations?	Customer expectations are what they believe a service or a product should be according to their standard or reference points.
How are living places organized for Finnish senior citizens in Finland?	There are three common living places for Finnish senior citizens including nursing houses, sheltered housings and senior residences.
How have Finnish retirees been living on Costa del Sol, Spain?	Most of Finnish people enjoy living on Costa del Sol because of weather, living cost and lifestyle and so on. They have strong and large communities in this region.
What does Villa Aurora plan to provide for clients?	The case company plans to provide senior residences with service and facility standard of four or five-star hotels on Costa del Sol.
What do Finnish target customers expect from the new model of senior residences?	Target customers show their expectations in locations, staff, facilities, services and social activities available in the senior residences, and also their concern about the price.
Is there Finnish market potential for Villa Aurora to target?	The case company needs to find an appropriate compromise between the price and service offers, or focus extremely on searching and studying about minor group of very wealthy people in Finland; otherwise, the Finnish

	market is probably not potential market for it.

6.2 Validity and reliability

Regarding validity, the research and analyse support the author answer the research questions clearly and accurately. The theoretical part is built with various and trusted academic sources including books, journals, articles as well as prestigious Internet sources. Most of the sources are recent, except some sources related to core concepts and definitions, so most of the information and knowledge are up-to-date. The empirical part is based on the exact responses of different interviewees, which were recorded or noted carefully in interviews. In addition, the author also gathered data herself from other senior residences in Spain. This data is agreed and approved by right those senior residences. Therefore this study can be considered highly valid.

Regarding reliability, the interviews were conducted objectively. The author had face-to-face interviews with Finnish informants privately in comfortable atmosphere, without interruption or influence of anyone else. Therefore there is no reason for them to lie in their answers. In addition, when there was any confusing point, the questions or answers were made over times until both sides make them clear absolutely. The author believes that she understood correctly what interviewees meant in their answers and explanations. Besides, information supporting in both the theoretical and empirical part was collected from previous studies and researches done by trusted authors. Hence, it can say that this research is reliable.

6.3 Suggestions for further research

The biggest suggestion for further research is that it is possible to study pricing issue. This aspect was considered a lot by target customers since price is stressed as one of the most important factors to people to make decisions about staying in the senior residences. Therefore, a study about service pricing matters should be conducted so that the case company can understand better about their target customers and harmonize between service quality and its prices. In addition, further research possibly would have more interviews or surveys with other groups of senior people from other European countries since they are also the groups the case company aims at. If the case company still plans to target the Finnish market, it needs to do other research to find out the suitable groups to target, for example, the author would suggest wealthy people with high income levels. This may help the case company have a wide view about their target customers in order to figure out suitable service offers and develop their future service plans.

7 SUMMARY

Two facts that the number of senior citizens is increasing in Finland and Spain is a favourite holiday destination of many Finnish retirees drive the case company operate a new model of senior residences targeted to senior Finns. Hence, this research's goal is to support the case company, Villa Aurora, develop its knowledge about Finnish customers via their expectations in senior residence services.

Throughout this research, the deductive approach is used with the application of qualitative research method. The primary data was collected by two ways: e-mails with several senior residences in Marbella, Spain and face-to-face interviews with potential Finnish customers in Finland. The secondary data was gathered from trusted books, journals, previous studies and reliable Internet sources. The chapter one presents the study objective, research method, data collection and thesis structure.

Chapter two contains explanations about customer expectations and their influences. There are two main levels of expectations, desired expectation and adequate expectation, which together create a zone of tolerance, ZOT. Influences which affect either of the two main expectation levels or both of them change the width of ZOT, which means those influences change customer expectations.

In chapter three, the author describes Finnish senior migrants' lives on Costa del Sol. Advantages in weather, food, and living cost are the main reasons for many Finnish retirees to become seasonal migrants on Costa del Sol. Strong Finnish communities in this region with their activities and services also comfort Finnish people' lives.

