



## **MARKETING PLAN FOR HOTEL KAKSLAUTTANEN**

**Thesis**

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**Degree Programme in International Business**

**International Marketing Management**

Accepted \_\_. \_\_. \_\_

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**SAVONIA UNIVERSITY OF APPLIED SCIENCES**

Business and administration, Varkaus

**Degree Programme**

International Business, International Marketing Management

Author

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Title of Project

Marketing Plan for Hotel Kakslauttanen

Type of Project

Thesis

Date

22.05.2011

Pages

88+6 pages

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Abstract

The objective of this thesis was to make a marketing plan for Hotel Kakslauttanen to increase its sales and profit, to improve the satisfaction of customers and to promote popularity and reputation.

The quantitative research method was considered to be the most appropriate for this research. In the theoretical part, the study was focused on internal and external marketing environment analysis, marketing strategies management, planning, marketing mix and segmentation. The empirical part included questionnaire research among Hotel Kakslauttanen's 200 accommodated customers and 100 co-operative travel agents. A marketing plan was made by summarizing the survey results and analyzing the marketing environment.

Consequently, until March 2011, this marketing plan has been helping to attract more clients and to obtain 4 % higher profit compared with March 2010. Apart from this, Hotel Kakslauttanen's reputation and popularity have grown due to trade fairs, exhibitions and advertising in magazines and newspapers. More and more customers who come from worldwide would like to accommodate and experience different service types in Hotel Kakslauttanen. In addition, more and more travel agencies try to build co-operation with Hotel Kakslauttanen.

In the long term the objective is to provide a positive hotel experience for customers, to improve the customer's satisfaction, to promote the popularity and the reputation of the hotel worldwide and to accomplish 2 - 5 % sales profit growth with the given budget every year. The study provides suggestions for realizing the marketing plan, which will hopefully help to achieve these goals in the future.

Keywords

Hotel Kakslauttanen, marketing plan, customers, clients, travel agencies, SWOT analysis, profit

Note

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# **1 INTRODUCTION**

## **1.1 Objective of the Research**

Due to the current growth of economies and the increase in competitive pressure, Hotel Kakslauttanen has to figure out some marketing plans and strategies to attract more customers. Several months of basic training as a waitress and in-depth training as an office clerk in Hotel Kakslauttanen offered a starting point for the marketing study.

First of all, the research started with analyzing Hotel Kakslauttanen from the perspective of internal and external conditions. The next step was to collect opinions and advice from accommodated customers. Obviously, the focus of this research is on customers' opinions and suggestions, which were gathered by questionnaires in face-to-face interviews. For instance, questions like which aspect attracts the customers most in Hotel Kakslauttanen and how do they consider room prices and so on were all included. Furthermore, cooperators' advice is also extremely important for the hotel's development. Hence, a questionnaire was also sent by emails to collect Hotel Kakslauttanen's cooperative travel agencies' ideas.

In a word, the objective of this research was to make a marketing plan for Hotel Kakslauttanen to increase its sales and profits, to improve the satisfaction of its customers and to promote popularity and reputation in the world area.

## **1.2 Structure of the Report**

This thesis report begins with objective, structure and limitations of the research. Followed by the theoretical part, it is going to focus on internal and external

marketing environment analysis, marketing strategies management, planning, marketing mix and segmentation. Additionally, brief introduction, background information, service offering details, customer groups, co-operative travel agencies and nearby and distant competitors of Hotel Kakslauttanen will be included as well.

The quantitative research method was considered to be the most appropriate for this research. On the other side, in order to find out how accommodated customers and co-operative travel agencies thought of Hotel Kakslauttanen's food, accommodation, service and so on, the empirical part included questionnaire in face-to-face interviews among 200 Hotel Kakslauttanen's accommodated customers and a questionnaire by emails for 100 co-operative travel agents. After summarizing the survey results and analyzing of the marketing environment, a marketing plan for Hotel Kakslauttanen was designed.

### **1.3 Limitations of the Research**

As originally planned, the research was going to be implemented with direct clients and all the co-operators of Hotel Kakslauttanen such as travel agencies, safari companies, taxi companies, and food, drinks and souvenir suppliers and so on. However, in this way the length of thesis and the range of research both come burdensomely. As a result, it was decided to focus only on the main co-operator, travel agencies.

Thus, the research results might be incomplete because of the limitation in researched objects. In addition, the marketing plan for Hotel Kakslauttanen could be incomprehensive which lacks of tactics for other co-operators except travel agencies.



## **2 MARKETING ENVIRONMENTS OF HOTEL KAKSLAUTTANEN**

Market analysis is an essential input to develop the market-based management strategies that deliver customer needs, competitors' moves and capabilities and tracking of market-based performance. (Best 2004, 57)

### **2.1 Internal Marketing Environment**

Internal marketing is a process that occurs within a company or organization whereby the functional process aligns, motivates and empowers employees at all management levels to deliver a satisfying customer experience. Over recent years internal marketing has increasingly been integrated with employer branding, and employer branding management, which strives to build stronger links between the employee brand experience and customer brand experience. According to Burkitt and Zealley, "the challenge for internal marketing is not only to get the right messages across, but to embed them in such a way that they both change and reinforce employee behavior"( Burkitt and Zealley 2006, 295)

Internal environment involves issues within the organization, which are the employee attitudes, new equipment, strategy, work forces. The organization has the control of these matters because it happen within the organization unless like external environment. (WikiAnswers 2011).

#### **2.1.1 Brief Introduction of Hotel Kakslauttanen**

Hotel Kakslauttanen is located in the Saariselkä fell area amidst beautiful Lapland scenery in the vicinity of Urho Kekkonen National Park. The hotel enjoys excellent

connections. Highway 4 is nearby and all scheduled buses drive right up to the hotel. Ivalo airport is just 35 kilometers away with a bus transfer straight to the hotel front-door.



Figure 1. The geographic location of Hotel Kakslauttanen. (Kakslauttanen 2011)

Hotel Kakslauttanen owns forty first-class log cabins. In detail five are queen suites, one honeymoon turf chamber and one traditional Lappish farmer log house. The cabins locate far apart sufficiently and each cabin enjoys its own peaceful garden area. Moreover, Hotel Kakslauttanen has the world's largest smoke sauna, equipped with its own restaurant, the main building log house restaurant, two exotic Lapp tent restaurants and a charming snow restaurant.

It is worth to mention that Hotel Kakslauttanen is the home of the famous Igloo Village with the unique Glass and Snow Igloos. In winter it is possible to stay

overnight in a traditional snow igloo or a unique futuristic glass igloo, where you can admire the northern lights in a normal room temperature under the glass ceiling. Igloo village which is also home of snow chapel and an ice bar both built every winter is open every year from December/January and until the end of April.

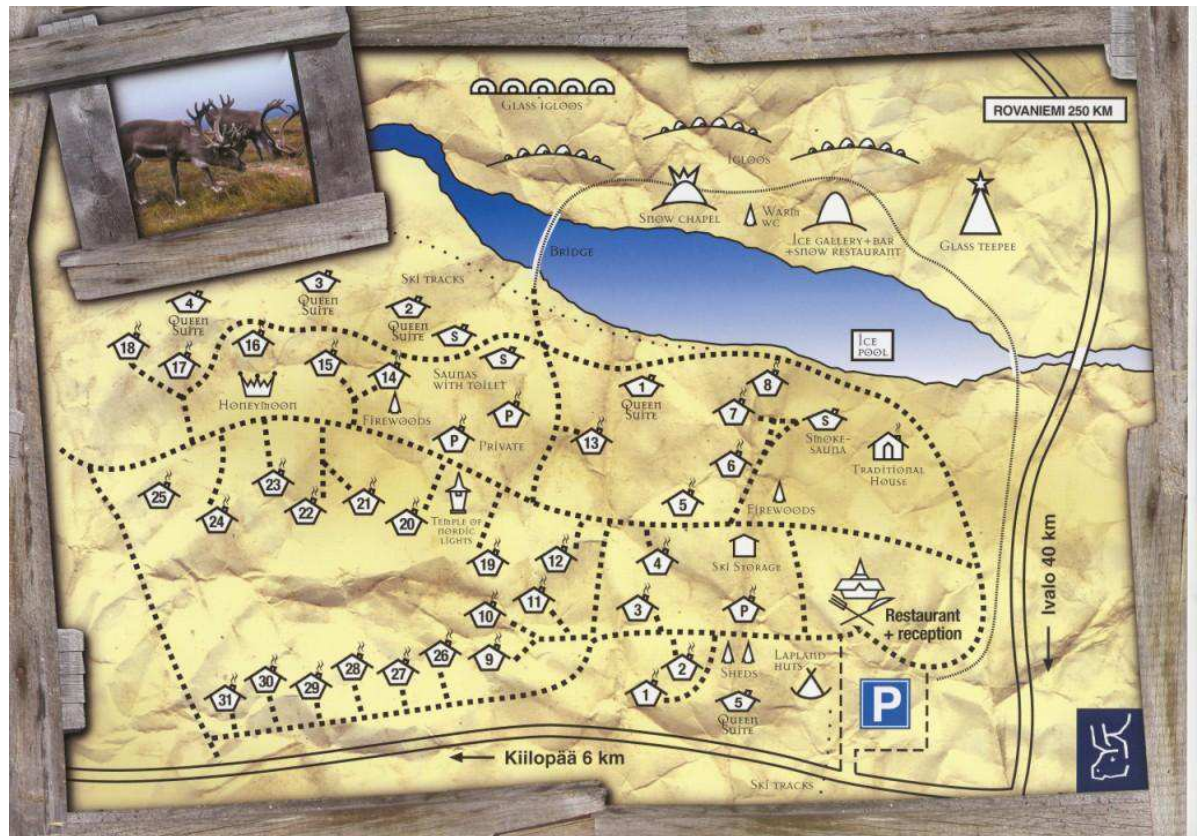


Figure 2. Hotel Kakslauttanen pattern. (Kakslauttanen 2011)

### 2.1.2 Background of Hotel Kakslauttanen

If any entrepreneur deserves to be honored for lifetime achievement in Lapland's tourism business, it would certainly be Jussi Eiramo. In 1973, Eiramo found a place to settle down in the village of Kakslauttanen, near Saariselkä and Ivalo, an area where the old-time logging culture was still live. (Toivanen 2007, 100)

Eiramo originally planned to set up a fishing place in Kakslauttanen, and found a property by sheer luck. The fishing plan did not work out, so he built eight cabins and 30-square-meter cafeteria. As difficult as things were in the beginning, the Kera fund (part of the state-owned Finnish Industry Investment) had to be convinced that tourism could be a way to make a steady living in Finland. (Toivanen 2007, 100)

That's how it started and right away the oil crisis struck, which meant hard time for companies dependent on car tourism. Soon another oil crisis followed, posing more challenges, but Eiramo made it by living thriftily and throwing his personality into marketing. Soon he was able to extend the holiday village, with a major expansion in 1985. (Toivanen 2007, 100)

Contacts in Europe turned out to be important when the casino economy began to overheat and a recession inevitably followed. The end of the 1980s boom could be seen in Hotel Kakslauttanen by the fact that the Finnish clientele disappeared completely. (Toivanen 2007, 100)

Jussi Eiramo was suffering and wondering why the foreigners didn't come in the winter. Therefore, in the late autumn of 1991, Eiramo packed up his car and began a month-long marketing trip to Europe, driving as far as Milan. And when he returned home, the first reservation request for the late winter/early spring season was waiting for him. Suddenly the place was full of foreigners during the winter, and as others were going under, Kakslauttanen was enjoying its best times ever. (Toivanen 2007, 100)

Nowadays, 98 % of the customers are foreigners, as are more than half of the employees. That area spurred a real rise to international recognition and media coverage, even including National Geographic magazine. The place's new

innovations attracted a lot of interest. Especially the igloos, including traditional ones made of snow and new ones made of glass. (Toivanen 2007, 100)

Meanwhile, the snow church has become popular for weddings. Last year 70 couples tied the knot there, causing Eiramo Finnish biggest marrier of foreigners. (Toivanen 2007, 100)

### **2.1.3 Services Offered by Hotel Kakslauttanen**

Nowadays Hotel Kakslauttanen owns unique glass igloos, special snow igloos, an ice chapel, a snow restaurant, the Santa Resort, luxury log cabins and the world's largest smoke sauna in an aurora borealis and midnight sun magic land.

#### **Log Cabins**

Hotel Kakslauttanen contains thirty-one first-class log cabins and five are queen suites, one honeymoon turf chamber and one traditional Lappish farmer log house which are all handmade of the rare dead standing pine. Every one of these log cabins locates definitely far apart from others. They have own peaceful garden area and own shower, kitchen, fireplace, even private sauna.

#### **Restaurants**

There are three restaurants in Hotel Kakslauttanen. The main restaurant is also made of logs and has two big fireplaces inside. As many as one hundred and sixty customers can be served there. Many kinds of different food and drinks can be ordered there. Snow and Smoke sauna restaurant offer an exotic touch and serve fifty guests possible with performances of Lappish Joiku songs by original Sami people.

### **World's largest smoke sauna**

Hotel Kakslauttanen is well known for the largest smoke sauna in the world. It includes three log saunas (two traditional and one new) and can accommodate even one hundred customers. In summer, clients can swim in the pond nearby and in winter they can experience ice-swimming when enjoying sauna.

### **Igloo Village**

Igloo village could absolutely be the most famous attraction of Hotel Kakslauttanen. Altogether there are twenty glass igloos, fifteen snow igloos, a snow chapel and an ice gallery combined together which can be rent for holding a wedding ceremony or offering one hundred guests enjoying drink inside.

### **Activities and Excursions**

In the winter time Hotel Kakslauttanen offers husky safaris, snowmobile safaris, reindeer safaris, Sampo ice-breaker, ice-carting and ice-fishing trips as well as guided ski treks. The Saariselkä ski trail network of over 180 km passes right by the hotel. Clients may rent cross country ski equipments from the reception. Saariselkä ski slopes are just 10 km from Hotel Kakslauttanen and regular bus transportation is arranged between the hotel and the slopes.

In summer, boat trips to Lemmenjoki River, canoeing trips to Lake Inari or Ivalo River, cruises and fishing in Lake Inari, midnight sun trips to Kaunispää Fell are all possible to implement in Hotel Kakslauttanen. Customers also can visit Tankavaara Gold Village or local gold prospector's claim to try their luck in gold panning.

Moreover, visits to reindeer and husky farms, visits to Sami museum Siida in Inari where Lappish culture and traditions can be felt, trips to the Arctic Ocean and North Norway can also be fun journeys.

### **Aurora Borealis**

As we all know that Aurora Borealis is definitely an amazing and wonderful natural landscape, fortunately Hotel Kakslauttanen is an excellent place for the appreciation of them. The date is normally between August and second year April. It will be really lucky if clients accommodate inside a glass igloo that very night.

### **The Magical Midnight sun**

From June to July, the sun never stops shining in Hotel Kakslauttanen's area. Customers can enjoy how it feels when there is no night in 24 hours at all.

### **Santa Resort**

Recently, Santa Resort which includes Santa's House, a tower bridge over the Gold Creek and the Smith Elf forge becomes Hotel Kakslauttanen's newest attraction.

During the summer season guests can pan for gold by following the directions of Hotel Kakslauttanen's Santa elves. Conversely customers may enjoy driving a reindeer-drawn sledge or sled down the nearby hill.

Near Santa's house there is a large reindeer pen, where clients can see some of Santa's and his elves' reindeer and even drive a reindeer-drawn sledge in winter! In summer reindeer roam freely in the area, which has two peat shelters for them to

use in hot weather. This is a good place for visitors to see and take pictures of reindeers.

#### **2.1.4 Cooperative Travel Agencies of Hotel Kakslauttanen**

As we all know cooperation is important because it can affect working together to get more done in less time. When we combine ideas or working with others, we can come up with innovative solutions to common issues. In other way, cooperation is crucial since without agreement and coordination we cannot accomplish what we need to do.

Regarding to Hotel Kakslauttanen, there are more than 500 cooperators including travel agencies, Safari Companies, taxi companies, food and drinks suppliers and souvenir suppliers and so on. However, the research range comes extraordinary wide in this way. Therefore, this thesis will only focus on researching travel agencies as cooperators. Due to the fact that there are more than 300 cooperative travel agencies, only 3 of them were taken as samples to the research.

#### **Tumlare**

Tumlare Corporation was established in Copenhagen in 1972. Since its establishment Tumlare has become one of the leading European incoming tour operators with a reputation of the highest quality of products and services.

