

# Attracting Russian tourists to Fazer Experience Visitor Centre

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| <p>Oy Karl Fazer Ab is one of the most known and well-liked companies in Finland. In 126 years what started as a small French-Russian café has grown into international company of 15 000 workers with factories, restaurants and coffee shops in eight countries. However, business area has remained the same; even today Fazer is all about food, the most important operations being its bakeries and restaurants for corporate catering. However, the most popular product of Fazer is chocolate hailing from the famous chocolate factory in Vantaa.</p> <p>This study was conducted for Fazer Experience Visitor Centre. Fazer visitor operations have hosted visitors at the Vantaa factory site for several decades, but after the completion of the new Visitor Centre, Fazer has been keen to place more effort and capital into marketing its visitor services to the wider public. Finnish customers are already rather familiar with the visitor operations because Fazer has been a popular destination for school groups, but now Fazer aims to attract more foreign visitors as well.</p> <p>One of the largest foreign visitor groups for Fazer have traditionally been Russian travellers. In 2014 the number of Russian visitors to Finland declined sharply due to political and economic reasons, but lately, tourism has started to recover and Fazer is keen to capitalise on this change. However, the marketing team of the Visitor Centre is not very familiar with the particularities of Russian customers and how to market the centre to them, which is why the need explore the issue arose. Research questions were based on the need to find out how to effectively and efficiently attract Russian visitors to the Fazer Visitor Centre.</p> <p>The thesis itself is divided into two parts, a theoretical part and a literary analysis, which is the basis for the marketing suggestions for the Visitor Centre. The theoretical framework consists of the communication theory and marketing communications planning. The literature analysis aims to discover, what kind of methods and channels of communication would be optimal to market services to Russian travellers. Finally, the last chapter presents suggestions for the Fazer Visitor Centre so that it could successfully enhance its marketing activities directed at Russian tourists.</p> |   |
| <b>Keywords</b><br>Marketing communications plan, Russian tourists, Marketing communications tools, Communication theory  |   |

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# 1 Introduction

## 1.1 Background

A visitor centre is, by a definition, a place that provides information for visitors of the said locale whether it is a city, a building, a park or any type of other establishment (Ripp 2016). Oftentimes visitor centres are present at common tourist destinations where the purpose is to engage and increase the number of tourists (Tourism Development Solutions 2012). However, many commercial companies such as Carlsberg or House of Waterford Crystal also maintain visitor centres as a part of their marketing efforts (Carlsberg 2016; House of Waterford Crystal 2016).

For Fazer visitors have been an integral part of marketing and company image ever since the time of the original confectionery factory, which was located in the center of Helsinki. During the recent years, Fazer has hosted over 50 000 visitors at the site of the factory's current location, city of Vantaa. (Fazer 2016b). Previously visitor operations took place inside the factory building but in 2016 a brand new Visitor Centre was opened for the public. Ambitious plans included doubling the number of the visitors and attracting more foreign visitors, especially tourists from nearby countries, such as Estonia, Sweden and Russia. (Fazer 2015b; Haltiala 14 December 2015.)

Today the Fazer Visitor Centre has been operational for over a year and the numbers have exceeded all expectations: in 2017 there were over 180 000 visitors to the centre out of whom over 100 000 participated in guided tours, the main service offered by the centre (Cision 2018). However, the number of Russian visitors has dwindled from previous years, when several tour groups would visit Fazer monthly. There are no exact numbers, because before the new Visitor Centre was built, the visitor statistics compiled did not differentiate between visitors of different nationalities. Nevertheless, management and guides, who have a long experience working at the visitor department, are all in agreement that this is the case (Haltiala 10 January 2018).

There are several possible reasons for the drop of Russian tourists coming to visit the Fazer factory one of the major ones being the overall drop in the number of Russian tourists to Finland. The crisis of 2014 affected tourism between Russia and Finland greatly: the number of visitors in all areas of Finland dropped by 10-22 % (Pasanen & Pesonen, 5).

Another possible reason is the novelty of the Fazer Visitor Centre. Even though the location is still the same, the organization has changed. For example, previously tours were booked by a phone call to a certain number during certain hours. Now tour groups must fill in a form on the website and wait for confirmation or a contact from the sales representative to agree about the details of

their visit. Also, nowadays Fazer is able to cater to individual visitors and tourists, which was out of the question before 2016; earlier only pre-booked tour groups were allowed. Thus, it is feasible to assume that Fazer is not a well-known tourist attraction among independent travellers. Not to mention, because of the break in tour groups coming to Finland, operators may have changed and new ones might not be as familiar with Fazer as former ones were.

Thus, it can be concluded, there is work to be done to attract more Russian visitors to the Fazer Visitor Centre.

## **1.2 Thesis objective and research question**

The purpose of this thesis is to study and determine ways to market the Fazer Visitor Centre more effectively to Russian tourists visiting Finland, whether they come as a tour group or as independent travellers. More precisely, the focus is on the tools, media channels and the content and form of the messages aimed at the desired target group.

To achieve the objective, following research questions were formulated:

1. *What are the most efficient marketing communication tools available for marketing the Fazer Visitor Centre to Russian tourists?*
2. *What are the most efficient media distribution channels available for marketing the Fazer Visitor Centre to Russian tourists?*
3. *What kind of marketing message is most efficient for marketing the Fazer Visitor Centre to Russian tourists?*

## **1.3 Research method and data collection**

Qualitative research design was selected as a framework for this study. This is because the project has been, from the very start, a process rather than a clearly defined set of quantifiable objectives. Wide outlines were given by the management and thus the focus of the study has evolved during the process and research questions were developed intermittently with the research objective. As attested by Daymon and Holloway (2011, 13), this is typical for qualitative studies.

There were other arguments in favour of a qualitative approach as well. Firstly, as stated, the objective of the study is to answer “how” rather than find causal links or present numerical estimates.

Secondly, a qualitative study design is well-suited for the field of communication, because the core idea is to understand the perspective of the informants, which is best grasped with the in-depth study style of a qualitative research (Daymon & Holloway, 26). In the case of this study, informants are both the representatives of the case company as well as the target customers to whom the case company, Fazer Visitor Centre, wishes to market its services.

And, finally, the third argument in favour of a qualitative research design is the data collection method. Desk work was the primary method of data collection meaning the study is heavily based on secondary sources, especially in relation to the target group, Russian tourists, and their preferences. The reason is that conducting empirical research has proven itself to be out of the reach of the researcher as independent Russian travellers have been far and in between, and tour groups operate on such a tight schedule that allowing time for interviews or data surveys has been immensely difficult. As secondary data is readily available and the researcher is fluent enough in Russian to use Russian sources as well, desk work was deemed suitable for the scope of the study.

On the other hand, data on the case company has been collected through different in-company sources, namely discussions with the management, the marketing designer and guides as well as researching the company's internal documents and presentations. Because of the researcher's own position in the visitor marketing team as a tour guide, this information has been easily available and is also based partly on researcher's own experiences during the seven years she has been employed at Fazer in the same position.

#### **1.4 Scope and limitations**

There are certain limitations in the study arising from the nature of the company's operations as well as the objective of the study. As a tour guide the researcher is not privy to all details of company processes that would affect its marketing activities, such as schedule, planning for future events and especially the budget. Some of the information is classified and not handed out by the management. For this reason, budget considerations play a very minor role in defining an optimal marketing communications mix for the company, except for the fact that budget is to be kept as limited as possible. Another area given less focus is strategy, as the strategy is set and defined by the parent company, Oy Karl Fazer Ab.

The objective sets another limitation, too. Because the goal is to identify effective means of communication to market Fazer Visitor Centre for Russian tourists, focus is to be tightly kept on communication tools, channels and the message. When designing a proper marketing communications

plan, necessary steps would also include strategy, objectives and budgeting. However, these aspects will not be considered in this thesis, because of the limitations set by the client company, Fazer. Both strategy and objectives are strictly defined by the parent company and the Visitor Centre is required to follow them without much of its own input. Also, budget for marketing efforts is greatly limited; there is only one marketing designer working for the Visitor Centre and the company is not yet making any profit meaning the amount of money available is reduced to a minimum. Furthermore, it should be noted that because the main focus of the Visitor Centre is to attract Finnish customers, the company is not willing to spend a great deal of time or money in marketing towards Russian customers.

## **1.5 Thesis structure**

The thesis starts with the introduction of the case company. The following chapter will continue with a more general depiction of the communication theory and progresses into more detailed concepts of marketing communication and communication mix. Continuing further, current situation analysis will be discussed as well as analysis of the target segment, Russian customers. Finally, suggestions for the case company are presented in the final chapter.



## 2 Case company description

### 2.1 Oy Karl Fazer Ab

Oy Karl Fazer Ab was founded in 1891 by Karl Fazer who was a Finnish-born son of Swiss immigrants Edward and Anna Fazer. At first it was only a cafe albeit a very popular one and French-Russian in style, something which was very new in Finland at the time. However, growing demand inspired Fazer to establish a confectionery factory in Helsinki and over the years Fazer has continued to grow by both building new factories and purchasing other businesses. (Fazer 2010.)

Today Fazer consists of five business units, three large ones and two smaller ones. The large ones in order of the size are Fazer Food Services, Fazer Bakeries and Fazer Confectioneries while the smaller ones are Fazer Cafes and Fazer Mills and Mixes. Besides Finland Fazer has operations in seven countries surrounding the Baltic Sea; Sweden, Norway, Denmark, Russia and all three Baltic states. (Fazer Group 2016.) Out of Fazer's almost 15 000 workers more than half are located outside of Finland, but the headquarters still remain next to Fazer's chocolate factory in Vantaa. Even though Fazer has grown into a large, international company, its ownership is still firmly in the hands of the Fazer family, all of whom are descendants of Karl Fazer. (Fazer 2015c.)

According to a company legend, Karl Fazer himself used to say the most important "product" of the company is taste (Fazer 2010). So in short, both Fazer's products and services are entwined around food and the idea of creating taste sensations. Main consumer product categories are candies, chocolate and bakery products while services include both restaurants for personnel and cafes (Fazer Group 2016). In industrial product categories Fazer sells flour mixes and chocolate crumbs (Aho, 26 November 2016).

Latest key figures are from 2016. Fazer's net sales continued to grow until 2014 when a 3 % decline was experienced due to the unstable situation in the Russian market where Fazer has large bakery operations. The decline continued through 2015 but in 2016 net sales started to grow again even though the level of 2013 has not been reached yet. Current net sales are 1,6 billion euros. Operating profit has faced more fluctuation having reached its zenith of 69 M euros in 2012 and steadily dropping to 43,3 M euros in 2014, a 12 % decrease from 2012. Latest figures from 2016 show improvement, however, the operating profit having risen to 53 M euros which, while not on par with the record year of 2012, nevertheless shows the company is recovering from its economic challenges. (Fazer 2015a, 3-4; Fazer 2017, 3-4.)

However, even during the years of economic downturn, Fazer has continued to develop and invest in new products as well as new processes and businesses. For example, even though net sales from Russia have steadily declined during the latest years, Fazer has made considerable investments in Russia by opening hundreds of new baking spots between 2015 and 2016 (Fazer 2017, 20). As a part of these investments, in 2016 Fazer opened a brand new Visitor Centre at Vaarala in Vantaa, just next to the headquarters and chocolate factory (Fazer 2016a, 9).

## **2.2 Fazer Experience Visitor Centre**

Fazer has been inviting visitors to its premises for decades. However, in recent years there have been some changes greatly affecting the visitor operations, most important of them being closing off the production area from visitors. Previously, seeing the process of actual making of chocolate was the highlight of the visits but due to tightening hygiene regulations visitors were denied access to the production area. This, together with the outdated premises for visitor operations, created the need for more radical measures to improve the visitor experience at the Fazer chocolate factory leading to the creation of new Visitor Centre for Fazer. (Haltiala, 14 December 2015.)

Fazer Experience Visitor Centre opened its doors for the greater public on 1.10.2016 to celebrate the 125<sup>th</sup> year of company. Now that the centre has been operational for over a year, some statistic and information about its success are available. The original goal was to triple the number of visitors from 50 000 to 150 000, but in reality the number was almost four times greater; in 2017 over 180 000 visitors came to see the new Visitor Centre. (Haltiala, 10 January 2018; Cision 2018.)

The main product offered by Fazer Visitor Centre are guided tours. Two types of tours are available, open tours with individual tickets available through Ticketmaster and group tours, which are free for school groups and students but chargeable for all other customer types. Languages offered are Finnish, Swedish and English, but there is also possibility to book tours in Russian, German and Estonian.

Other types of services offered by the Visitor Centre include various events such as children's birthday parties, cooking schools and chocolate bar art classes. For business customers there are two conference room available for rent and coffee shop can organize catering for any type of an event. Besides the exhibition area, where tours take place, the Visitor Centre also houses the aforementioned coffee shop and also a factory show, where novelties are usually available before they arrive to regular stores (Cision 2018).

### 3 Marketing communication

Marketing communication builds upon communication in general. It is, simply put, communication with a particular goal in mind; to reach a certain group of people and to affect their attitudes and behaviour. For marketing communication to be effective it is necessary to understand how communication as a process works. (Kotler, Armstrong, Lloyd & Piercy 2013, 422-423).