Information about the case company Villa Aurora can be found in chapter four, including its background, operation and the cooperation with hotels in offering services. Besides, there is information about services offered by its five main competitors in Marbella and the explanation about the case company's crucial strengths.

Chapter five reports the findings about Finnish customer expectations in senior residences based on the data collection from interviews. The expectations vary in aspects of location, staff, services, facilities and social activities. Some expectations were agreed by many interviewees while some others were created by a minor number of informants. These expectations were formed based on reference points to common senior residences in Finland, traveling to Spain, or their personal needs. The interviewees also gave their price estimation for the services.

In chapter six, the author answers to all research questions raised in the first chapter. The research is evaluated in terms of validity and reliability, and it achieves both. At the end, the author gives two suggestions for further research, which possibly benefit the case company in their senior residence business.

REFERENCES

Published references

Brink, A. & Berndt, A. 2004. *Relationship Marketing and Customer Relationship Management*. South Africa: Juta and Co Ltd.

Bryant, S. 2007. *Costa del Sol. Travel Guide*. Fourth edition. London: New Holland Publisher

Campos, D. F. & Nóbrega, K. C. 2009. *Importance and the Zone of Tolerance of Customer Expectations of Fast Food Services*, JosCm

Cleary, B. L. 2003. *Conducting Research in Long-term Care Settings.* New York: Springer Publishing Company.

Commission stuff working document 2011. *Demographic report 2010*. Luxembourg. European Commission.

Devlin, J. S, Gvynne A. L. Ennew, C. T, 2002. *The Antecedents of Service Expectations*. The Service Industries Journal, Vol. 22. Iss. 4. London: Frank Cass

Ekinci, Y. 2003. *Which Comparison Should Be Used for Service Quality and Customer Satisfaction?* The Haworth Press, Inc.

Gaymu, J. , Delbe`s, C. , Springer, S. , Binet, A. , De´sesquelles, A. , Kalogirou, S. & Ziegler, U. 2006. *Determinants of the living arrangements of older people in Europe*. European Journal of Population. Kluwer Academic Publishers

Hoffman, K. D. & Bateson, J. E. G. 2010. *Service Marketing: Concepts, Strategies and Cases*. USA: South-Western Cengage Learning.

Kalamas, M. ,Laroche, M. & Cezard, A. 2002. *A model of the antecedents of should and will service expectations*. Journal of Retailing and Consumer Services. Vol 9. Canada: Elsevier

Karisto, A. 2007. *Finnish Bay Boomers and the Emergence of the Third Age*. International Journal of Ageing and Later Life 2007. Helsinki: University of Helsinki.

Kemppainen, Ö. Ö. 2006. *Alternative housing for the elderly in the information society: Finnish experience.* Ouluu: Ouluu Unviversity.

Kinney, J. L. 2008. *Differences Between Experts and Novice Teens in Online Privacy Perception*. University of Wisconsin-Madison

Kusvulan, S. 2003. *Managing Employee Attitudes and Behaviors in the Tourism and Hospitality Industry*, Nova Publishers.

Law, J. 2009. *A Dictionary of Business and Management*, fifth edition. Oxford University Press

Liljander, V. & Strandvik, T. 1993. *Estimating Zones of Tolerance in Perceived Service Quality and Perceived Service Value*. International Journal of Service Industry Management, Vol. 4 Iss 2. Emerald Insight

Lovelock, C., Vandermerwe, M. & Lewis, B.1996. *Services Marketing: A European Perspective*, third edition. New Jersey: Prentice Hall Inc.

Miller, J.A. 1977. *Studying satisfaction: modifying models, eliciting expectations, posing problems and making meaningful measurements*. In H. Keith Hunt (ed.), *Conceptualizations and Measurement of Consumer Satisfaction and Dissatisfaction*, Bloomington: School of Business, Indiana University.