The wishes and demands of their clients have always been wide and varied and as Tumlare has expanded operating offices, the scope of our products and services have increased enormously. (Tumlare 2011)

Tumlare has for many years been committed to offering quality service to their partners in the travel industry around the world. They believe in the harmony of close



partnership. Loyalty and reliability are key elements in a partnership, and combined with the ability to adapt to different environments and strong local presences these are the cornerstones of the company philosophy. Based on this philosophy Tumlare has grown to be a major European incoming tour operator with local representation across the world. (Tumlare 2011)

The company philosophy cannot only be seen in words, but in their client history as well. The greatest success is the commitment of the company to become partners with their clients, not for the short term, but for years to come. Growing to be partners is a close cooperation to the mutual benefit of both companies. (Tumlare 2011)

Their staff and offices are all linked together through a network that enables them to share the knowledge that is needed to supply clients with the best of services. The foundation of this system is communication. Through quick and clear communication clients' requests are executed with each and every detail attended to. They have always believed the mutual success comes from putting client's interest first. Their track record of repeat clients is testimony that it is a philosophy that is successful. (Tumlare 2011)

### **Mighty Fine**

One of the reasons people choose to travel with the Mighty Fine Company is that from the moment client book with them clients' money is safe. As a fully licensed ATOL bonded travel company (ATOL number 9101), the Mighty Fine Company is part of an insurance scheme run by the Civil Aviation Authority, which independently guarantees that in the unlikely event that the Mighty Fine Company or its associates go into administration its customers will not lose the money they paid or become stranded abroad. (Mighty Fine 2011)

Many DIY holiday facilities do not offer ATOL protection but the Mighty Fine Company's tailor made holidays offer the flexibility of planning clients' own holiday with the security of booking a package. (Mighty Fine 2011)

All of their advisors have at least 20 years of experience working within the travel industry. They understand that when clients book a holiday they want the person who is arranging it to know what they are talking about and to be able to offer clients genuine advice. This is why Mighty Fine Company employs travel experts not sales people. If clients choose to take one of Mighty Fine tailor made holidays they will soon discover that all of the advisors are experienced globe trotters in their own right with a genuine passion for travel. (Mighty Fine 2011)

### **Bentours**

Bentours has been proudly operating quality tours and cruises to the Nordic countries since 1979. They continuously try to present new products and new tours to increase the number of exciting experiences they offer in Scandinavia, Russia, the Baltic, Arctic, Iceland, Greenland, Antarctica and South America and Bentours is delighted to offer many tours full of activity and soft adventure as well as more relaxed cruise and rail destinations. (Bentours 2011)

Bentours is delighted to share their enthusiasm, experience and expertise with customers. They love their destinations and they want customers to get to know these beautiful parts of the world and learn to love them. Bentour's staff members come from a range of cultural backgrounds including Danes, Norwegians, Swedes, Australians and New Zealanders who regularly update their knowledge with trips to their destinations. (Bentours 2011)

Bentours can help customers find the true beauty of Scandinavia, Russia, the Baltic, the Arctic, Iceland, Greenland and even Antarctica, with totally new and different experiences, tailor made to be unique, adventurous and enjoyable. (Bentours 2011)

## **2.2 External Marketing Environment**

External environment is clearly stated with the word external itself which means outside of the organizations which effect the changes in the organization which the organization does not have the control of it. External environment is involved by the PESTLE-Politic,Economy,Social,Technology,Legal and Environment. (WikiAnswers 2011).

### **2.2.1 Demand**

Estimating the market demand and potential is an important part of the product planning process. Companies will only invest in projects that earn them a sufficient return on investment; properly forecasting sales and market demand will require a lot of time before a company invests in a new project. Larger companies will devote entire departments to researching and developing products based on consumer demand and market potential. (Ehow 2011)

Market demand is the current desire of consumers for the new product or service. Market demand can be determined using surveys, customer reviews or customer requests regarding a need for an item. Companies will use market demand as the base figure for how many units they might sell of their new product or service. Sales beyond the market demand fall under total market potential. (Ehow 2011)

Regarding to Hotel Kakslauttanen, current desire of consumers probably is willing to enjoy an extremely peaceful and quiet resting vacation with a high-level taking care.

Normally people who come to Lapland, they expect a special hotel with particular accommodation types, good activities' arrangement and warm staff service with a reasonable price.

For more details of market demand, it will be figured out later by questionnaire survey from customers and co-operative travel agents.

### **2.2.2 Competitors**

Competition exists within a market for some goods or service of a sufficient number of buyers and sellers. There are always two parties or more than two compete to gain customers.

Merriam-Webster defines competition in business as "the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms (Stigler (1987 2008), Abstract)

Competitors' analysis plays an important role in marketing planning process due to it is able to help management understand better their advantages and disadvantages in competition relative with competitors and generate an idea of competitors' past, present and future.

For Hotel Kakslauttanen, there are plenty of competitors not only in nearby area but also in distant world area because of so many different room types (log cabins, glass igloos, snow igloos, etc). This thesis analyzes them into two parts respectively by distance (5 competitors in Saariselkä area and 3 others in Sweden, Norway and Canada) in a way of comparing prices and accommodated clients' comments in column.

## **Competitors on Saariselkä Area**

In general, there are 6 hotels in Saariselkä area: Tunturi, Kieppi, Kiilopää, Riekonlinna, Holiday club and Hotel Kakslauttanen. All of them are situated next to Urho Kekkonen National Park; about 30 minutes' drive distance from Ivalo Airport. Guests enjoy free sauna admission and access to cross-country skiing tracks during accommodating.

Hotel Kieppi has been serving tourists for three decades. The hotel was earlier known as Riekonkieppi, and that was popularly termed Kieppi by its regular clientele until it became the official name of the hotel in autumn 2004. Kieppi has a relaxed, farmhouse atmosphere, yet the service standard and quality of accommodation is beyond compared. They continue with these traditions. (Kieppi 2011)

The northernmost spa hotel in Europe, Holiday Club Saariselkä enjoys a truly unique setting surrounded by Lapland's pristine and beautiful fell country. The customers choose from pampering treatments, excellent skiing and fun recreational activities, experience the north's vibrant autumn colors and the Northern lights, or hold a really good business meeting, Holiday Club Saariselkä has them all. (Holiday Club 2011)

Fell Centre Kiilopää was established in 1964. Already back then, the mission was to attract people to engage in outdoor sports throughout the year, thereby maintaining a good physical condition. The values that are taken into consideration in all Fell Centre Kiilopää activities are: nature, a sense of responsibility, economic efficiency and a view for the future. These values guide all the activities and policies of Fell Centre Kiilopää while also enhancing stability in commercial activities. The most significant of these values is nature. Nature is a value in itself, but it also plays an important role in each of the other aforementioned values. Everyone is given the opportunity to draw vitality from nature to enable them to better cope with everyday

life. Fell Centre Kiilopää is an ideal place to charge batteries at any time of the year.  
(Kiilopää 2011)

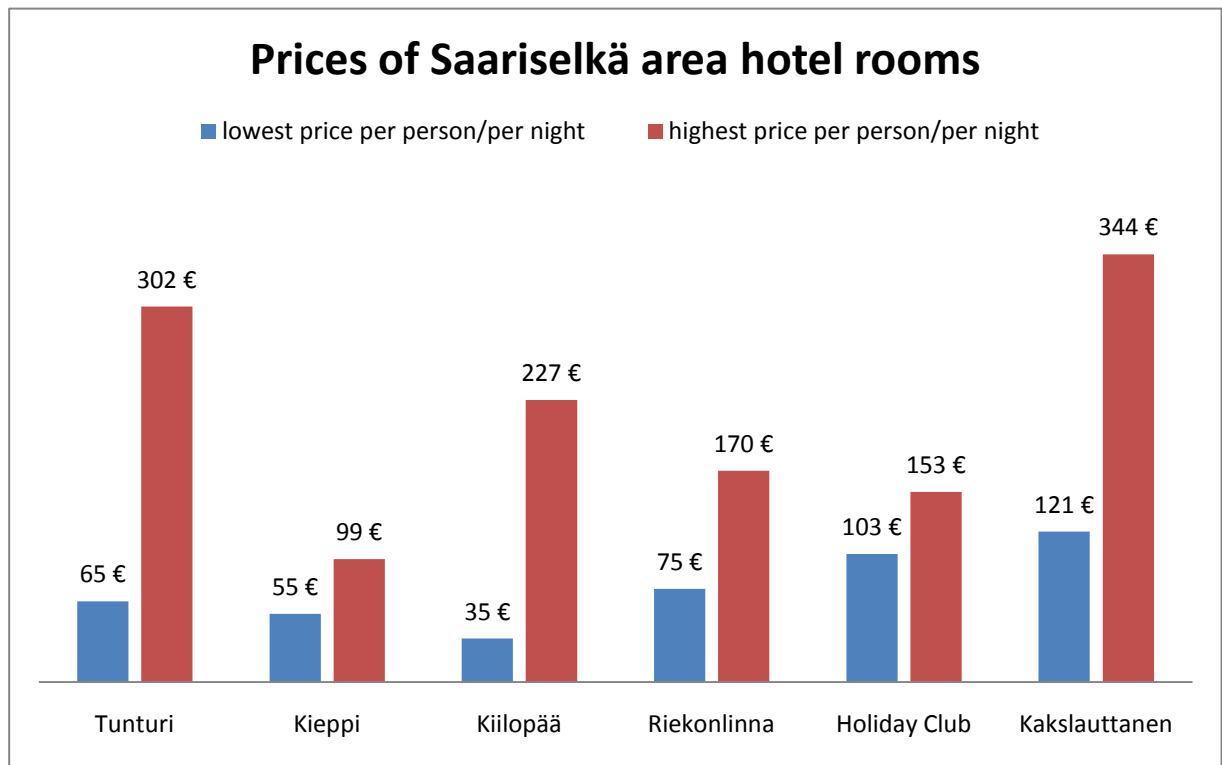


Figure 3. Prices of Saariselkä area hotel rooms. (Tripadvisor 2011)

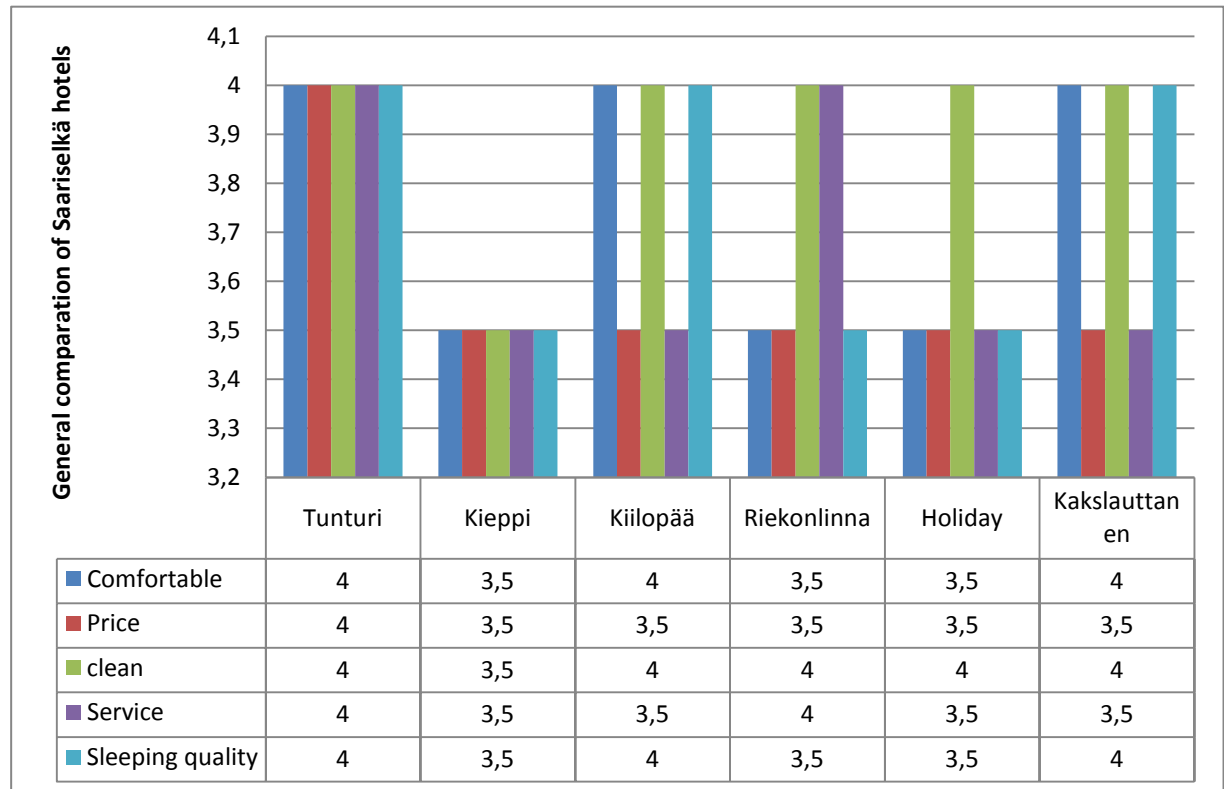


Figure 4. General comparison of Saariselkä hotels. (Tripadvisor 2011)

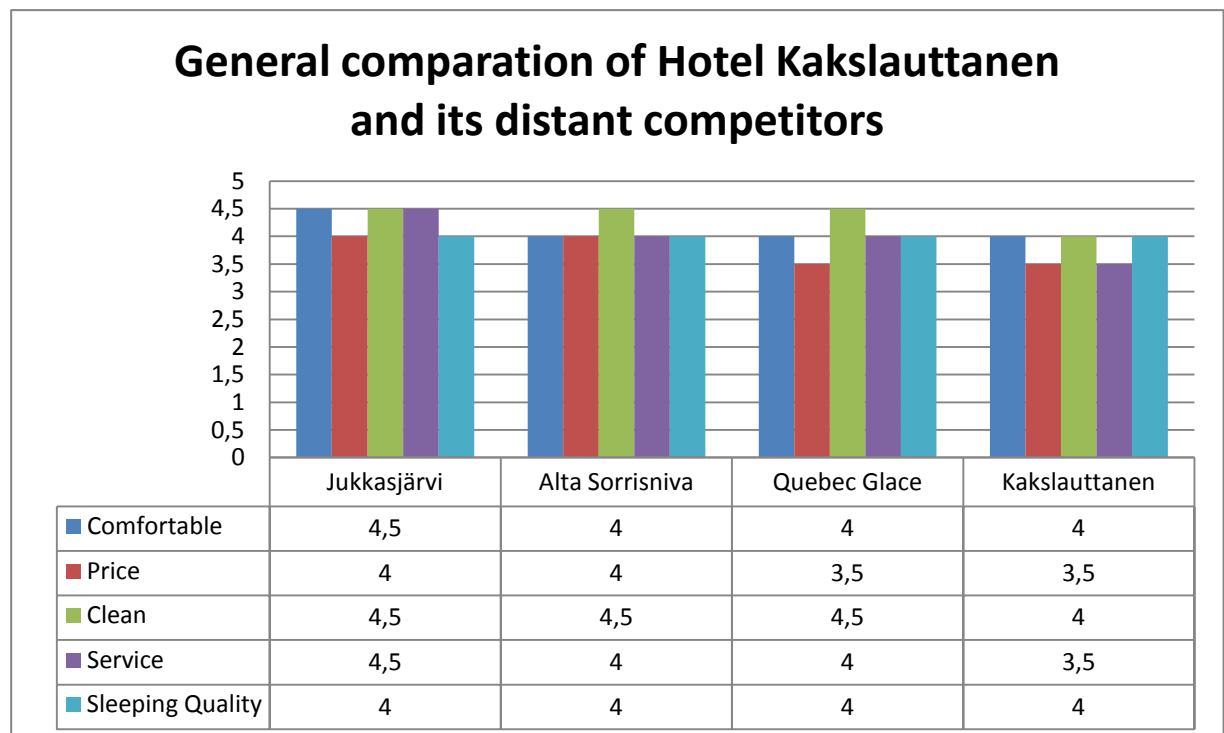
According to people's comments from Tripadvisor website, by comparing with other 5 hotels in Saariselkä area (especially compared with Hotel Tunturi), Hotel Kakslauttanen is good at comfortable, clean and sleeping quality but not in price and service. What's more, Hotel Kakslauttanen seems like requiring the highest price but not the most effectively.

### Competitors in the world

Jukkasjärvi locates in Northern Sweden. Like most companies, it has a story and a business concept. Their ideas originate from the place they stand on Jukkasjärvi where Torne River flows outside office windows and the cold arctic climate, the northern lights and the Midnight Sun. Every season allow them to get inspired by the river, whether it is crystal clear ice, rapids shooting on a riverboat or a magnificent recently caught grayling. With Jukkasjärvi as a starting point, develop and offer

sensuous, inspiring and unique experiences within art, nature, accommodation and gastronomy. So they are not only a hotel built each winter, also an ephemeral art project which cultivates the many flavors of Swedish Lapland. Each year, it attracts visitors from all over the world to a little village in Lapland, 200 km north of the Arctic Circle. (Jukkasjärvi 2008-2009),

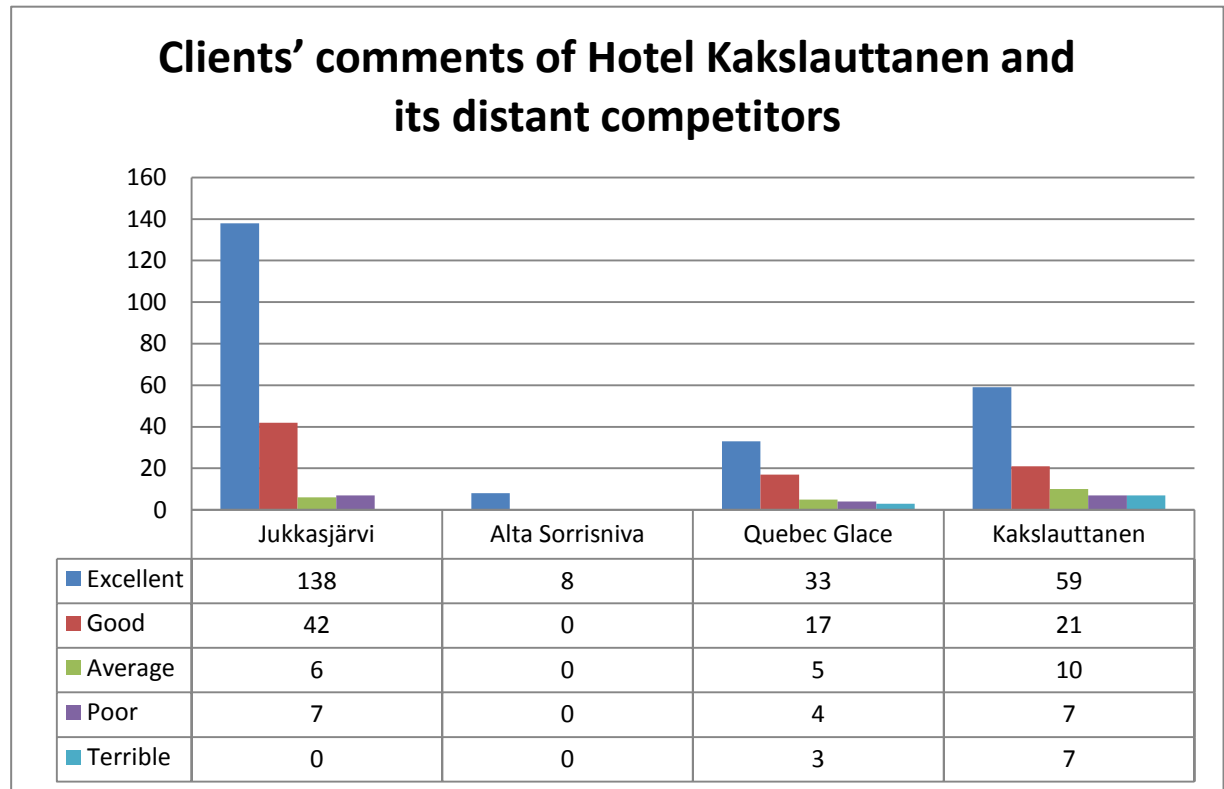
Dive into the world of the Hôtel de Glace in Quebec and contrast the frenzied thrill of the unknown with the ensuing calm and sense of well-being. Spending a night at the Hôtel de Glace gives you a break from the bustle of the outside world; it's a cocoon that cuts you off from the rest of the world and its daily stresses. Enjoy their Nordic relaxation area with its outdoor spas and saunas to prolong your getaway. The fairytale surroundings will have you relaxing beneath the snowflakes in no time. ( Hôtel de Glace in Quebec 2011)



*Figure 5. General comparison of Hotel Kakslauttanen and its distant competitors.*

*(Tripadvisor 2011)*





*Figure 6. Clients' comments of Hotel Kakslauttanen and its distant competitors.*

*(Tripadvisor 2011)*

In a word, apparently Jukkasjärvi receives the best comments (138 people selected excellent, 42 people chose good) among all these 4 hotels as accommodated clients' feedback. Comparatively the main reason is they offer lower hotel rooms' prices than Hotel Kakslauttanen (As accommodated customers mentioned in comments). Moreover, Jukkasjärvi concentrates on designing and art by ice more than others which probably attracts numerous customers. Hotel Kakslauttanen discovered its disadvantages in this way.