#### 3.1 Communication theory

In essence, communication is exchange of information. Often communication is viewed as verbal and symbolic, such as writings, pictures or voiced words and sounds. However, communication encompasses also many non-verbal and non-symbolic forms of expressions; body language, time, space and kinetics are forms of communication that transmit a certain message, whether it is planned or unplanned. For example, a person who is busy but organised is associated with the concept of authority. Similarly, crowded space versus open space with only a few people send both very different messages. (Smith & Taylor 2004, 72-73.)

In reality, a communication process is complicated and multi-layered with almost limitless numbers or participants and interactions. However, to be able to understand the process, several models of communication process have been suggested, mainly differing in their level of simplicity. For the purposes of this thesis, three models will be described; the linear model; the influencer model; and interactional model of communication. Furthermore, the phenomena of the word-of-mouth will be briefly discussed.

##### 3.1.1 The linear model

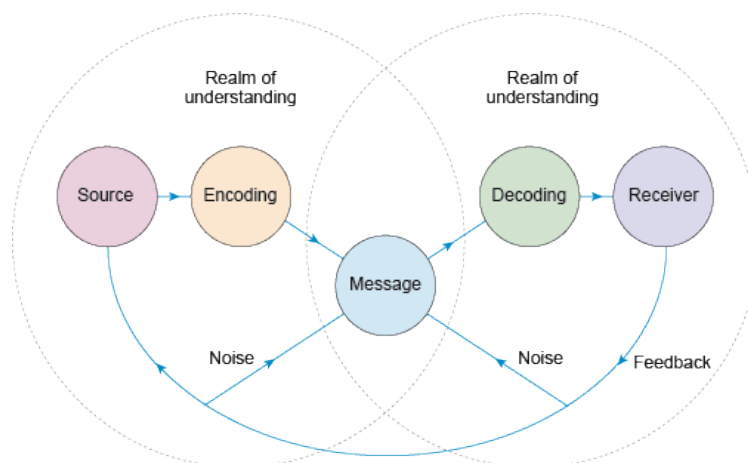


Figure 1. The linear model of communication (Fill 2013, 44)

Linear model of communication was firstly developed by Wilbur Schramm in 1955, who identified seven key elements of the communication process and how they affect each other (Fill 2013, 43). Later on it was developed by others and the example used here is created by Kotler & al. (2013, 422-423), who added two more elements into the mix, *the media* and *the response*. Thus, according to Kotler & al. (2013), the communication process consists of the following nine elements:

- *Source* – An organisation or an individual who transmits the message.
- *Encoding* – A conversion of immaterial thoughts into physical form, often using a commonly accepted set of symbols such as pictures or words.
- *Message* – Communication handed down in a form of symbols or non-symbolic expressions. The message can be literal or underlying, such as a theme in a book.
- *Media* – A tool or channel used by the sender to transfer the message to the receiver.
- *Decoding* – The process of interpretation of the message by the receiver.
- *Receiver* – An organisation or an individual receiving the message.
- *Response* – A set of reactions arising in the receiver once the message has been received and decoded.
- *Feedback* – Ties back to the previous elements in that feedback occurs when the receiver communicates his or her response. Thus, it can be said, feedback is the receiver's response in a physical form.
- *Noise* – Distortion of the communication process. Decoding results in a different message than the one intended by the sender.

The most important elements in the model are the sender and the receiver, the parties of the communication process. Media and message are the tools used by the sender to induce a desired behavioural change in the receiver. Four added elements, encoding, decoding, response and feedback, are actions undertaken by the parties during the communication process. (Kotler & al. 2013, 422-423.)

For the sender to be able to provoke the intended response in the receiver, it is crucial to adjust the encoding process to match the receiver's decoding process by using appropriate symbols and media channels. In other words, the sender must know who the receiver is and the particularities of the receiver's decoding process. (Kotler & al. 2013, 422-423.) The receiver's whole realm of experience influences the interpretation process including the identity of the sender or the source; any prior knowledge or experiences with the source allow the receiver to decode the message more successfully (Fill 2013, 46).

The sender has his or her own realm of experience. The more similar are the realms of experiences of the sender and the receiver, the more likely is the message understood as it was intended. If the overlap is very minor or virtually non-existent, conducting and acquiring proper marketing research information becomes invaluable. (Kotler & al. 2013, 422-423.) For this purpose, the sender must observe the receiver's reactions and collect feedback to be evaluated against the set

goals of the communication. By evaluating the feedback, the sender will know whether the message was decoded as it was intended and is able to make adjustments when and if needed. (Fill 2013, 46.)

The element especially important to consider is the noise. In ideal conditions the message is transmitted and encoded properly, but in reality conditions are never ideal. (Smith & Taylor, 75.) Due to these non-ideal conditions, the message gets distorted during the communication process and the sender fails to convey the message as was intended. This distortion can be physical or cognitive. For example, if the encoding process is executed poorly, cognitive distortion of the communication occurs and the desired effect is lost. Physical distortion happens when, for example, the receiver is distracted during the communication and thus the message is received only partially or not at all. (Fill 2013, 47.)

### 3.1.2 The influencer model

In the linear model the receiver is assumed to be a passive or almost passive participant. Only in the feedback process can the receiver show some active participation by directly communicating his or her response to the sender, but more often the feedback is indirect such as body language, expressions, comments on the internet and so on. (Fill 2013, 46.) The influencer model of communication takes the receiver's participation into account and assumes a greater level of activity.

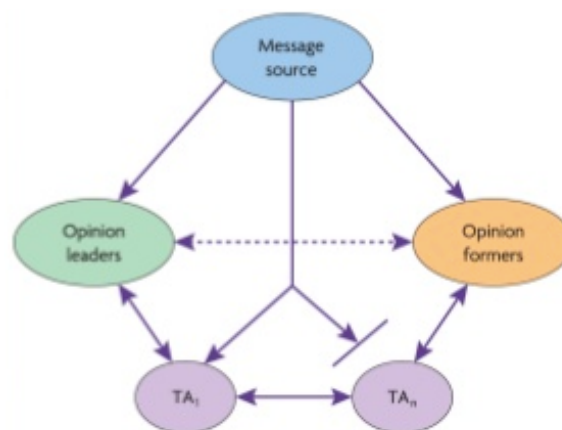


Figure 2. The influencer model of communication (Young 2015)

The influencer model of communication is based on the notion that rarely does the message reach the intended target audience uninterrupted. Instead, often times the message passes through several other individuals before reaching the ones it was meant for. The most important of these in-

between-receivers are opinion leaders and opinion formers. The target audience receiving the final information constitutes of opinion followers. (Fill 2013, 49-50.)

Opinion leaders are individuals who receive information and reprocess it to influence others, namely, opinion followers. Studies show these people to be viewed more impartial and trustworthy than mass media, which leads them to be more persuasive. For commercial purposes companies often attempt to simulate this phenomena, for example, by using customer testimonials in their advertising. (Fill 2013, 56.) Opinion formers do not necessarily seek to influence others, but they are nonetheless more persuasive than the mass media due to the same effect as opinion leaders; they are seen as impartial and trustworthy. The source of their power is, however, different. Opinion leaders are often strong, extroverted personalities whose status as an opinion leader is more based on their personal attributes than, for example, their profession. Opinion formers are the opposite, they are experts in their fields and so wield authority. Furthermore, the influence opinion formers wield is not passive. They are sought for information by the opinion followers. (Fill 2013, 53-57.)

Most consumers fall into the group of opinion followers. This, however, does not mean they are not active participants in the communication process. Even though they might not be as influential and proactive in the information processing and forwarding as opinion leaders and opinion formers, they nevertheless do communicate not only with each other but also with opinion leaders and opinion formers, too. Furthermore, opinion followers, despite the selected group definition, do not passively follow opinion leaders and opinion formers; rather, they actively siphon the information and process it independently. (Fill 2013, 58.)

This network-type structure of the influencer model aims to depict an environment where the message, once set in motion by the receiver, typically via mass media, keeps bouncing back and forth between different players in the system, as discussed above. Because of this, the message changes as it is passed on again and again and the intermediary players can either downplay it or reinforce its impact. (Fill 2013, 49.)

### **3.1.3 The interactional model**

Both the linear model and the influencer model emphasise the role of an individual in the communication process; the previous one sees the individual as a passive receiver whereas the latter one takes the individual's activity into account. Neither one, however, considers the social aspect of the communication process, which is an integral element of any communication between two or more

people. To fill this need, a more complex model, the interactional model of communication, was suggested. (Fill 2013, 51.)

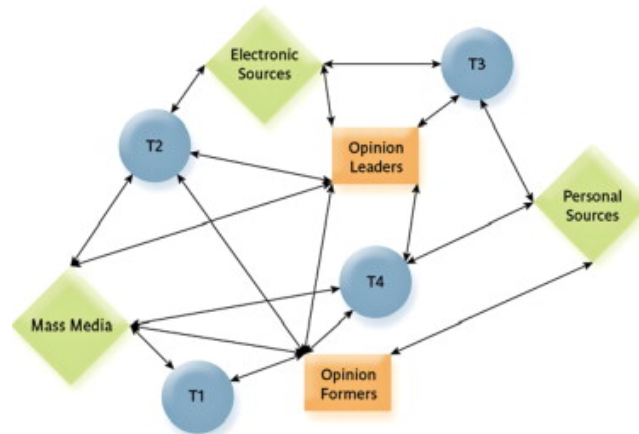


Figure 3. The interactional model of communication (Giles, Bosworth & Willett 2013)

As the name suggests, the interactional model focuses on interactions between individuals, but it also takes into account other possible factors influencing the communication process. These factors can be, for example, electronic sources or personal sources, that individuals use to interpret and process the messages moving in the system. Real-time conversations between the members of the communication network attach meanings to the messages and, in a way, build upon each other; messages, that are originally responses, acquire a new layer and are sent forward to the recipient, who then adds a layer and so on. (Fill 2013, 51.)

### 3.1.4 Word-of-mouth

Word-of-mouth takes the ideas behind the interactional model of communication to their logical end. As defined by Fill (2013, 53), word-of-mouth is based on “informal, unplanned and unsolicited conversations” taking place between potential or existent buyers or non-buyers where opinions regarding products or services are viewed as impartial. The most important feature from the perspective of the buyer is the unsolicited nature of the word-of-mouth or, in other words, the company’s non-involvement in the conversation. As a result, word-of-mouth is viewed to be more trustworthy, as expressed by Stokes & Lomax (2002, in Fill 2013, 53): “[Word-of-mouth is] interpersonal communication regarding products or services where the receiver regards the communicator as impartial.”

As a marketing tool, word-of-mouth is one of the most powerful; it accounts for 20 to even 50 % of all buying decisions today (Fill 2013, 53). Of course, as a phenomena word-of-mouth is as old as humankind as people have always shared their opinions on products and services and made decisions based on this shared information. What has changed, however, is the magnitude of the impact. Previously one person was able to influence, approximately, ten people whereas now, in the era of internet and social media, an influential person can reach a million. Thus, the effect of word-of-mouth today is greater than ever. (Faulds & Mangold 2009, 359.)

### **3.2 Marketing communication**

The marketing mix is one of the most important models in marketing. Often known by its other famous name, four Ps, it consists of four key elements; Product, Price, Place and Promotion. Marketing communication can be considered as one of the aforementioned Ps, namely, Promotion. (Karjaluoto 2010, 11.) While it should be noted that all Ps are involved in the communication process, the promotion or the marketing communication, as it is called in this thesis, takes the foreground when companies plan their communication strategies (Smith & Taylor 2004 7; Kotler & al. 2013, 422-423).

There are many definitions for the marketing communications, each definition emphasizing certain aspects of the concept. According to Keller (2001, 819) “marketing communications are the means by which firms attempt to inform, persuade, incite and remind consumers – directly or indirectly – about the brands they sell.” In other words, the marketing communication is the voice of the brand. It brings additional value, which, in turn, affects the sales and contributes to greater brand loyalty (Keller 2001, 820).

Today, greater customer loyalty is the focal point of the marketing communications. As Kotler & al. (2013, 422) note, marketing communications is “managing customer relationship over time”. From this perspective, customer becomes the key player even though he or she is the target of the communication; the brand communicates, but communication should be designed the customer in mind and with the goal of cultivating lasting customer experiences. To put it shortly, to invoke customer loyalty, a company must consider its audience.

As discussed in the previous chapter, audience is the target of communication, the receiver. To adjust the message for the receiver, it is crucial to know and understand the receiver and, even more importantly, carefully select who out of all people the receiver is. Karjaluoto (2010, 11) emphasizes this aspect of marketing communications when he describes the process as communication aimed at a particular group of people with the goal of creating demand and influencing demand.



The most comprehensive definition is, however, given by Fill and Jamieson (2014, 12):

Marketing communications are a management process through which an organization engages with its various audiences. By understanding an audience's communications environment, organizations seek to develop and present messages for their identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, they encourage audiences to offer attitudinal and behavioural responses.

