

Saimaa University of Applied Sciences  
Business Administration, Lappeenranta  
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**ANALYZING POSSIBILITIES FOR DEVELOPING  
MIKKELI RACECOURSE.  
HOW TO ATTRACT RUSSIAN TOURISTS TO  
HORSE RACES IN MIKKELI?**

Master's Thesis 2014

## ABSTRACT

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The dynamic growth of Russian tourists visiting Finland encourages companies to pay attention to possible development prospects of new customers, new markets and strategies. The purpose of the research in this thesis is to analyse the prospect of attracting Russian customers to horse races in Finland and, based on the results of research, to determine developing strategy on how to attract Russian tourists to Mikkeli racecourse. At the same time, the main objective of this study is to investigate the general interest of Russian tourists in horse racing and in betting (gambling bets).

Based on the thesis key research question, the study will focus on the existing factors of current status of horse racing sport and betting in Russia as well as the history of races and its further development. The research methodology applied in the study is qualitative method. Data for empirical part for the research were collected using interviews, questionnaires and survey. The objective of the empirical part was to investigate awareness and possible interest to horse racing in Finland and analyse current readiness of racecourse to accept tourists from Russia.

This case study will comprehensively create prospective solutions how to attract Russian visitors, improve current situation on the racetracks and determine recommendations for further development of the racetrack in Mikkeli. Results of the study will also benefit the organisations involved in horse race activities in Finland.

Keywords: Horse racing, Betting, Development, Marketing, Promotion.

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# 1 INTRODUCTION

## 1.1 Background

Within the last decade the number of Russian tourists visiting Finland is considerably increased (Figure 1. Foreign passengers who visited Finland in 2012) and in the nearest future will reach the number of population of Finland. Based on this fact, companies inside Finland are developing their services in order to react to growing demand.

Figure 1. Foreign passengers who visited Finland in 2012; by country of residence (thousands of passengers)

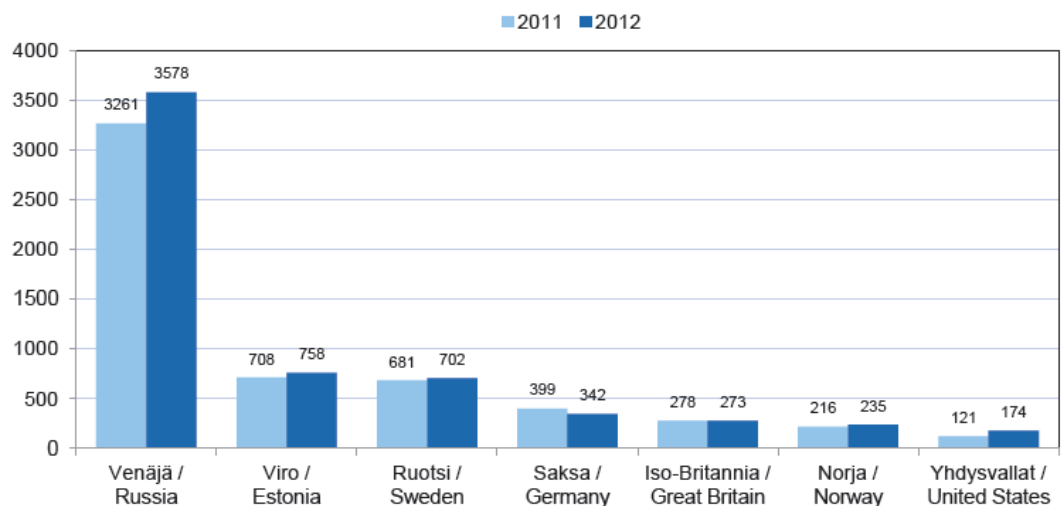


Figure 1. Foreign passengers who visited Finland in 2012 (Official Statistics of Finland. Transport and Tourism 2013).

In order to attract Russian visitors to the racecourse in Mikkeli, the certain number of investigations need to be done. The research of this thesis sheds the light on the horse racing in Finland, describing the current situation and how business is organized for further comparison with the same activities in Russia.

For understanding and foreseeing behavior of Russian customers, this thesis providing an overview on history of horse racing in Russia and its current development.

Analytical part of the thesis aimed to investigate the interest in horse racing and betting, and realize current readiness of racetrack in Mikkeli to receive Russian guests. Data for this study were collected via interviews, questionnaires and survey with four mystery shoppers. Based on the findings, the recommendations for further development were given to the Mikkeli racecourse.

## **1.2 Objectives and delimitations**

The objective of this study is to determine possible prospects for further development of horse racing businesses in Finland and particularly the racetrack in Mikkeli by attracting tourists from Russia.

This study will focus on analysing the general interest of Russian tourists in horse racing and on readiness of Mikkeli racetracks to serve Russian guests.

The theory will provide an overview on current situation of racing activities in Finland and will include a comparative analysis of the same business field in Russia. The scope of theory research will be limited to analysing data gathered through mystery shopper questionnaires in Mikkeli's racetrack. Another study's delimitation consists in more detailed investigation of horseracing sport in St. Petersburg region due to its closeness to Finland.

Another objective of the study is to evaluate possible development of the racetrack in Mikkeli and provide the recommendations about what can be implemented. The benefits of this evaluation would be to motivate organisations in Finland involved in the horse racing sport to develop their activities and moreover, to expand their knowledge and experience abroad.

## **1.3 Research questions**

The thesis is aiming to investigate the possible prospects for further development of horseracing businesses in Finland and particularly the Mikkeli racecourse by attracting tourists from Russia.

Based on that, the main research question is:

- How to attract Russian visitors to horse races in Mikkeli (Finland)?

In order to give a correct answer on main research question, the following sub-questions are curtail to narrow down the focus:

- What is the level on general awareness of Russian tourists to the existence of horse racing in Finland?
- What is the current situation on racecourses about readiness to receive Russian guests?

The sub-questions fully correspond to the main research question due to the fact that theoretical background of this study indicates that development of horse racing in Russia is still in its early stage. Furthermore, to receive an answer on main research question, there is a necessity to analyse the current awareness of horse racing in Finland as well as implementing a practical experiment through mystery shoppers on how the racetracks are prepared to serve new customers.

#### **1.4 Research methods**

The research method used for this thesis is qualitative. The method was chosen based on the core objective of the study. An advantage of the qualitative method is effectiveness in cross-cultural investigation thought in-depth interviews. Their strength is in the ability to examine dynamic, context-dependent and interactive phenomena that are the subject of international business research. Additionally, qualitative method obtaining the most realistic picture of the phenomenon which cannot be achieved by statistical analysis and digital codes. Moreover, it is a flexible method of data collection for further analysis.

According to Kisljak (2004), the greatest applications of qualitative research are in the study of:

1. Consumption patterns, consumer behaviour and the factors determining the choice.
2. Attitude towards products, brands and companies.

3. Satisfaction with existing products.

4. Purchasing intentions.

The qualitative research is applied on literature review of horse racing history in Finland and in Russia, current conditions and prospects of its further development in Russia. Theoretical framework of the study provides background information on the research field and sheds the light on problematical areas.

Theoretical framework of this study guided the further empirical investigation and following recommendations. Analytical part of the thesis aimed to investigate the interest in horse racing and betting, and realize current readiness of racecourse track in Mikkeli to receive Russian guests. Data for this study were collected through semi-structured interviews, questionnaires and investigation via mystery shoppers who participated in the survey.

Semi-structured interviews took a part among Russian tourists in supermarkets in Lappeenranta and Mikkeli. Additionally, the same questionnaire was realized through the social network VK, and all results were combined together. All together 50 men and 50 woman were interviewed for this research and were asked 14 questions in order to understand the awareness of horse races in Finland and estimate the potential interest to visit them and to bet.

Besides the investigation, another instrument of data collection for the empirical part includes survey. The data for this survey were collected through more in-depth participant observation. Four mystery shoppers have visited the racetrack in Mikkeli on one of the race days in the summer of 2014. The information was gathered from a questionnaire what was written as a feedback after visiting the show. Investigation aimed to analyze the current situation at the racecourse in Mikkeli in order to find out readiness to take Russian customers, discover flaws and difficulties, and understand further development.

Summarizing the results of research methods in theoretical framework and empirical part of the thesis, recommendations were given as opportunities to develop and apply new strategies.

## **1.5 Structure of the study**

The thesis structure is divided in four main chapters. First chapter is the introduction of the studied phenomenon where the main objective is presented. In addition to main objective, first chapter is also includes the background of the study, delimitation of the investigation, research questions and methodology implemented in gathering the data for further analysis.

Second chapter introduces the theoretical framework of the study. Data for this part were collected from existing information from official sources like company web pages, annual reports, articles and literature concerning horse racing in Finland and in Russia. Theoretical framework of the thesis comprises the description of horse racing activities, its history, current positions and development in both countries. Certain conclusions related to historical, geographical, political and economical aspects are explained in order to provide a clear picture of current situation of horse racing in Russia.

The third chapter is an empirical part of the study and concentrates on gathering the information through semi-structured interviews, surveying and analysing the results. Conclusions obtained by these interviews provided answers on one sub-question posed in the thesis.

The next important procedure in the third chapter is surveying, corresponding to the second sub-question. The survey aimed to analyse the current situation on the racetrack in Mikkeli in order to find out readiness to take Russian customers, discover flaws and difficulties, and understand further development. Results of the survey are discussed as the conclusions in the same chapter.

Chapter four provides an evaluation and brief development recommendations for the Mikkeli racecourse and summarizes the findings.



## **2 THEORETICAL FRAMEWORK OF THE STUDY**

Theoretical framework of the study implemented through investigation of horse racing in Finland and Russia, its history and development, and description of Mikkeli and its regional facilities.

The thesis methodological procedures will be based on the qualitative methods of research which will enable the thesis to function as a strategic tool for marketing and development, at the same time introducing to the company an understanding of current status of horse racing in Russia and attitude of Russians to betting.

### **2.1 Horse racing in Finland**

Trotting is one of Finland's most popular sports. Some 730 000 spectators visit trot races annually. Almost 900 000 view races in remote betting locations outside the tracks (Suomen Hippos ry a.).

Approximately 600 meetings are held every year, with almost 8 000 horses and more than 2 000 drivers participating. There are some 160 professional trainers in Finland. More than 7 000 people are registered in the amateur trainer register. The annual total turnover from horse betting is approximately EUR 200 million euro (Suomen Hippos ry a.).

In Finland, races are held throughout the year with the exception of Christmas Eve and Christmas Day. The races vary from international major events and weekly provincial races to small races organized in villages or on ice. In addition to the traditional trotting races in which the horses pull carts, le trot monté racing ("racing under saddle") is also practiced in Finland. (Suomen Hippos ry a.)

In international comparison, Finland is among the five largest trotting countries in Europe. Horse racing in Finland is characterized by the use of the cold blood breed Finnhorse along with modern light trotters such as the Standardbred. In lack of gallop racing culture, harness racing is the main equestrian sport in Finland. Horses used for harness racing in Finland are exclusively trotters.

Racing back home from church had been a tradition long before the first organized race was held in 1817 on the ice of Aura River in Turku. Modern racing started in the 1960s, when light breeds were allowed to enter the sport and Parimutuel betting gained foothold as pastime. Nowadays harness racing remains popular, with the main events gathering tens of thousands of spectators in the country with a population of some 5 million. (Harness Racing in Finland by Frederic P. Miller and Agnes F. Vandome and John McBrewster.)

### **2.1.1 History**

Harness racing in Finland developed from the practice of racing back home from church, and was a popular traditional recreational activity among farmers. The first organized race was held in Turku in 1817. In the 20th century, as mechanisation of agriculture in Finland reduced the need for farm horses, harness racing also started to decline. By the end of the 1950s, there were only half as many local races as had been held during the peak of harness racing's popularity in earlier decades. Likewise, the number of Finnhorses plummeted, as it seemed horses had no role in modern society. (Harness Racing in Finland by Frederic P. Miller and Agnes F. Vandome and John McBrewster.)

Until 1959, only Finnhorses were allowed to be raced in Finland. However, at the beginning of the 1960s, harness racing with Parimutuel betting began to grow and was promoted as a new form of recreation for city-dwellers. New racetracks were built and old ones renovated, while the addition of imported trotter breeds added a new feeling to the events. Thus harness racing, previously a farmers' hobby, took on a more professional air as light trotting breeds used specifically for sport, such as the Orlov Trotter and Standardbred, were introduced. In 1965, the Finnish Parimutuel betting regulations were changed to increase the payout percentage. This further increased interest in betting and increased betting in turn made it possible to arrange more heats with larger purses, giving race horse breeders greater opportunities and incentives. From the 1960s to the 1970s the number of harness racing spectators quintupled, and the Finnhorse established its new use as a harness

racings horse. (Harness Racing in Finland by Frederic P. Miller and Agnes F. Vandome and John McBrewster.)