Mudie, P. & Cottam, A. 1999. *The Management and Marketing of Services*. Second edition. Oxford: Butterworth-Heinemann

Nykänen, O. 2007. *Measuring differences in service expectations between B2B and B2C customers*. Lappeenranta: Lappeenranta University of Applied Sciences

Rao, K. R. M 2011. *Service Marketing*, second edition. India: Dorling Kindersley

Rasila, H. , Rasila, T. & Mikkola, K. 2006. *Methodology for Service Innovation in Real Estate Business- Case Senior Housing in Finland*. Conference paper. Florence: EABR & ETLC

Rodriguez, V. , Fernandez-Mayoralas, G. & Rojo, F. 1998. *European Retirees in Costa del Sol: A Cross-National Comparison. International Journal of Population Geography*. Madrid: Departamento de Geografia, Instituto de Economia y Geografia, Consejo Superior de Investigaciones Cientificia

Saunders, M., Lewis, P. & Thornhill, A. 2009. *Research Methods for Business Students*. Pearson Education Limited.

Stula, S. 2012. *Living in Old Age in Europe – Current Development and Challenges*. The Observatory for Sociopolitical Developments in Europe. Berlin. German Association for Public and Private Welfare (DV)

United Nation Department of Economic and Social Affairs | Polulation Division 2013. *World Population Aging 2013*. United Nations

UNWTO 2014. *Tourism Highlight 2014*. Madrid. World Tourism Organization

Walker, J. & Baker, J. 2000. *An exploratory study of a multi-expectation framework for services.* Journal of Services Marketing Vol.14

Wonglorsaichon, P. & Wiriyakitjar, R. 2013. *Hotel Customer Expectations of Service: A provincial Analysis of Family Business in Chiangmai, Thailand*. Journal of Tourism Research & Hospitality. SciTechnol

World Health Organization 2014. *Aging*. WHO

Zeithaml, V. A. , Bitner, M. J. & Gremler, D. D., 2009. *Services Marketing: Intergrating Customer Focus Across the Firm*, fifth edition, New York: McGraw-Hill Companies.

Electronic references

Bennani, J. 2013. *Customer satisfaction is core to business success – Don't miss this great benefit* [reference 21 January 2015]. From Microsoft:

http://www.digitalwpc.com/Community/Perspectives/Pages/Customer-satisfaction-is-core-to-business-success-dont-miss-this-great-benefit.aspx#fbid=iH-OU-zHz0N

Chand, S. 2015. *Top 5 Sources of Adequate Service Expectations* [reference 15 January 2015]. From Your Article Library: http://www.yourarticlelibrary.com/services/top-5-sources-of-adequate-service-expectations/34022/

Clewes, P. 2015. *Moving to Costa del Sol* [reference 16 February 2015]. From Expat Arrivals: http://www.expatarrivals.com/spain/costa-del-sol/moving-to-costa-del-sol

Cohen D. & Crabtree B. 2006. *Semi-structured Interviews*. Qualitative Research Guidelines Project [reference 11 March 2015]. From Qualres.org: http://www.qualres.org/HomeSemi-3629.html

Communication solutions, 2014. *7 Most Common Customer Service Mistake* [reference 19 January 2015]. From Stericycle http://blog.stericyclecommunications.com/7-most-common-customer-service-mistakes/

Cost of living comparison between Spain and Finland 2015 [reference 16 February 2015]. From Numbeo.com: http://www.numbeo.com/cost-of-living/compare_countries_result.jsp?country1=Spain&country2=Finland

Customer Needs/ Wants/ Customer Expectations – What's The Difference [reference 9 January 2015]. From Angry Customer: http://angrycustomer.org/faq/index.php?solution_id=1011

Definition of Nursing home 2012. Medicine Net [reference 3 February 2015]. From MedicineNet.com: http://www.medicinenet.com/script/main/art.asp?articlekey=11758

Estep, M. 2011. Five steps to teaching empathy to customer service reps [reference 23 January 2015]. From Unitiv: http://www.unitiv.com/intelligenthelp-desk-blog/bid/78536/5-Steps-to-Teaching-Empathy-to-Customer-Service-Reps