Definition by Fill and Jamieson ties in the three most important elements of marketing communication; the engagement; the target audience; and the response. Responses can be behavioural or cognitive, that is, thoughts or emotions. Behavioural responses are manifested as actions, for example, purchasing a brand product, whereas cognitive responses strengthen or change attitudes and customers' perceptions of the brand. It is this response, behavioural or cognitive, that creates engagement, which, then, operates as a link between the company and the audience. Both are able to achieve their goals and via this process added value is generated for both parties. (Fill 2013, 12-13.)

### 3.2.1 Tasks of the marketing communications

Tasks of marketing communications can be summed up by DRIP model developed by Chris Fill (2013, 15). According to the DRIP, marketing communications has four main tasks:

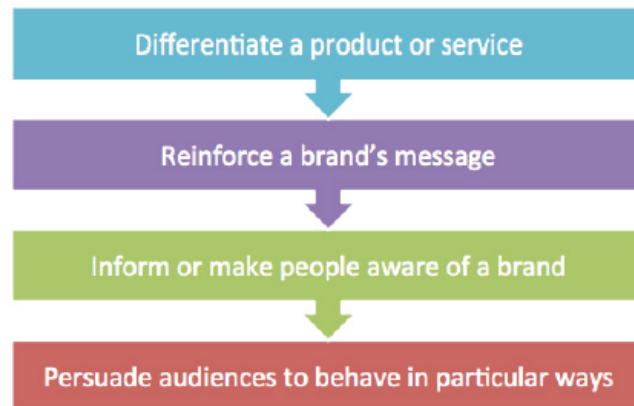


Figure 4. The DRIP model (Hanlon 2013)

Differentiate. Differentiation is closely related to positioning; especially when competition is high and market is saturated with rather similar products or services, it is vital for brands to be able to

position themselves in relation to other brands. Marketing communications takes part in this process by communicating brand images and values, enabling customers to position the brand and thus affecting the purchasing process. (Fill 2013, 14-15.)

**Reinforce.** Marketing communications can also take part in reinforcing experiences. This is achieved by two different means, reminding and reassuring. Reminding focuses on either consumer's past, positive experiences with the brand or identifying and reminding the consumer of the need they have. Reassurance can be applied right before the purchase but, more commonly, consumers are reassured of the benefits of their exchange post-purchase. Reassurance brings comfort and thus reasserts the value of the brand in the customer's mind. (Fill 2013, 14-15.)

**Inform.** Making consumers aware of the company's offering, brand values and the availability of the product or services is one of the main tasks of the marketing communications. By spreading information, it is possible to influence consumers' attitudes and beliefs about the brand, which facilitates the transaction process. (Fill 2013, 14-15.)

**Persuade.** With the help of marketing communications, both current and potential buyers can be encouraged to behave in a desired manner. Often the emphasis is on actual transactions, but persuading customers to enquire and send feedback are almost equally important tasks. (Fill 2013, 14-15.)

### **3.2.2 How marketing communications works**

While studies point to marketing communications having a substantial benefit for companies' sales and overall success, there are differing views on how does marketing communications actually work (Karjaluoto 2010, 10). In this chapter, some theories and models regarding the potential effects of marketing communications are discussed and reviewed.

#### **Sequential models**

There are several possible sequential models developed to describe buying behaviour, but from the perspective of the marketing communications, most of them operate on a similar principle: the buying process is seen as a process, a sequence of events, and the role of marketing communications is to influence the stages of the process to facilitate the consumer's movement to the next possible stage. For this reason and considering the scope of the thesis, only one example of a sequential model is introduced: AIDA model.

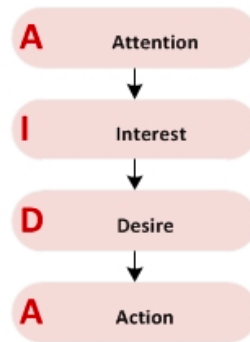


Figure 5. The AIDA model (LearnMarketing 2018)

AIDA was developed by Strong in 1925 as a tool for sales people. The model divides the buying process into different stages and it was the task of the sales person to guide a customer through these stages into a successful completion of the transaction. It is important to note that AIDA assumes the importance of the initial positive attitude to be an integral part of the buying process. Because of this, influencing the customer's attitude is a crucial part of the process. (Fill 2013, 116.)

As an acronym AIDA stands for Attention, Interest, Desire and Action. These stages represent the key attitude components; cognitive, affective and conative. Attention and interest fall into cognitive category in which the customer becomes aware or learns about the product and develops an interest. Affective is a component describing the emotional state of a person, which, in AIDA's case, is same as desire. And lastly, conative coincides with action whereas the customer makes the final decision to purchase and goes through the transaction process. (Fill 2013, 116; Karjaluo 2010, 28.)

Even though AIDA was originally developed for the sales team, later on it has been used to describe how marketing communications work, especially advertising, even though personal selling would quite naturally fall into its scope, too. (Fill 2013, 16.)

However, AIDA, along with other sequential models, has faced some serious criticism. All of the sequential models assume the customer to move in a logical, rational order through the stages of the buying process, which in reality is rarely the case. In fact, research attempting to prove this has been, at best, inconclusive. Another important assumption, as mentioned above, rests upon a positive attitude towards the brand being a necessary precursor of the transaction, but there is very little evidence to support this. More important, according to the studies, seems to be customer's attitude towards the purchasing process itself and the purchase of a particular product especially. (Fill 2013, 116.)

### **Changing attitudes**

It is agreed that managing and changing attitudes is vital for a company's success in the world of business. Marketing communications plays a key role in this process as it can be effectively/efficiently used, for example, to build credibility, to change misunderstandings and to introduce new attributes to consumers. (Fill 2013, 118.)

As discussed above in relation to the AIDA model, an attitude can be reduced into three key components; cognitive, affective and conative. By using marketing communications, companies can influence all these components in various ways. Cognitive orientations can be influenced by spreading appropriate and factual information about the product in a timely manner, packaged in a way suitable for the target audience. Influencing the affective component requires approaching the customer's emotions. Especially, if the customer's attitude towards the brand is negative or neutral, companies strive to appeal to emotions to create more positive feelings about the brand. As the conative component is related to actions undertaken by the customer, marketing communications aim to provoke desired behavioural change. (Fill 2013, 118-119.)

### **Shaping relationships**

One of the most important tasks of marketing communication – and marketing in general – is to create and cultivate lasting customer relationships. For managing purposes customer relationships can be broken down into a selected set of stages, or, in other words, a customer relationship lifecycle: acquisition, development, retention and decline. Each of these stages can be influenced by marketing communications. (Fill 2013, 121.)

Customer acquisition starts with searching for potential clients and progresses through initiation into familiarization. Marketing communication partakes in this process by spreading out information thus creating awareness and educating potential clients not only of the existence of the brand, but also of its benefits. By communicating brand values marketing communications can differentiate the brand from competitors and thus help to position it in the mind of the customer. (Fill 2013, 122.)

During the development stage companies seek to strengthen the tie between themselves and their customers. For this purpose, enhancing the credibility of the company and reducing the risk for the buyer become important. Marketing communications tasks involved in this process are information and persuasion. (Fill 2013, 123.)

From the companies' perspective, retention phase is the most profitable phase in the customer life cycle. Marketing communications can greatly affect the length of the retention phase by cultivating

the dialogue between the company and the customer. Informing is an important task during this phase, too, but even more important is the reinforcing. (Fill 2013, 123.)

Finally, the decline period sees the disintegration of the customer relationship, which usually happens slowly over a long period of time, but sometimes can be sudden and abrupt. While marketing communications can do little to alleviate the effect of an abrupt ending of the customer relationship, it can soften the repercussions following the slow decline. (Fill, book, 125.)

### **3.3 The communications mix**

Marketing communications mix, or promotional mix, as it is sometimes referred to, is often defined as a set of communications tools applied by companies to market their products or services to various stakeholders such as customers, shareholders and even employees (Smith & Taylor 2004, 8-10).

However, for a marketer, having a set of tools available is not enough; it is equally important to know which tool to apply in which kind of a situation and how. This process of selection or, in other words, “mixing the communications mix”, as Smith & Taylor (2004, 10) put it, can also be included under the umbrella term of communications mix. In fact, Fill and Jamieson (2014, 25) liken the process to an art by using such terminology as “blending the tools together” to achieve the maximum marketing effect.

As choosing an optimal communications mix is an integral part of communications planning, how the process is executed will be described later in connection to marketing communications planning. In this chapter the communications mix will be discussed from the perspective of a “tool box”, albeit more is included than is usual. According to Fill and Jamieson (2014, 2), key elements of the marketing communications mix are not only communications tools, but also the message and the media.

Message is the actual communication transmitted by the sender, in this case a company or an organisation, to the receiver, a target audience. For the purpose of the transmitting, a selected channel must be used; this channel is the media. Finally, there is a set of tools of marketing communication (Fill 2013, 10) Sometimes tools and media are mixed up, but in fact they play different albeit interrelated roles in the communication process. To put it shortly, tools are a *method* of communication and media is the *way* of communication. (Fill & Jamieson 2014, 14.)

### **3.3.1 The message**

According to Fill (2013, 130) a successful marketing communication message should fulfill one or more of the following requirements:

- To present an offering that is new to the receiver.
- Be interesting and stimulating.
- Be personally engaging.

The important characteristics of the marketing communication message are two elements it is composed of, information and emotion. When companies design their marketing communication messages, it is critical to find a correct balance between these two elements in relation to the task and the context of each message. (Fill 2013, 29.)

As mentioned previously, the goal of the marketing communications is to provoke a response in the target audience. Thus, this is, naturally, also the goal marketers should focus on during the creation of marketing communication messages. However, invoking a reaction is not enough; marketers and the company must also be able to observe the reaction to be able to adjust and fine tune their marketing efforts. For this reason, it is necessary for the marketing message not only to elicit a response but also to encourage and facilitate the audience to respond to the message. (Fill 2013, 29.)

### **3.3.2 The media**

Media can be divided roughly into two categories: personal communication channels and non-personal communication channels. The difference is, as names suggest, whether the customer is in direct contact with the message sender or not. When the media type falls into a category of personal communication, it means that at least two people are communicating directly, either face-to-face or via an electronic device, and often in real time. Non-personal communication describes a situation wherein the message is transmitted via a third party such as, for example, mass media. (Kotler & al. 2013, 427-428.)

There are noticeable differences between personal and non-personal media channels in relation to the impact of the message, how many target customers can be reached and what kind of customer relationships can be formed. Personal communication channels vary greatly with regards to the degree of control companies retain over them. For example, sales people are directly controlled by an organisation, but the word-of-mouth, which lays at the other end of the spectrum, cannot be controlled at all (Kotler & al. 2013, 428).

Personal communication channels are more elusive to categorize within, partly because the development of the internet and other electronic means of communication is so fast. Non-personal communication channels on the other hand include three distinct communication platforms; major media, events and atmosphere. Major media combines different outlets reaching vast audiences, such as print media, broadcast media, online media and display media. Events are staged occasions, for example exhibitions or product launchings, that communicate company offering and values to customers. Atmosphere should not be disregarded, either, even though as a concept it is less tangible than the other two. It can be defined as a designed environment, for example a coffee shop, where the whole interior is coordinated and planned to influence customer buyer behaviour. (Kotler & al. 2013, 428.)

Even though the communication process itself is indirect when it comes to the non-personal communication channels, the effect on customers is direct. Another interesting aspect is that non-personal media channels do generate personal communication between the customers thus multiplying the effect. Because of this, mass media can be used to stimulate word-of-mouth conversations even if controlling them is impossible. (Kotler & al. 2013, 428.)

The full list of possible media channels is out of the scope of this thesis. Table 1. describing the most common channels and media types, lifted from Jobber & Ellis-Chadwick (2013), will suffice. As with communication tools, all media types have their strengths and limitations, but also creative qualifications, which are to be considered during the communication planning process (Jobber & Ellis-Chadwick 2013, 517).

Table 1. Media channels (Jobber & Ellis-Chadwick 2013, 517)

| <b>TABLE 14.3 Media channels</b> |   |
|----------------------------------|---|
| <b>Media channel</b>             | <b>Type</b>   |
| Broadcast                        | Television, radio   |
| Print                            | Newspapers, magazines, fanzines                                     |
| Digital                          | Websites, intranets, portals, email, interactiveTV                  |
| Social                           | Online communities, blogs   |
| Outdoor                          | Billboards, street furniture, transport, guerrilla                  |
| Indoor                           | Point of sale, in-store posters, window and shelf displays, ambient |
| Cinema                           | Multiplex, lmax, outdoor  |

### 3.3.3 The tools

Marketing communications tools differ from each other on many levels; how many customers they can reach, how effective they are in completing different marketing communications tasks and so on. This chapter will shortly describe the six most important communication tools; advertising, sales promotion, personal selling, public relations, direct marketing and digital promotions.

#### **Advertising**

Advertising is a non-personal form of mass communication (Fill & Jamieson 2014, 16). It is based on an assumption of an active audience, members of which take the initiative in selecting media outlets suitable for their individual needs. Thus, it can be said that media consumption is driven by consumers' needs, and especially the need for gratification; diversion, entertainment and information. Because there are other possible sources for people to satisfy their needs of gratification, mass media must compete with these sources and produce content, which responds to consumers' desires and consumption habits. (Jobber & Ellis-Chadwick 2013, 539.)