### **2.2.3 Institutional Factors**

“Competitors’ actions affect the ability of the business to make profits, because competitors will continually seek to gain an advantage over each other, by

differentiating their product and service, and by seeking to provide better value for money. (Thetimes100 2011)

The economic system is the organization of the economy to allocate scarce resources. The economy tends to go through periods of faster and slower growth. Businesses prosper when the economy is booming and living standards are rising. (Thetimes100 2011)

The social system is the fabric of ideas, attitudes and behavior patterns that are involved in human relationships. In particular businesses are influenced by consumer attitudes and behaviors which depend on such factors as the age structure of the population, and the nature of work and leisure. (Thetimes100 2011)

The monetary system facilitates business exchange. Monetary activity is based around earning, spending, saving and borrowing. Money has been likened to the oil that lubricates the wheels of commerce. Monetary activity involves businesses in a web of relationships involving financial institutions (e.g. banks and building societies), creditors, debtors, customers and suppliers. A key monetary influence for business is the interest rate. Higher interest rates increase business costs and act as a brake on spending in the economy. (Thetimes100 2011)

The political/legal system creates the rules and frameworks within which business operates. Government policy supports and encourages some business activities e.g. enterprise, while discouraging others e.g. the creation of pollution. (Thetimes100 2011)

The environmental system is the natural system in which life takes place. Increasingly businesses have become aware of the relationship between their

economic activity i.e. making goods and services for profits and the effects that this has on the environmental system.” (Thetimes100 2011)

### **3 MARKETING STRATEGIES AND PLANNING**

#### **3.1 Marketing Strategies Management**

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly (i.e. regularly) to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment (Boyden1984, 34-50)

#### **Strategic Management Main Elements**

In 1985, Ellen-Earle Chaffee summarized what she thought were the main elements of strategic management theory by the 1970s:

- Strategic management involves adapting the organization to its business environment.
- Strategic management is fluid and complex. Change creates novel combinations of circumstances requiring unstructured non-repetitive responses.
- Strategic management affects the entire organization by providing direction.
- Strategic management involves both strategy formation (she called it content) and also strategy implementation (she called it process).
- Strategic management is partially planned and partially unplanned.
- Strategic management is done at several levels: overall corporate strategy, and individual business strategies.

- Strategic management involves both conceptual and analytical thought processes. (Chaffee 1985, 1-10)

**Strategy Process**

Starting in the early 1990s, a respective process (Figure 7) had been developed at the Technical University of Berlin (TUB) as part of a research project. First findings were published as a doctoral thesis by the TUB's aerospace institute in 1997:

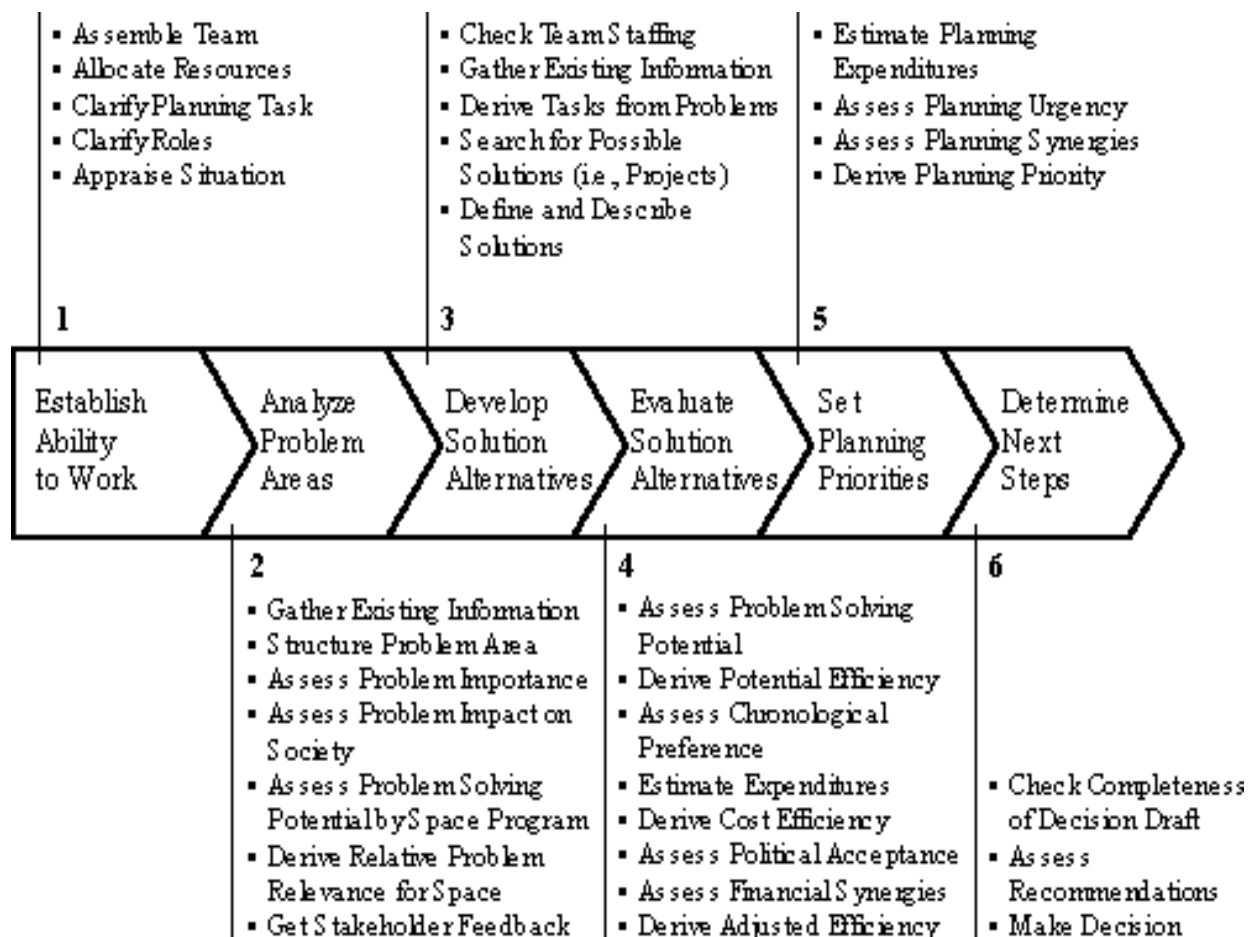


Figure 7. The six steps of the strategy process. (Spacefuture 1998)

The process in its present state of development is comprised of six different process steps.

**Step 1: Establish Ability to Work**

The organization (planning team) is assembled and provided with all required resources (personnel, know-how, time). The individual roles and the planning task have to be clarified and accepted.

### **Step 2: Analyze Problem Area**

The problem area is the field in which the subsequently proposed projects will have to demonstrate their individual problem-solving potential. All problems have to be quantified ("only the quantified can be improved") in order to lay the ground for later evaluation of the different measures.

### **Step 3: Develop Solution Alternatives**

This is the single most creative step of the whole process. Different project proposals are generated while applying appropriate creativity tools and techniques.

### **Step 4: Evaluate Solution Alternatives**

The previously defined alternative projects are assessed with respect to their potential contribution to solving the quantified problems. In addition, affordability and desirability (synergies, acceptance) are analyzed and quantified for every single proposed project.

### **Step 5: Set Planning Priorities**

The result of this step is a shortlist of preferable projects sorted by their relative planning priority. This is an index composed of the projects' adjusted efficiency, their planning synergy and their planning urgency.

### **Step 6: Determine Next Steps**

Based on the shortlist of preferable projects, the decision on the next steps is made. (Spacefuture 1998)

## **3.2 Marketing Plan**

Marketing planning is a consecutive process that can make the company's resources with the opportunities and objectives of the environment get the balance. (Hutt et al 1998, 253)

### **Marketing Planning Process**

The main contents of a marketing plan are (Baker 2008, 3-10):

1. Executive Summary
2. Situational Analysis
3. Opportunities / Issue Analysis - SWOT Analysis
4. Objectives
5. Strategy
6. Action Program (the operational marketing plan itself for the period under review)
7. Financial Forecast
8. Controls

“There are eight steps to developing a solid marketing strategy for your business as shown in the following diagram (Masterful-marketing 2008):

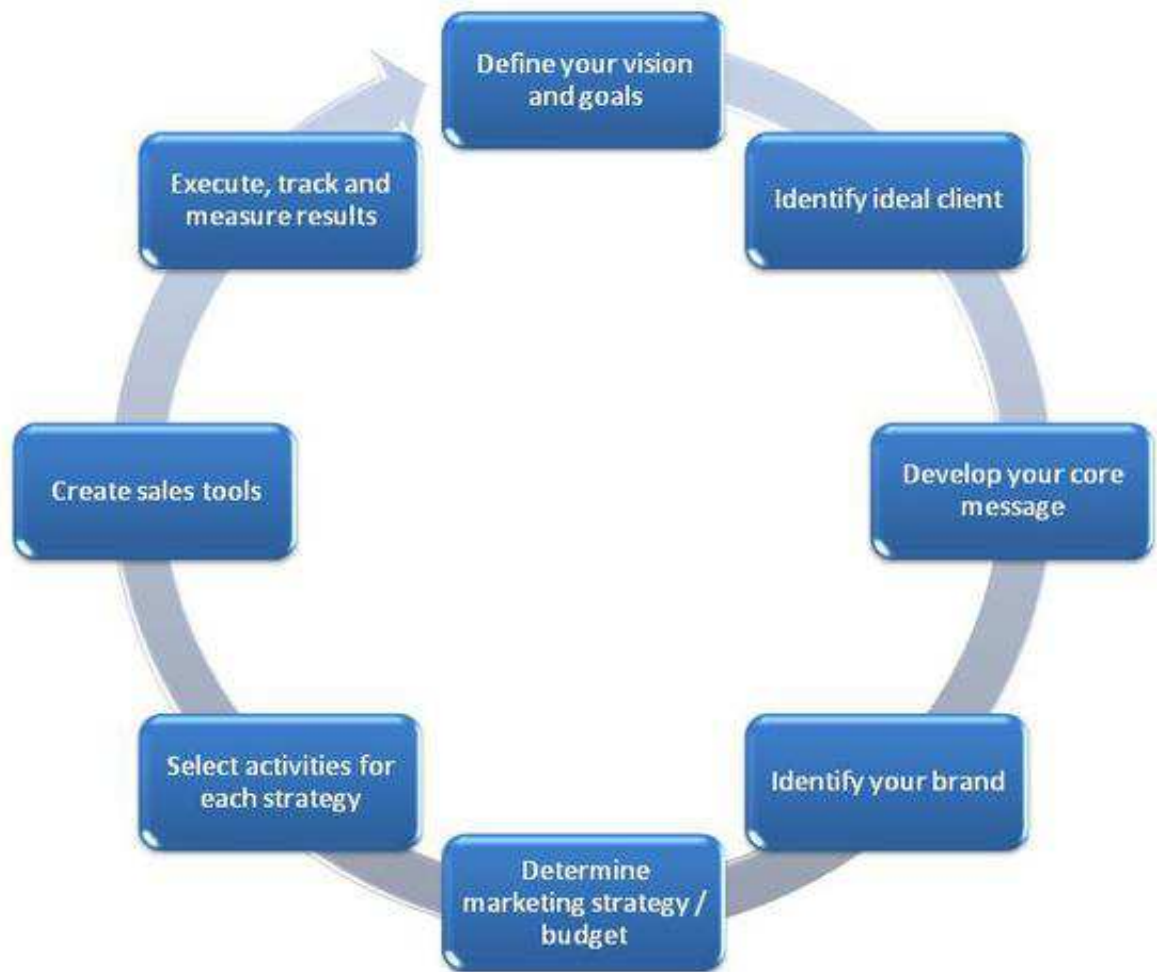


Figure 8. Marketing plan process. (Masterful-marketing 2008)

### 1) Define your vision and goals

Start with a vision that describes what you want your business to be. The vision should inspire, energize, motivate and stimulate your creativity. Define goals you would like to accomplish in a 12 month period. Your goals set the direction you want to take with your marketing activities. Do you want to create visibility for your company? Are you trying to generate demand for your services? Do you want to establish yourself as the expert in your field? Your goals need to be SMART: specific, measurable, achievable, relevant and time-based.

### 2) Understand your ideal client and competition



Determine what motivates your ideal client, what causes them pain, and why they would be interested in buying from you. Then determine how you are different from your competition and how you want to be viewed by your target. Highlight why you are different and what value you offer to your clients.

### **3) Develop your core message**

Your core message is a short description of your business that enables prospective buyers to know who you work with and what value you bring to the relationship. It conveys this message in a manner that literally attracts the right customers to you. A good core message projects what makes you unique and a benefit to your ideal client.

### **4) Identify your brand identity and apply it consistently across all of your marketing efforts**

You may need to define your personal brand and your corporate brand depending on your business. In either case, your brand should fit your personality and help get you noticed.

### **5) Determine marketing strategy and budget**

Identify the strategy you will use to achieve your goals. Strategies will fall within the 7 marketing categories: Internet (including social media), advertising, direct marketing, public relations, events, word of mouth, and strategic alliances. The types of marketing you choose within your strategy will depend on your unique requirements. Your budget will help you determine your cash flow by mapping the budget needed for your sales tools and each area identified within your marketing strategy based on the tactics you decide to use.

## 6) Identify activities for each strategy

Your activities should be selected so they accomplish your goals, reach your ideal client, make sense for your business, can be executed regularly and effectively, and are affordable.

## 7) Create your sales tools to support the tactics

These tools can include business cards, brochures, a web site or blog, white papers, testimonials, or promotional items.

## 8) Execute, track and measure results” (Masterful-marketing, 2008)

### 3.3 Marketing Mix

The concept is simple. Think about another common mix - a cake mix. All cakes contain eggs, milk, flour, and sugar. However, you can alter the final cake by altering the amounts of mix elements contained in it. So for a sweet cake add more sugar!



Figure 9. The marketing mix. (Marketing teacher 2000-2011)

The marketing mix and the 4 Ps of marketing are often used as synonyms for each other. In fact, they are not necessarily the same thing.

"Marketing mix" is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market (Mind tools 1996-2011):

The 4Ps are: Product (or Service), place, price and promotion.

### **Product/Service**

- What does the customer want from the product/service? What needs does it satisfy?
- What features does it have to meet these needs?
  - Are there any features you've missed out?
  - Are you including costly features that the customer won't actually use?
- How and where will the customer use it?
- What does it look like? How will customers experience it?
- What size(s), color(s), and so on, should it be?
- What is it to be called?
- How is it branded?
- How is it differentiated versus your competitors?
- What is the most it can cost to provide, and still be sold sufficiently profitably?

### **Place**

- Where do buyers look for your product or service?

- If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalogue?
- How can you access the right distribution channels?
- Do you need to use a sales force? Or attend trade fairs? Or make online submissions? Or send samples to catalogue companies?
- What do your competitors do, and how can you learn from that and/or differentiate?

### **Price**

- What is the value of the product or service to the buyer?
- Are there established price points for products or services in this area?
- Is the customer price sensitive? Will a small decrease in price gain you extra market share? Or will a small increase be indiscernible, and so gain you extra profit margin?
- What discounts should be offered to trade customers, or to other specific segments of your market?
- How will your price compare with your competitors?

### **Promotion**

- Where and when can you get across your marketing messages to your target market?
- Will you reach your audience by advertising in the press, or on TV, or radio, or on billboards? By using direct marketing mailshot? Through PR? On the Internet?
- When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues that suggest or dictate the timing of your market launch, or the timing of subsequent promotions?

- How do your competitors do their promotions? And how does that influence your choice of promotional activity?