In 1965, the "universal horse" section of the Finnhorse studbook was replaced with a trotter section. While the total number of Finnhorses continued to diminish until 1987, the popularity of harness racing turned Finnhorse birthrates around from the historical low of the 1970s. Harness racing continues to be a popular spectator sport, with the "Kuninkuusravit" competition having attracted more than 50 000 spectators in the beginning of the 2000s. 8000 horses are raced annually, and races are held on all days except for Christmas. The sport is the second most watched in Finland after ice hockey, with more than 800 000 spectators annually. (Harness Racing in Finland by Frederic P. Miller and Agnes F. Vandome and John McBrewster.)

### **2.1.2 Trotting Championships in Finland**

The Finnhorse Trotting Championship, "Kuninkuusravit", is the high point of the Finnish trotting summer. This competition is for the Finnhorse breed. The horses obtaining the best total time in three races driven during two days are crowned as the King and Queen. The distances of the first day's races are 2100 meters and those of the second day 1609 and 3100 meters. (Suomen Hippos.)

Only Finnhorse stallions and mares registered in the studbook may participate in the Finnhorse Trotting Championships. The location of the Championships changes annually. Provincial racetracks apply to organise the meeting years in advance, thereby also committing to the extensive arrangements needed. The Finnhorse Trotting Championship is one of Finland's most popular summer events, attracting almost 60 000 spectators every year. (Suomen Hippos.)

The most important annual races include the "Finlandia-Ajo" organised in Vermo, Finland's biggest racetrack, the St. Michel race in Mikkeli in July and the Kymi Grand Prix in Kouvola in June. St. Michel, the main race of the July racing weekend was first organized in 1981. Several world and European records have

been set in this race, the most memorable of which was the absolute World Record. (Suomen Hippos.)

### 2.1.3 Trotting tracks in Finland

There are 43 racetracks in Finland. Meetings are held throughout the year with the exception of Christmas Eve and Christmas Day. In addition to the racetracks organizing betting races, there are almost 120 practice tracks in Finland (Figure 2).

Racetracks offer very modern services. Provincial tracks offer spectators' halls with restaurants, for example. Races may be viewed live online, through the TotoTV service ordered at home and in betting locations around Finland.



Figure 2. Trotting tracks in Finland (Suomen Hippos ry 2008)

#### **2.1.4 Horse racing betting in Finland**

Fintoto Oy organizes horse racing betting in Finland and game on the totalizer is called Toto. Fintoto Oy a Finnish non-profit joint-stock company, commenced horse betting operations in the beginning of 2001. It is a fully owned subsidiary of Suomen Hippos ry, the Finnish Trotting and Breeding Association. Fintoto's objective is to sponsor horse racing and horse breeding in Finland by operating and marketing horse betting in an efficient way.

The company's tasks according to the information on Fintoto Oy [www.fintoto.fi](http://www.fintoto.fi) web page include:

- Sales and marketing of Toto bet types
- Development of race tracks and betting system outside the tracks, including international operations
- Agreeing on the national race meeting calendar in cooperation with Suomen Hippos
- Internal and external communications, TV production, and satellite broadcasts of equine sports

Toto can be played on nearly 1,200 betting shops in Finland, at racetracks, through mobile phones and the Internet on [www.fintoto.fi](http://www.fintoto.fi). Most of the betting points are in R-kiosks. Other locations are at gas stations, restaurants, barbecue stalls, cafes and supermarkets. TotoTV is Fintoto's own television channel, on which it is possible to watch races live every day. In the year 2012 Toto betting amounted to 249,1 million euros. (Fintoto Oy.)

#### **2.2 Horse racing in Russia**

It is not a secret that Russian racetracks are now experiencing hard times. Most of them are in decline, some of them survive by shady sponsors and fund running. About the global betting totalizer is generally out of the question.

### **2.2.1 History**

In the 1760s War Ministry of Russia together with the department of Krasnoselskikh camps (located near St. Petersburg) had decided to construct a "hippodrome". It was intended for military cavalry competitions.

First horse tournaments in Russia were held in St. Petersburg in 1766. The first public horse racing of Russian jockeys on the English thoroughbred horses held in Moscow at the Don Field on May 9, 1799 for the prize of 500 rubles, donated by Count Orlov-Chesmensky. Orlov liked to bet on their horses and sometimes won a very large sum, multiply its fabulous wealth. (Krivoshein, 2010.)

First English race horses were brought to Russia for Count Orlov in 1785 by Englishman Roman Smith. Then Count Orlov ordered to build near his home on the Don Field racecourse, on which were races, extraneous audience for these horse racing were not allowed. And only in 1799 was opened a public competition of Russian jockeys, which lasted until 1808 - before the death of Count Alexei Orlov. (Markova, 2010.)

On the August 17, 1826, Emperor Nicholas I allowed the creation of racehorse society Lebedyan, and on October 19, 1826 Governor General Balashov approved its charter. Three years after organizing the Lebedyanskiy Racing Society, in 1829, the similar organizations appeared in Ekaterinoslav, Kherson, Simferopol and Chisinau. (Struc, 2005.)

On the August 1, 1834 there was the first official prize of Moscow Running Society - The Gift of the President of the society Serene Prince Golitsyn, which marked the beginning of the existence of the Central Moscow Hippodrome.



Figure 3. Racetrack in Moscow

By 1845, Russia had already twelve regular racetracks, the main of which were (in order of importance): Lebedyanskiy, Tula, Moscow and Tsarskoye Selo (in St.Petersburg). The fact is that exactly here were played most prestigious imperial prizes. (Krivoshein, 2010.)

Revitalization of the racing business in Russia was facilitated by the appearance of racing betting. First it was officially allowed to Tsarskoselskoe racetrack in 1876, and in 1877 at the Moscow Hippodrome (Figure 3), and was intended primarily "to seek financial aid to breeders." Clear rules that would regulate the tote were not existed, except for the fact that 10% of income to be in favor of the race to deduct societies. (Krivoshein, 2010.)

Horse racing was developed even in the Far East. According to contemporaries, horse races were one of the major entertainments of gambling public in port of Vladivostok.

In general, the rapid development of racecourses in Russia was stopped with the beginning of World War I in 1914 - horses and their riders were needed at

the front (Horse racing, races and betting in Tsarist Russia. State History. 16.08.2011).

At the time when in the Soviet Union gambling was forbidden, controlled racetrack was the only area where officially allowed to bet and risk your money. One time, the Moscow Criminal Investigation Department had a special department to supervise the work "of the tenderloin and the anti-Soviet space - Central Hippodrome." There was a period, especially after the war, when murders occurred because of the money at the racetrack with alarming regularity. There worked a real tote, and you could win a significant amount of money. (Death in the saddle. Hippodrome. Documentary movie. [http://russia.tv/brand/show/brand\\_id/4792](http://russia.tv/brand/show/brand_id/4792).)

On October 4, 2006, at a meeting with leaders of parliamentary factions, President Vladimir Putin proposed a radical solution to the problem of gambling. Putin gave a thought proposal for the draft "On state regulation of the organization and conduct of gambling," the essence of which was in the consolidation and concentration of gambling in four special gambling zones. On the December 26, 2006 the bill was passed and the gambling as well as horse racing totalizer become forbidden. (Federal law N 244-ФЗ.: "On State Regulation of the activities organization and conduct of gambling and on Amendments to Certain Legislative Acts of the Russian Federation".) Horse racing betting was legalized again only in 2012.

### **2.2.2 History of horse racing in St. Petersburg**

Starting of the official trotting racing in St. Petersburg was 1846, when the Office of the State Horse Breeding was annually organizing competitions on the ice of Neva River in front of the Stock Exchange building on the Spit of Vasilievsky Island and establishes prizes, subjecting these activities under the special committee (Vilchkovsky, 1911).

Summer runs and races were held on for racetracks located in the suburb of St. Peterburg: Tsarskoye Selo, Krasnoe Selo, Peterhof and Udelnaya.



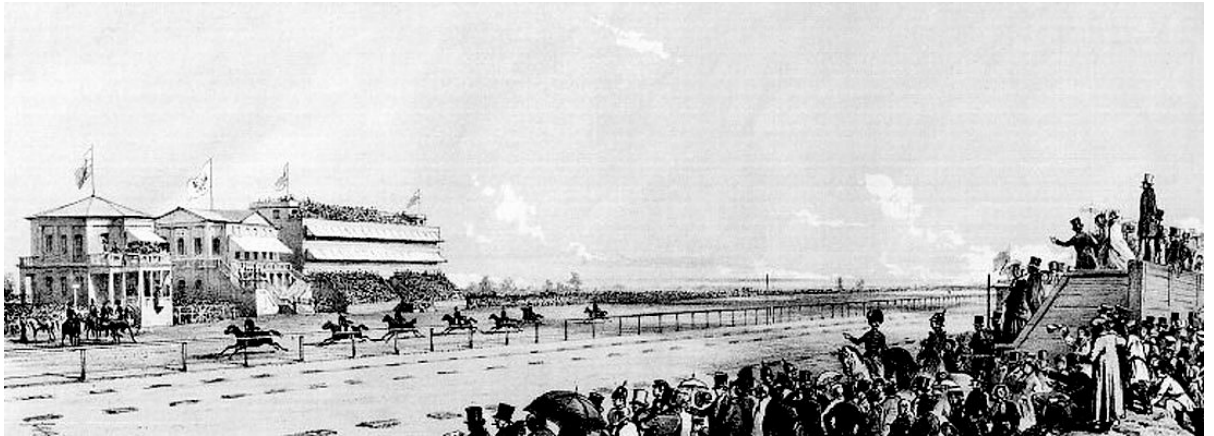


Figure 4. Racetrack in Tsarskoye Selo

Horse racing betting first appeared in Russia at the racetrack in Tsarskoye Selo (Figure 4) in 1876 on the initiative of the Tsarskoye Selo's Racing Community, in particular, the graph A.N.Niroda. Wherein, the first ticket to tote was bought by the wife of Tcesarevich, the future Empress Dowager Empress Maria Fedorovna. (Stepanovskaya V.D., Невские забавы,23.2.2004 Тема: Следы былого.)

Unfortunately, after the revolution, these racetracks were liquidated and still in the North-West region of Russia racetracks are absent. At the same time in neighboring Finland, for example, there are 43 racecourse, 20 of them are working whole year.

### **2.2.3 Racing tracks in Russia**

In Russia, according to Assosiaation of Hippodromes, nowadays there are eight large and actually operating racetracks and 28 so-called SLC - state factory racecourse stables, which have no official totalizer. In Russia, the first racetrack was opened in 1826 in the city of Tambov province Lebedian (now Lipetsk region). One of the oldest in Europe is also a Moscow Hippodrome opened in 1834. (Struc, 2005.)

The largest racetracks in Russia are:

- Central Moscow Hippodrome - combined

- Kazan hippodrome - combined
- Pyatigorsk racetrack - racing
- Ramenskii Republican racetrack - running
- Altai Krai racetrack – combined

#### **2.2.4 Horse racing championships in Russia**

Most honorable and high prizes are to play on the Central Moscow Hippodrome. That is Derby and the Grand Prize of Russia. This Elite, Bars, Peony, for mares - Large Open prize, a prize from the nominal chief of Moscow Hippodrome, as well as other, less well-known, prizes. By the way, France is often the sponsor of such races and sets some equally serious awards. (Favorite Number One. Horse racing Magazine.)

Fancy racing for prizes radio Monte Carlo is a sporting event at the same time and secular, it is traditionally gathers showbiz stars, famous athletes and business elite (Grand Prix Radio Monte Carlo).

Races of Grand Prix Radio Monte Carlo are reflecting the expectations of Russians audience about what the horse races are – event in the best traditions of the aristocratic. As it described in the previous chapters, historically horse racing was prerogative of the high aristocratic class. Horse race is synonym of bright and spectacular show, the festive atmosphere and elegance. Races Grand Prix Radio Monte Carlo has proven itself as the most sophisticated, glittering event in the secular life of the city. In addition to the competition of beautiful horses, organizers entertain demanding public with the contest for the best female costume and hat.

Another the most prestigious horse race in Russia - racing for the Prize of the Russian president. Races for the Prize of the President of Russia established in 2004. This year, for the prize of 10 million rubles fought 12 horses Thoroughbred breed. Races for the Prize of the President of Russia is a strong incentive for the development of Russia in thoroughbred horse breeding.

### **2.2.5 Horse racing betting in Russia**

JSC "Sportbet" is the Russian company operating on the organization of betting at the Central Moscow Hippodrome, on the basis of a contract with JSC "Russian racecourses" concluded June 5, 2012. JSC "Sportbet" operates under license number 1, issued by the Federal Tax Service of the Russian Federation. (Central Hippodrome.)

Profit from the tote at the Central Moscow Hippodrome directed to the support and development of horse breeding. At this moment, totalizer is organized only at Central Moscow Hippodrome; bets are accepted only in cash in rubles at the cash desks on the racetrack.

### **2.2.6 Development of horse racing in Russia**

Former President Dmitry Medvedev in 2011 signed a decree according to which all racetracks will be joined based on Central Moscow Hippodrome. And that, in turn, will be converted from a federal state unitary enterprise JSC "Russian racetracks". In fact, it should give the opportunity to develop business and breeding on previously unprofitable state enterprises.