There are several benefits in using advertising as a communication tool. The degree of control over the message content and delivery is high and advertising allows for reaching large masses of consumers making it also cost effective as price per person reached can be very low. Furthermore, the message can be repeated many times deepening its potential impact. (Fill & Jamieson 2014, 16; Kotler & al. 2013, 431.)

Other benefits include the positive perception of the company's size, popularity and rate of success in the eyes of consumers. This is due to the high cost of large-scale advertising so a company using mass-media advertising is interpreted to be successful in its business endeavours to be able to afford such marketing efforts. Companies can build on this positive image in long-term but advertising can also be used to generate short-term benefits. For example, announcing a sale for certain services or products can activate a quick peak in a company's sales. (Kotler & al. 2013, 431.)

But, there are some shortcomings, too. While advertising costs do create positive associations in the minds of consumers, at the same times the financial investment required to run a mass-media advertising campaign can be very heavy. Not all companies can afford it no matter the positive image it would generate. (Fill & Jamieson 2014, 16; Kotler & al. 2013, 432.)

Advertising is also, as mentioned, impersonal and due to its mass-media nature, communicates only one-way, from sender to receiver, not allowing for dialogue. For this reason, advertising is less effective as a tool for persuading consumers as it can easily be ignored. (Kotler & al. 2013, 431.) It



is generally agreed, though, that advertising is good for creating awareness, but so far it has been difficult to measure the exact effect advertising has on sales. This is yet another challenge companies face when using advertising as a communications tool. (Fill & Jamieson 2014, 16.)

### **Sales promotion**

Sales promotion is, like advertising, a non-personal form of communication as well. However, unlike advertising, sales promotion can target not only larger audiences via mass media channels but also smaller target groups defined, for example, by the geographical location. (Fill & Jamieson 2014, 16.)

The main goal of sales promotion is to influence customer buying behaviour by offering tangible incentives such as coupons or contest participation as a means to grab attention and induce a quick response. Usually customers do react quickly as the reward for their desired behaviour is immediate or almost immediate. As such, sales promotion can boost sales in a shock-wave effect. (Kotler & al. 2013, 432.) Jobber & Ellis-Chadwick (2013, 564) define sales promotion as a “tactical device” because of its effect and possible use in relation to triggering short-term sales bursts.

Sales promotion might seem very lucrative but should be used carefully and thoughtfully. Sales peaks look good on paper, but effects of sales promotion are not nearly as lasting as marketers sometimes think. Not only is sales promotion unsuitable for building and managing lasting customer relationships, the most profitable stage of customer life cycle, but in the worst case scenario the effect on sales can even be negative in the long-term. This is because misguided sales promotion can erode the value of a brand and lead to a drop in customer interest. (Kotler & al. 2013, 432; Jobber & Ellis-Chadwick 2013, 564.)

### **Personal selling**

Personal selling is, as the name suggests, a personal method of communication wherein sales people interact with their customers face-to-face (Fill & Jamieson 2014, 16; Jobber & Ellis-Chadwick 2013, 586). With the high level of personal interaction come all the benefits associated with it, especially the possibility to recognise other people’s needs and to adjust to them immediately. It is also much more difficult to ignore than some other forms of communication. As customers are much more likely to pay attention and respond, a dialogue can be established benefiting both parties. (Kotler & al. 2013, 432.) For these reasons, personal selling is highly persuasive and thus the most effective communication method in influencing consumers’ preference, convictions and actions. (Fill & Jamieson 2014, 16; Kotler & al. 2013, 432.)

There are, however, some drawbacks, too. As a method personal selling is very time-consuming and requires long-term commitment because the organisation has to maintain a sales force large enough to interact with clients on one-on-one basis. The size and rigidity of the sales force needed also means that personal selling is the most expensive and the most inflexible one of all communications tools. (Jobber & Ellis-Chadwick 2013, 586; Kotler & al. 2013, 432.)

There are two other factors to be taken into account as well, both related to the nature of the sales people acting as deliverers of the company's message. Firstly, the control over the message content is severely diminished from the company's perspective; the ones in control are, in fact, the sales people and it is possible the message gets distorted during their interactions with customers. Secondly, personal selling is very much unsuitable for mass communication and so the client base it can reach is notably more limited. (Fill & Jamieson 2014, 16.)

### **Public relations**

Jobber and Ellis-Chadwick (2013, 557) define public relations as "the management of communications and relationships to establish goodwill and mutual understanding between an organisation and its public." The "public" of Jobber's and Ellis-Chadwick's definition, is a considerably larger concept than just the customer base of a organisation. The target group of public relations consists of all possible stakeholders including, for example, shareholders, the government, current and potential customers and even the work force of the organisation in question. (Jobber & Ellis-Chadwick 2013, 557.)

As a communication method, PR is non-personal applying indirect means to transmit the desired message to the target groups. Because the information reaches stakeholders via third party players, such as, for example a news outlet, the information sent by PR is seen highly credible by consumers. In other words, consumers trust PR more than they trust the information given directly by the company. (Fill & Jamieson 2014, 17; Kotler & al. 2013, 432.)

PR has also the benefit of not being regarded as "advertising" by the public thus rendering it the most effective tool in reaching prospective clients who are otherwise averse to being targets of marketing efforts. A well planned PR campaign can be very effective in creating goodwill and influencing potential buyers and, most importantly, PR can be a very economical method, too. However, despite its benefits, companies should not rely on PR alone but rather include it into their communications mix alongside other, appropriate tools for their particular marketing needs. (Kotler & al. 2013, 432.)

Besides communicating company values and offerings to the wider public, PR has another task, too. From a company's perspective, PR should also offer counsel so that the management can plan and implement actions that serve the interest of the company in question. To be able to achieve this, public relations must observe and analyse current trends, and predict possible consequences based on this information. (Fill & Jamieson 2014, 17.)

### **Direct marketing**

Direct marketing is almost a polar opposite of advertising; whereas advertising is non-personal and targets mass audiences, the target group of direct marketing consists of individuals with whom sales people engage in personal communication (Fill & Jamieson 2014, 18). However, usually sales people and customers are in contact via different electronic devices instead of meeting face-to-face like in personal selling (Jobber & Ellis-Chadwick 2013, 607-608). Nevertheless, because direct marketing is directed towards individuals, marketers are able to design highly personalised messages and can alter the message content and structure very quickly if the need arises (Kotler & al. 2013, 432).

The most important channel for direct marketing is direct-response media, for example internet and email, as these channels enable real-time dialogue with customers. Dialogue facilitates the creation and maintenance of lasting customer relationships without any intermediaries between the organisation and the customer (Jobber & Ellis-Chadwick 2013, 607-608). Even one-to-one relationships between sales people and customers can be built with the help of direct marketing. (Fill & Jamieson 2014, 18.)

However, as a tool direct marketing is rather flexible. As stated above, companies often apply it as a part of their customer relationship management operations, but it does lend itself to short-term marketing campaigns, too. For example, direct email and telephone campaigns are possible to run under the umbrella of the direct marketing tool. (Jobber & Ellis-Chadwick 2012, 607-608.)

### **Digital promotions and social media communications**

Digital promotions as a concept is complex with boundaries less clear than other marketing methods except possibly for word-of-mouth. This is because digital promotions is, at the same time, both a method and a distribution channel, that is, a technology used to transmit messages. (Jobber & Ellis-Chadwick 2013, 671.)

The benefit for marketers can be found in the great flexibility of digital technologies; it can easily emulate other more traditional marketing methods and channels. However, this flexibility is also a

shortcoming in that it leads to a greater complexity and difficulties in effectively applying digital promotions for practical use. Being such a new method, marketers must learn how to use this quickly evolving new technology in the best possible ways. (Jobber & Ellis-Chadwick 2013, 617.)

Social media falls into the umbrella of digital promotions. Three most important elements constituting the concept of social media are; social, media and network. Jobber and Ellis-Chadwick (2013, 617) describe the social element as:

Being part of a social media network means that individuals and companies share ideas, interact with one another, work together, learn, enjoy group entertainment and even buy and sell.

So, in short, the social element covers the socialising aspect of social media; individuals and groups coming together and interacting. Media, on the other hand, is the environment where the socialising happens; digital technology creates and facilitates the social interaction between different players using social media. Finally, network can be defined as a set of interconnections between the parties participating in the socializing process described above. (Jobber & Ellis-Chadwick 2013, 672.)

### **Word-of-mouth**

Word-of-mouth was briefly touched upon in the chapter discussing the communication process. Whether word-of-mouth is seen as a marketing communication tool or not varies depending on the marketers. Kotler & al. and Fill, for example, do not list it as a communication tool even though both do recognize its powerful potential in influencing customers (Fill 2013; Kotler & al. 2013). However, Keller (2009a, 141), does consider word-of-mouth as being one of the major communication tools, or “types”, as he calls the concept.

The reason word-of-mouth divides opinions is, possibly, its uncontrolled nature. As mentioned above, companies and marketers cannot dictate what and how people discuss with each other and thus word-of-mouth can be seen as difficult and confusing for companies to use. However, the influence of word-of-mouth is so great, it is nevertheless a lucrative means to attempt to attract consumers. As Faulds and Mangold (2001, 359), even though companies cannot directly control word-of-mouth, it is possible to influence it. For example, companies can seek to shape discussions by providing networking platforms or using blogs to engage customers (Faulds & Mangold 2001, 361). Kotler & al. (2013, 150), on the other hand, suggests reaching out to opinion leaders, because consumers are more keen to listen and believe them than a commercial company.

### 3.4 Marketing communication plan

Just like the marketing communications mix is a part of the wider concept of marketing mix, the marketing communications plan is a part of the overall marketing plan of a given company. When applied properly, marketing communications planning ties into the strategy and the values of the organisation in question. To put it shortly, everything starts with corporate strategic planning, which is the basis of the marketing strategy for the company. The marketing plan and thus, by extension, the marketing communications plan, are built upon the corporate marketing strategy. (Jobber & Ellis-Chadwick 2013, 40.)

According to Jobber and Ellis-Chadwick (2013, 41), a marketing planning process should strive to answer following four questions:

1. Where are we now?
2. Where would we like to be?
3. How do we get there?
4. Are we on course?

Because the marketing plan is considerably wider and more complex than marketing communications plan, the guiding questions are necessarily more general and require more consideration. However, compiling a marketing communications plan does closely follow the procedures of the marketing planning process; the steps are the same, the difference is in the scope. The marketing communications plan focuses only on factors directly related to the company's marketing communications.

Two key elements in marketing communications planning are the target audience and the message. Taking these two elements under the closer scrutiny, Fill and Jamieson (2014, 24-25) suggest the following set of questions as a guiding tool for designing a successful marketing communications plan:

- Who should receive the messages?
- What should the message say?
- What image of the organisation/brand receivers are to form and retain?
- How much is to be spent?
- How the message is to be delivered?
- What actions should the receivers take?
- How to control the whole process once implemented?
- How to determine what has been achieved?

Even though the framework suggested by Fill & Jamieson does focus on the target audience and the message in particular, the framework corresponds rather closely with common frameworks for

marketing communication plan. The greatest difference is that Fill & Jamieson omit the starting point of most plans, the situation analysis or as Jobber & Ellis-Chadwick (2013) put it: “*Where are we now?*”

### Integrated Marketing Communications Plan



Figure 6. Integrated Marketing Communications Plan template (How to be a Marketer 2018)

Figure 6 is an example of a general marketing communications plan (How to be a Marketer 2018). This chapter will draw from both frameworks showcased above, the general one and the one suggested by Fill & Jamieson blending them together. A situation analysis is included, but less focus is placed on strategy and especially budgeting, because these fall out of the scope of this thesis. The emphasis of this thesis is on the message and the target audience and so factors related to these two themes are explored more thoroughly.

#### 3.4.1 Analysis of the current situation

When creating a marketing plan, the situation analysis should be as comprehensive as possible. Included in the analysis are, at the minimum level; a full review of the performance with the most current information; a review of the market situation; a review of and comparison to the competitors; and a review of company’s own strengths and weaknesses. Preferably, a marketing plan should also include a comparison of the company’s current performance to the performance of previous years to reveal any ongoing trends. (Smith & Taylor 2004, 36.)

For the purposes of a marketing communications plan, the situation analysis can be less comprehensive. For example, the SWOT analysis is a commonly used tool for analysing a company’s current situation, but is not necessary for the communications plan. The most important factors to be

taken into account for the communications plan are performance, target markets and positioning. Focus should be on matters related to the company's communications efforts. (Smith & Taylor 2004, 36.)

However, as Clow and Baak (2012, 102), point out, examining the company's current communications alone is not enough. Firstly, the analysis of the communication operations should be as extensive as possible and cover the possible parent company as well as all target groups, employees included. Secondly, research focusing on communications utilised by competing firms should also be conducted to provide backdrop for further marketing communications planning. (Clow & Baak 2012, 102.)

### **3.4.2 Identifying the target audiences**

Identifying the target audiences or, in other words, segmentation, is vital not only for the company's marketing activities but for the company's success overall. For the purposes of the marketing communications planning, segmentation is the starting point once the situational analysis has been completed. This is because the selected target audience will influence all the following stages of communications planning. (Kotler & al. 2013, 424.)