Eurostat 2014. Population by age groups [reference 27 January 2015]. From EUROSTAT: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do

Finland Age Structure 2014. CIA World Factbook [reference 31 January 2015]. From Index Mundi: http://www.indexmundi.com/finland/age_structure.html

Finland. Long-term care 2011. OECD [reference 3 February 2015]. From OECD organization: www.oecd.org/finland/47877648.pdf

Finns on Costa del Sol expressed their hopes to the Foreign Minister 2010. Ministry for Foreign Affairs of Finland [reference 15 February 2015]. From FORMIN.FINLAND.FI: http://formin.finland.fi/public/default.aspx?contentid=187603&contentlan=2&culture=en-US

Fuengirola opens the first Finnish mall 2011 [reference 13 February 2015]. From Malaga Web: http://www.malagaweb.com/blog/costa-del-sol/news-228/

Gebreyohannis, B. & Kharel, K. 2012. Needs Assessment for Assisted Living Facilities Among Elderly Population. Centria University of Applied Sciences [reference 1 February 2015]. From Theseus: https://www.theseus.fi/bitstream/handle/10024/48239/Gebreyohannis_Birhane.pdf.pdf?sequence=1

Gilbert D. & Wong, R. K. C. 2002. *Passenger expectations and airline services: a Hong Kong based study* [reference 15 January 2015]. From Science Direct: http://myweb.ncku.edu.tw/~cfchen99/2006-1818passenger%20expectations%20and%20airline%20services%20a%20Hong%20kong%20based%20study.pdf

Global Survey: Word of Mouth the Most Powerful Selling Tool, 2007 [reference 20 January 2015]. From Marketing Charts http://www.marketingcharts.com/television/global-survey-word-of-mouth-the-most-powerful-selling-tool-1884/

Go-go, slow-go and no-go: Longevity and retirement lifestyles 2014 [reference 22 February 2015]. From The Annapolis Institute: http://www.annapolisinstitute.net/blog/go-go-slow-go-and-no-go-longevity-and-retirement-lifestyles

Government Resolution 2012. *Housing development programme for older population for 2013-2017.* Ministry of the Environment [reference 1 February 2015]. From YM: http://www.ym.fi/download/noname/%7B6D52E351-806C-436A-831A-9DD911A0E265%7D/100449

http://www.farrell-associates.com.au/BSOM/Papers/Zone-of-tolerance.pdf

INE 2013*, Hotel Occupancy survey*. Instituto Nacional de Estadistica [reference 28 November 2014]. From INE: http://www.ine.es/jaxiT3/Tabla.htm?t=2011

Jonhston, R. 1995. *Zone of Tolerance: Exploring the relationship between service transactions and satisfaction with the overall service*. International Journal of Service Industry Management, Vol. 6 [reference 13 January 2015]. From Farrell Associates:

Kitces, M. 2014. *Estimating Changes In Retirement Expenditures And The Retirement Spending Smile*. Nerd’s eye view [reference 22 February 2015]. From Kitces.com: https://www.kitces.com/blog/estimating-changes-in-retirement-expenditures-and-the-retirement-spending-smile/

Liikanen, E. 2008. *Population ageing in Finland: Consequences and policy actions*. Suomen Pankki [reference 1 February 2015]. From Suomen Pankki: http://www.suomenpankki.fi/en/suomen_pankki/ajankohtaista/puheet/Documents/080117EL_Athens.pdf

Lundorg, P. 2006. Informal and Formal Care Among Single –Living Elderly in Europe. Discussion Paper 2006, 306 [reference 27 January 2015]. From Netspar: http://arno.uvt.nl/show.cgi?fid=80450

Macmillan Dictionary 2014 [reference 12 February 2015]. From Macmilla Dictionary: http://www.macmillandictionary.com/open-dictionary/entries/pull-factor.htm

Mauno Kaihla Koti Nursing Home 2015. Ontario Finnish Resthome Association – Sault Ste Marie [reference 3 February 2015]. From NorthEast Health Line: http://www.northeasthealthline.ca/displayService.aspx?id=90615