The 4Ps model is just one of many marketing mix lists that have been developed over the years. And, whilst the questions we have listed above are key, they are just a subset of the detailed probing that may be required to optimize your marketing mix. (Mind tools 1996-2011)

### **3.4 Market Segmentation**

Marketing segmentation refers to the marketing planning process and target groups division. Through different marketing activities, marketers can categorize different products or services to each of different groups and this process will bring large chances to reach sales and profit targets. (Lahtinen&Isoviita 1994, 40)

Market segmentation is the division of a market into different groups of customers with distinctly similar needs and product/service requirements. Or to put it another way, market segmentation is the division of a mass market into identifiable and distinct groups or segments, each of which have common characteristics and needs and display similar responses to marketing actions. (Ries & Trout 1972, 217)

Market segmentation was first defined as 'a condition of growth when core markets have already been developed on a generalized basis to the point where additional promotional expenditures are yielding diminishing returns' (Smith, 1956). There is now widespread agreement that they form an important foundation for successful marketing strategies and activities. (Ries & Trout 1972, 218)

The purpose of market segmentation is to leverage scarce resources; in other words, to ensure that the elements of the marketing mix, price, distribution, products and

promotion, are designed to meet particular needs of different customer groups. Since companies have finite resources it is not possible to produce all possible products for all the people, all of the time. The best that can be aimed for is to provide selected offerings for selected groups of people, most of the time. This process allows organizations to focus on specific customers' needs, in the most efficient and effective way. As Beane and Ennis (1987) eloquently commented, 'a company with limited resources needs to pick only the best opportunities to pursue'. (Ries & Trout 1972, 218)

The market segmentation concept is related to product differentiation. If you aim at different market segments, you might adapt different variations of your offering to satisfy those segments, and equally if you adapt different versions of your offering, this may appeal to different market segments. Since there is less competition, your approach is less likely to be copied and so either approach will do." (Ries & Trout 1972, 219)

### **Profile Criteria**

A core customer-related method of segmenting consumer goods and service markets is using criteria to profile who the market is and where they are. This is called profile segmentation criteria and includes using demographic methods (e.g. age, gender, race), socio-economic (e.g. determined by social class, or income levels) and geographic location (often using sophisticated postal or zip code systems). For example, a utility company might segment households based on geographical area to assess brand penetration in certain regions; or a financial investment fund might segment the market based on age, employment, income, and asset net worth to identify attractive market segments for a new investment portfolio. All these are examples of segmentation based on profile criteria. (Ries & Trout 1972, 225)

## **Demographic**

Demographic variables relate to age, gender, family size and lifecycle, generation (such as baby boomers, Generation X, etc.), income, occupation, education, ethnicity, nationality, religion, and social class. These relate to the profile of a consumer and are particularly useful in assisting marketing communications and media planning, simply because media selection criteria have been developed around these variables. (Ries & Trout 1972, 225)

## **Lifecycle**

The life stage approach to segmenting markets is based on the premise that people at different stages in the lifecycle need different products and services. Adolescents need different products from a single 26-year-old person, who in turn needs different products from a 26 year old who is married with young children. This is in contrast with the 'family value' and 'multi-packs' targeted at families. (Ries & Trout 1972, 227)

## **Geographic**

This approach is useful when there are clear locational differences in tastes, consumption, and preferences. For example, what do you put on your toast in the morning: Vegemite, Marmite, jam, or jelly? Or perhaps you don't eat toast at all and prefer cold meats or noodles for your morning meal. These consumption patterns provide an indication of preferences according to differing geographic regions. Markets can be considered by country or region, by size of city or town, postcode, or by population density such as urban, suburban, or rural. (Ries & Trout 1972, 225)

## **Geodemographics**

Geodemographics is a natural outcome when combining demographic and geographic variables. The 'marriage' of geographic and demographics has become an indispensable tool for market analysis. Fusing census data with demographic information, especially socio-economic data, can lead to a rich mixture of 'who lives where' and 'what they are like'. Consumers can be classified by where they live, which is often dependent on their stage in life and their lifestyle. (Ries & Trout 1972, 229-230)

## **Psychological Criteria**

Psychological criteria used for segmenting consumer product and service markets include using attitudes and perceptions; psychographics or the lifestyles of customers, and the types of benefits sought by customers from products and brands and their consumption choices. (Ries & Trout 1972, 232)

## **Psychographics**

Psychographic approaches rely on the analysis of consumers' activities, interests, and opinions, in order to understand consumers' individual lifestyles and patterns of behavior. Psychographic segmentation includes an understanding of the values that are important to different types of customers. A traditional form of lifestyle segmentation is AIO, based on customer Activities, Interests, and Opinions. (Ries & Trout 1972, 232)

## **Benefits Sought**

The root of this approach to market segmentation lies in the idea that we should



provide customers with exactly what they want, not based on how we design products and services for them, but based on the benefits that they derive from the goods/services that they use. This may sound obvious but consider what the real benefits, both rational and irrational are of different goods and services that people derive from purchasing mobile phones and sunglasses or of something you have bought recently. (Ries & Trout 1972, 234)

### **Behavioral Criteria**

Product-related methods of segmenting consumer goods and service markets include using behavioristic methods (e.g. by product usage, purchase, and ownership) as bases for segmentation. Observing consumers as they utilize products and media can be an important source of new product ideas, and can lead to ideas for new product uses or product design and development. Furthermore, new markets for existing products can be indicated, as well as appropriate communication themes for product promotion. Purchase, ownership, and usage of products and media are three very different behavioural constructs we can use to help profile and segment consumer markets. (Ries & Trout 1972, 235)

### **Product Usage**

A company may segment a market on the basis of how often a customer uses its products or services, categorizing these into high, medium, and low users, by usage rate. This can be used to develop service specifications or marketing mixes for each of these groups of users. (Ries & Trout 1972, 235)

### **Transaction and Purchase**

The development of electronic technologies has facilitated the rapid growth in the

collection of consumer purchase and transactional data, providing an additional consumer characteristic upon which to base market segmentation. These have enabled retailers to track more accurately who buys what, when, for how much, in what quantities, and with what incentives (e.g. sales promotions). This provides companies with the ability to monitor purchase patterns in differing geographic regions, times, or seasons of the year, for differing product lines, and increasingly for differing market segments. (Ries & Trout 1972, 236)

### **Media Usage**

The understanding and profiling of audience media usage is central to the process of communications planning. From the 1950s television viewing information was collected by organizations such as Arbitron in the USA and AGB Ltd in the UK, providing a basis for classic studies of television viewing. Similar developments occurred with radio and print, which made possible formal studies of listening and readership. In more recent years, web usage data has been collected by market researchers. (Ries & Trout 1972, 236)

## **4 ANALYSIS OF THE RESEARCH RESULTS**

The research has been implemented by quantitative method to find out what the accommodated clients and co-operative travel agencies thought of Hotel Kakslauttanen's food, accommodation and services and so on.

### **4.1 Sampling and Data Collection**

In order to get more precise results (since some periods are special holidays in some countries, for example, during Chinese New Year time, 80 % of the clients are Chinese ), this research has been done in two periods: from 20<sup>th</sup> December 2010 to 20<sup>th</sup> January 2011 and from 10<sup>th</sup> February to 25<sup>th</sup> February 2011. 200 copies of the customer questionnaire have been given face-to-face to clients who were accommodating in Hotel Kakslauttanen the day before check-out. During sampling, it has been collected by different clients' groups, nationalities, age level and so on. Finally 158 replies were returned. The response percentage was 79 % which was comparatively high.

On the other hand, also from 20<sup>th</sup> December 2010 to 20<sup>th</sup> January 2011 and from 10<sup>th</sup> February to 25<sup>th</sup> February 2011, 100 copies of the co-operator questionnaire have been sent by email to 100 co-operative travel agencies which have sent most of the clients to Hotel Kakslauttanen and at last 95 replies were returned. The proportion was 95 % which was excellent.

The process took approximately one and half months, from 20<sup>th</sup> December 2010 to 20<sup>th</sup> January 2011 and from 10<sup>th</sup> February to 25<sup>th</sup> February 2011.

## **4.2 Research Results from the Questionnaires**

The research method was a quantitative survey using questionnaires. There were different questionnaires for clients and co-operators.

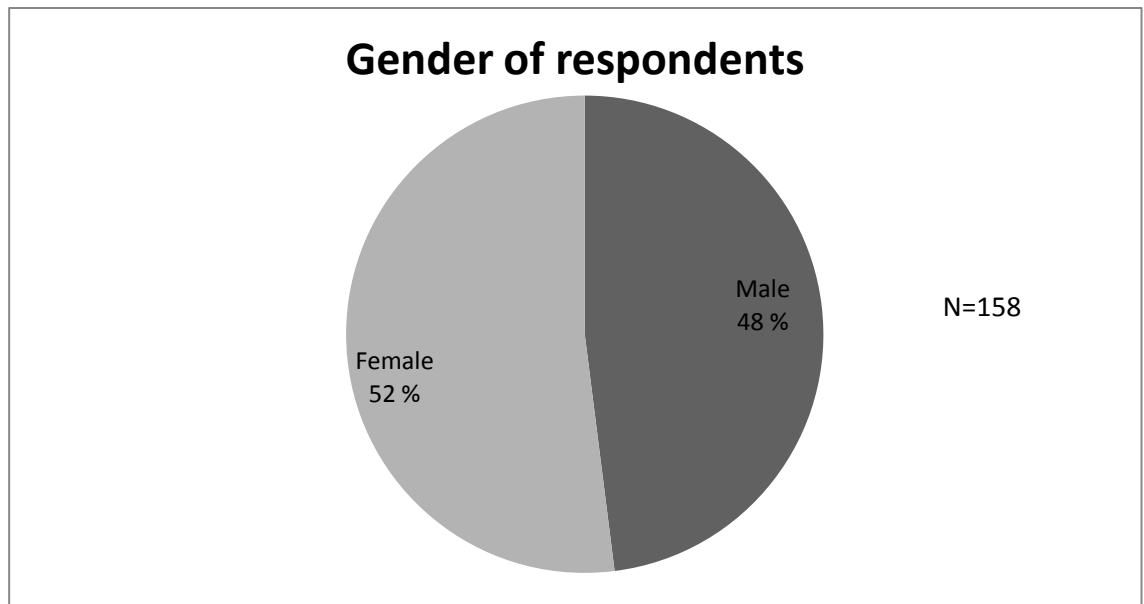
### **4.2.1 Survey Results from Accommodated Clients**

So as to improve service quality, make clients better treated and satisfied, attract more clients, Hotel Kakslauttanen tried to gather accommodated clients' opinions and suggestions by a way of questionnaire by face-to-face.

Firstly, there were 13 general questions in questionnaire for 200 accommodated clients. Some of these questions are quite easy to answer, some require more thinking and longer time. Generally speaking, all of customer's ideas could be useful to help Hotel Kakslauttanen in marketing plan making progress.

The questionnaire about accommodated clients in Appendix 1 is:

- 1) Question number 1 was asking the respondent's gender:  
A. Male    B. Female

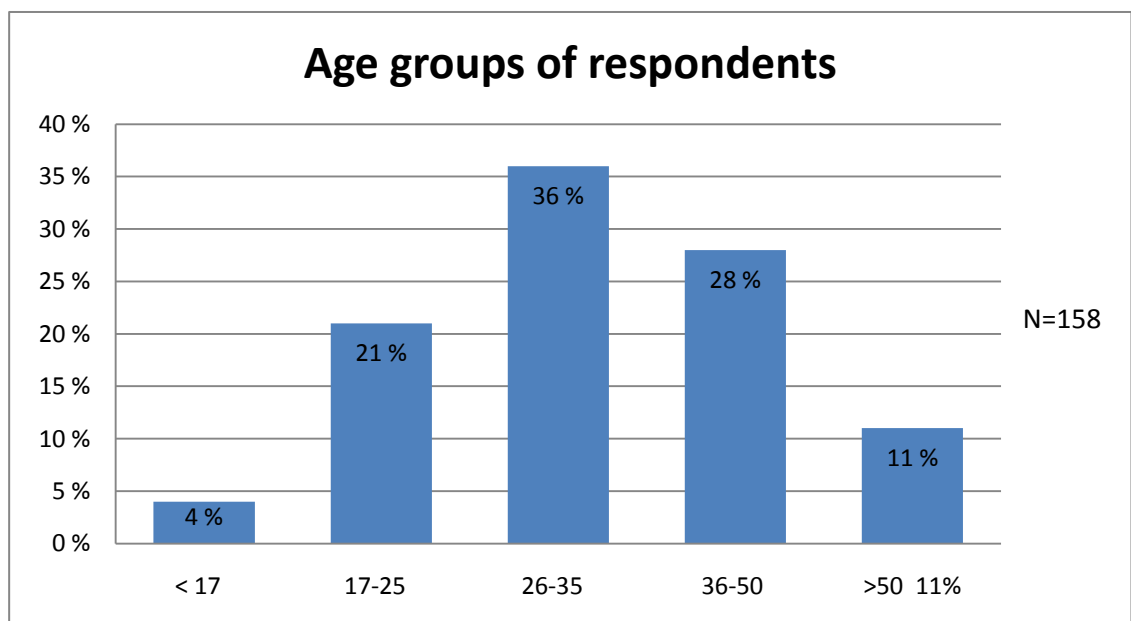


*Figure 10. The gender of the respondents.*

This question focused on respondents' genders to find out which gender occupied bigger place in Hotel Kakslauttanen since different genders have different advice for accommodating. As we can see, the respondents in gender are about 4 % difference between them, 52 % are females and 48 % are males.

2) Question number 2 was asking the respondent's age:

A. <17 years old    B. 17-25    C. 26-35    D. 36-50    E. >50



*Figure 11. The age of the respondents.*

This question was trying to find out the age groups of respondents. The figure in the above indicates that the biggest age group of respondents in this research is from 26 to 35 years old, followed by the age group from 36 to 50, and then 17 to 25 years old groups and so on. Mostly of all were accommodated in Hotel Kakslauttanen for a honeymoon or anniversary trip.

3) Question number 3 was asking the respondent's nationality:

A. Finnish B. Swedish, Norwegian, Danish, Icelander

C. British D. Italian E. Spanish F. French G. German H. Swiss

I. Dutch J. Canadian K. American L. Japanese

M. Chinese N. Brazilian O. South African P. Australian

Q. Other \_\_\_\_\_

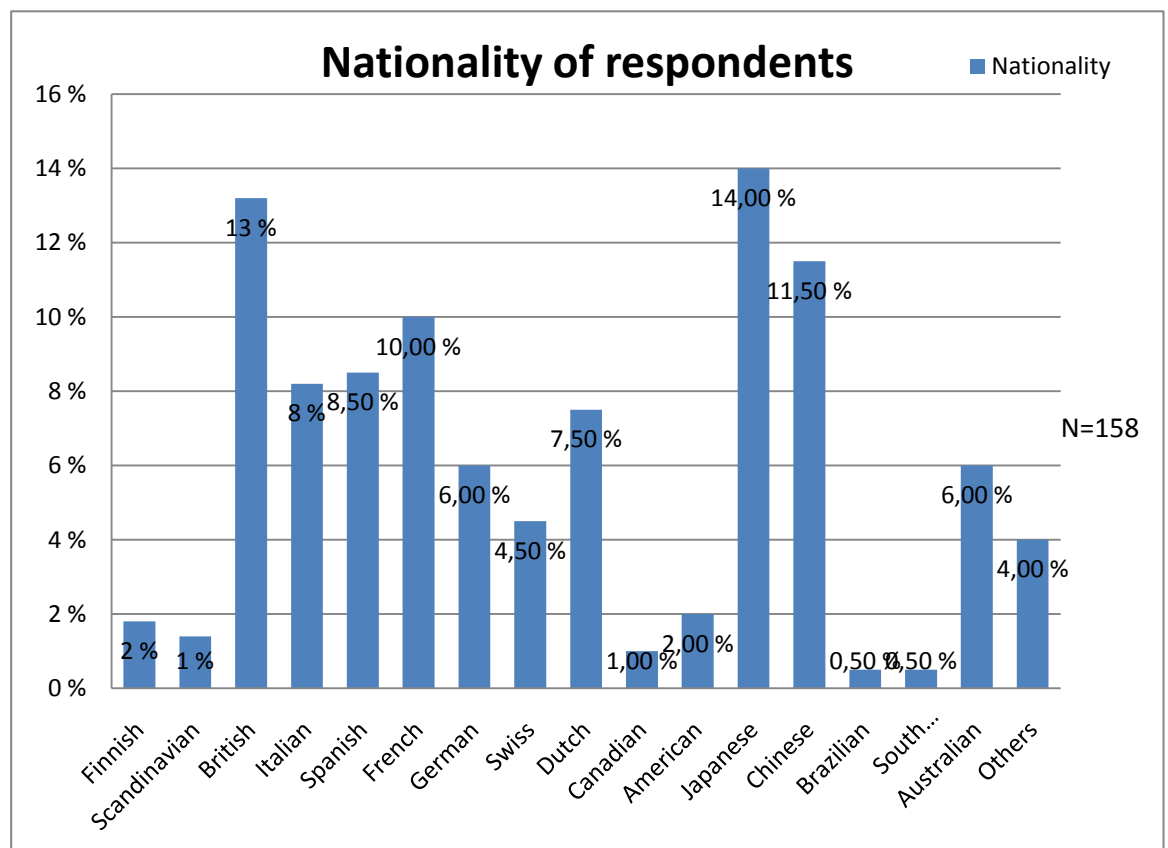


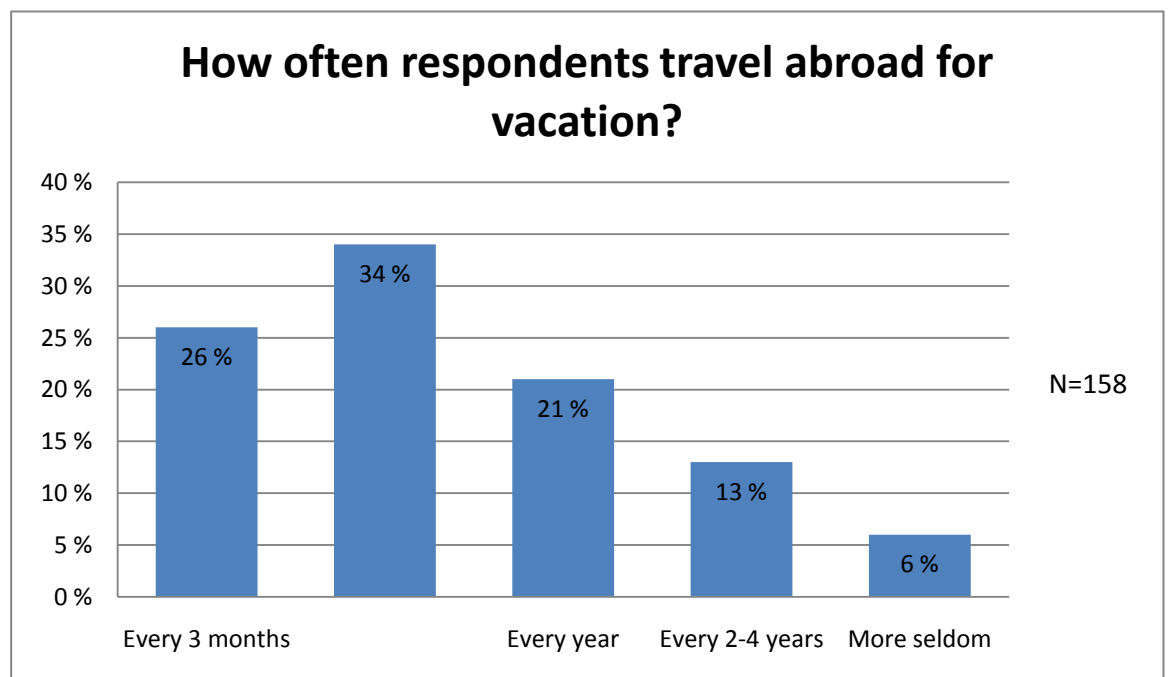
Figure 12. The nationalities of the respondents.