According to Smith & Taylor (2004, 38), segmentation must be reviewed against the following criteria:

- Measurable – The selected market segments should be able to be quantified and the customers included in it should be able to be identified.
- Substantial – There should be enough customers falling into the selected segment. In other words, the segment must be large enough for it to be profitable.
- Accessible – The company should be able to acquire access to the consumers in the preferred segment. There should be ways to target marketing and contacting for this group especially and exclude other non-target groups.
- Relevant – The service or the product offered by the company must be of interest to the selected target audience.

There are many ways consumers can be divided into segments. For example, division by age, gender, socio-economic situation, geographical location and psychographics are some possible characteristics marketers can focus in selecting a suitable segment (Clow & Baak 2012, 104-107). The crucial part is the careful and throughout analysis of the target market so that the ideal segment can be identified. (Clow & Baak 2012, 103; Smith & Taylor 2004, 40-42.)

### 3.4.3 Objectives

The analysis of the current situation answers the question “where we are now?” To progress further, it is necessary to know “where do we want to go?” This question is answered by defining objectives for the marketing communications plan and the objectives further serve as a guide for designing the marketing message. (Clow & Baak 2012, 115; Smith & Taylor 2004, 43.)

Typically, marketing objectives deal with sales, market share, launching a new product or other issues that are easily quantified and measured. Communications objectives, on the other hand, are slightly different. Oftentimes communications objectives are measured against the different customer buying process models like AIDA, which was discussed in the previous chapter. (Smith & Taylor, 2004, 44.) In other words, the marketer must decide upon a “desired response”; how is the target customer to react to the message transmitted by the company. (Kotler & al. 2013, 424-425)

To be able to determine the desired response, it is important to know where exactly are the customers in relation to the customer buying models. With the help of these models, companies can identify in which ways they should seek to influence the client. For example, if customers are unfamiliar with the brand, awareness needs to be built and customers can be seen as being at the very beginning of the buying process. On the other hand, if customers are in the final stages but have not yet quite decided to enter into transaction, marketers will need to convince them and induce a behavioural response. (Kotler & al. 2013, 424-425.)

As Smith & Taylor note (2004, 43), marketing objectives should be as clear as possible so that better focus and direction can be guaranteed. There are several tools to help with defining suitable objectives, for example SMART, which could be described as a check sheet to weight objectives against. According to SMART (Smith & Taylor 2004, 43), objectives should be:

- Specific
- Measurable
- Actionable
- Realistic
- Time specific

By following SMART, marketers can ensure their selected marketing objectives are both clear and workable.



### 3.4.4 Strategy

Strategy answers the question “*how do we get there?*” Strategy planning starts from the corporate level where its task is to “provide direction for a company so that its activities constantly meet the high level corporate objectives” (Jobber & Ellis-Chadwick 2013, 40). Corporate strategy further serves as a basis for the marketing strategy, which, in turn ensures the fulfilment of corporate performance goals (Faulds and Mangold 2001, 358).

One example of marketing strategy in action is the concept of “push and pull”. Companies and marketers can decide whether they want to “push the product” into distribution channels and to final consumers, or if they would rather focus on “pulling consumers or distributors” in. (Smith & Taylor 2004, 13.) The push strategy is more focused on promoting the product or service whereas the pull strategy concentrates on creating demand. Which strategy is more suitable should be based on the characteristics of the service or product in question as well as on the distribution channels and pricing. (Wood 2014, 151-152.)

### 3.4.5 Designing the message

After the company has identified the target audience and decided upon a desired response the process for designing the message can start. This is because the content of the message is determined by the decoding characteristics of the target audience and the kind of reaction the company seeks to invoke. (Kotler & al. 2013, 425.)

According to Kotler & al. (2013, 425), the message should ideally correspond with the AIDA model described previously in this thesis: “the message should get attention, hold interest, arouse desire and obtain action.” In reality, messages rarely move customers from the first stage to the last for various reasons, one being the fact that not all customers can be placed in the same stage in relation to the AIDA model. Nevertheless, AIDA offers a useful framework to measure the desirable qualities of an effective message. (Kotler & al. 2013, 425.)

Designing a marketing message, or any other message for that matter, is a twofold process. It is not enough for the marketing team to know *what* the company wants to say; it is equally important to know *how* to say it. In other words, for designing a message, the marketing team needs to decide upon the content of the message as well as the format and the structure of the message. (Kotler & al. 2013, 426.)

The content of the message must appeal to the target audience. This appeal or theme can be divided into three possible categories; rational, emotional and moral appeal. The rational theme appeals to a consumer's self-interest and strives to convince the audience of the benefits of buying the brand product. The emotional theme, on the other hand, endeavours to stir up emotions, which then would spur the consumer to enter into a transaction process with the brand. And finally, the moral appeal connects with the audience's sense of "right" or "proper" giving consumers a reason to feel good about themselves by supporting the brand in question. Moral appeal is an especially popular theme among NGO's as it allows them to urge consumers behind various social and environmental causes. (Kotler & al. 2013, 425.)

The marketing team will also need to pay close attention to the structure of the message. Just as with the content, there are three factors to be considered in relation to the message structure. Firstly, the company must decide whether to draw a conclusion or allow the audience come up with a conclusion of their own. Secondly, should the message start with the strongest argument or should the strongest argument be presented last. And, thirdly, which is also the most important point, should the argument be one-sided or two-sided. In other words, should the message include only the benefits or also take into account the weaknesses of the product or the service. (Kotler & al. 2013, 427.)

Making decisions about the message format may sometimes seem rather self-evident. Printed ads should, naturally, be carefully crafted paying attention to pictures, colours, headlines and so on. If the message is a radio ad or a video, sounds, voices and other related matters should be considered. However, sometimes the person presenting the message is ignored. This is now wise, because the person's appearance and body language are also part of the "message format" and thus should be carefully planned to deliver the desired message. (Kotler & al. 2013, 427.)

While three aspects discussed above are the cornerstones of designing an effective marketing message, there is one more factor to be considered. While *what* and *how* are crucial, it is also important *who* delivers the message; the source matters. The source should be viewed as credible as possible, because the higher the level of credibility, the more persuasive the message becomes. For example, health product producers use this method by selecting doctors to market their products. (Kotler & al. 2013, 429.)

### **3.4.6 Selecting media channels and communication tools**

In order to design a communication plan with the ideal promotion mix, the marketing team must choose between different communication tools and channels described above. As stated, there are

myriad of pros and cons between the tools as well as between the distribution channels. Marketers choose between the tools and channels based on which mix is the best way to communicate the desired message to the target audience of choice. Thus, strengths and limitations are to be weighed against communication objectives to arrive to the best possible solution. (Jobber & Ellis-Chadwick 2013, 514.)

Usually, the most important factors to be considered for creating an optimal promotion mix are the following (Fill, book, 31; Jobber & Ellis-Chadwick 2013, 514-515.):

- Resource availability and the cost
- Market size and concentration
- Customer information needs
- Product characteristics
- Level of credibility
- Communication task

The cost, or financial resources, dictate the choice of a suitable communication tool. Some communication tools are more expensive than others, for example personal selling can be very expensive as well as large advertisement campaigns, especially, if television is used as a media channel. Smaller companies have more restricted budgets, but larger companies should also pay attention to the financial aspect of marketing communication to be able to design their marketing campaigns as cost-effective as possible. (Fill, book, 31.)

The second factor to consider is the intended target audience; its size; its geographical concentration; and its media behaviour and preferences. A marketing campaign targeted at a small segment of people living close to each other would require a very different blend of communication tools than a campaign aimed at, for example, a foreign target group dispersed on a large geographical area. Advertisement through mass media can reach millions of consumers throughout a large area, but sales promotion can be more effective on smaller, defined areas. (Fill, book, 31; Jobber & Ellis-Chadwick 2013, 515.)

The third factor is also related to the target audience, but focuses on their information needs rather demographics. Selecting a suitable communication tool may depend on the scope and depth of the information the customer requires before he or she can be convinced to buy the product or the service. If detailed, technical arguments are needed, personal selling or direct marketing are better choices than advertising. On the contrary, if only creating awareness is enough, advertising can be more cost effective. (Jobber & Ellis-Chadwick 2013, 515.)

The fourth point is derived from the third; what kind of arguments or convincing is required to invoke customers into buying the product. This is especially true when comparing products aimed at business-to-business markets and consumer markets. Previous ones are often more complex and may require large investments, and so personal selling is a preferred method. Consumers, however, can be influenced with less-extensive persuasion and so less personal methods are common. (Jobber & Ellis-Chadwick 2013, 516.)

The fifth factor, credibility, plays a major role in how influential the message communication via the selected channel with the selected tool is. In short, credibility describes how trustworthy the source of the information is seen as. There is a notable difference in the credibility level between various communication tools and channels. For example, public relations is viewed as very credible by consumers whereas the level of credibility of personal selling is very low. (Fill & Jamieson 2014, 22.)

Finally, the selection of an appropriate tool is dependent on the communication task it should accomplish; differentiation, reinforcement, informing or persuasion. Again, different tools have very different levels of effectiveness in relation to the expected outcome. Sales promotions and personal selling are quite effective when it comes to influencing buyer behaviour and will lead to purchases more effectively than, for example, advertising. On the other hand, large-scale advertising is much more effective in creating awareness than personal selling is. (Fill, book, 32)

The selection of the media channel to be used for message distribution is partly dictated by the selection of the communication tool. For example, if personal selling is the method of choice, sales personnel are the only possible channel. On the other hand, if advertising is selected, there are several channels and media types than can be used to distribute the message to a wide audience such as television, radio or print media (Jobber & Ellis-Chadwick 2013, 517).

Marketers should ensure the media channel is the optimal one in reaching the target audience and grabbing their attention. However, according to Jobber and Ellis-Chadwick (2013), the most important question that must be addressed during the media selection process is: "does the medium allow communication objectives to be realised?" The company's message is also affected by the associations the audience attaches to each media channel. For example, as discussed above, television advertising creates positive attitudes towards companies using it painting them as successful and popular. Thus, when choosing between various communication channels, a company ought to consider the strengths and limitations of each channel as well as how different media fit to the image the company wishes to present of itself.

Previously media decisions were more straightforward and clear-cut. Companies would decide upon a media type such as, for example, print media and move on to select which newspapers, magazines or other print press would be most suitable. The rise of the internet changed the game; nowadays internet-related media is the most popular distribution channel companies use and accounts more in the marketing budget than any other media type alone. (Jobber & Ellis-Chadwick 2013.)

### **3.4.7 The budget**

Defining a clear budget for marketing communications and staying within its limits is important for a company's marketing communications to be successful. The factors affecting the budget planning most are the company's communication objectives and, in more general terms, the marketing objectives. Objectives and goals must be set so that marketing managers can plan how much should be invested to achieve these goals. (Clow & Baak 2012, 116.)

It is given that budget should include all expenditure related to the company's marketing communications activities. However, a communications budget is a larger concept than simply a plan of how much money the company plans to spend on communications. Many different factors should be considered, such as, for example, how planned communications would affect the sales returns. (Clow & Baak 2012, 116.)

There are a number of ways a company can prepare its communications budget. The difference is, which elements of the company's operations are emphasised more; competition, current finances, objectives or sales. For example, a percentage-of-sales budget constitutes of, as the name suggest, a certain percent of the company's previous or future sales. (Clow & Baak 2012, 119.)

### **3.4.8 Implementation and control**

The final stages of marketing communication planning are implementation and control. Implementation often requires project planning. Especially, the bigger the company is, the more planning is needed; the size of the marketing department & personnel. In short, implementation can be described as people responsible for marketing taking the needed actions in time while staying within the budget. (Smith & Taylor & Taylor 2004, 50.)

Control in marketing communications is required to keep on track with the implementation and the audience response. By measuring and monitoring communications efforts and their impact, a company is able to verify whether the direction is desired or if corrective actions are required (Smith &

Taylor 2004, 50). According to Kotler & al. (2013, 429), controlling is same as researching the effectiveness and efficiency of the message, which is done by collecting feedback from the target audience and then weighting it against the set communication objectives. (Kotler & al. 2013, 429.)

## **4 Marketing Communications plan**

### **4.1 Situation analysis**

The starting point of marketing communication planning is the examination of the company's current situation in relation to marketing communications. The following analysis is, largely, based on the writer's own observations, which have been collected during the eight years the writer has been employed by Fazer. As a part of the marketing team in Fazer Visitor Centre, the writer has been able to observe how marketing activities are planned and executed. However, some information has been acquired through private discussions with the management and the marketing designer of the centre.

#### **4.1.1 Current marketing communications activities**

As a subsidiary of a larger company, Oy Karl Fazer Ab, all of Fazer Visitor Centre's marketing activities are, fundamentally, controlled and evaluated by its parent company. There is room for independent marketing activities, but ultimately Oy Karl Fazer Ab makes decisions regarding the strategy and all communications using large media channels must be approved by the marketing team of the parent company.

Besides being controlled by the parent company to a degree, the centre's marketing activities are intertwined with the marketing activities of the whole company. For example, the Visitor Centre does not have its own Facebook page or Twitter account. When news about the centre are broadcast via social media channels, the accounts used are the general Fazer accounts and news are just one part of the content generated for these channels.