Mitte, C. 2005. *Wellbeing and Dependence among the European Elderly: The Role of Social Integration*. ENEPRI Research Report No.12 [reference 28 January 2015]. From ENEPRI: http://www.enepri.org/files/Reviser/enepri-corinne.pdf

Number of Finns in Spain on rise 2014. Finland Times [reference 11 February 2015]. From Finland Times: http://www.finlandtimes.fi/business/2014/09/25/10404/Number-of-Finns-flocking-to-Spain-on-rise

Nummelin, J. 2005. *Potential in Senior Service*. International Journal of Strategic Property Management [reference 27 January 2015]. From Taylor & Francis Online: http://www.tandfonline.com/doi/abs/10.1080/1648715X.2005.9637536#.VMdzanY8JZQ

Palliative care option 2009. Cancer Society of Finland [reference 3 February 2015]. From Cancer.fi: http://www.cancer.fi/en/patients_and_relatives/palliative_care_and_death/palliative_care_options/

Parasuraman, A. , Zeithmal, V. A. & Berry, L. L. , 1999. Understanding Customer Expectations of Service [reference 23 January 2015]. From MIT Sloan Management Review: http://sloanreview.mit.edu/article/understanding-customer-expectations-of-service/

Parasuraman, A. , Zeithmal, V. A. & Berry, L. L. 1988. SERVQUAL: A Multipel-Item Scale for Measuring Consumer Perceptions of Service Quality. Journal of Retailing, Vol. 64 [reference 23 January 2015]. From Areas.kenan-flagler: http://areas.kenan-flagler.unc.edu/Marketing/FacultyStaff/zeithaml/Selected%20Publications/SERVQUAL-%20A%20Multiple-Item%20Scale%20for%20Measuring%20Consumer%20Perceptions%20of%20Service%20Quality.pdf

Peers, F. 2013, *Seasonality in European tourism industry: What are the solutions?* Industry news [reference 28 November 2014]. From TOURISMlinks: http://www.tourismlink.eu/2014/01/seasonality-in-the-european-tourism-industry-what-are-the-solution/

Portegijs, E. , Iwarsson, S. , Rantakokko, M. , Viljanen, A. & Rantanen, T. 2014. *Life-space mobility assessment in older people in Finland; measurement properties in winter and spring*. Lund University [reference 1 February 2015]. From BMC Proceedings: http://www.biomedcentral.com/1756-0500/7/323

Prugsamatz, S. & Ofstad, R. P. L. 2006.*The influence of explicit and implicit service promises on Chinese students' expectations of overseas universities*. Asia Pacific Journal of Marketing and Logistics, Vol. 18 [reference 19 January 2015]. From Emerald http://www.emeraldinsight.com/doi/pdfplus/10.1108/13555850610658273

Scheider, S. 2013. *Aging population drives demand for senior housing*. Nwi Times [referenced 25 November 2014]. From Nwi Times: http://www.nwitimes.com/news/local/lake/aging-population-drives-demand-for-senior-housing/article_323e2cfb-aaf7-5ad4-9bd5-9c3429920890.html

Social and Service Networks 2010. *HDL Challenge Briefing on Ageing 1.0* [reference 3 February 2015]. From Helsinki Design Lab: http://www.helsinkidesignlab.org/dossiers/ageing/social-and-service-networks

Suomalaiset Yhdistykset Aurinkorannikolla 2015. Suomalaisyhteisö – Costa del Sol [reference 15 February 2015]. From Loma Espaja: http://www.loma-espanja.net/index.php?document=aurinkorannikon_suomiyhteiso

Three stages of retirement 2015. Planning [reference 13 March 2015]. From Blunck Financial: http://blunckfinancial.com/planning/retirement%20-%20stages.htm