It is not a secret that Russian racetracks are now experiencing hard times. Most of them, according to these same leaders are in decline. Some of them survive by shady sponsors that include stables for fun and fund running. About the full betting organization is generally out of the question.

The source of betting business columnist said to "RG", that in Russia make bets about 1 million people. That is about one in ten adult citizens. For comparison, in the same UK tote puts every third. Capacity of betting market in the near to Russia, Finland is estimated at half a billion dollars a year. In Russia, this figure is now \$ 3.5 billion, but the population in Russia is almost 30 times more - 143 million people compared to 5 million. With reasonable policy, says the expert, the annual turnover of the betting market in Russia may reach at least \$ 10 billion. Additionally, if you will deduct one per cent rate on the development of

the racetracks as is done in the UK, so every year to the treasury, Russian stables can send about \$ 10 million. (Russian Gazeta.)

Nowadays, representatives of the "Russian racetracks" only in the future will deliver a report on measures to ensure the preservation and development of racetracks and breeding farms, horse racing betting as a single organization and its integration into the international system of totes.

### **2.2.7 Development of horse races in St. Petersburg**

According to the publication in the newspaper "КОМЕРСАНТЪ" (August 2013), in the Vsevolozhsk district of St. Petersburg will be built a racetrack for 25 thousand spectators. The new object will appear within five to seven years in the village Bugri what is close to the MEGA Parnas shopping mall. The sports complex will include a track with length of about 2 kilometers, hotel, and betting totalizer. Bets are planning to take on players from different countries, and information on races broadcast in five languages. At the request of the investor from New Zealand on the territory of the forest field would be created a park with paths for horseback riding.

Since January 2012 the law came into force on gambling - racetrack Bugri and bookmakers will be the only legal forms of gambling in St. Petersburg, and the rest will move in special gambling zones - Primorye, Siberian Coin, Amber and Azov-City. Project cost - \$ 30-40 million. Land area about 100 hectares. (КОМЕРСАНТЪ, August 2013.)

Vsevolozhsk district is associated with the nearest city suburb and is actively developing both in terms of housing and the emergence of new plants and infrastructure. Horse riding is actively developing in the country. This author thinks that the idea of the development of racetracks will be successful here, including due to the lack of similar projects.

## **2.3 Conclusions**

### **Historical and geographical aspects**

Some call horse racing a sport, some as gambling, some as a leisure or hobby, but the existence of horse racing is familiar to everyone. Billionth industry known worldwide, bringing big profits for all parties participating. Horse racing is popular in Russia as well, but mostly in the South and South East parts of the country.

Unfortunately, with the beginning of World War I in 1914 horse racing was forgotten, and after the revolution racetracks in St. Petersburg area were liquidated and still do not exist in the North West region of Russia.

For analyzing of this research this is a significant information consequence of which we will see that awareness of horse races is very low in this region. And for this study the population of St. Petersburg and North West area is a potential target group.

### **Political and economical aspects**

Former President Dmitry Medvedev in 2011 signed a decree oriented on the development of horse sports and breeding in Russia, consolidation of all race tracks under one federal state unitary enterprise with centralized management.

Quite recently, in July 2012 the first horse racing totalizer was legalized, but only at the Central Moscow Hippodrome. At the same time in Russia there are over 30 official racetracks. Promised that eventually all racecourses owned by JSC "Russian racetracks" will be able to take bets on horse racing.

Of course, now horseracing and bets are existing, but basically unofficial and illegal. It means there is no maximum involvement; there are no thousands in the audience, no great advertising, great sales, expensive horses, shape, and race tracks. At the same it is relatively large share of growth in the economy,

because horse racing is 100% a commercial activity, and races with no bets cannot exist.

In comparison is small Finland, where trotting is one of Finland's most popular sports. About 730,000 spectators visit trot races annually and the annual total turnover from horse betting is approximately EUR 200 million under the management of the Fintoto monopoly.

As the result of this investigation it is possible to say that stable political and economical growth of Finland allows the horse racing sport growth to the competent and profitable system through which, in international comparison, Finland is among the five largest trotting countries in Europe. Based on this fact there is a huge opportunity for horse racing businesses in Finland to collaborate, invest and implement their practices on the growing market in Russia, in particular due to development project in St. Petersburg.

### **Totalizer**

At this moment, legal betting totalizer is organized only at Central Moscow Hippodrome; bets are accepted only in cash in rubles at the cash desks on the racetrack. In addition, there are no clear available instructions and guides about how to bet.

Other significant problems affecting the horse racing betting system in Russia are:

- There is not a sufficient number of horses and actual races (the entertainment also not on appropriate level)
- There are no adequate rules for testing the system
- Lack of the system of training and certification of judges
- No control systems to comply with regulations

- Absence of legitimate central structure with ability to resolve disputes
- There is no licensing system for the racecourses, jockeys, trainers and owners of horses
- Absence of regular doping control
- Quality of race tracks is poor and absence of hippodrome infrastructure

As the result of these barriers, betting system in Russia cannot guarantee tote players responsibility, transparency and reliability.

It is obvious that situation looks very dramatically especially in comparison with Finland where totalizer is primly organized by Fintoto Oy. Tote can be played on in nearly 1,200 betting shops in Finland, at racetracks, through mobile phones, Internet and even their own television channel.

Based on this research it is possible to make conclusion that most of Russian tourists coming to Finland do not have any clear understanding of what the betting system is and how to bet on racecourses.

In addition, it is very crucial to mention that gambling is still forbidden in most of the territory in Russia and online casino gambling is becoming increasingly popular. As it turned out, over 39 million people out of 140 million population would like to go to gambling establishments (based on survey results casino.ru). Moreover, over half of Russia's population is ready to spend rather large sums of money on gambling.

## **2.4 Mikkeli region**

Mikkeli (Sankt Michel) is a town and municipality in Finland. It is located in what used to be the province of Eastern Finland and is part of the South-Savo region. The municipality has a population of 48,970 (31 August 2013) (around 34,000 in the town itself) and covers an area of 2,124.60 square kilometers of which 424.7 square kilometers is water. (Population Register Center of Finland.)

The municipality is unilingual Finnish with only 0.15% of citizens speak Swedish as their first language (Statistics Finland).

The center of Mikkeli is located on a low rise, set back about 500 meters from the shore of a bay of Lake Saimaa. There are several small lakes in and around the town. The lakes of the eastern parts of the town belong to the water system of River Vuoksi. In the west the town reaches Lake Puula that belongs to the water system of River Kymijoki. The town center is built around a large market place, where markets are held twice each week. (Mikkeli region.)

Mikkeli has its own airport (domestic flights only), railway station (five trains to and from Helsinki daily) and a concert hall. Distance, shown on the Figure 5, from Mikkeli to Helsinki is 228 km, to St. Petersburg 320 km.

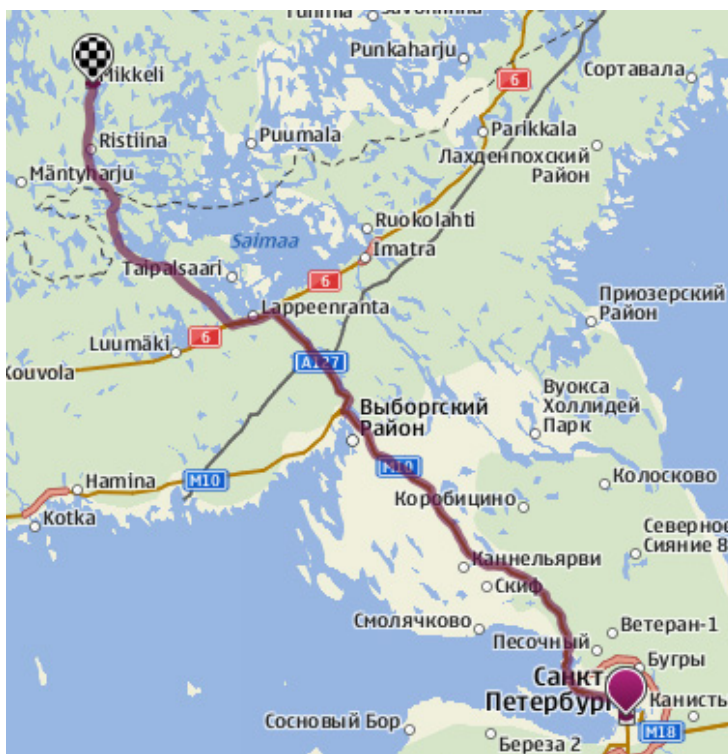


Figure 5. Location of the Mikkeli

The University of Applied Sciences in Mikkeli is now the largest single employer in the town. It employs around 400 full-time teaching staff plus around 900



support and services staff. Mikkeli is also a major holiday resort within the Finnish lakeside area. (Mikkeli touristic portal.)



Figure 6. Mikkeli region (<http://visitmikkeli.fi>).

Mikkeli (Figure 6) region is one of the most popular cottage holiday destinations in Finland, and offers the ideal solution for everyone, whether you are looking for a traditional hideaway by a quiet lake or a luxury villa to entertain guests and relax. Arguably the most attractive feature about Mikkeli region is its diversity in terms of both scenery and activities. (Mikkeli touristic portal.)

According to the survey and research of University of Eastern Finland and the Research and Analysis Centre TAK, the current number of Russian tourists visiting Etelä-Savo region is about 200 000 visitors. The visa liberalization process among EU and Russia would bring double tourists. The number of Russian visitors would be over 434 000. At the same time, the tourism revenue tripled, and would exceed to 120 million EUR per year. In 2012, revenue was approximately 40 million EUR. (Etelä-Savo region.)

Region / Municipality	Foreign countries, total		Sweden		Germany		Russia		United Kingdom		Estonia	
Whole country	5 507 468	10,0	552 129	6,6	541 031	6,0	1 286 598	21,8	389 037	-4,2	228 187	11,1
Mainland Finland	5 246 877	10,0	346 813	3,8	528 321	6,2	1 281 710	21,8	387 785	-4,2	220 487	11,1
Uusimaa	2 352 287	9,2	176 775	5,4	219 759	11,5	409 649	19,6	171 835	-3,7	91 994	17,6
Helsinki	1 821 019	6,5	132 471	4,0	175 834	12,4	305 754	14,9	140 106	-5,9	49 960	1,0
Varsinais-Suomi	235 131	6,0	45 188	-3,6	22 991	8,4	28 756	10,5	11 788	14,5	14 482	3,7
Turku	161 490	1,1	31 478	-8,8	16 147	9,3	17 726	1,0	9 303	17,0	8 583	2,3
Satakunta	67 420	-2,3	9 290	17,9	18 620	11,1	3 568	20,7	3 626	-58,2	4 240	21,0
Pori	25 818	-19,3	2 891	20,3	5 963	-2,4	1 811	21,4	1 482	-73,6	1 780	38,3
Kanta-Häme	43 429	1,5	3 322	2,3	4 302	-1,4	7 900	-1,9	1 440	-24,9	3 546	2,2
Hämeenlinna	27 561	-0,9	1 885	5,4	2 803	38,9	4 677	-6,2	874	-37,0	1 190	-7,5
Pirkanmaa	232 120	9,4	16 903	2,7	24 118	-2,9	34 416	3,5	13 080	-7,9	15 134	7,2
Tampere	174 514	4,3	14 504	-0,9	18 678	-0,2	18 681	7,3	11 781	-8,5	8 499	5,2
Päijät-Häme	91 221	15,1	5 391	11,5	9 426	21,2	36 813	36,8	2 009	16,3	6 888	-2,9
Lahti	53 064	8,8	4 145	10,7	6 753	18,9	15 060	32,1	1 610	13,9	4 562	-2,5
Kymenlaakso	92 868	37,8	3 122	28,2	5 024	3,2	49 658	29,8	3 389	63,3	4 721	6,3
Kouvola	25 708	17,0	1 219	-7,9	2 029	6,2	15 756	36,1	760	92,9	1 388	-33,8
South Karelia	270 096	21,1	4 300	30,9	5 116	-14,8	229 833	23,6	1 422	-23,9	4 529	43,7
Lappeenranta	90 100	19,5	2 063	3,2	2 681	-17,8	68 000	24,7	858	-28,6	2 204	33,3
Etelä-Savo	141 706	21,0	3 536	-40,1	15 674	-18,6	80 276	31,1	1 403	-5,7	6 109	22,9
Mikkeli	38 499	22,9	1 264	5,3	2 779	-0,7	21 884	20,7	452	-36,2	3 385	78,2

Table 1. Accommodation statistics 2011 (Official Statistic of Finland. Transport and Tourism 2012)

The accommodation statistics of years 2011 (Table 1) reflect that 80 276 nights Russian visitors have spent in Mikkeli and South-Savo region. It is meaning that big numbers of Russian tourists are staying for few nights and that could be potential visitors of race track in Mikkeli.