This question aimed to search which nationality plays main role among Hotel Kakslauttanen's customers. In a word, the main respondents come from Japan, Britain, China, France, Spain, Italy and Holland and so on. It seems like the key market is in Eastern Asia and Europe.

4) Question number 4 was asking how often do respondents travel normally abroad for vacation:

A. Every 3 months B. Every half a year C. Every year

D. Every 2-4 years E. More seldom

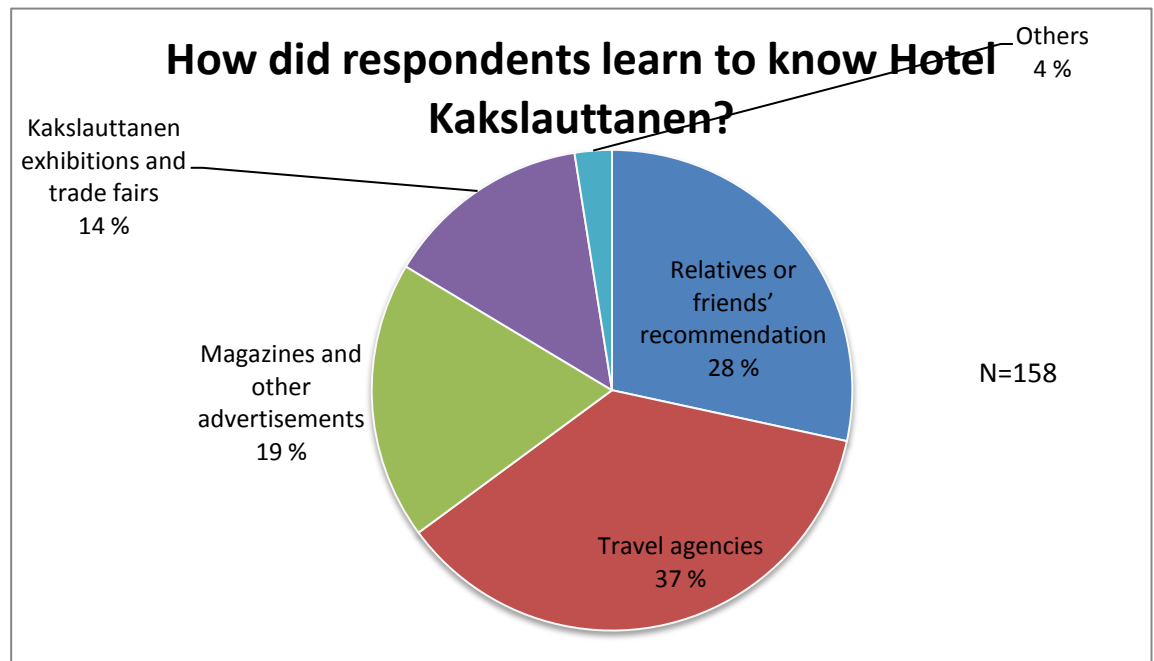


*Figure 13. How often respondents travel abroad for vacation.*

This question was getting a clear idea of how often these respondents travel abroad for vacation. About 34 % of respondents travel every half a year for vacation, also 26 % of them travel every year three times and 21 % of them travel one time in a year.

5) Question number 5 was asking how did respondents learn to know Hotel Kakslauttanen:

- A. Relatives or friends' recommendation
- B. Travel agencies
- C. Magazines and other advertisements
- D. Kakslauttanen exhibitions and trade fairs
- E. Others \_\_\_\_\_



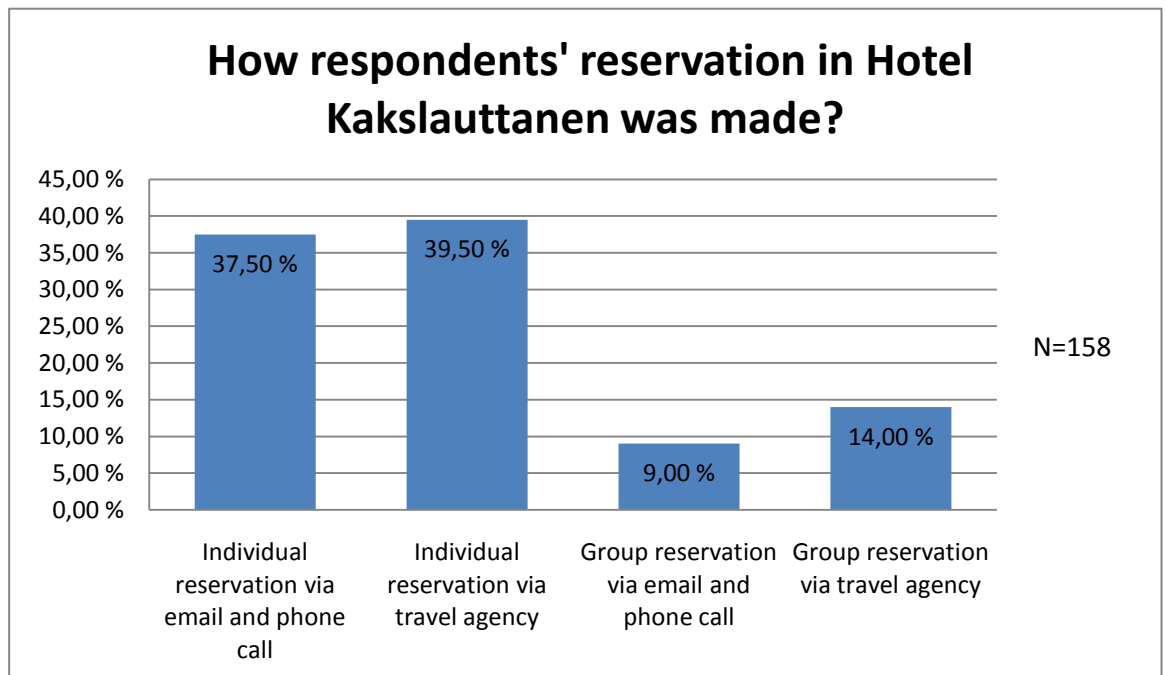
*Figure 14. How did the respondents learn to know about Hotel Kakslauttanen.*

The purpose of the question was to figure out how the respondents learnt to know about Hotel Kakslauttanen. As the chart above shows, 37 % of respondents heard about Kakslauttanen from travel agencies, 28 % of them learnt from relatives and friends' recommendation and also 19 % of them knew from Magazines and advertisements. In a way, Hotel Kakslauttanen realized it probably has been too few exhibitions and trade fairs.

- 6) Question number 6 was asking how did respondents make the reservation in Hotel Kakslauttanen:
- A. Individual reservation via email and phone call
  - B. Individual reservation via travel agency
  - C. Group reservation via email and phone call



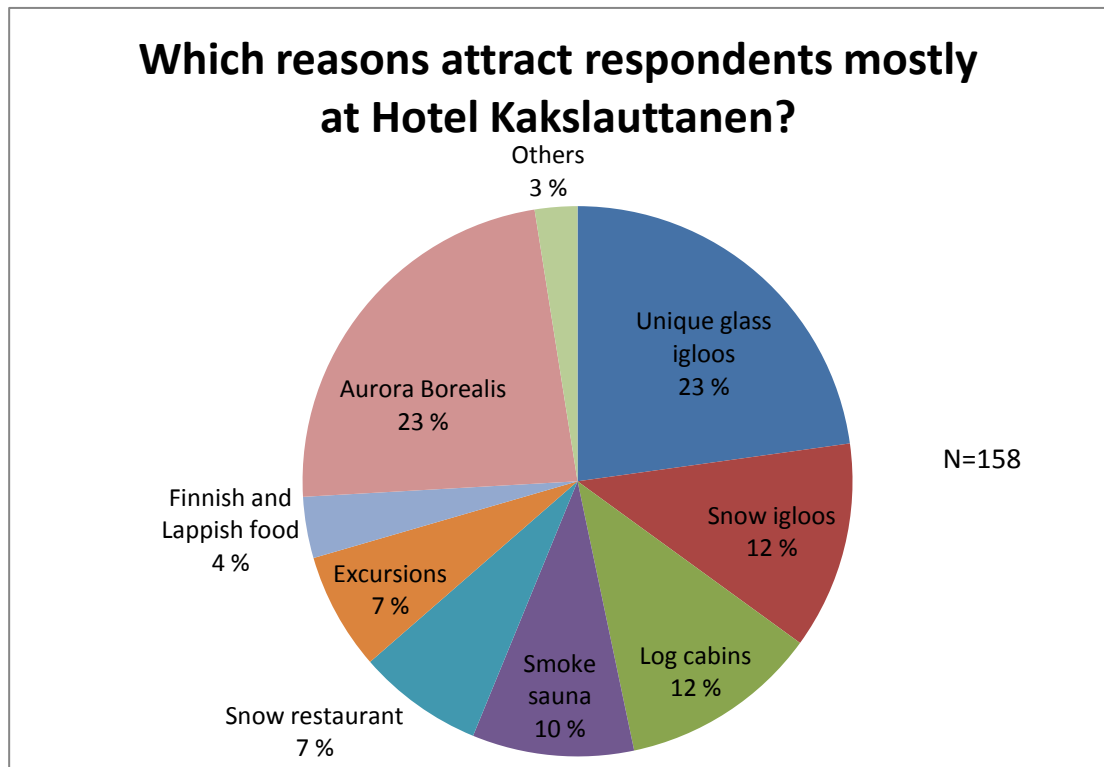
#### D. Group reservation via travel agency



*Figure 15. How respondents made their reservation in Hotel Kakslauttanen.*

The goal of this question was to find out how respondents made their reservation in Hotel Kakslauttanen. It shows Hotel Kakslauttanen's co-operated travel agencies play important roles in reservation. All of them made crucial favours for Kakslauttanen since 53.5 % of respondents made their booking via travel agencies.

- 7) Question number 7 was asking which reasons attract respondents mostly at Hotel Kakslauttanen:
- A. Unique glass igloos B. Snow igloos C. Log cabins  
 D. World largest smoke sauna E. Snow restaurant F. Excursions  
 G. Finnish and Lappish food H. Aurora Borealis I. Others\_\_\_\_\_

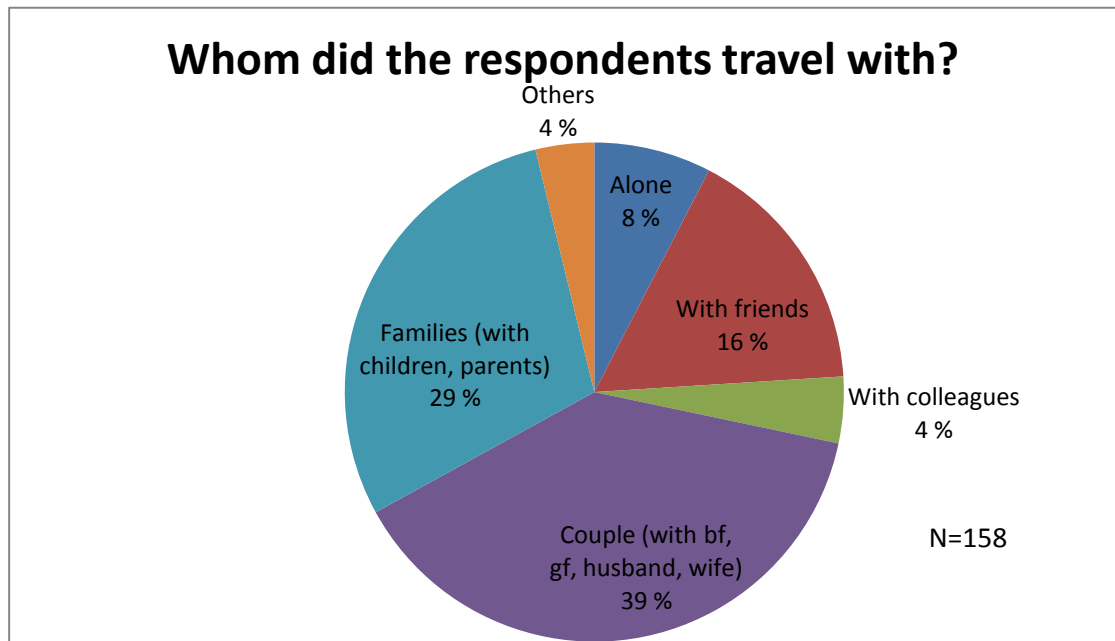


*Figure 16. The reasons which attracted the respondents mostly at Hotel Kakslauttanen.*

This question was trying to find out which reasons attracted respondents to come to Hotel Kakslauttanen. Aurora Borealis and glass igloos seem both have 23 %. As we all know that Aurora Borealis is a natural wonder in Lapland which fascinates tourists. Meanwhile, a same important reason of Kakslauttanen itself is unique glass igloos which are made for hunting Aurora borealis by watching through glass roof while lying on the bed inside a warm environment. In the order of decreasing percentage are snow igloos, log cabins, smoke sauna, snow restaurant, excursions and Finnish, Lappish food and so on.

8) Question number 8 was asking whom did respondents travel with:

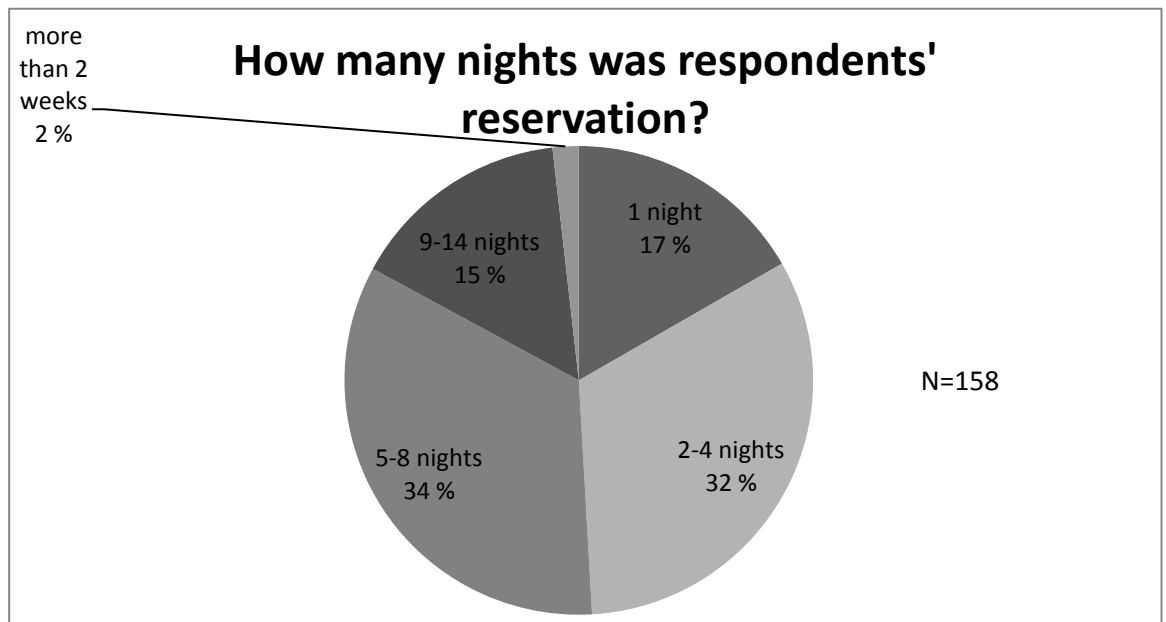
- A. Alone
- B. With friends
- C. With colleagues
- D. Couples (with boyfriend, girlfriend, husband, wife)
- E. Families (with children, parents)
- F. Others \_\_\_\_\_



*Figure 17. Whom did the respondents travel with.*

This question is aiming at whom did the respondents travel with. Travelling with different people has different requests for hotel. The figure 18 tells that the most of respondents were travelling with boyfriend, girlfriend, husband and wife such as honeymooners and anniversary couples. Meanwhile, plenty were accommodated in Hotel Kakslauttanen with families (parents and children) as well. Few of them came with friends, colleagues or alone.