The one creating content for the Visitor Centre is the marketing designer. He works in close cooperation with the head of the centre, two managers and the marketing team of the parent company. Nearly all marketing communications activities, especially their execution on the practical level, is his responsibility. For example, he designs advertisements and newsletters, he orders materials and he also creates flyers and other handouts for clients visiting the centre.

Oy Karl Fazer Ab is a large company of 15 000 workers and thus its marketing communications efforts are on par with its size and wealth; virtually all tools and media channels are used by the company. Because of this, examining all marketing activities of the parent company, even the ones related to the Visitor Centre, are too many to fit into the scope of this study. Suffice to say that Visi-

tor Centre benefits greatly from the marketing apparatus of Oy Karl Fazer Ab, which creates immense amount of awareness for all its subsidiaries. Besides, due to decades of successful marketing operations, Oy Karl Fazer Ab has generated an immense amount of goodwill among its stakeholders. In fact, Oy Karl Fazer Ab is the third most popular brand in Finland and in the Facebook company's account is on fourth place among all Finnish brands when it comes to Facebook likes (M&M 2017; Socialbakers 2018).

Fazer Visitor Centre engages in nearly all marketing communications methods described in this study. Sales promotions, for example, are frequent; in December shoppers were gifted a gift card, which allowed them to receive a 10 % discount in January. Competitions are also organised and prizes range from dinner for two to free participation to the guided tours. Advertisements are published via social media and in selected print media, although management does prefer public relations when it comes to press. The Visitor Centre has managed to create a fair amount of buzz by catering to journalists and gladly welcomes all who come to visit even without an appointment.

Organising events and taking part in fairs has also been a major venue for Visitor Centre's marketing communications activities. Events are organised for both b2b customers as well as b2c customers and even various stakeholders, who might not be immediate customers. These include, for example, various seminars held by different subsidiary companies of Oy Karl Fazer Ab. Furthermore, contacts are made with tour organisers and especially with Visit Finland.

Word-of-mouth is rigorously utilised by the Visitor Centre. As stated above, controlling the phenomena is virtually impossible, but the marketing team of the Visitor Centre works actively to promote and facilitate the discussion and dialogue about the Visitor Centre. For example, visitors are encouraged to post in social media using #visitfazer hashtags and various influencers, such as food bloggers, are invited to the centre in the hopes of them later spreading beneficial information to their followers. Prompting guests to partake in the dialogue is especially a responsibility of the guides, who engage in personal, face-to-face communication with the customers of the centre.

Finally, it is important to mention the company webpage, [visitfazer.com](http://visitfazer.com). The webpage is the single most important media channel for the company to relay information and market its offerings, such as guided tours and various events. However, the webpage does not allow for dialogue with the customers; rather, it is a channel for information regarding the operations and activities of the Visitor Centre.



#### 4.1.2 Current marketing communications directed at Russian customers

So far Russian-speaking customers have not been a main focus of the Visitor Centre's marketing activities. In fact, marketing activities directed at this group have been fairly minimal in comparison and somewhat poorly planned and coordinated. In many cases Russian customers have been considered only after some problem has arisen, for example, a lack of print material in Russian language. It can be said Russian customers as a target group has not been viewed as very important so marketing to this group has been side-lined.

However, even though Russian customers are not at the center of the marketing efforts, they are not fully ignored, either. Besides the parent company's activity in the Russian market thus making the brand Fazer well-known among Russian consumers, there are certain communications activities the Visitor Centre has been independently engaged in:

- Russian information box on the webpage
- Print material is available in Russian
- Russian-speaking personnel
- Cooperation with Visit Finland
- Advertisements in print media

The company web page, the most important source of information about the Visitor Centre, is available only in Finnish, English and Swedish. For Russian-speaking customers there is a pop-up box designed with the most crucial and relevant information, which can be accessed from the top of the page. There are downsides to this design, namely the amount of the information that can be fitted into the box and its formatting. Because the company wishes to place as much as information as possible into the pop-up window, the text itself is very small and compressed. In other words, it is difficult to read and thus unsuitable for anything else but giving out the absolutely most crucial information.

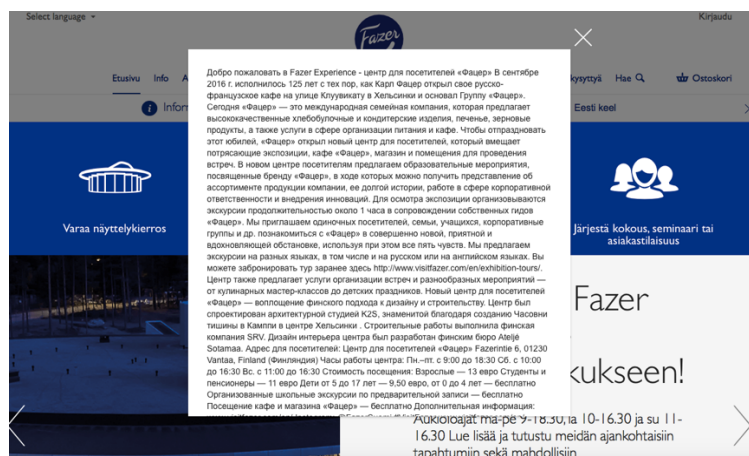


Figure 8. Web page of Fazer Visitor Centre with information in Russian

Some of the print material about the Visitor Centre is translated into Russian. Most importantly, a flyer with the basic information about the operations and opening hours, and a leaflet summarising each of the exhibition points. The latter one allows Russian-speaking visitors to partake in tours in other languages as they can read information from the leaflet if they do not understand what the guide speaks.

Out of all guides currently employed by the Fazer Visitor Centre, two speak fluent Russian and are capable of leading tours in the language. Additionally, one guide can speak moderate Russian, enough to assist Russian visitors, when they have questions. In the store there are two sales associates, who are also fully fluent in Russian. All of these employees engage with Russian customers and communicate with them comfortably in their own language, thus creating a personal connection.

Visit Finland is an important partner for Fazer Visitor Centre operating as a source of information as well as a gateway in acquiring tourist groups as guests into the centre. Visit Finland's activities are not limited to promoting Finland for Russians, of course, but because Russians are the largest tourist group visiting Finland, they are an important target audience. Visit Finland and the Visitor Centre cooperate in entertaining Russian tour operators and Visit Finland showcases the Visitor Centre on its web page (VisitFinland 2018c).

Finally, there is the use of print media. Fazer Visitor Centre does occasionally make use of certain print magazines, such as Venäjän Kauppatie and Allegro, which are distributed around the border area. For example, the following ad was published in the Allegro magazine in the summer of 2016.



Figure 9. Fazer Visitor Centre's ad in Allegro magazine

### 4.1.3 Competitors

For the purposes of analysing competitors, it is essential to define the nature of Fazer Visitor Centre in relation to other businesses. There are very few Visitor Centres in Finland and none are close enough or, especially, famous enough, to truly compete with Fazer Visitor Centre. For this reason, it is more sensible to compare Fazer Visitor Centre to other tourist attractions because, as it is endeavouring to entice more tourists, it can be seen as a tourist attraction.

There are, naturally, numerous tourist attractions around the capital area so it would be impossible to examine all of their communication activities. To be able to provide more narrow, but usable analysis, this study will focus only on two tourist attractions deemed most important competitors for Fazer Visitor Centre: Linnanmäki amusement park and science centre Heureka. These two tourist destinations were selected based on their style of activity, popularity among the tourists and location. Linnanmäki is especially popular among the tourists warranting its place as a competitor. Heureka is not as popular, but its location not too far away and a somewhat similar offering (exhibition) makes it a possible competitor as well (Markkinointi&Mainonta 2001). Linnanmäki does not disclose the exact number of its Russian visitors, but Heureka has made it known that out of its over 400 000 yearly visitors over 10 % are Russians (Vantaan Sanomat 2018). Thus it can be concluded that Heureka has been more effective in marketing itself to Russian customers than Fazer Visitor Centre has.

Both Heureka and Linnanmäki have invested in extensive, informative web pages available in Russian language. Not only is the most basic information provided, but lively and colourful content is also meant for engaging potential visitors and creating interest. In social media use there is, however, a clear difference; Heureka does not seem to use social media in Russian at all whereas Linnanmäki is very active in Russian social media channels, the most important ones being Odnoklassniki and Vkontakte. Linnanmäki has accounts on both and is active in generating new content. Furthermore, it should be noted that both Linnanmäki and Heureka are prominently featured in Yandex.ru, the largest search engine in Russia.

Heureka and Linnanmäki have both also invested in serving their customers in Russian thus communicating their commitment in catering for this customer segment. In this matter, however, Heureka has gone further and does not only present leaflets and other printed information material in Russian, it also offers audio equipment with a Russian translation and even guided tours, although these are not guaranteed (Heureka 2018). From this it can be surmised that Heureka does deliberately employ Russian-speaking personnel.

Linnanmäki, on the other hand, does not employ people speaking Russian, at least not in any coordinated way, even though it is possible by chance, of course, especially during the busy summer season. A park map is available in Russian allowing Russian-speaking customers navigate the area more easily. (Tripadvisor 2018.)

As a conclusion to the competitor analysis, it can be observed that both Linnanmäki and Heureka have invested more resources into their marketing communications efforts directed at Russian clientele compared to Fazer. The investment is not only financial but also concerns the overall coordination and planning of the communications. Heureka and Linnanmäki have established websites in Russian that are kept up to date and Linnanmäki generates Russian language content on a continuous basis, which requires either Russian-speaking marketing personnel or buying the service from outside. These investments have contributed into making both competitors successful in attracting more Russian customers as well as pushing forward beneficial word-of-mouth fame on Tripadvisor, which is the most popular travel information site in the world (source).

## **4.2 Target market**

Identifying a viable target segment is a necessary step in the process of marketing communications planning. In this study, however, the target market is already selected: Russian customers. As the objective of the study is to find means *how* to communicate to a specific group of consumers instead of deciding upon *who* these consumers are, this chapter will focus on describing Russian customers as a target group.

### **4.2.1 Russian outbound travel market**

The modern tourist industry in Russia is, in general terms, only as old as Russia as a state itself. The Soviet Union did grant its citizens a certain amount of vacation per year but a majority of it was spent inside the country, for example in sanatoriums on Crimea peninsula. From 1950's outbound tourism became a possibility, but its scope was very limited in both the number of the travellers and potential destinations. Also, tourism was heavily regulated; one could only travel as a member of a tour organized by one of the labour unions. (Chistikov 2012; Torchinov 2017.)

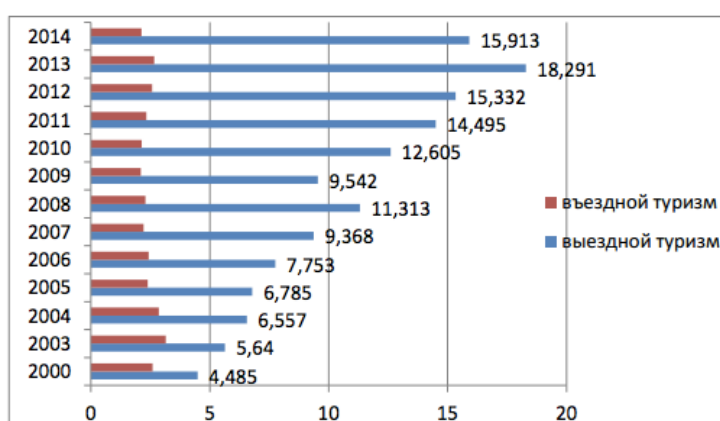
Today Russians can travel freely and they have embraced this opportunity wholeheartedly. However, due to economic and territorial reasons, not everybody can travel. Russia has a vast territory where economic activity is concentrated in large cities leaving the majority of the country in somewhat less developed state (Pesu 2013). Regions most actively involved in tourism are frontier regions and big cities (The Russia Federal Agency for Tourism; cited via Kuznetsova 2011).

Despite the modern possibilities for travel, almost 70 % of Russians have never been abroad and only 8 % of all travel frequently to foreign countries. (Pasanen & Pesonen 2016, 12.)

#### 4.2.2 Statistics of Russian tourism

Between 2000 and 2014 the number of Russian tourists grew steadily as can be seen from the figure 2. Two sharp drops in 2009 and 2014 can be explained by the economic recession that heavily affected Russian tourism industry. (Efimov & Kuznetsova 2016; Visit Finland 2017.)

Table 2. Russian outbound (blue) and inbound tourists (red) (Efimov & Kuznetsova 2016)



Unlike what happened during the economic recession in 2009, current outbound tourism has yet to recover from the most recent crisis. In fact, 2014 marked only a beginning of the decrease in Russian outbound tourism. By 2017 the number of Russian tourists has dropped by 50 % compared to 2013. Most affected were the groups traveling to spa towns, ski resorts and partaking in organized tours. The only group whose number grew from 10 % to 16 % were Russians visiting their families abroad. (Travel Russian News 2017.)