#### 2.4.1 Mikkeli racecourse

“Mikkelin Ravirata Oy” was founded in 1973 as Limited Liability Company. The founders were Mikkeli Horse Breeding Association, Mikkeli Hevosystävään club and the City of Mikkeli. Today, the largest shareholder is the City of Mikkeli at about 55 per cent. (Mikkelin Ravirata Oy.)

Current location of the racecourse was built in the early 1960s. The larger renovation of the track and racecourse was made in 1975. After this, the Mikkeli trotting track became the fastest track, with a number of international records. Mikkeli racetrack is world famous as an arena were new records are set: In

1993 the world record of 1000 meter tracks was broken by Smooth Blend at km-time 1.10,9a; in 1995 the Norwegian stallion Shan Rags equaled the world record 1.10,7a. In 2002, the world record was once again broken, as the Italian stallion Varenne reached the winning time of 1.09,3a – a world record on 1000 meter tracks, which is still valid today. In 2008, the world record of mares 1.10,4a was equalled by the Swedish Camilla Highness. And again, in 2009 the French horse Premiere Steed set a new world record of mares at 1.09,6a. (Mikkelin Ravirata Oy.)

Major competitions in Mikkeli are going on since 1979, when the first was run in Mikkeli Kuninkuusravit. The idea of Kuninkuusravit was born after the success of a large international organization of the competition and the first St.Michel qualifying was run two years later, in 1981. St.Michel has over the years grown in popularity as one of the main events of the summer and St.Michel weekend has a unique atmosphere what is known internationally. St. Michel is one of the most popular trotting events in Finland, a speed feast which gathers a crowd of 20 000 spectators at the Mikkeli track every year. (Mikkelin Ravirata Oy.)

### **3. ANALYSIS OF DATA**

Empirical part of the thesis aimed to investigate the interest in horse racing and betting, and realize current readiness of racetrack in Mikkeli to receive Russian guests. Data for this study were collected through semi-structured interviews, questionnaires and investigation with mystery shoppers who participated in the survey.

#### **3.1 Semi-structured interviews**

The data for this empirical part were collected through questionnaires and semi-structured interviews. The semi-structured interviews form is attached in Appendix 1. Interviews took a part among Russian tourists in supermarkets (CITYMARKET) in Lappeenranta and Mikkeli. Additionally, the same questionnaire was realized through social network (<http://vk.com/club53868037>)

and all results were combined together. The overview of the interview implemented via vk.com web page is shown in the Appendix 2.

Altogether 50 men and 50 women were interviewed for this research and were asked 14 questions in order to understand the awareness of horse racing in Finland and estimate the potential interest to visit them and to bet.

The results of the results of the interviews are shown in the following figures and supportive comments after each figure.

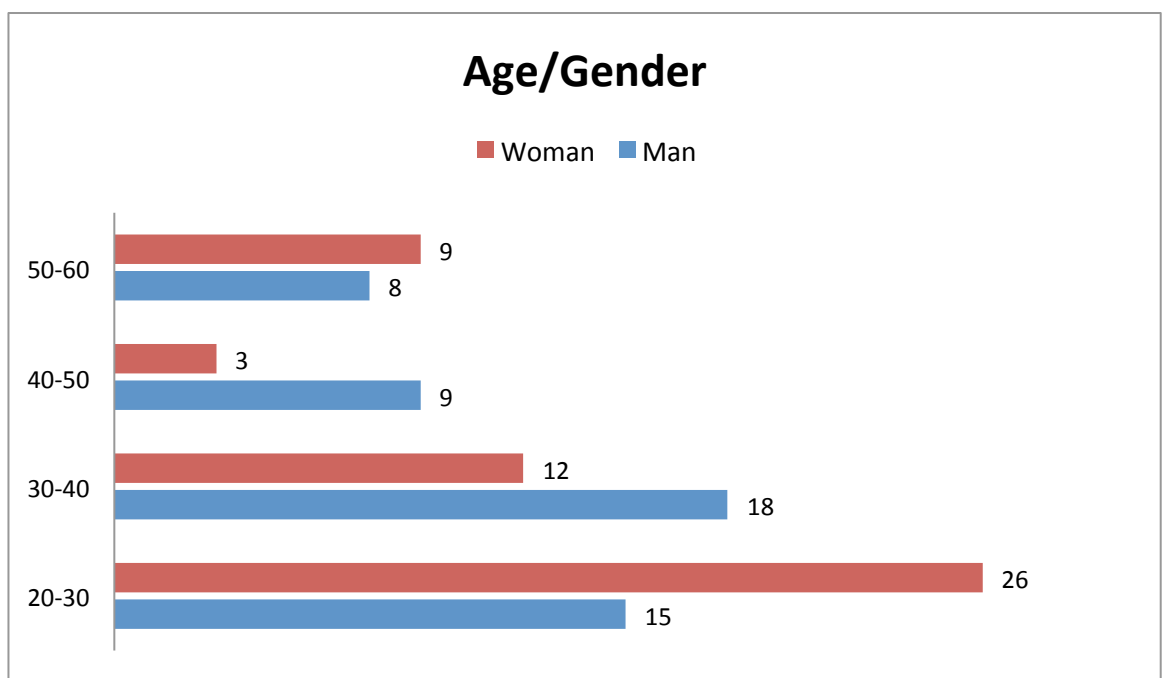


Figure 7. Age/Gender

Average age, according to the Figure 7, for woman is 34 years old. Average age of man is 37 years old.

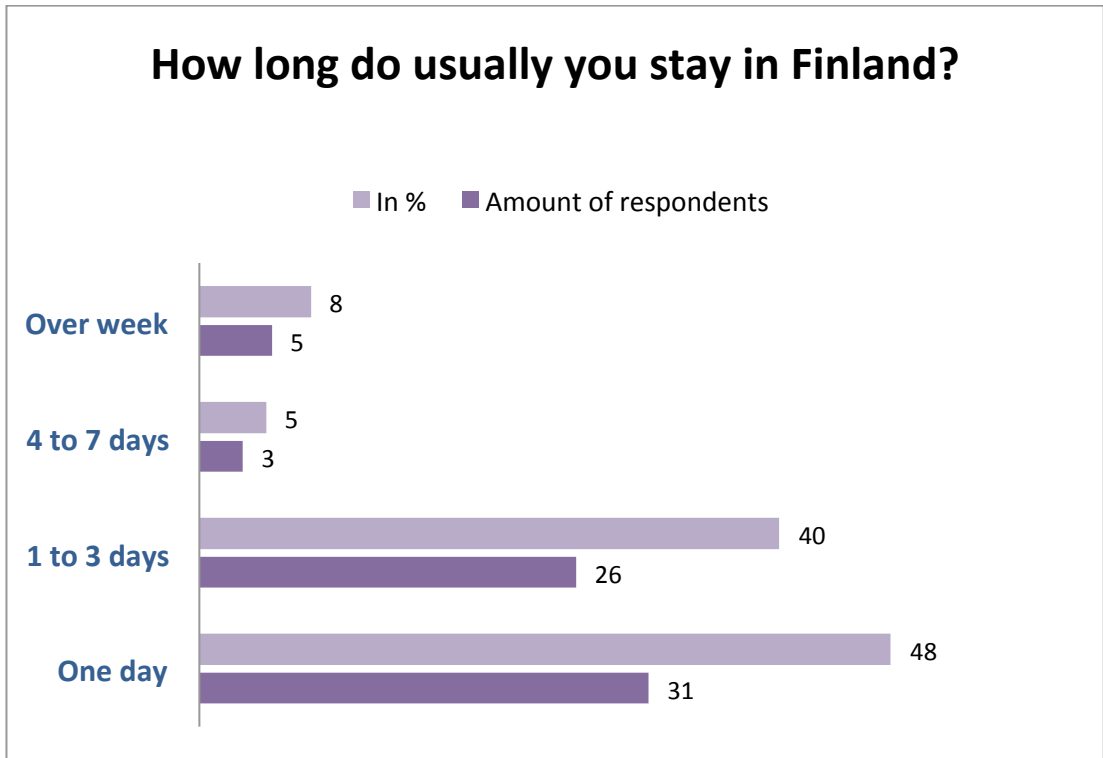


Figure 8. Durations of the trip

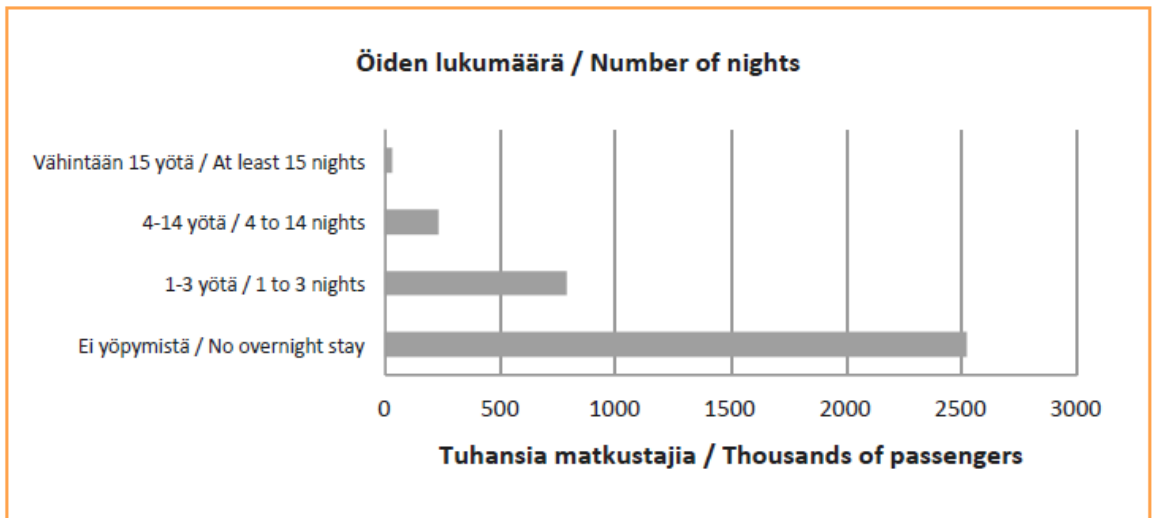


Figure 9. Accommodation statistics of Russian visitors in Finland 2012. (MEK Oy)

Based on the findings of the survey presented in the Figure 8, and statistics of the accommodation in year 2012 (Figure 9), Russian visitors tend to travel mostly for one day to Finland. According to results of thesis survey 40 % of respondents answered that they are up to 3 days in Finland. Based, on this fact

it is possible to conclude that potential number of customers who might visit track is quite high.

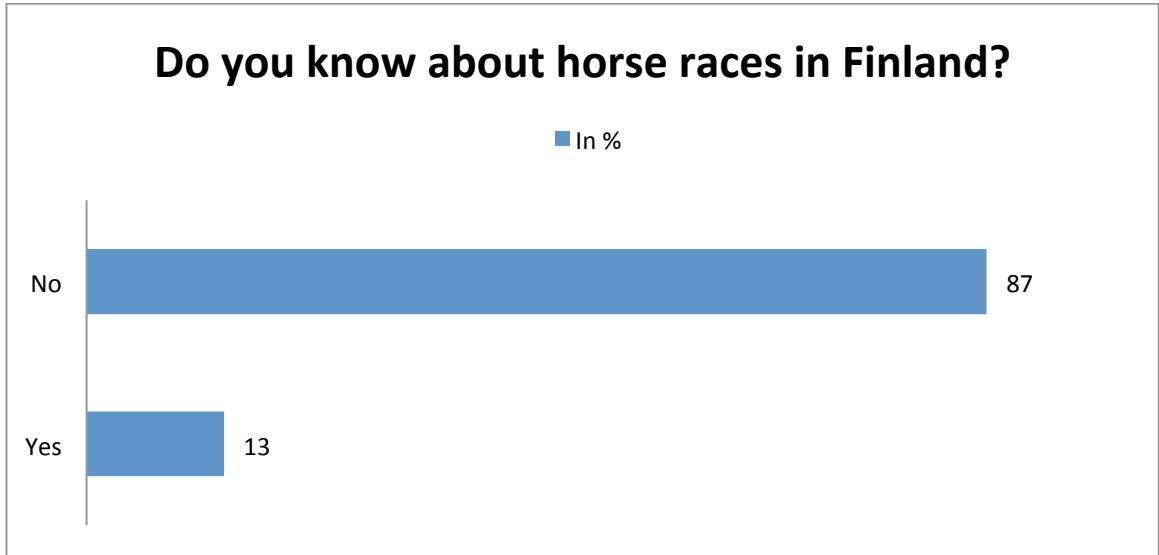


Figure 10. Awareness of gorse racing in Finland

The result about awareness of horse racing (Figure 10) existence in Finland is most important for this research. These findings show very dramatically the numbers and reflect poor or even absence of marketing and promotion of horse racing in the whole Finland. About 90 per cent of respondents answered that they do not have any idea about existence of racecourses and horse racing in Finland. In other words, companies involved in horseracing sport in Finland did not investigate and realized the potential to grow by attracting Russian tourists as a strategic development.