- 9) Question number 9 was asking how many nights was respondents' reservation:
- A. 1 night   B. 2-4 nights   C. 5-8 nights  
 D. 9-14 nights   E. more than 2 weeks



*Figure 18. How many nights was respondents' reservation.*

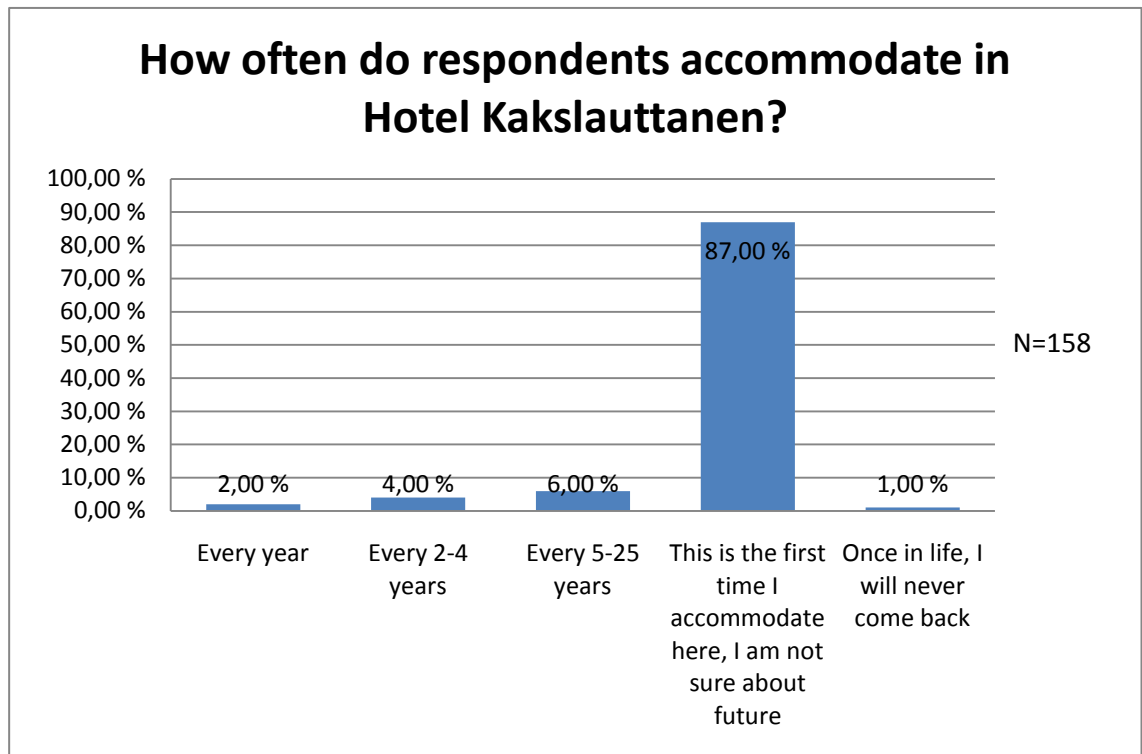
Majority of respondents accommodated from 5 to 8 nights or from 2 to 4 nights by trying at least two kinds of room types (log cabins, glass igloos and snow igloos). By the way, lots of Japanese respondents slept only one night in glass igloo as they noted on questionnaire. Also, one Swiss couple have accommodating in Hotel Kakslauttanen about two months every year since year 2001.

10) Question number 10 was asking how often do respondents accommodate in Hotel

Kakslauttanen:

- A. Every year
- B. Every 2-4 years
- C. Every 5-15 years
- D. This is the first time I accommodate here, I am not sure about future
- E. Once in life, I will never come back

(reasons \_\_\_\_\_  
\_\_\_\_\_)

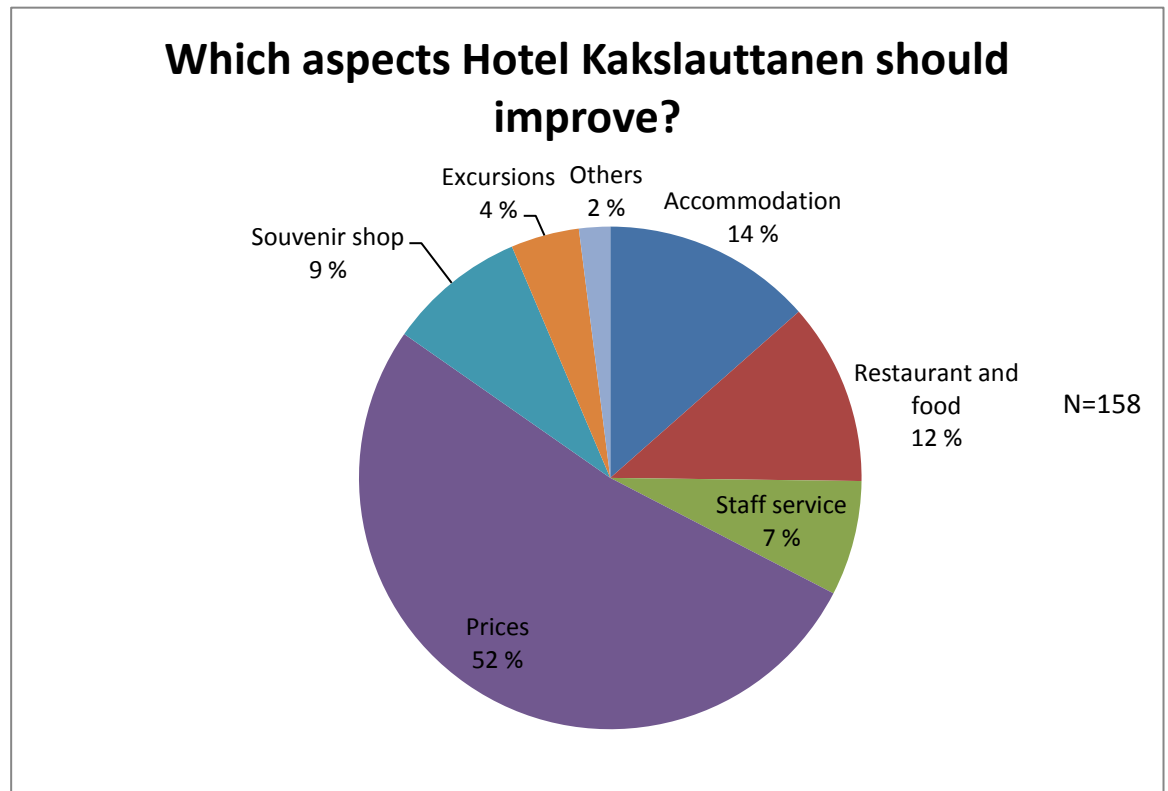


*Figure 19. How often do respondents accommodate in Hotel Kakslauttanen.*

87 % of respondents agreed that this is first time they tried Hotel Kakslauttanen and don't know about future yet. Maybe they will come back or maybe not, depends on situation later.

11) Question number 11 was asking respondents' advice for which aspects Hotel Kakslauttanen should improve (Options):

- A. Accommodation (including room facilities, cleaning, room service, etc)
- B. Restaurant and food
- C. Staff service (including employees and employer)
- D. Prices
- E. Souvenir shop
- F. Excursions
- G. Others

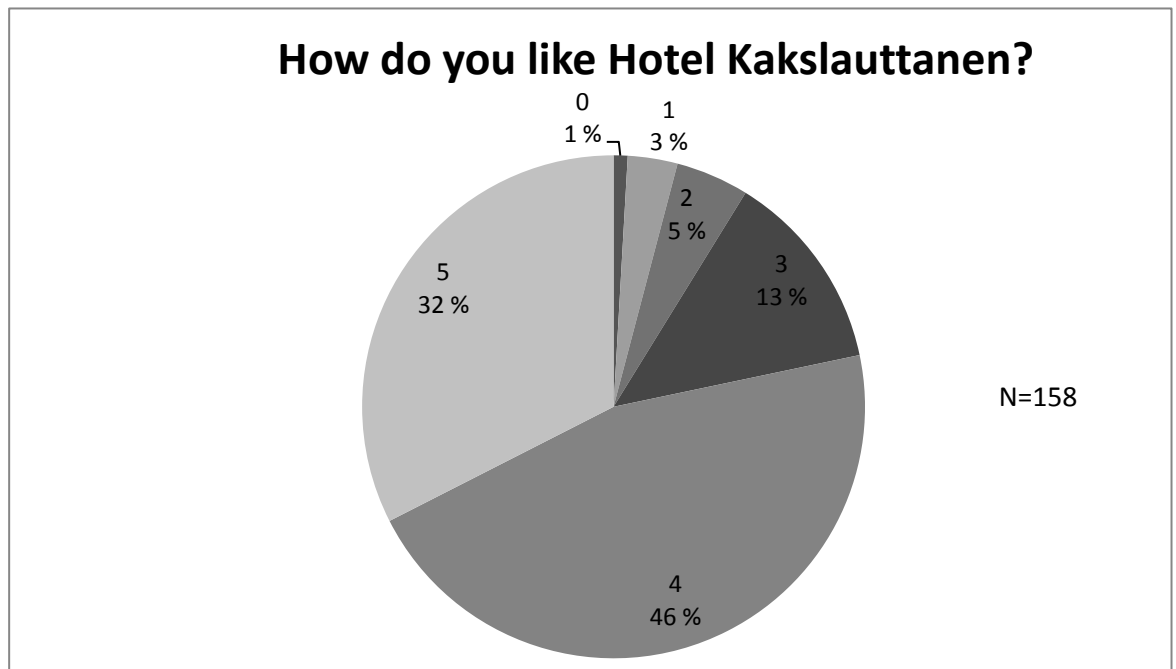


*Figure 20. Which aspects the respondents advise Hotel Kakslauttanen to improve.*

As it indicates, we noticed that more than half of the respondents are not happy with prices. Hotel Kakslauttanen's staffs have considered this key point in discussion for next season price lists in January 2011. Some of respondents told that when the outdoor temperature was lower than minus 35, the water in cabin was frozen, therefore, they could not take a shower. Additionally, too less fresh vegetables in restaurant food was another aspect which they complained.

12) Question number 12 was asking how do respondents like Hotel Kakslauttanen (0-5, bad-good):

A. 0    B. 1    C. 2    D.3    E.4    F.5

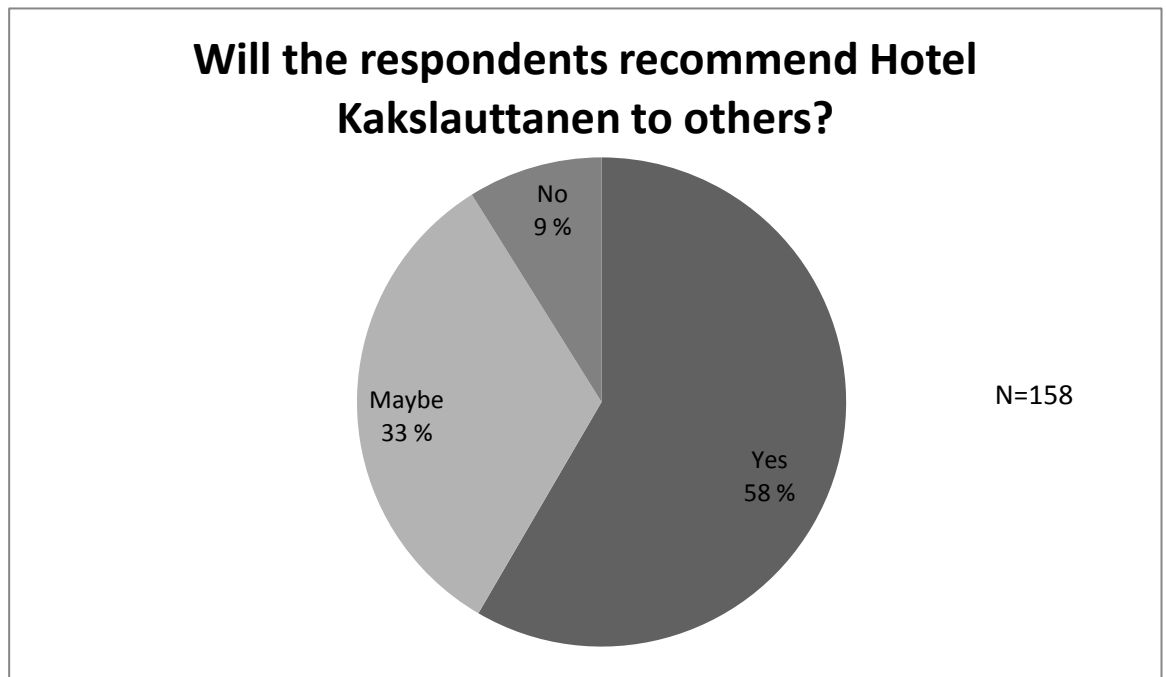


*Figure 21. How did respondents like Hotel Kakslauttanen.*

The main part of respondents chose they like Hotel Kakslauttanen in level 4 when 32 % chose level 5, 13 % liked in level 3, 5 % liked in level 2 and unfortunately the rest percentage of them didn't enjoy their stay at all here.

13) Question number 13 was asking will respondents recommend Hotel Kakslauttanen to others:

A. Yes B. Maybe C. No



*Figure 22. Will the respondents recommend Hotel Kakslauttanen to others.*

To sum up, 58 % is going to recommend Hotel Kakslauttanen when 33 % would probably recommend and 9 % are definitely sure no recommendation at all.

#### **4.2.2 Survey Results from Co-operative Travel Agencies**

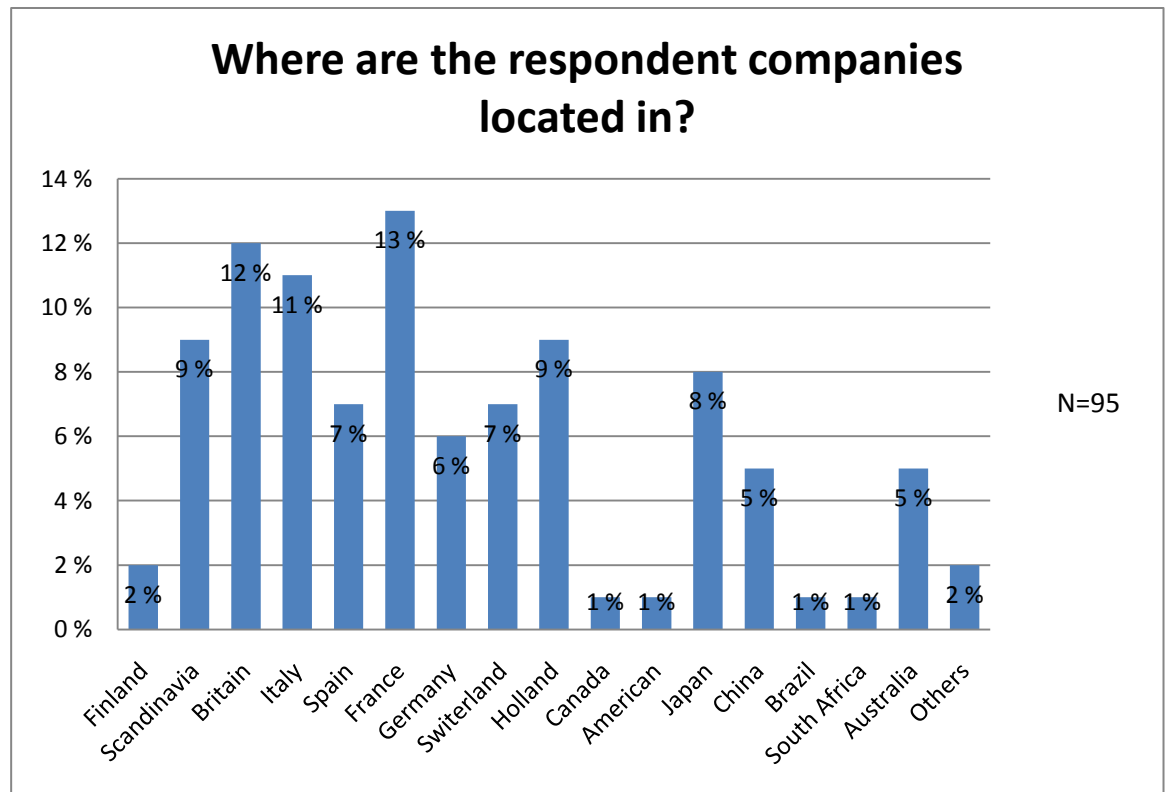
In order to improve service quality, make clients better treated and satisfied, attract more clients, Hotel Kakslauttanen also tried to collect cooperative travel agents' opinions and suggestions by using a questionnaire by email.

There were 10 general questions in questionnaire for 100 cooperative travel agents. Some of these questions are quite easy to answer, some require more thinking and longer time. In a word, all of their ideas could be useful to help Hotel Kakslauttanen's marketing plan making progress.

The questionnaire about travel agencies in Appendix 2 is:



- 1) Question number 1 was asking where are the respondent companies located in:
- A. Finland B. Sweden, Norway, Denmark, Iceland
- C. Britain D. Italy E. Spain F. France G. Germany H. Switzerland
- I. Holland J. Canada K. American L. Japan
- M. China N. Brazil O. South Africa P. Australia
- Q. Others \_\_\_\_\_

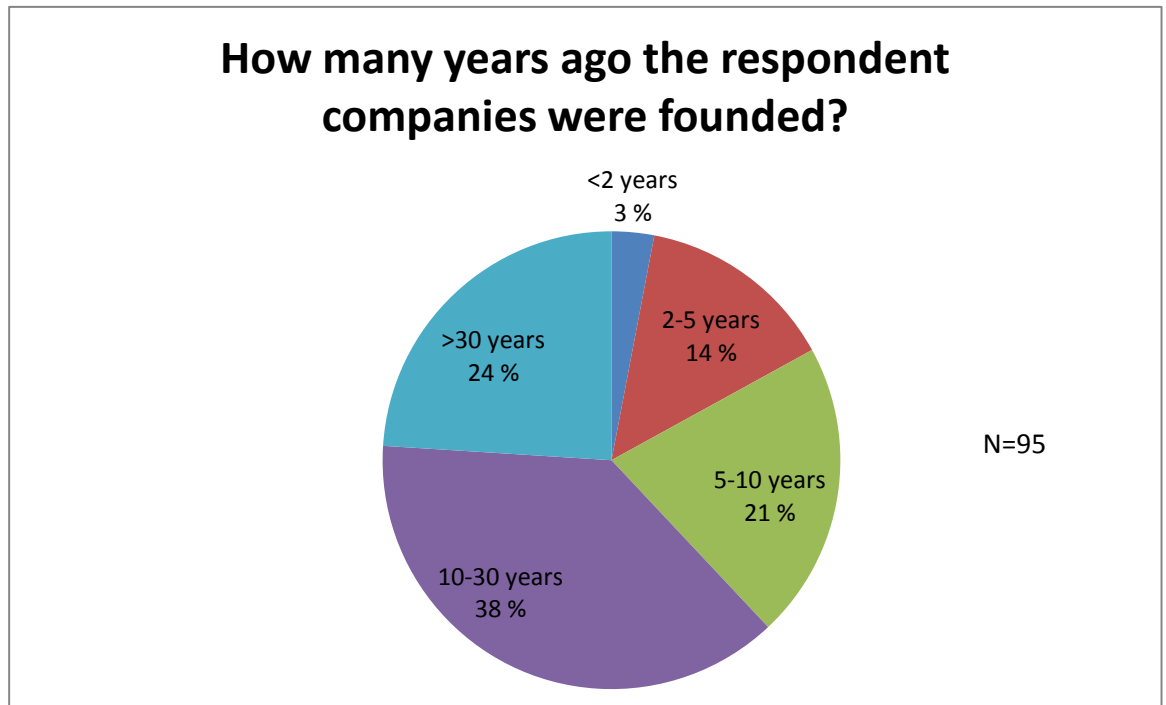


*Figure 23. Where are the respondent companies located in.*

This question aims to getting a clear idea that where are the respondent companies located in. As column above illustrates, Hotel Kakslauttanen has most cooperative travel agencies in France, Britain and Italy. In the order of decreasing percentage, the rests mainly locates in Holland, Scandinavia counties, Japan, Spain, Switzerland, Germany, China, Australia, Finland and so on. Hotel Kakslauttanen is aware that there are not enough travel agencies in Japan and China because those countries are pretty large potential markets for Hotel Kakslauttanen.