However, according to the most recent data, in 2017 this continuous decrease has now stopped and the number of Russian tourists has grown by 29 % compared to holiday season 2015-2016. While recovery is expected to be slow considering the drastic decline of the Russian outbound travellers, signs for the future are nevertheless positive. The greatest contributor to the change is the stabilization of the Russian economy. While the exchange rate of the ruble has yet to recover, fluctuation has stopped and consumers have regained their confidence leading to increased spending. (Russia Beyond The Headlines, 2017; Akzhigitova & Shakhnovich 2017; Visit Finland 2017)

Before 2015 the most popular travel destinations for Russia were Egypt and Turkey but changing political landscape coinciding with the struggling Russian economy meant a virtual collapse of the Russian tourism to these destinations. In 2016 visits to Turkey fell by 91 % from 4.2 million to 797 000 whereas Egypt did not even appear on Rostat’s list of major tourist destinations. (Tourism-re-view 2017.)

Even though the number of Russian tourists traveling abroad decreased, some countries managed to benefit from the change. For example, travels to Abhasia grew by 11.3 % making it a new top destination for Russian tourists. Other winners were Ukraine, China, and Greece. Some countries such as Poland and Kazakstan sustained losses but nevertheless stayed in the top ten destinations for Russian tourists. Finland remained on the third place in popularity. (TurStat 2016.)

Majority of Russian travellers are visiting other countries to spend their holidays. Business trips account nearly one-fourth of the total volume whereas travel for private reasons, usually visiting friends or relatives, accounts for 18 %. These numbers consist, however, only of overnight trips. Russian official data includes day trips, too, although they are classified as private travel even though oftentimes these are simply cross-border shopping trips. Nevertheless, statistics show how important cross-border shopping is for Russians. (Messe Berlin 2006, 6.)

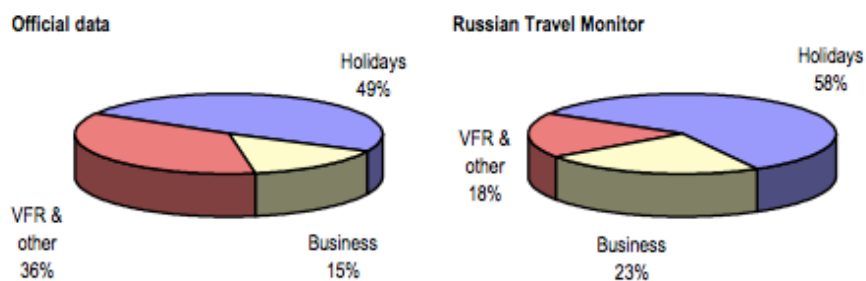


Figure 10. Purpose of Russian outbound trips (Messe Berlin 2006, 6)

According to Visit Finland (2018a), the forecast for 2018 looks promising. Growth is estimated to slow down, but will still stay around 10 % compared to previous seasons. Off-season tours and traveling during the low dates will possibly increase, because of the lower prices and because Russians tourists nowadays travel 2-3 times per year. Previously tourists would save rigorously and then spend everything during one trip, but now savings must be stretched to cover several journeys abroad. For this reason, middle budget tours are also expected to become more popular. (Visit Finland 2018b.)

Finally, the report by Visit Finland (2018a) suggests the growing importance of digital channels in the travel market. Tourists are increasingly turning to social media in searching for information and sharing their experiences.

#### **4.2.3 Finland as a destination for Russian tourists**

Despite the great hit Russian travel market took in 2014, future for Finnish travel companies in regards to Russian travel market looks positive. Finland is not the main destination, but due to its location and good reputation, there is a chance for further growth, which is showcased by already increasing sales. For example, sales by Finnish tour operators increased by 15-40 % for the summer season 2017 in comparison to summer 2016 and demand for winter season 2017 has also increased. (Akzhigitova & Shakhanovich 2017.)

Traditionally Russians have preferred traveling in groups either with friends or with family members and typically tour agency was involved in booking the trip. However, currently the number of independent travellers is growing and in Finland, the trend has been very notable; the largest group visiting Finland are independent Russian travellers. The reason behind this trend is government's policy of boosting domestic economy, which in travel matters is conducted by limiting licenses for outbound tour operators. (Akzhigitova & Shakhanovich 2017; Visit Finland 2017.)

The peak seasons for Russian tourism to Finland are summer and winter. Especially winter travellers arrive in Finland for the very first time, whereas summer travellers are more experienced and many of them come to Finland for shopping. For this reason, Russian speaking personnel is especially important during the winter season. The slowest month is the October. (Shakhanovich 2018; TAK 2014.)

The most common purpose for Russian travellers to arrive in Finland is shopping (65 %) followed by people spending their holidays (35 %). In fact, Finland is seen as the best shopping destination according to Russian tourists not only because of the close proximity but also because Finland is seen as safe and inexpensive. Finns themselves are viewed as trustworthy and so products sold in Finland are of higher quality than ones sold in Russia, according to the tourists. (TAK 2014.) Shopping trips to Finland are of short duration; two-thirds of travellers stay only for one day (Hakkarainen, Järviluoma & Muje 2014, 28).

#### 4.2.4 Russian tourist profile

Hospitality is one of the most important Russian values and when traveling Russians consider themselves more as guests at their destination rather than consumers. Because of this, they expect to be treated extremely well and to be able to feel comfortable, like they were home. (Malankin 2012, 13.) In fact, if service is good, Russians are ready to spend a great deal of money despite being very price conscious as a target group (Visit Finland 2017). However, low prices are nevertheless preferred, and the price is the second most important factor behind buying decision of a Russian tourist, first being prior experience with the product or service (Regnum 2017).

Russian decision-making process is heavily emotional and so travel decisions are also often made based on feelings, spontaneously and without a great deal of planning in advance. The main idea of a holiday, for Russians, is to forget the ordinary life and simply enjoy, and planning the trip far before is perceived going against the whole idea of traveling and relaxing. (Malankin 2012, 81.) According to Rheem (2012, 11), Russian tourists spent 18 days deciding upon travel destination and the final decision was usually reached 65 days before the travel date. First bookings for the destination, on the other hand, were made only 37 days in advance.

Because of Russian tendency of booking late or only at the destination, information about local services and activities should be readily available at the lodging place or on the internet. (Malankin 2012, 81.) According to Malankin (2012, 81), one-third of Russian travellers have not made any information searches about their destination before their trip.

In fact, lack of information before and during the travel is the most common complaint of Russian travellers (Malankin 2012, 8). There seems to be, however, a miscommunication between Russian customers and Finnish companies, who feel that there is an abundant amount information “out there” available for tourists. So, the core problem is that information and Russian tourists do not “find each other”, which is something Finnish companies should consider. (Malankin 2012, 64.)

40 % Russian travellers seek quietness and peace whereas 30 % is interested in meeting new people and socializing. Learning new things is important to them, especially for tourists from St. Petersburg who are most interested in culture and historical destinations. Tourists from Moscow are more interested in nature, relaxing and quietness. (Pasanen & Pesonen 2016, 14.)

As shoppers, Russian tourists know their brands and are ready to pay for things they cannot acquire at home. Russians save money exclusively for the trip and generally use eight times more money during the vacation compared to their European counterparts. Even though Russians are



ready to pay high prices for quality goods and services, they highly appreciate good deals and different add-ons for their purchases. Also, they like variety whether it concerns services, experiences or goods to purchase and especially they seek new things and experiences. (Pasanen & Pesonen 2016, 15 & Malankin 2012, 27-29.)

Saving face is important for Russians and this factor should be considered when interacting with Russian customers. For example, signs should never be in Russian only, especially if something is banned or prohibited. If signs are only in Russian, Russian customers will take it as an insult. However, rules should be stated clearly albeit politely and Finnish style of indirect prohibition should be avoided. Russians have a tendency to interpret it literally as a suggestion instead of an enforced rule. (Malankin 2012, 6-7.)

Time for Russian travellers is of flexible nature; they will arrive when they arrive and would like to participate in activities when it is comfortable for them. Therefore, some flexibility regarding the timetables is needed when dealing with Russian customers. (Malankin 2012, 8.)

### **4.3 Marketing communications message**

Russian travellers are interested in culture and history, especially travellers coming from St. Petersburg and areas surrounding it, which is the largest group coming to Finland due to city's closeness to the border (Trushina, 2 April 2013; Yle 2017). According to Malankin (2012, 84-85), interest in history is linked with the interest of hearing about Russians in Finland, particularly during the 19<sup>th</sup> century, when Finland was a grand duchy of Russia. Russians themselves do not shy away from voicing their interest in messages told in story form; in a study conducted in 2017 about advertising in Russia, consumers selected video storylines as the most interesting advertising element.

As Malankin (2012, 77) argues, the decision-making process of Russians is heavily based on emotions. Thus, marketing message should focus on creating engaging stories, especially about history and Russians in Finland (Malankin 2012, 84-85; Sakhanovich 2018.) Emotional messages are highly preferred, and Russians respond to them.

Visually, messages for Russian consumers should be emotional as well, but more flashiness and colour are expected than, for example, messages geared towards Finnish consumer (Trushina, 4 April 2013). Malankin (2012, 84-85) suggest using beautiful, colourful pictures, which invoke feelings of mystery and mysticism. Another common type of images interesting Russian tourists are

images with people in them, especially children or Russian tourists themselves (Malankin 2012, 84-85).

As described in the previous chapter, Russians are very conscious about their national identity and do not wish to be treated differently from other nations. For this reason, marketing should never emphasise the product or service having been designed particularly for Russians, even if this is the case (Malankin 2012, 27). Mixed with is also the belief Russians hold that anything sold in Russia is worse.

Russian travellers are eager to participate and like being active. Malankin (2012, 77) even suggest travel products could be designed this in mind and marketing should emphasise the active nature of the service offered. Visually speaking, images containing people involved in various activities are another way of conveying the message.

In Russian family women, particularly mothers, are often the decision makers, and this is especially true in relation to travel decisions (Trushina, 4 April 2013). For this reason, special attention should be paid to women and the type of message that engages and encourages them into action (Akzhigitova & Shakhanovich 2017).

#### **4.4 Marketing communications channels**

For the purposes of this study, only internet-related channels of communication will be considered. This is due to several reasons. Firstly, as stated before, the budget for marketing to Russian tourists is limited and internet is the most cost-effective channel of them all. Secondly, there are several challenges related to other media channels such as print media and radio broadcasting. For example, as Perilä-Jankola (2001, in Sopanen 2011, 22), the audience for print media is small and very fragmentary. There are certain borders papers in which Finnish companies often advertise, but despite the claims of the papers themselves, there is very little information about their effectiveness as a marketing channel.

Thirdly, and most importantly, Russians are using the internet in increasing levels nowadays. In fact, according to Pesu (2013), Russia is the largest online audience in Europe, experts expecting the number of Russian users to reach 130 million by the end of 2025. Not only are Russians becoming more accustomed to buying services and products online, they are also the most active social media users in the world spending 9,8 hours per day in various social media services, which is twice the world average (Pesu 2013; Dreamgrow 2018).

In fact, according to several sources, internet and, by extension, social media, has become the most important source of travel information for Russian tourists. Statistics vary somewhat, but the trend is clear; travel sites and social media are markedly more popular than travel agencies or tv as an information source. The only more important information source is family and friend, or, in other words, word-of-mouth. However, company site should not be ignored either as Russians often explore company sites for information and to contact the company. (Behm, 27 August 2017a; Behm, 12 August 2017b; Malankin 2012, 83; RATA news 2018.)

Following is the description of the three most important Russian social media sites that Russian tourists use for information searching.

### **Yandex**

Yandex is, on the other hand, a search engine comparable to Google, but created by Russians and fully operating in Russian using Cyrillic alphabet. On the other hand, Yandex is more than a search machine; Hakolahti (2012) describes it as an “electronic channel” containing, for example, maps, music and other types of media making it very popular among Russian populace, especially “regular Russians” whereas Google is more popular among wealthier individuals.

Currently, Yandex is the largest search engine in Russia by its 60 % market share. For marketers, it is important to note that command of Russian language alone is not enough to plan a successful marketing campaign for Yandex. Yandex operates on a different logic than google and thus SEO logic applicable to Google cannot be directly translated to Yandex. (Hakolahti 2012.) Therefore, Finnish marketers ought to use services of a company, Finnish or Russian, that has experience in creating marketing campaigns for Yandex.

### **Vkontakte**

In short, Vkontakte can be described as Russian Facebook. Today, it is the number one website in Russia with over 120 million registered users from Russia and Eastern-Europe (Similarweb 2018; Hakolahti 2012). Users are active, too, the site gathering over 97 million visits per month (Vkontakte 2018).

There are many ways for a company to run marketing activities in Vkontakte, for example, community creation and Vkontakte ads (Volfovich 2017, 11-31.). Community creation requires more involvement from the company whereas ads are run by Vk.com and company simply delivers the content.

## **Odnoklassniki**

Odnoklassniki literally means "schoolmates", and original idea of the site was to find long-lost school friends and to connect with them. However, nowadays site is more used to share pictures and other media such as videos and music. Currently, there are 45 registered users and 16.5 million new hits every day making the site fifth most popular Russian internet site (Dreamgrow 2018; Toimelias 2012.) The largest age group using Odnoklassniki are people in their 30s making its user base somewhat older than people using V Kontakte (Dreamgrow 2018).