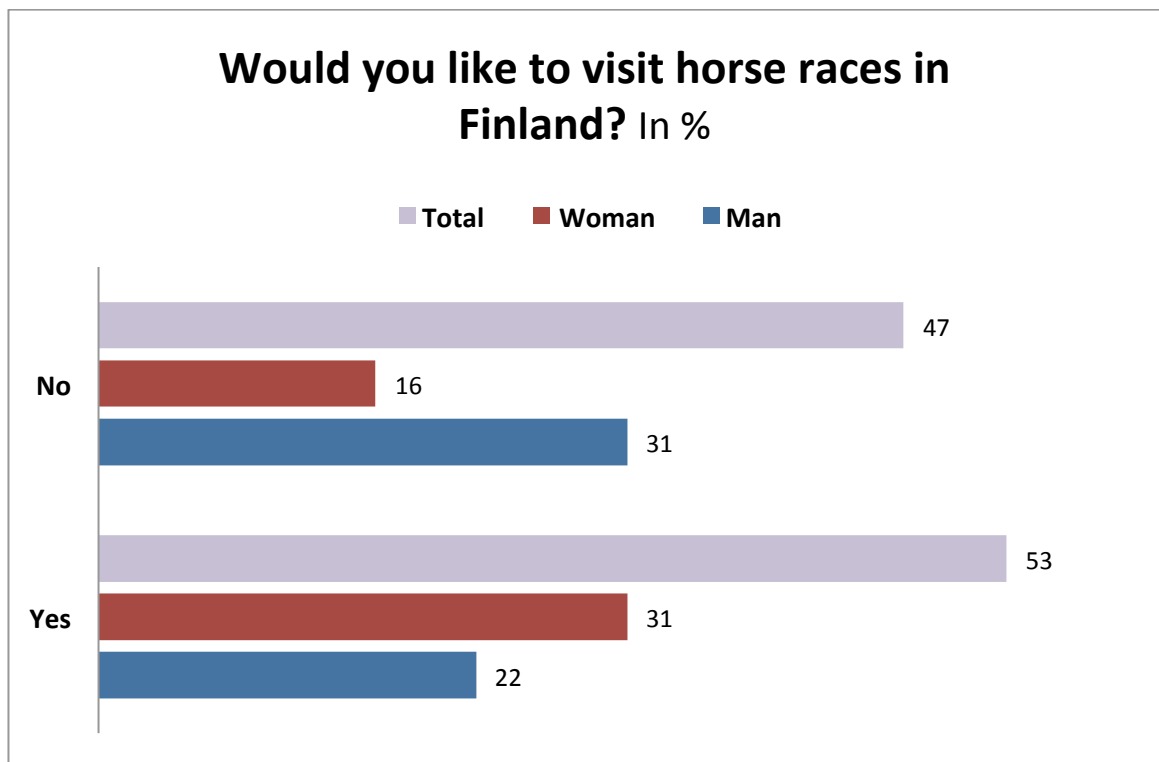


Figure 11. Interest to visit horse races

Based on the data provided by interview (Figure 11), over 50 percent of interviewed people wish to visit horse races in Finland. Contrary to expectations, the results indicated most of them are women, over 30 percent who gave positive answer.

It is very important to make an analogy of these results with Chapter number 2.2.2, where, according to investigation, with the beginning of World War I in 1914 horse racing were forgotten and after the revolution, racetracks in St. Petersburg area were liquidated and still not existing on the North West region of Russia.

For analyzing in this research, this is significant information, the consequence of which is to see that awareness of horse races is very low in this region. For this study the population of St. Petersburg and North West area is a potential target group. Moreover, based on Border Interview Survey (Finnish Tourist Board / Statistics Finland. MEK) (Figure 12), 79 percent of visitors are from St. Petersburg area. Therefore it can be argued that inhabitants of St. Petersburg area are not used to go to horse races and they don't have any idea what it is.

Definitely this fact affected of the result of answer – it was easier to say NO

**Taulu 2. Suomessa 1.1.-31.12.2012 käyneet Venäjällä asuvat matkustajat asuinalueittain (1000 matkustajaa)**

Table 2. Visits to Finland by Russian residents between 1 January and 31 December 2012; by area of residence (1000 passengers)

	Lkm No.	%	Haast. lkm / No. of interv.
(1) Pietarin alue / St. Petersburg area	2838	79	8344
(2) Moskovan alue / Moscow area	204	6	851
(3) Muu Euroopan puoleinen Venäjä / Other European Russia	507	14	1257
(4) Aasian puoleinen Venäjä / Asian Russia	30	1	125
<b>Yhteensä / Total</b>	<b>3578</b>	<b>100</b>	<b>10577</b>




Figure 12. Visits to Finland by Russian residents in year 2012 (MEK Oy. 2012)

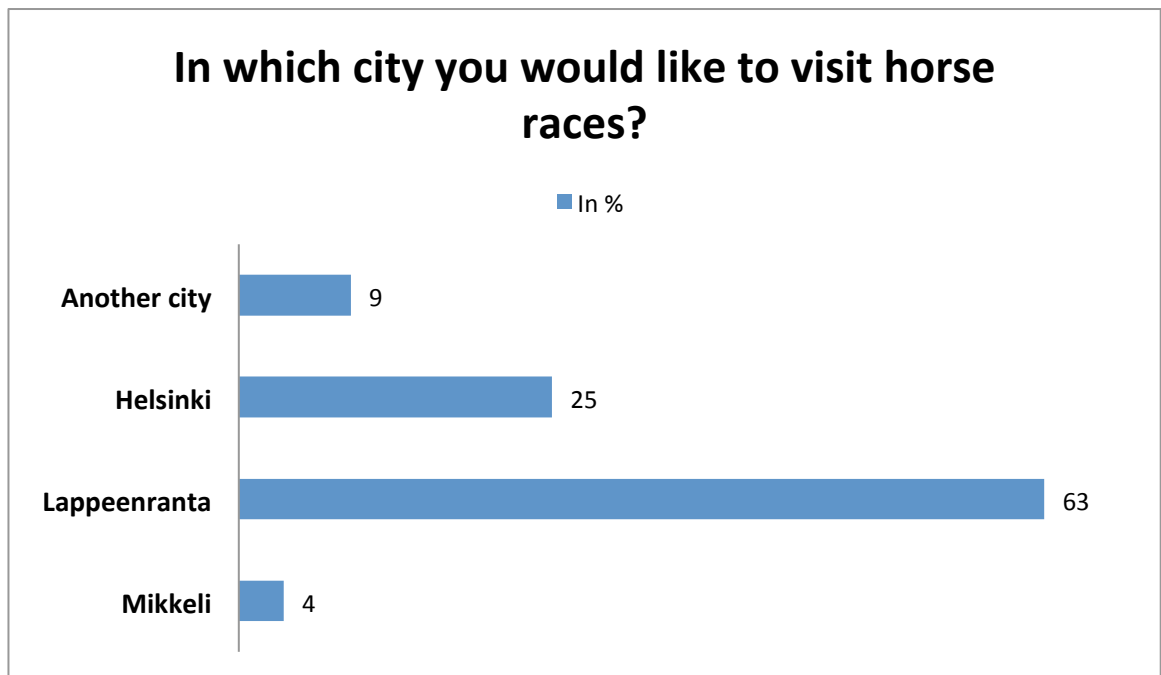


Figure 13. Location preferences

The results of the study show that Lappeentranta (Figure 13) is most popular destination for Russian visitors. The statistical results of research made by TAK Oy (Figure 14) support this approval. Over 60 percent of respondents would like to go to horse races in Lappeenranta. This can be explained by geographical



proximity of Lappeenranta to Russian border and availability of well-developed tourist infrastructure. Based on the research of TAK Oy, over 42 percent of Russian tourists traveling to Lappeenranta, 27 percent to Helsinki and only 2 percent to Mikkeli. According to survey of this thesis, 25 present of respondents are willing to travel to Helsinki in order to experience horse racing.

### Venäläisten matkakohteet Suomessa 2012

% matkustajista

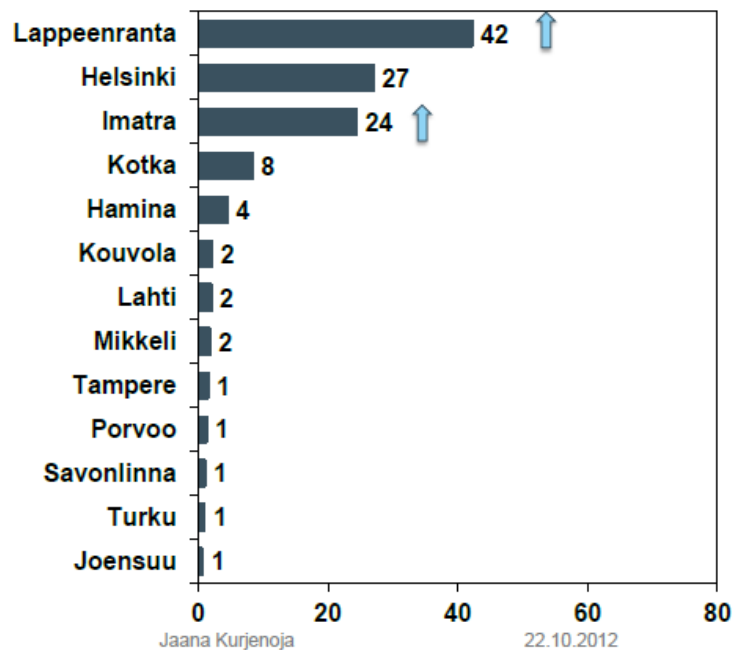


Figure 14. Statistical Research. Russian visitors in Finland. (TAK Oy 2012)

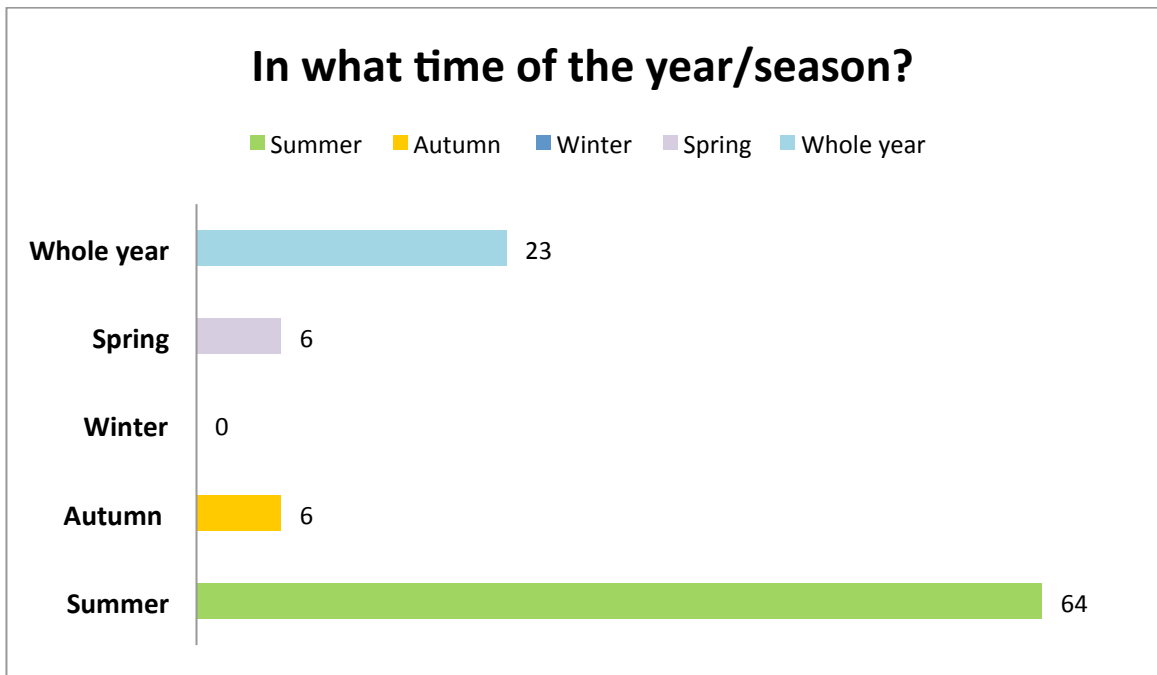


Figure 15. Season preferences

According to the result reflected on the Figure 15, major share of respondents (64 percent) are interested to visit races during summer time. And 23 percent of them allow visiting during whole year. This is very crucial observation for further marketing and promotion strategies for the race tracks in whole Finland. In particular, for the racetrack in Mikkeli where the most popular destination is cottage holiday and lakeside at summer.