- 2) Question number 2 was asking how many years ago the respondent companies were founded:

A. <2 years B. 2-5 years C. 5-10 years D. 10-30 years E. >30 years

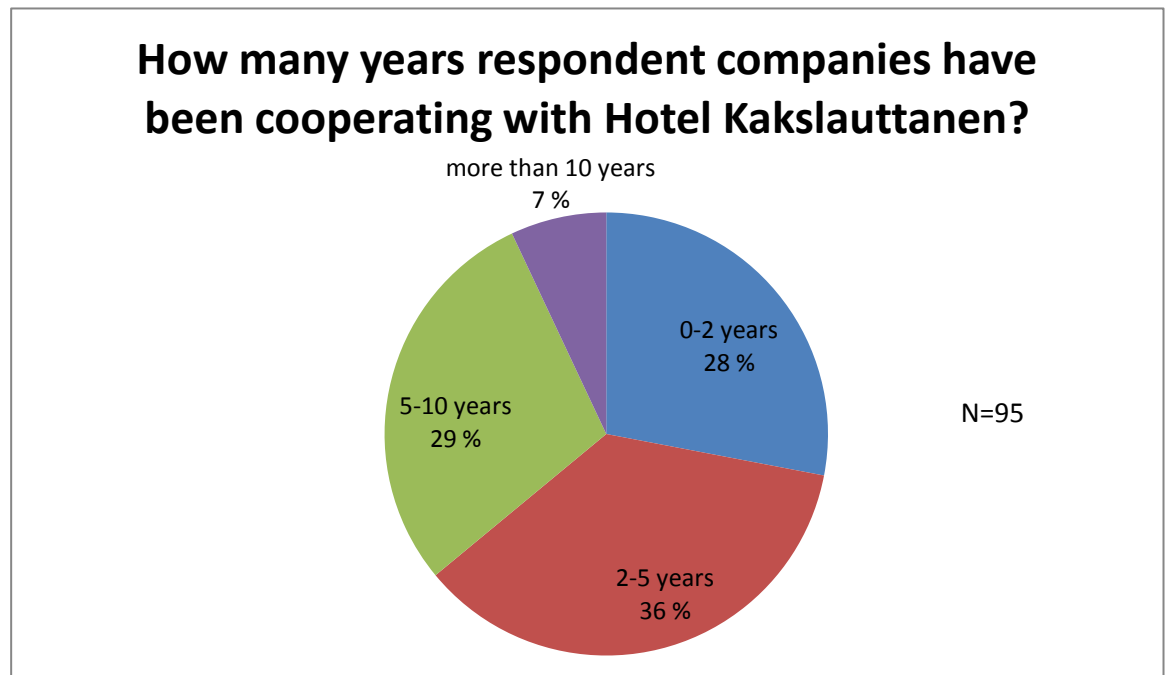


*Figure 24. How many years ago the respondent companies were founded.*

This question is going to search out how many years ago the respondent companies were founded. 38 % of those co-operated travel agencies were founded between 1981 and 2001; 24 % were founded earlier than 1980; 21 % were founded between 2001 and 2006; 14 % were founded between 2006 and 2009 and 3 % were founded in recent 2 years.

- 3) Question number 3 was asking how many years respondent companies have been cooperating with Hotel Kakslauttanen:

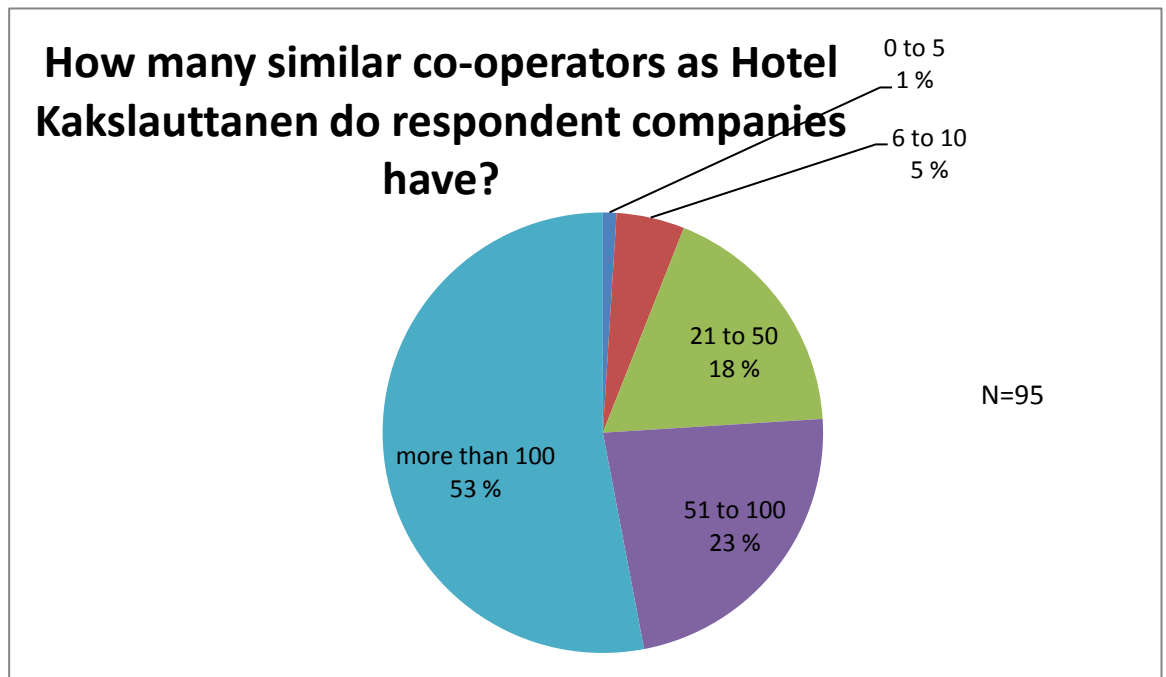
A. 0-2 years B. 2-5 years  
C. 5-10 years D. more than 10 years



*Figure 25. How many years respondent companies have been cooperating with Hotel Kakslauttanen.*

This question is trying to figure out how many years respondent companies have been cooperating with Hotel Kakslauttanen. Most of these travel agencies have been co-operating with Hotel Kakslauttanen for 2 to 5 years (36 %), 5 to 10 years (29 %) and 0 to 2 years (28 %). What's more, 7 % of them have been co-operated even more than 10 years.

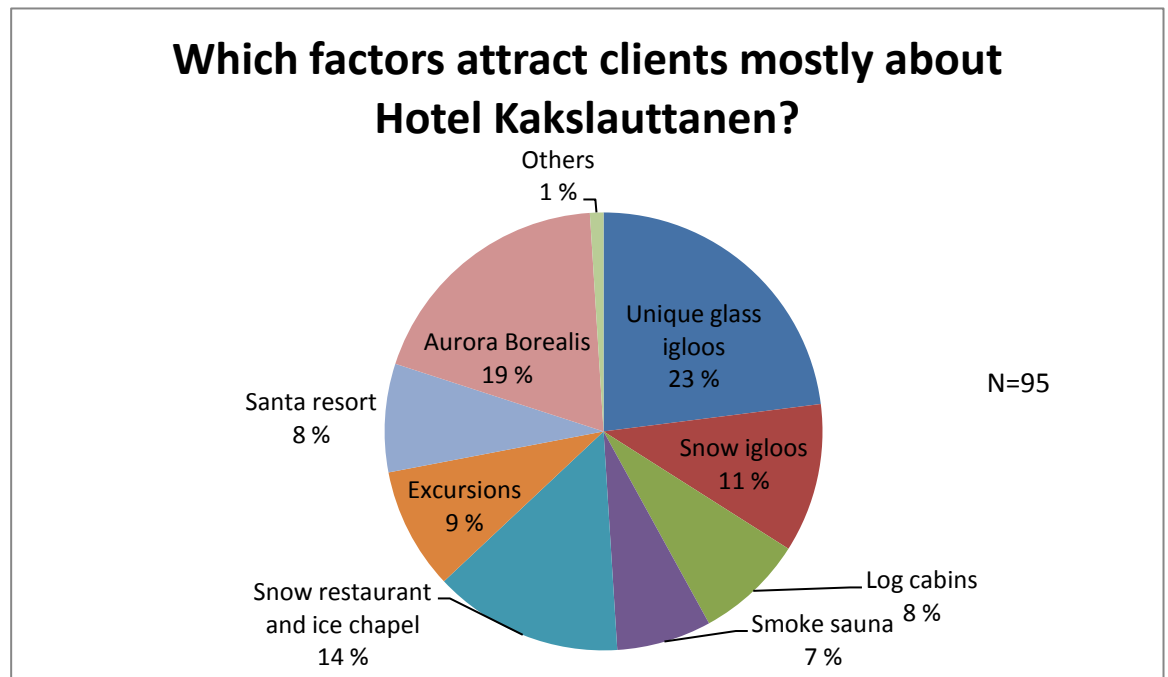
- 4) Question number 4 was asking how many similar co-operators as Hotel Kakslauttanen do respondent companies have:
- A. 0-5 B. 6-20 C. 21-50 D. 51-100 E. more than 100



*Figure 26. How many similar co-operators as Hotel Kakslauttanen do the respondent companies have.*

This question is going to search out how many similar co-operators as Hotel Kakslauttanen do the respondent companies have. Because the majority of these companies are large scale agencies, it is not a surprise that 53 % of these travel agencies own more than 100 similar co-operators as Hotel Kakslauttanen. However, still 23 % of them have from 50 to 100 and 18 % have from 21 to 50 co-operators.

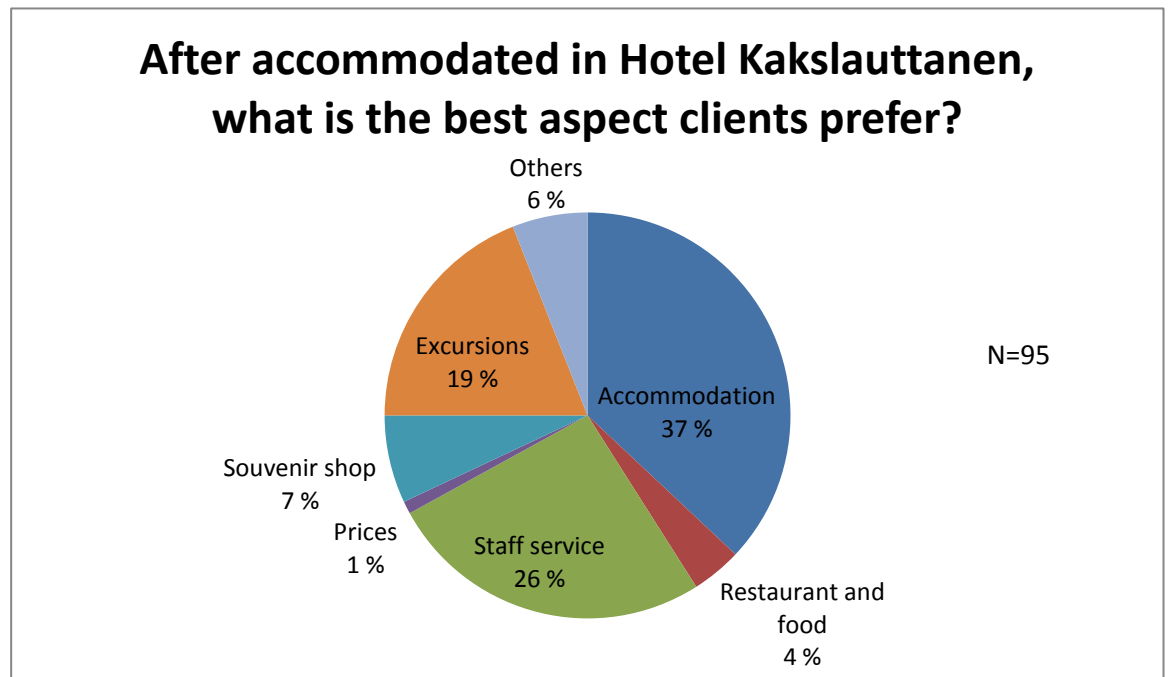
- 5) Question number 5 was asking during sale, which factors attract clients mostly about Hotel Kakslauttanen (Options):
- A. Unique glass igloos
  - B. Snow igloos
  - C. Log cabins
  - D. World largest smoke sauna
  - E. Snow restaurant and Ice chapel
  - F. Excursions
  - G. Santa Resort
  - H. Aurora Borealis
  - I. Others \_\_\_\_\_



*Figure 27. Which factors attract the respondent companies' clients mostly about Hotel Kakslauttanen.*

The aim of this question is getting a clear idea which factors attract the respondent companies' clients mostly about Hotel Kakslauttanen. Overall speaking, unique glass igloos, aurora borealis, snow restaurant and ice chapel, snow igloos, excursions, Santa resort, log cabins and smoke sauna are all major reasons why clients are interested to come to Hotel Kakslauttanen.

- 6) Question number 6 was asking after accommodated in Hotel Kakslauttanen, what is the best aspect clients prefer:
- A. Accommodation (including room facilities, cleaning, room service, etc)
  - B. Restaurant and food
  - C. Staff service (including employees and employer)
  - D. Prices
  - E. Souvenir shop
  - F. Excursions
  - G. Others \_\_\_\_\_



*Figure 28. What is the best aspect the respondent companies' clients prefer after their stay in Hotel Kakslauttanen.*

This question aims to find out which is the best aspect the respondent companies' clients prefer. After accommodated in Hotel Kakslauttanen, clients of these travel agencies sent their feedbacks indicate that 37 % of them are satisfied with accommodation mostly; 26 % liked staff service; 19 % enjoyed exciting excursions and small part of them preferred souvenir shop and restaurant food and so on. There are little differences between what attract them mostly and what they satisfied mostly after experiencing.