Tyvimaa, T. 2010. *Developing and Investing in Senior Houses in Finland. Senior's Preferences and Investor's Inside*. Tempere University of Technology [reference 1 February 2015]. From Tempere University of Technology: http://dspace.cc.tut.fi/dpub/bitstream/handle/123456789/6802/tyvimaa.pdf?sequence=3

Väänänen, M. H. , Pietilä, K. & Araksinen, M. 2006*. Immigration within European Union – Does health immigration make a difference in analgesic use?* Pharmacy Practice (Granada) [reference 11 February 2015]. From Sci ELO: http://scielo.isciii.es/scielo.php?pid=S1885-642X2006000400002&script=sci_arttext

Weather in Finland – Four distinctly different seasons 2015. Finnish Lakeside Cabins [reference 13 February 2015]. From Finnishlakesidecabins.com: http://www.finnishlakesidecabins.com/Weather_in_Finland.htm

Yih, J. 2015. *Three Phases of Retirement* [reference 22 February 2015]. From Retire Happy: http://retirehappy.ca/three-phases-of-retirement/

Interviews

Schumacher, J. E. 2014, November 15. *What are Villa Aurora and its business activities?* (H. B. T. Le, Interviewer)

Schumacher, J. E. 2014, December 15. *What are Villa Aurora's main competitors and its advantages in the market?* (H. B. T. Le, Interviewer)

APPENDICES

APPENDICE 1. Interviews with Finnish target customers

	DATE	LOCATION
Interviewee 1	4th February 2015	Private house, Lahti
Interviewee 2	4th February 2015	Private house, Lahti
Interviewee 3	7th February 2015	Felmannia library, Lahti
Interviewee 4	9th February 2015	Fellmannia library, Lahti
Interviewee 5	9th February 2015	Private house, Lahti
Interviewee 6	9th February 2015	Fellmannia library, Lahti
Interviewee 7	9th February 2015	Fellmannia library, Lahti
Interviewee 8	10th February 2015	Fellmannia library, Lahti
Interviewee 9	11th February 2015	Via Skype to Vantaa
Interviewee 10	11th February 2015	Fellmannia library, Lahti
Interviewee 11	12th February 2015	Fellmannia library, 2015

APPENDICE 2. Interviews with Finnish target persons

- What is your living situation currently? Do you live with anyone else or alone? What type of housing are you living in?
- What is your plan when retirement? Would you like to stay in same place or move to somewhere else?
- What do you know about senior living places in Finland? How do you know about these places?
- What are your opinions toward them in terms of atmosphere, staff,

facilities, service and so on? What are their advantages and disadvantages?

- Have you ever been in Spain? What do you think of Spain first of all? What do you like about Spain?
- Would you wish to stay in Spain when you retire? If yes, why? And how long would you like to stay? If no, why?
- What do you expect from senior residences located in four or five-star hotels at Costa del Sol?
- How much would you like to pay for a one-month stay in this kind of senior residence?

APPENDICE 3. E-mail conversations

Structure of the e-mails between the author and the office of five different senior residences located in Marbella

Senior residences	Date sent – received	Questions
Residencial El Carmen	17th December 2014 – 19th December 2014	What is the size of your senior residences? What is the average price for a one-month stay? What services does your senior residence offer in addition to all services available on your website?
Residencial Sanyres	17th December 2014 – 20th December 2014	
Sar Quavitae Azalea	17th December 2014 – 10th January 2015	
Margarethenhof	17th December 2014 – 13th January 2015	
Johanneswerk	17th December 2014 – 15th January 2015	

APPENDICE 4. Interviews with Villa Aurora's director Johannes E. Schumacher

Date 15th November 2014
• What is Aurora's aim? • Why does Villa Aurora focus on providing senior residence services? • How does Villa Aurora choose its hotel partners? How does it cooperate with them? • Which markets is Villa Aurora planning to target? • How does Villa Aurora manage their service offers?

Date 15th December 2014
• What are Villa Aurora's competitors? • Why is the model of senior residences of Villa Aurora different from the others on Costa del Sol? • What are strengths of Villa Aurora?