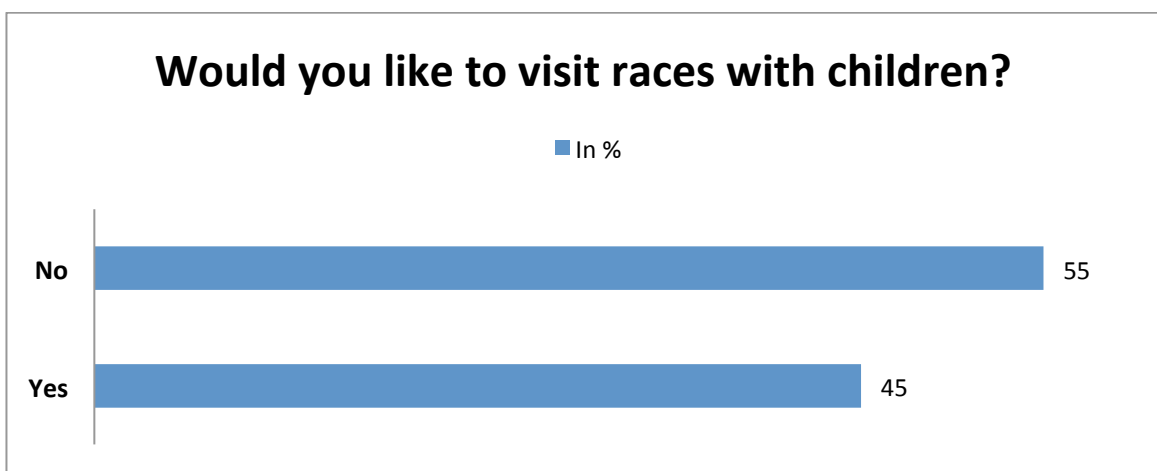


Figure 16. Family aspect

Results of this question indicate that 55 percent (Figure 16) of respondents would like to visit racetracks with their family's members and children.

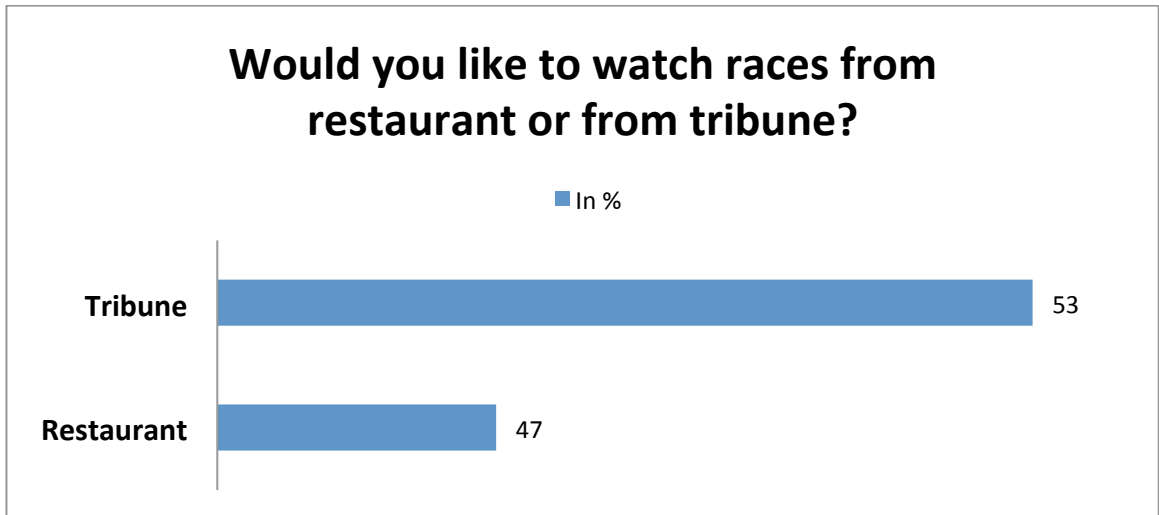


Figure 17. Preferences for allocation in the racetrack

Given findings from Figure 17, reflect the interest of Russian tourists to watch races from tribune. Partly it can be explained by previous investigation that major part of the respondents would like to visit racetracks at summer time.

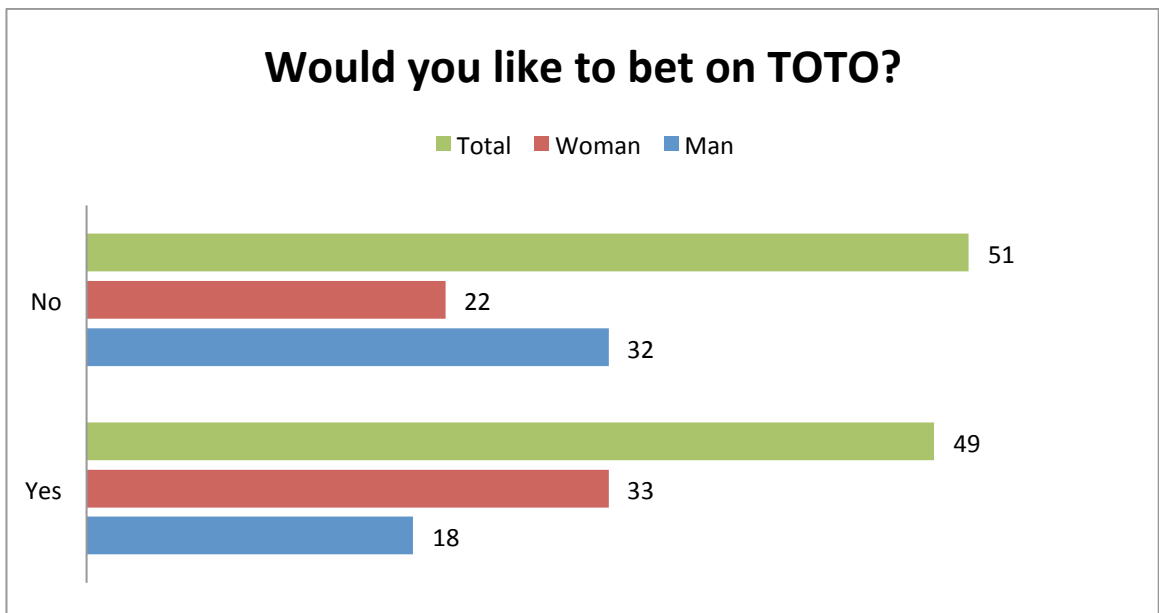


Figure 18. Betting interest

Contrary to expectations, the results on the Figure 18 indicated that Russians interviewees have interest to play on totalizer even if they do not have such experience (based on Chapter 2.2.5) and awareness of horse racing existence

in Finland. Surprisingly, most of respondents who are willing to bet are women (33 women of 50) and only 18 men.

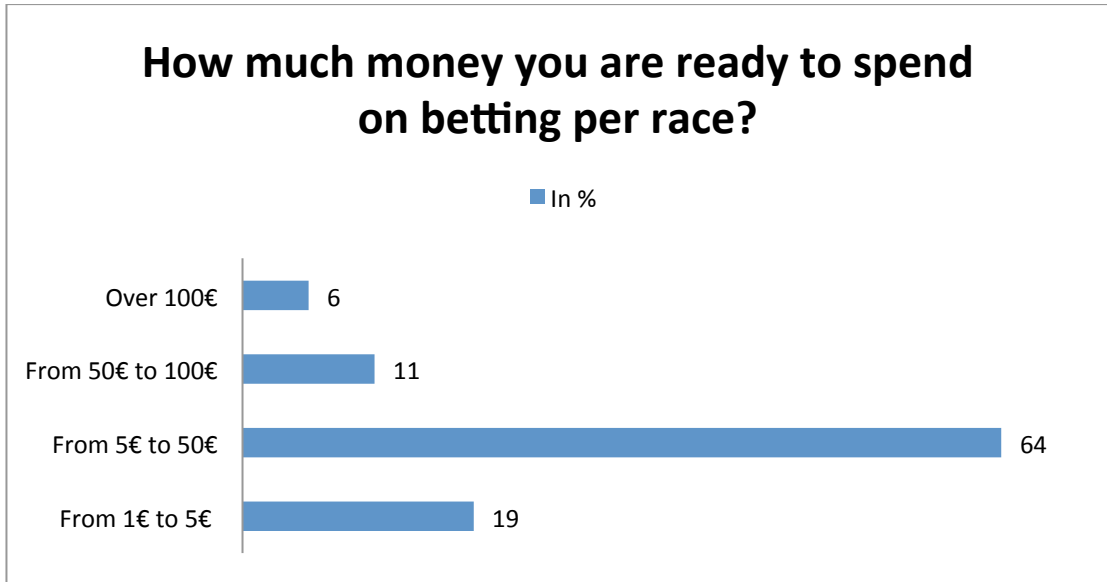


Figure 19. Preferences for money spending

Results shown on the Figure 19 reflect that 64 percent of respondents might spend from 5 to 50 EURO per one race and 6 percent over 100 EURO per race.

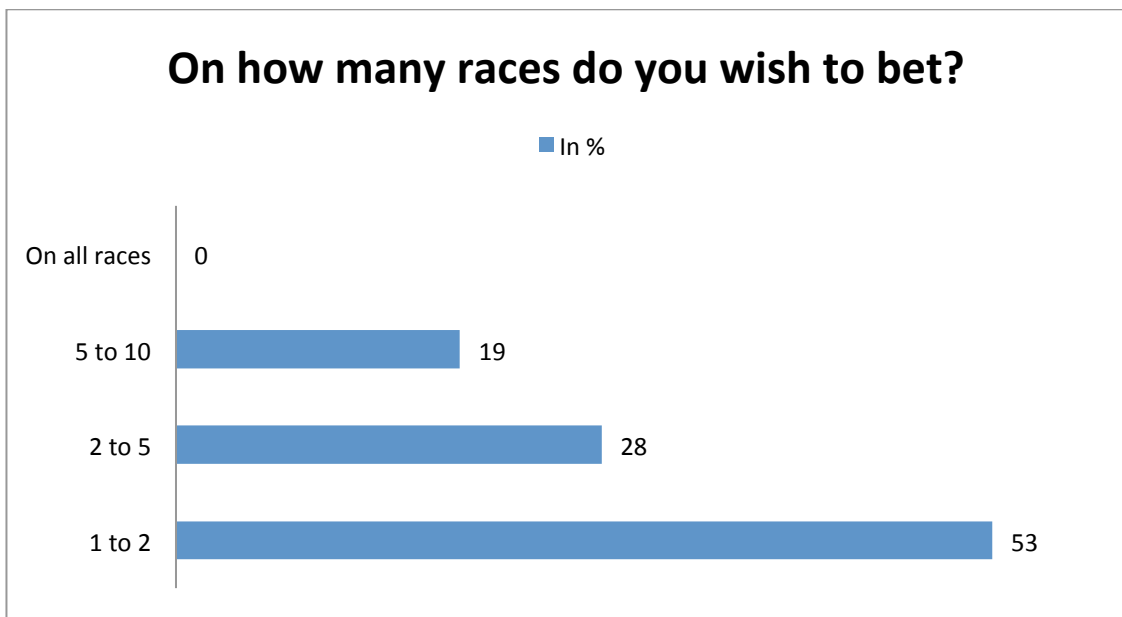


Figure 20. Number of races

Next question of this survey was addressed to investigate how much money Russian visitors might spend on betting. Based on the results (Figure 20), 53 percent of them would like to bet on 1 or 2 races. That could be explained by obstacle that respondents simply don't know how to play on totalizer and prefer to have low risk at the beginning.

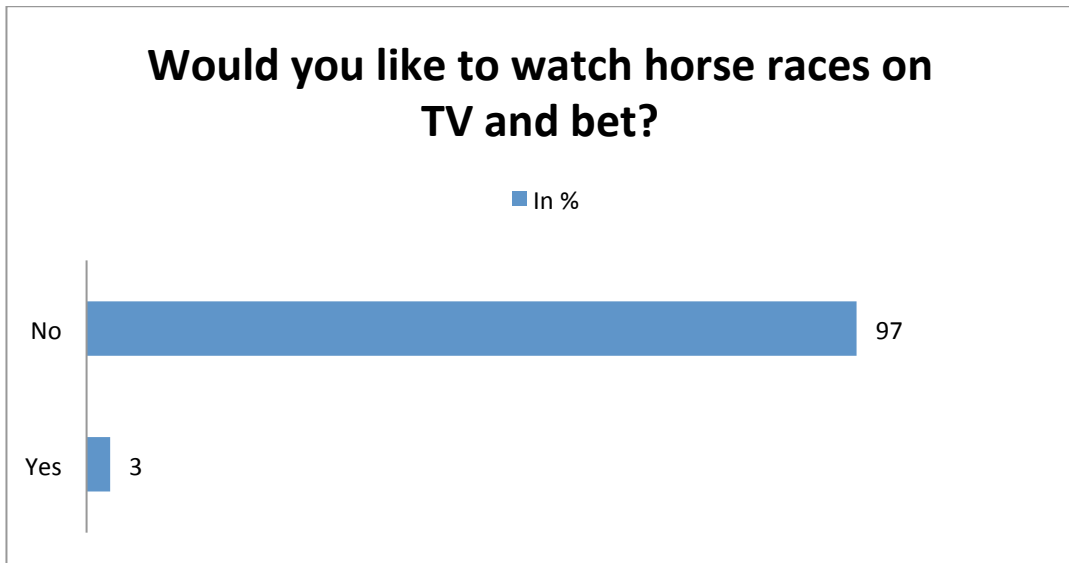


Figure 21. Races on TV

The fact that respondents of this survey did not have interest of watching races on TV (Figure 21) can be explained that they did not have such experience before because of absence of such possibility in Russia.