Odnoklassniki does not offer similar marketing services as V Kontakte does, meaning marketers are required to be more active if they plan to use Odnoklassniki. The most common way is to create a brand page and start uploading content. Companies keep posting every day, otherwise, they face the threat of being forgotten and ignored. (2Checkout 2018.) Because of this, Odnoklassniki might not be suitable for budget-cautious Finnish companies. Good news is, however, that Visit Finland has plans to join the platform allowing Finnish companies cooperating with it some possible visibility as well. (Akzhigitova & Shakhanovich 2017.)

There are some other social media and travel sites of lesser importance used by Russian travellers for information searches. These include foreign platforms such as Twitter, Facebook and Google and local travel blogs, which are usually hosted under Livejournal platform. (Huhtela 2014; RATA news 2018; Trushina, 4 April 2013.) Other ones are Instagram and Foursquare where travellers can create "must visit" or "want to see" lists for their destinations (Trushina, 4 April 2013).

## **4.5 Marketing communications tools**

The most effective marketing communication tool for attracting Russian customers is a satisfied Russian customer. In other words, word-of-mouth is the best way to increase the number of Russian customers. A satisfied, happy customer will return home and spread the word, which will generate awareness and interest. (Visit Finland 2018b) In other words, word-of-mouth is especially effective communication tool in attracting Russian customers.

Russians like personal service. (Malankin 2012, 29.) Russian speaking customer service is important because only 29 % of Russians speak English (Visit Finland 2018b). However, the best option for a service person is not, in fact, a fully native Russian speaker. Oftentimes Russian travellers seek to avoid other Russians and would prefer to socialise with locals. Thus, Russian speaking Finn is a perfect combination of local flair and correct language. Perfect command of Russian

language is not required; tourists are very forgiving if the pronunciation is understandable enough. (Malankin 2012, 51.)

Ideally, Russian speaking customer servers should seek to build personal relationships with their clients. This might not be feasible with every one-time traveller, but with tourist agencies and other such entities, personal relationships should be cultivated, as Behm (12 August 2017b) emphasizes. Engaging Russian customers is of vital importance (Malankin 2012, 48).

Russians like to receive gifts and different add-ons. Any small souvenir is likely to be highly appreciated even if its monetary worth is small and, in fact, anything received for free is likely to leave a positive impression (Malankin 2012, 13.) Discounts are also sought after by Russians tourists and winter travellers could be enticed to come back during the summer by offering them discounts or coupons (Visit Finland 2018b). In the same vein, if something goes wrong, Russian customer is easily placated by a small gift or with a cup of coffee (Malankin 2012, 86).

As mentioned above, credibility plays a crucial role when deciding upon suitable marketing communication tool and when it comes to Russians, it is of utmost importance. Russians are relatively distrustful of information handed out to them and so tend to not believe in advertising whether it is handed out via broadcast media, print media or even internet in a form of banners. Some are so distrustful, in fact, that they claim never purchasing products or services advertised to them. (Izvestiya 2017; Regnum 2017.)

Women, however, trust more in advertising than men do, and they also use travel sites and travel agencies more than their male counterparts (RATA news 2018). Men prefer information acquired via family and friends. This information should be of interest to travel companies because women make more often travel decisions for the whole family than men do (Trushina, 4 April 2013).

#### **4.6 Schedule**

Timing the marketing to Russian travellers should follow the peaks of traveling seasons as well as most important holidays because Russians like to spend their holidays traveling in Russia or abroad. The most important holidays are New Year, which according to the orthodox calendar follows Western New Year and Christmas. In 2018 these two holidays were combined allowing Russians a whole 10 days of travel time when before there had been two working days in between. Other important holidays include, for example, International Women's Day (8.3.), Spring and Labour Day (1.5.), Victor Day (9.5.) and Unity Day (4.11.). (Behm, 13 October 2017c; Malankin 2012, 8.)

Also, it is important to notice how Russian holidays are arranged; if a holiday falls on Tuesday or on Thursday, Monday or Friday will become a holiday as well thus creating a long weekend. Due to Finland's close proximity, these extra-long weekends are an ideal travel opportunity for Russian tourists and they should be encouraged to take the opportunity. (Malankin 2012, 8.)

All information about Russian holidays is included in Russian calendar. This calendar should be closely monitored by the marketing team. (Malankin 2012, 53.)

## **5 Suggested marketing communications mix for Fazer Experience Visitor Centre**

Based on the literary analysis above, this chapter will describe the suggested marketing communications mix for Fazer Experience Visitor Centre.

### **5.1 The message**

Fazer has a long, culturally significant history, which should be capitalized upon when marketing the Visitor Centre for Russians. This is especially important because the company not only has historical ties with Russia but has currently a large chain of bakeries in Russia, which are well known and successful. These two elements should be emphasised in both digital marketing as well as personal marketing during the guided tours. There are several artefacts in the exhibition connected with Fazer's past with Russia, for example, an old recipe book in Russian language and these should be utilized by guides.

Another element rising from the literary material as bearing interest for Russian customers is stories. Of course, stories about Karl Fazer and Russia should be told to Russian customers, but the writer has noticed other types of stories are well received as well and even repeated by Russian tour guides themselves. For example, the origin of cocoa beans and anecdotes regarding its ancient use, for example, as a currency among Maya Indians, seem to fascinate Russian customers.

Fazer has a great advantage of being a well-known Finnish company and so Russian travellers arriving in Fazer often apply same beneficial characteristics to Fazer as they apply to Finland in general. Fazer is seen as trustworthy and ethical, and products are considered to be of high quality. This message should be reinforced in marketing communications efforts when attracting Russian customers to the Visitor Centre.

Finally, during the marketing, the tour itself should be presented as something requiring participation and activity from the visitors taking part of it. And, it should be underlined, that tour is very suitable and fun for children because Russians often travel as families and would like to partake in activities, which are engaging for their children.

## **5.2 Communication channels**

### **Website**

Company site should be available in Russian. However, preferably site construction should be given to a professional marketing company having experience for marketing to Russian customers. As stated, Russians respond to different messages and visual ticks than Finns, which is why direct translation is not advisable. The message, which works for Finns, might sound too blunt and unemotional for a Russian client.

Graphics should be, if possible, more colourful and lively than on the Finnish site. For Fazer, this might not be possible, because the company guidelines defining the visuals of company sites. However, with the help of pictures emphasising people, ideally, Russian tourists, the visual representation of the site could be slightly modified towards Russian tourists. Besides this, if possible, the site should be easily printable and usable on a tablet.

However, the most important part is the information available. The most crucial information is the prices, the content of the service, opening hours, location and information regarding the booking process. Because Russians are reluctant to book far in advance, information of how early the booking should be made needs to be stated very clearly.

All information should always be up to date and precise. Also, easily visible contact information is needed, because Russians like to be in contact with the service provider via phone or email. The company should make an effort to update the Russian site always when the Finnish site is updated, too, and mark the updates clearly so that Russian customers would know the information stated is current.

Finally, information about the content should include the message of the tour not including the production itself. This is a common misconception among Russian travellers, the writer has noted, and causes many disappointments, which will likely generate negative word-of-mouth feedback. To avoid this, the company should be upfront and clearly state the unavailability of tours to production. The indirect method of telling is not advisable because Russians will not be able to read between the lines, as has been mentioned above.

### **Yandex**

As Hakolahti (2012) underlines, Yandex is a cost-effective method to boost company's visibility and thus affect the sales. For Fazer, it would be advisable to contact a Finnish marketing agency



having experience in Russian social media marketing, because marketing team of the Visitor Centre does not currently have resources or knowledge to run a Yandex campaign by itself. In cooperation with the marketing agency, Visitor Centre could decide upon suitable keywords and add them to the company site.

Using Yandex would not only boost the visibility of the Visitor Centre but also credibility. To add, Yandex allows targeting based on, for example, the location of users, which is a very convenient feature from Fazer's point of view. The likeliest customers live in St. Petersburg and thus marketing could be targeted for them.

### **Vkontakte and Odnoklassniki**

Vkontakte offers ad services, which could be utilized by Fazer for marketing purposes. Ads, if used, should be designed along the aforementioned lines; they should be colourful and appeal to emotions.

However, in general, if used to their maximum impact as social interaction platforms, both Vkontakte and Odnoklassniki require constant online presence and engagement with the customers. Fazer Visitor Centre does not have means or personnel for the effort of this magnitude. For this reason, cooperation with Visit Finland, who does have a group site in Vkontakte and is planning to open one in Odnoklassniki, would be another good option for Fazer. Fazer could create occasional content with Visit Finland or by employing a marketing agency with experience in marketing for Russians.

### **5.3 Communication tools**

As has been shown in this thesis, Russians are very suspicious regarding the advertising. Because of this, advertising, especially mass advertising, is not the most cost-effective method for Fazer Visitor Centre to run its marketing activities geared to Russian tourists. If the exception is to be made, it should be done via digital channels and designed to appeal to women.

The most advisable communications tools are promotions, personal selling, and word-of-mouth, out of which the last one is the single most important one. The Visitor Centre cannot, of course, control the discussions its Russian visitors are having in real life and online, but there are possibilities to boost it and attempt to sway it into generating positive perceptions of the Visitor Centre. How Russian customers are treated during the whole booking and visiting process, is the crucial variable. Booking should be made as easy and clear as possible, information regarding the centre should be readily available online and in the lobby and personnel should engage customers and

treat them in a very personal but respectful manner. Also, influencers should be utilised whenever possible; Russian bloggers, for example, could be invited to visit the centre at the company's expense as well as Russian tour agencies.

Russians are fond of personal service and like to be remembered, which should be considered at all levels of operations in the Visitor Centre. Independent visitors might not visit Fazer twice, but tour leaders or tour agencies could be enticed to come again and again by paying personal attention to them. Besides the personnel remembering the guests when they arrive, contacts of Russian tour operators who have visited the centre could be collected and "thank you" note sent to their email addresses.

Emails could also be utilised for advertising promotions. As was shown, Russians like discounts and add-ons, and offering such extras during certain periods could boost sales and also generate positive buzz in digital channels. For example, a small gift during the International Women's Day or coupons to get discount in the shop, which could be distributed to Russian visitors who come in winter as a means to entice them back in summer.

#### **5.4 Scheduling and controlling**

Currently the peak seasons of Russian travellers arriving in Visitor Centre follow the general pattern; individual tourists come in summer and during the Russian New Year holiday period whereas tour operators arrive at any given period. As mentioned, there is a month-long period approximately 65-37 days before the trip when Russian tourists make necessary arrangements for their journey. Therefore, Fazer should schedule marketing to start at least two months before the big holidays and marketing should go on until the holiday in question is over. In the beginning, it marketing should appear in Russian social media, but near the holiday marketing efforts could be combined with local travel companies in Helsinki to appear in the capital area.

The single most important holiday from Fazer's perspective is the combined New Year and Christmas Holiday. This is especially important because during the same period there is a drop in Finnish booked group tours and thus it would be advantageous for the company to attract other customers. Other holidays interesting for the marketing purposes could be International Women's Day in March and Spring and Labour Day in May because these are holidays celebrated in Finland as well. For Women's Day, something could be prepared to be given as a gift for women and in case there are Russian visitors during the Defender of the Fatherland Day, something could also be gifted to them.

It would be advisable for the marketing team of the Visitor Centre to keep track of Russian holidays. For this purpose, there are several calendars publicly available on the internet, for example, [timeanddate.com](http://timeanddate.com) offers a compact list of all yearly holidays, exact dates and also includes bridge holidays combining special holiday days with weekend (timeanddate 2018). Planning and scheduling marketing communications for Russians should be conducted with this type of calendar at hand.

As for the controlling, from the beginning of 2018, the Visitor Centre has started to collect statistical information about its visitors and their country of origin, whenever this information is known (Haltiala 10 January 2018). With this statistical tool, monitoring the number of Russian visitors should be relatively easy. Guides should also engage Russian customers and they could be asked how and where they first received information about the Visitor Centre and why they decided to visit the establishment. After a year or two, another study could be conducted to verify whether the suggestions given in this thesis do indeed attract more customers.

## **6 Conclusions**

Marketing communications is the basis for organization's marketing efforts. Fazer Visitor Centre has invested a great deal of time, capital and human resources into its marketing activities aiming to attract more clients as well as to generate positive awareness. However, because the centre itself is a very new one and marketing team is small and somewhat inexperienced one, it has been necessary to study needed marketing actions more closely.

This thesis has been aiming to collect data concerning the particularities of Russians as a target market and view it through the lens of communication theory. The final goal has been to improve Visitor Centre's marketing communications Russian customers in mind. Suggestions of actions to be undertaken were drawn upon the general theoretical framework of the communication theory, the current situation and the literary analysis of the sources discussing the Russian tourists as customers. As noted, there are limitations in what kind of activities the Visitor Centre can partake in arising especially from the small number of marketing personnel as well as from the limited budget and the general focus on Finnish customers.

As a target group, Russian tourists are a growing and lucrative customer segment. Actions and methods suggested in this thesis could help Fazer Visitor Centre to further develop its marketing activities in attracting this particular group of customers.

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