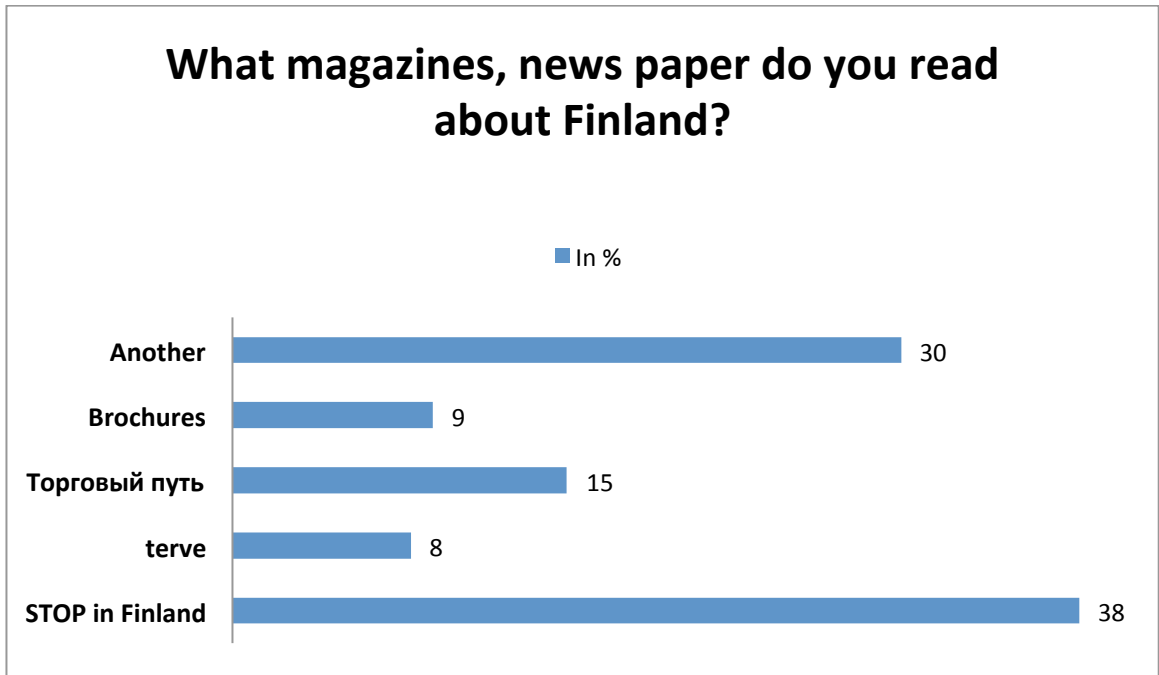


Figure 22. Prints preferences

Last question of survey aimed to understand the potential promotional sources for horse racing in Finland that exist at this moment. The most popular answer was magazine STOP in Finland (Figure 22), about 40 percent of respondents read this magazine.

### 3.2 Conclusions

The results of the semi-structured interview can be summarized in conclusions and some recommendations for implementation of further development of Mikkeli racecourse.

1. Based on the findings and thesis survey Russian visitors tend to travel mostly for one day and 40 % of thesis survey respondents answered that they are up to 3 days in Finland. Major part of Russian tourists obviously travel during weekend and for management of track in Mikkeli would be wise to promote races conducted on weekends and locate advertisement and promotion material in all hotel and cottages of Mikkeli and Etelä-Savo region.

2. Over 90 percent of Russian visitors are not aware of existence of horse races in Finland. Such a dramatic number reflects the absence of promotion and marketing of horse racing for Russian tourists. In other words, tracks and all organizations involved in this sport do not have any activities to attract new customers from Russia.
3. It is very crucial to understand that horse racing does not exist in St. Petersburg region and there is no horse racing culture there, but at the same time they are possible visitors. That means horse racing sport and betting should be promoted and sold like a new product. In order to be successful, race tracks and all organizations involved should conduct marketing and smart promotion strategies.
4. Based on the results of survey racetrack in Lappeenranta has a huge potential of gaining Russian customers and profit. Over 60 percent of respondents are willing to visit races there.
5. Summer time is most attractive for Russian tourists and race track of Mikkeli should be promoted during this period of the year, especially St.Michel as main event of the summer.
6. Russian visitors are willing to come on races with kids, so racetracks should provide entertainments for them like pony riding, playgrounds and excursions to stables.
7. Even with lack of experience Russian tourists have high interest of betting on horse racing. The only matter is to create clear and available instructions in Russian language and have enough Russian speaking personnel on the racetracks that can help.
8. Based on the results of survey, Russian people have high interest to gambling and they are ready to spend money on bets.

9. Races on TV absolutely out of interest.

10. Existing advertising magazines about Finland are quite popular and can be used as one of the promotion tool of marketing strategy.

Based on the findings it is possible to provide an answer on the first sub-question on the thesis. The analysis of the semi-structured interview reflects that the level on general awareness of Russian tourists to the existence of horse racing in Finland is very low or even close to absolute ignorance.

### **3.3 Analysis of current situation**

The data for this empirical part were collected through the survey of four mystery shoppers. The questionnaire for survey is attached in Appendix 3.

Four Russian mystery shoppers have visited racetrack in Mikkeli on one of the race day at summer of 2014. The information was gathered from questionnaire what was written as a feedback after visiting show.

Investigation aimed to analyze the current situation of the racetrack in Mikkeli in order to find out readiness to take Russian customer, discover flaws and difficulties through real life experiment, and understand further development.

Four Russian customers took a part in this mystery shoppers experiment. Three ladies age of 53, 55 and 29, and one man age of 40. All of them are from St. Petersburg region and were visiting races for the first time. The questionnaire consists of 16 statements and seven open questions. Statements and questions in this questionnaire were categorized under five main categories: expectations prior to visiting, web page of the Mikkeli racecourse, race track itself, restaurant, betting and feedback after the visit.



The respondents were asked to give an answer to the statements according to Likert-type scale, where 1 is equal to totally disagree and 5 is equal to totally agree. Likert-type or frequency scales use fixed choice response formats and are designed to measure attitudes or opinions (Bowling, 1997; Burns, & Grove, 1997). These ordinal scales measure levels of agreement/disagreement and results were calculated according to average rate.

Fist question was asked in advance about the expectation of visiting horse races.

### **Expectations prior the visit:**

#### **1. Expectations you have for visiting horse races in Finland**

*Answers:*

- No any expectations. This is a first time for me on the hippodrome.
- No expectations.
- Just a way to spend a time. Associations with the movie Pretty Woman.
- Way to try something new. Interest and possibility to come back gain and spend free time.

### **Racetrack website:**

All of respondents were asked to check web-page in advance and give comments in questioner.

#### **2. Did you get information you were looking for?**

*Answers:*

- yes                      - yes                      - no                      - no

#### **3. It was easy to find information about races from the website**

[www.mikkelinravirata.fi](http://www.mikkelinravirata.fi)

Totally disagree    1   2   3   4   5    Totally agree

Results: 4; 3; 1; 3 Average: 2,8

**4. The website of Mikkelin Ravirata is attractive and information there was easy to read**

Totally disagree 1 2 3 4 5 Totally agree

Results: 2; 2; 1; 1 Average: 1,5

**5. Comments about web-page:**

- Interface is not convenient
- Not available in Russian language and not even in English
- It is very difficult to understand anything and principles of Toto betting

**6. Did you like the design of website?**

- No; - No; -Yes; -No

**Race track:**

**7. How did you arrive to the racetrack (for example by car, bus etc.)?**

All of respondents arrived by car

**8. It was easy to find racecourse**

Totally disagree 1 2 3 4 5 Totally agree

Results: 5; 4; 4; 1 Average: 2,5

**9. Outlook of the race track and territory around were visually pleasant**

Totally disagree 1 2 3 4 5 Totally agree

Results: 3; 5; 5; 1 Average: 3,5

*Comments:*

- Clean, beautiful, no dust, a lot of parking place
- It was very convenient to watch races from the restaurant

**10. Necessary information on Info desk was easily found**

Totally disagree    1   2   3   4   5    Totally agree

*Results:*        2;    1;    1;    1                    *Average: 1,25*

*Comments:*

- *Personal on info desk doesn't speak on Russian*
- *Where is information in Russian language???*

**11. Service on Info desk was professional**

Totally disagree    1   2   3   4   5    Totally agree

*Results:*        2;    2;    1;    1                    *Average: 1,5*

*Comments:*

- *No instructions for betting in Russian language!!!*
- *Instructions in Russian language were very difficult to find*
- *Instructions for betting in Russian language should be available everywhere*

**Restaurant:**

**12. Restaurant was easy to find**

Totally disagree    1   2   3   4   5    Totally agree

*Results:*        3;    3;    1;    2                    *Average: 2,25*

*Comments:*

- *Not convenient entrance to the restaurant, should be signs in Russian language*

**13. Outlook of the restaurant was visually pleasant**

Totally disagree    1   2   3   4   5    Totally agree

Results: 3; 3; 2; 5 Average: 3,25

Comments:

- Nothing special. Very simply lunch, no dessert.
- Interior is not nice. Plates are dirty.
- Restaurant is very convenient to watch races. Food could be better.
- No lemonade in the bar

**14. Receptionist on restaurant noticed you right away and greeted you properly**

Totally disagree 1 2 3 4 5 Totally agree

Results: 3; 3; 4; 5 Average: 3,75

**15. Receptionist gave you directions what to do and made you feel comfortable**

Totally disagree 1 2 3 4 5 Totally agree

Results: 2; 3; 2; 2 Average: 2,25

**16. Buffet-lunch was good**

Totally disagree 1 2 3 4 5 Totally agree

Results: 5; 2; 1; 5 Average: 3,25

Comments:

- Food was not so good. Not enough varieties. No drinks.

**17. Service at restaurant was professional**

Totally disagree 1 2 3 4 5 Totally agree

Results: 5; 4; 3; 5 Average: 4,25

Comments:

- No services in Russian language
- Personal doesn't speak in Russian language

- No programs of races in Russian language in restaurant

**Betting:**

**18. Did you like to bet?**

- yes; -- yes; - yes; - yes;

**19. It was easy to find information and instructions about betting system**

Totally disagree 1 2 3 4 5 Totally agree

Results: 1; 1; 2; 1 Average: 1,25

**20. It was easy to read and understand betting instructions**

Totally disagree 1 2 3 4 5 Totally agree

Results: 3; 3; 1; 4 Average: 2,75

*Comments:*

- It was difficult to understand. Finally I managed to make a bet on 5 EURO and I won 6,37 EURO

- It needed to be shorter and easier to read instruction instead of long one

- It was very difficult to understand how to bet without help

- I have managed to understand how to bet only with instructions in Russian in language

**21. Staff at restaurant was helpful and explained you how to bet**

Totally disagree 1 2 3 4 5 Totally agree

Results: 1; 2; 1; 1 Average: 1,25

*Comments:*

- No! I needed to read instruction myself

- Needed to ask help of Russian friends. Personal cannot help.

- At the payment desk I got some explanations in very poor English

## 22. Staff was professional

Totally disagree    1   2   3   4   5    Totally agree

Results:        2;    1;    1;    1                    Average: 1,25

## Feedbacks post your visit:

### 23. Positive/negative feedback of the horse races after your visit.

- *I liked this new for me experience a lot! Would be nice to listen music among races. Service on Info desk should be organized in Russian language. Instructions with better explanations in Russian language. I like a lot small gifts on the entrance.*

*Would like to come back in here again. Would be great if some regular transfer was organized from St. Petersburg.*

*Good entertainment for the whole family. On the territory around hippodrome I would like to see playgrounds for kids.*

- *I liked horse races a lot! It is very interesting to bet and watch races. Would be good to hear comments in Russian language and music among races.*
- *It was much better than I expected! Building and surroundings are not so beautiful, but clean. Positive thing is that I can come in here with my kid. Personal doesn't speak in Russian and few of them hardly speak in English. No music. I would like to see kiosk with ice cream in here. Transfer for Russian tourists should be organized from city center or from hotels.*
- *It is my first time on racecourse and I got very positive emotions. I liked a lot to bet on Toto.*

### **3.4 Conclusions**

The findings of this research method provide an answer on second sub-question of the thesis. Results of the investigation with mystery shoppers show that racetrack in Mikkeli is not ready and not welcome to attract Russian tourists. Web-page is realized at this moment only in Finish language and information in Russian language is published only at web-page of Lappeenranta racetrack. Customers could not find any information about betting and even about location of racetrack. In other words, potential customers immediately get negative impression after visiting web-page. This fact might prevent them to go to racecourse at all.

Hippodrome is possible to find only by using navigator and most of mystery shoppers found it quite difficult. Outlook of the racecourse and territory around were visually quite pleasant for them, but at the same time it was very simply and customers did not find features in design. Some of them faced with difficulties to find way to the restaurant and mentioned absence of signs in Russian language.

All of respondents found restaurants very convenient to watch races. Negative comments were related to food in buffet and lack of drinks. Most negative impression was about absence of service in Russian language in the restaurant.

As it was quite easy to foresee, based on previous research in this thesis, all of mystery shoppers liked to bet a lot. But even with such interest to gambling, it was very difficult for them to find instructions in Russian language and understand how to play on Toto. They did not find any support from the personnel in the restaurant and on Info desk and were left to themselves. At the same time, instructions that they found in Russian language were difficult to read and understand.

To conclude given results of survey with mystery shoppers it is possible to say that Mikkeli racecourse is absolutely not ready to entertain guest from Russia and obviously a lot of work should be done before trying to attract them.

#### **4. EVALUATION AND RECOMMENDATIONS**

The objective of this study is to determine possible prospects for further development of horse racing businesses in Finland and particularly the racetrack in Mikkeli by attracting tourists from Russia. Based on the findings conducted through different research methods, literature review, semi-structured interviews, survey and questionnaires, it is possible to conclude that there is a potential for further development, but there are a number of certain limitations.

The final result of this thesis is implemented through recommendations for further evaluation and development of Mikkeli racecourse. Recommendations are given based on the evaluation of the data analysed in this thesis both in theoretical framework and empirical part.

Recommendations described in this part of the study, provide an answer to the main research question of the thesis: How to attract Russian visitors to horse races in Mikkeli (Finland)?

Recommendations are separated by three main strategic directions (Figure 23): Marketing; Promotion; International Collaboration.



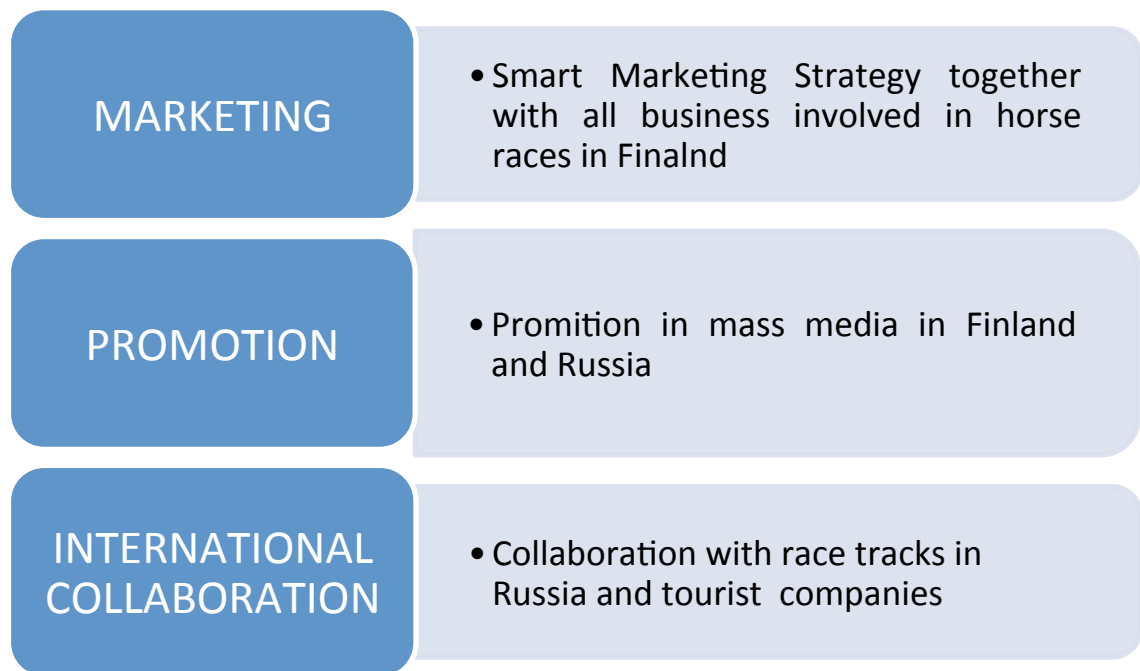


Figure 23. Strategic direction

### **Marketing**

Based on statistical data listed in theoretical part of this thesis, the amount of Russian tourist visiting Finland soon will reach number of 5 million, what is approximately population of whole Finland. According to the survey and research of University of Eastern Finland and the Research and Analysis Centre TAK, the current number of Russian tourists visiting South-Savo region is about 200 000 visitors. The visa liberalization process among EU and Russia would bring double tourists. The number of Russian visitors would be over 434 000. By this fact, Finnish companies involved in tourist sector should be prepared to act and for the racetrack of Mikkeli it is a huge opportunity to grow and gain more profit.

Thereby, the recommendation for the management team of race track in Mikkeli is to collaborate with other organizations involved in horse race to spotlight and create smart marketing strategy and estimation of development and potential risks.

Based on the findings in empirical part of the study, racetrack of Mikkeli should start with creation of well-designed web-page in Russian language, further maintenance and instructions for betting that will be easy to understand for new customers.

During summer time, when the number of Russian visitors is maximum, Russian-speaking personnel should provide service at the Info desk and in restaurant.

CRM services available for Russian visitors should be implemented in collaboration with Fintoto Oy and Suomen Hippos ry., meaning the creation of a clients/customers database for sending advertisements, etc.

One of the recommendations is collaboration with tourist companies and hotels in Finland in order to gain more guests from Russia.

## **Promotion**

Based on the investigation of theoretical framework of this thesis, horse racing sport does not exist in the region of St. Petersburg, that is why it is crucial to promote it as a new brand.

It is very important to write and publish articles in FIN-RUS magazines and newspapers in Russian language such as STOP in Finland, Terve, Trade Way and on all possible touristic portals like <http://www.visitmikkeli.fi>

Promo and advertising materials should be prepared in Russian language and distributed in all tourist points of interest.

Another recommendation is to organize promotion in hotels, main tourists centers, universities and through social network [www.vk.com](http://www.vk.com), what gained at this moment 237 000 000 people.

Taking into considerations the results of mystery shopper survey, the detailed instructions for TOTO betting should be created in Russian language and distributed in all racetracks.

### **International collaboration**

Based on information from theoretical part related to development of horse sport in St. Petersburg, where in the Vsevolozhsk district will be built the racetrack for 25 thousand spectators, and generally in Russia, there is a huge opportunity for horse race businesses in Finland to collaborate, invest and implement their practices on the growing market.

Racetrack of Mikkeli should search for potential customers through tourist companies in Russia to create promotional programs and materials with Russian tourists companies, like transfer and leisure packages. As well, to participate in tourist exhibitions in Russia.

### **SUMMARY**

The research of this thesis was addressed to analyze the prospects and possibilities for developing the Mikkeli racecourse. A further goal was to analyse the general interest of Russian tourists to horse racing and on readiness of Mikkeli racetracks to serve Russian guests. The minor study objective was to provide brief recommendations for development ideas corresponding to the results of the analysis.

Chosen research methods were implemented in the empirical part of the study and concentrated on gathering the customers' preferences through semi-structured interviews, survey and analysing the theoretical framework. Conclusions obtained by these investigations provided answers on one sub-question posed in the thesis.

The results given in this study show that there is a huge potential to grow and gain more customers and profit by attracting Russian visitors. The only matter is implementation of smart marketing strategy.

Based on the results of the thesis analysis is it possible to underline that horse race activities are strongly developed in Finland, distribution and sales channels organised widely in the country and based on modern technologies. International horse race championships are held on the high level and according to world's standards. In contrast to this, nowadays Russian racetracks are experiencing hard times with most of them in decline.

Findings of the thesis create prospective solutions about how to attract Russian visitors, improve current situation on the racetrack and determine recommendations for further development of the racetrack in Mikkeli.

In addition, based on analysis and investigations conducted in the study, there is a huge opportunity for horse race businesses in Finland to collaborate, invest and implement their practices on the growing market in Russia, in particular due to development project in St. Petersburg.

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## Appendix 1. Semi-structured interview form

		1	2	3	4
1	Age				
2	Gender				
3	For how many days you are in Finland?				
4	Do you know that there are horse races in Finland?				
5	Would you like to visit horse races in Finland?				
6	In which city?				
7	In what time of the years?				
8	With children?				
9	Would you like to watch horse races from the restaurant of hippodrome or from tribune?				
10	Would you like to bet on TOTO?				
11	How much money you are ready to spend on betting per race in €?				
12	On how many races do you wish to bet?				
13	Would you like to watch horse races on the TV and bet?				
14	What magazines, news paper do you read about Finland?				

## Appendix 2. Semi-structured interview in vk.com





sign up

Phone or email

Password

Log in

Sign up

Forgot your password?

Open community

Опрос для дипломного проекта

Description: Друзья, я провожу маркетинговый опрос для моего дипломного проекта! Ниже вы найдете 14 вопросов о лошадиных бегах в Финляндии. Цель моего проекта - проанализировать интерес Российских туристов к лошадиным бегам в Финляндии. Спасибо за адекватные ответы и потраченное время! :) Таранова Юлия

Website: http://www.lappeenravit.fi/

Location: Saint Petersburg, Russia

Свежие новости

Photos

4 photos in the main album

All albums



16 posts



Опрос для дипломного проекта

Julenka Sunshine

May 23, 2013 at 1:52 pm

Друзья, кто хочет поехать на лошадиные бега в субботу 25-го мая в Лappeenranta? Начало в 18:00

С меня бесплатные входные билеты, забронированные места в ресторане и ужин-буфет! Плюс 5 евро на ставку!

С вас заполнить мой опросный лист, плюс фидбек о бегах.

Пишите в личку!

http://www.lappeenravit.fi/lappeenranta/

http://www.lappeenravit.fi/lappeenranta/finvirata/r...



File Lappee\_esite\_RUS\_2013\_A4\_07022013.pdf

Link: www.lappeenravit.fi

23 May 2013

1



Опрос для дипломного проекта

Друзья, я провожу маркетинговый опрос для моего дипломного проекта! Ниже вы найдете 14 вопросов о лошадиных бегах в Финляндии. Цель моего проекта - проанализировать интерес Российских туристов к лошадиным бегам в Финляндии. Спасибо за адекватные ответы и потраченное время! :) Julenka Sunshine

Julenka Sunshine

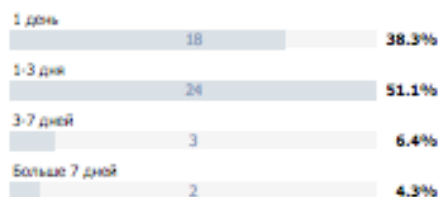
19 May 2013



Опрос для дипломного проекта

На какое количество дней вы приезжаете в Финляндию?

Public poll



Members

28 people



Vadim



Vasya



Anzhela



Boris



Nikolay



Yulia

Contacts

1 contact



Julenka Sunshine

### Appendix 3. Questionnaire for mystery shoppers

## QUESTIONNAIRE Feedback

Thank you for taking part on the survey. This survey consists of 7 open questions and 16 statements. Please, when answering the statements, choose and rate the degree of importance of each statement on a five-point scale. Empty lines are for additional information and observations, feel free to write anything you experienced. This is an anonym survey.

#### Background information:

Age:\_\_\_\_\_ Gender:\_\_\_\_\_

Have you visited horse races prior to this survey?

---

---

#### Expectations prior the visit:

1. Expectations you have for visiting horse races in Finland

---

---

---

---

#### Race track website:

2. Did you get information you was looking for?

---

3. It was easy to find information about races from the website

[www.mikkelinravirata.fi](http://www.mikkelinravirata.fi)

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

4. The website of Mikkelin Ravirata is attractive and information there was easy to read

Totally disagree    1   2   3   4   5    Totally agree

---

---

5. Your comments about website:

---

6. Did you like the design of website?

---

---

**Race track:**

7. How did you arrive to race track (for example by car, bus etc.)?

---

8. It was easy to find race track

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

9. Outlook of the race track and territory around were visually pleasant

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

10. Necessary information on Info desk was easily found

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

11. Service on Info desk was professional

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

**Restaurant:**

12. Restaurant was easy to find

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

13. Outlook of the restaurant was visually pleasant

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

14. Receptionist on restaurant noticed you right away and greeted you properly

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

15. Receptionist gave you directions what to do and made you feel comfortable

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

16. Buffet-lunch was good

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

17. Service at restaurant was professional

Totally disagree    1   2   3   4   5    Totally agree

---

---

**Betting:**

18. Did you like to bet?

---

---

---

19. It was easy to find information and instructions about betting system

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

20. It was easy to read and understand betting instructions

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

21. Staff at restaurant was helpful and explained you how to bet

Totally disagree    1   2   3   4   5    Totally agree

---

---

---

---

22. Staff was professional

Totally disagree    1   2   3   4   5    Totally agree

---

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---

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