- 7) Question number 7 was asking after accommodating in Hotel Kakslauttanen, what is the worst aspect clients complain:
- A. Accommodation (including room facilities, cleaning, room service, etc)
  - B. Restaurant and food
  - C. Staff service (including employees and employer)
  - D. Prices
  - E. Souvenir shop

F. Excursions

G. Others

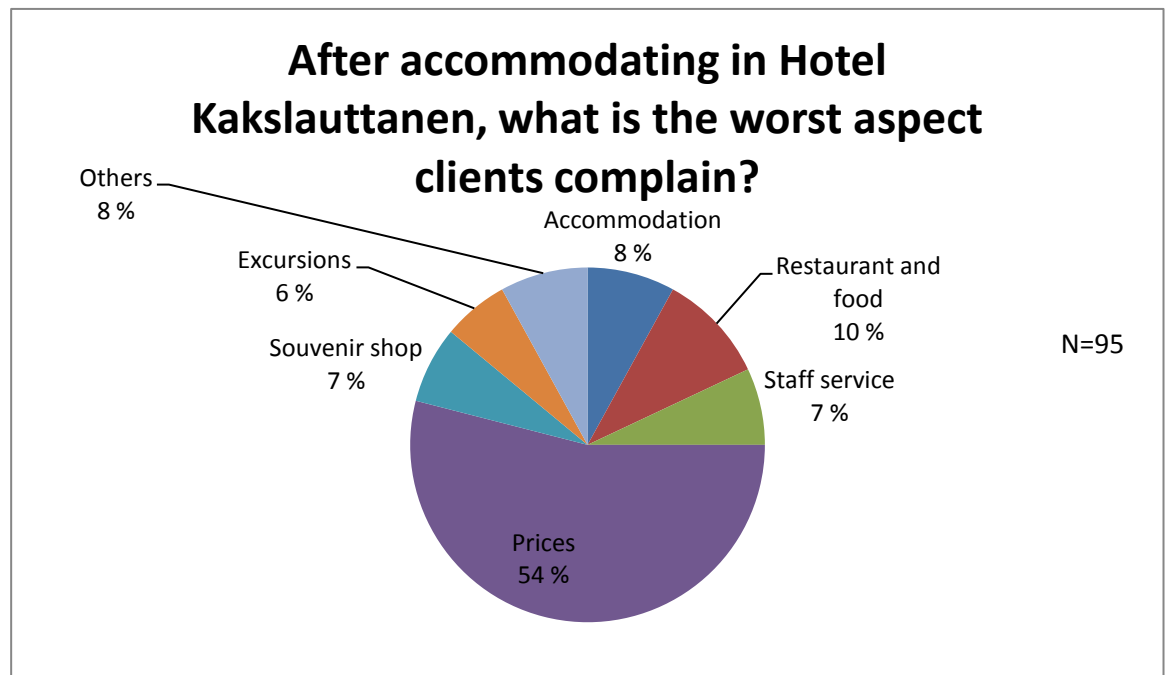
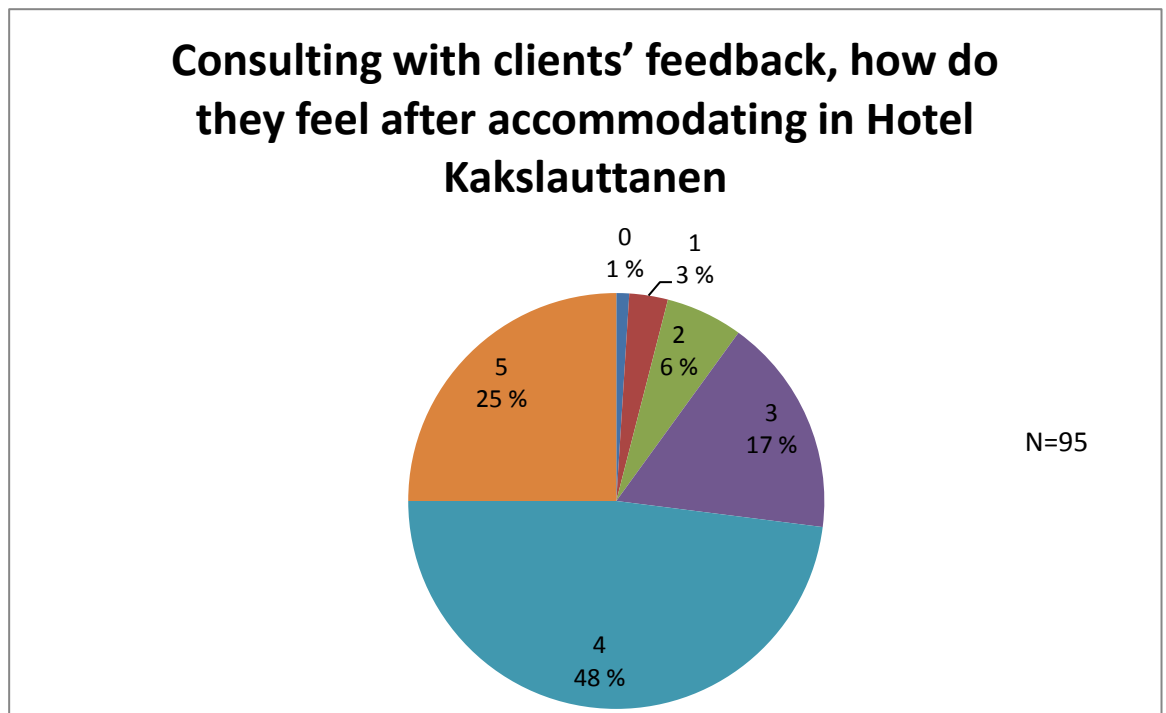


Figure 29. What is the worst aspect the respondent companies' clients complain.

On the other hand, after accommodated in Hotel Kakslauttanen, the feedbacks of these clients from these travel agencies tell that more than half (54 %) of them are disappointed with high prices; 10 % disliked restaurant food(not fresh enough); 8 % was angry with accommodation; 7 % didn't like staff service and souvenir shop. The rest are not happy with excursions, etc.

8) Question number 8 was asking consulting with clients' feedback, how do they feel after accommodating in Hotel Kakslauttanen:

A. 0    B. 1    C. 2    D.3    E.4    F.5



*Figure 30. How do the respondent companies' clients feel after accommodating in Hotel Kakslauttanen.*

This question aims to find out how do the respondent companies' clients feel after accommodating in Hotel Kakslauttanen. The main part (48 %) of respondent companies' clients chose they like Hotel Kakslauttanen in level 4 when 25 % chose level 5, 17 % liked in level 3, 6 % liked in level 2 and the rest percentage of them didn't enjoy their stay here at all.

- 9) Question number 9 was asking do respondent companies have any advice for Hotel Kakslauttanen ( your advice is very helpful for us to improve):

Generally speaking, the respondents advised as follow:

- Accommodation: No TV, no telephone, no internet access; several cabins or igloos are too far from main restaurant and reception, etc.
- Restaurant and food: No lunch menu; vegetables are not fresh, etc.
- Staff service: In busy season, the staff is too busy to take good care of every client. More language skills are required, etc.



- Prices: All prices are very high compared to other hotels in Saariselkä, etc.
- Souvenir Shop: Collection should be wider, etc.

10) Question 10 was asking according to respondent companies' sales profit, would they like to continue cooperating with Hotel Kakslauttanen:

- A. Pretty nice and we would like to keep on cooperating
- B. Better than average, we probably will keep on cooperating
- C. Average, it depends on how is situation going to change, we maybe keep on cooperating, maybe stop
- D. Quite poor, we will stop cooperating if no miracle happens

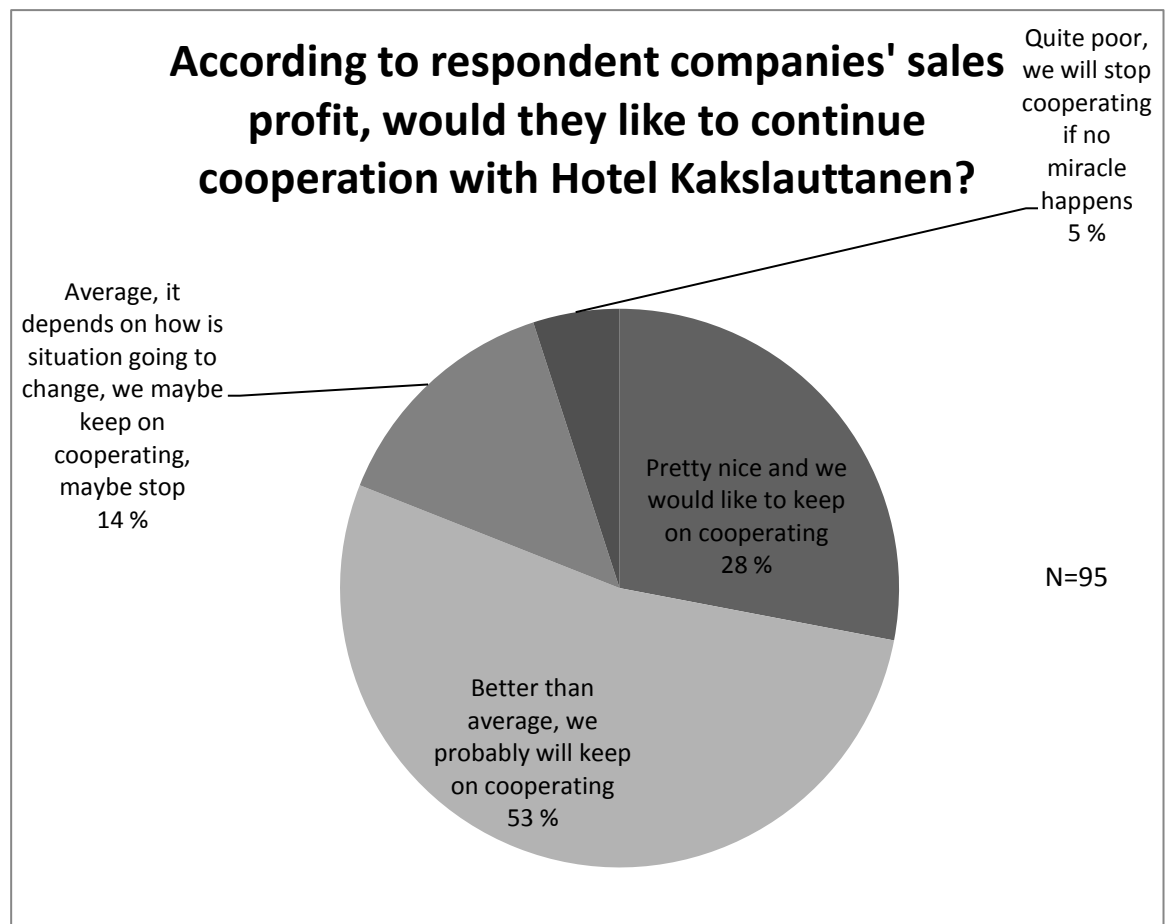


Figure 31. Whether the respondent companies would like to continue cooperation with Hotel Kakslauttanen.

This question is trying to search out whether the respondent companies would like to continue cooperation with Hotel Kakslauttanen. In a word, good news is that 28 % of the respondent companies certainly will continue cooperation with Hotel Kakslauttanen in the future and 53 % believe Hotel Kakslauttanen is better than average partner. At the same time, 14 % are still thinking whether continue co-operation or not. Moreover, 5 % is undoubtedly disappointed and will stop cooperating with Hotel Kakslauttanen soon.

### **4.3 Evaluation of the Data from the Questionnaire Research**

The objective of the survey was to search out what the accommodated clients and co-operative travel agencies think of Hotel Kakslauttanen and what kind of suggestions they would like to give, by this way to make a marketing plan to increase Hotel Kakslauttanen's sales profit, improve the satisfaction of customers and promote popularity and reputation of the hotel.

#### **Evaluation of the Data from Questionnaire Research of Accommodated Clients**

From 20<sup>th</sup> December 2010 to 20<sup>th</sup> January 2011 and from 10<sup>th</sup> February to 25<sup>th</sup> February 2011, 200 copies of questionnaires for clients who were accommodating in Hotel Kakslauttanen have been given face-to-face the day before check-out. There is not so big difference among different genders, age groups and nationalities and so on in the answers. It more depends on whom they are travelling with.

As the answers show clearly, accommodated clients were 52 % females and 48 % males and the main age group was from 26 to 35 years old who were travelling with husband, wife or boyfriend, girlfriend. The majority were from Japan, Britain, China, France, Spain and Italy and so on. Normally they travel abroad for vacation every

half a year or every three months. Most of them learned to know Hotel Kakslauttanen by travel agencies and relatives'/friends' recommendation. Therefore, Hotel Kakslauttanen realized it had participated in too few exhibitions and trade fairs. Co-operative travel agencies have been playing important roles in helping clients to reserve in Hotel Kakslauttanen. 53.5 % of clients have reserved accommodation via travel agencies.

The most attractive factors of Hotel Kakslauttanen for customers were Aurora Borealis, the unique glass igloos, snow igloos and log cabins, etc. The majority of clients replied this was the first time they accommodated in Hotel Kakslauttanen and probably would like to come back some day.

A number of them gave quite helpful advice for room facilities and services, restaurant food and prices. Finally 58 % decided to recommend Hotel Kakslauttanen to others definitely, while 33 % would probably recommend and 9 % would not recommend the hotel.

### **Evaluation of the Data from Questionnaire Research of Cooperative Travel Agencies**

On the other hand, in the same period, 100 copies of questionnaires have been sent by email to 100 co-operative travel agencies which have sent most customers to Hotel Kakslauttanen. There is not so big difference among different located countries, amount of co-operators and years of co-operation and so on in answers. It more depends on whom their clients are travelling with.

The replies indicate distinctly Hotel Kakslauttanen's excellent co-operative travel agencies are mainly located in France, Britain, Italy, Holland and Scandinavia and so on. Most of them were founded between 1981 and 2006 and cooperated with

Hotel Kakslauttanen from 2 to 10 years. Since the majority is large scale travel agencies, they have more than 100 co-operators which are similar as Hotel Kakslauttanen which means competition is very intensive.

In the sales, unique glass igloos, Aurora Borealis, snow restaurant, ice chapel, and snow igloos are all major reasons why those co-operative travel agencies' clients are interested to come to Hotel Kakslauttanen. After accommodating, clients were satisfied with accommodation mostly, 26 % liked staff service, 19 % enjoyed exciting excursions, etc. On the other side, they disliked high prices and restaurant food.

## **5    MARKETING PLAN FOR HOTEL KAKSLAUTTANEN**

As mentioned above, the objective of this research is to make a marketing plan for Hotel Kakslauttanen to increase its sales and profits, to improve the satisfaction of its customers and to promote popularity and reputation in the world area.

After presenting the theoretical framework, research implementation and the executive summary, the study focuses on building a suitable and effective marketing plan for Hotel Kakslauttanen.

### **5.1    SWOT Analysis of Hotel Kakslauttanen**

“SWOT analysis is a basic, straightforward model that provides direction and serves as a basis for the development of marketing plans. It accomplishes this by assessing an organizations strengths (what an organization can do) and weaknesses (what an organization cannot do) in addition to opportunities (potential favorable conditions for an organization) and threats (potential unfavorable conditions for an organization).

SWOT analysis is an important step in planning and its value is often underestimated despite the simplicity in creation. The role of SWOT analysis is to take the information from the environmental analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines if the information indicates something that will assist the firm in accomplishing its objectives (a strength or opportunity), or if it indicates an obstacle that must be overcome or minimized to achieve desired results (weakness or threat)” (Danca 1998, 47).

Thanks to summarizing questionnaires' results, it helps to analyze clearly Hotel Kakslauttanen's strengths, weaknesses, opportunities and threats. It is clearly showed that which strengths attract and satisfy clients and which weaknesses disappoint them.

### **5.1.1 Strengths and Weaknesses**

#### **Strengths**

Firstly, as mentioned earlier, Hotel Kakslauttanen is located in the Saariselkä fell area amidst beautiful Lapland scenery in the vicinity of Urho Kekkonen National Park. Moreover, in this area people are able to enjoy plenty of natural landscapes such as Aurora Borealis, midnight sunshine and bright snow and extraordinary peaceful, quiet environment and so on.

Secondly, as the results of questionnaires research illustrate which attracts most clients, Hotel Kakslauttanen owns unique glass igloos, high class log cabins, world largest smoke sauna and special Santa Resort, etc. Especially, in all log cabins there are thoughtful and attentive equipments arranged, for instance, heating system, refrigerator, oven, stove, private sauna, shower, fireplace and separate bedrooms in large cabins.

Also, during their staying, clients have opportunities to test Lappish and Nordic excursions like Husky, Reindeer, Snowmobile, Ice fishing, Ice Carting, Ice Breaker.

In addition, referring to staffs who work in Hotel Kakslauttanen, all of them have at least two years' working experience in a five-star hotel in worldwide area. Everyone use English plus one or two of Finnish, Spanish, Italian, Dutch, French, German, Russian, Japanese, Chinese and Thai as working languages. In this way, most clients can enjoy their stay in Hotel Kakslauttanen with their native tongue. On the

other side, different nationalities staff has different ideas for working and behaving, everyone learns how to combine all the advantages, avoid all the disadvantages and then help Hotel Kakslauttanen in making progress.

### **Weaknesses**

Hotel Kakslauttanen is a self-owned hotel, not a limited company. Unfortunately its marketing strategy has been seldom planned and adjusted regularly. The differentiated strategy of Hotel Kakslauttanen supposes to be more clearly communicated extremely within local and national markets.

Since seasonal turnover requires ongoing training and orientation of new staff which costs lots of time and expenditure, it is very complicated.

Compared with other hotels in Finland or worldwide, the prices of Hotel Kakslauttanen seem to be a weakness which means too expensive. Many potential clients disappear after received price lists of all items.

Furthermore, in Northern Finland, especially Lapland area, the temperature can be quite low and environment can be pretty dark, thus, the private cabins and igloos being a little far away can become a disadvantage. The customers particularly babies, old and disabled clients who haven't got used to coldness and darkness could not find their way to cabins and igloos.

In detail, certain cabins require renovation or upgrading as regards equipments such as internet access, telephone, television which would be more convenient for clients who are willing to contact somebody.

## 5.1.2 Opportunities and Threats

### Opportunities

The gratifying achievement of Hotel Kakslauttanen is the reputation keeps growing and expanding in worldwide. Most of the co-operators would like to continue relationship and numerous travel agencies and companies try to build co-operation with them. According to all partners' responses, Hotel Kakslauttanen has brought considerable sales profit for them.

A majority of collaborating travel agencies comprehend Hotel Kakslauttanen well in a way because they have established partnership more than two years ago and the partnership can be regarded as long-term, strong, trustful and continuing.

Due to unique glass igloos and special Santa Resort which Hotel Kakslauttanen owns patent, luckily there are not so many competitors; therefore, the competitive pressure hasn't been tremendous yet.

Air Baltic plans to start flying between Riga and Ivalo airport which means in future there will be more convenient and selective flights for people who are willing to travel to Lapland with cheaper flight tickets and more flexible schedules.

### Threats

Although it was mentioned that there are not so many competitors and the competitive pressure hasn't been tremendous yet, potential competitors are coming up anyway. Plenty hotels are on their way of trying run business with similar log cabins and igloos. At present Santa Park in Rovaniemi is more famous and popular than Hotel Kakslauttanen's Santa Resort.



In Lapland, transportation plays a shortcoming role. From Rovaniemi to further north, there are only some bus connections and short flights, no trains even.

In recent two years, as a result of Finnair strike, Icelandic Volcano, centre Europe snow storm and so on, the flight trips for clients were very inconvenient. A number of them lost luggage or were stuck in a transit airport. Finally some of them even cancelled whole travelling plan and gave up to coming.

## **5.2 Target Groups of Hotel Kakslauttanen**

Hotel Kakslauttanen ought to analyze its own target customer groups for marketing segmentation in marketing plan process as follow:

### **Company groups**

In Hotel Kakslauttanen, every winter season many companies arrange bonus trips for employees. Regularly the amount of participants is more than 10 people in every group.

They require special conference and meeting private rooms and particularly requests for dinner menu. In Hotel Kakslauttanen, Ikoni dining room fits perfectly for big groups with more than 20 people and Karhu is just the suitable one for small groups with more than 10 and less than 20 people.

Additionally, smoke sauna is another popular facility which attracts customers not only from Finland but also from abroad such as Spain, Italy, and Germany and so on. Hotel Kakslauttanen owns one large smoke sauna whose capacity is up to 80 people and two small smoke saunas (old style and new style) whose capacity is up

to 20 people. They are all typical Finnish smoke saunas and drinks, barbecue or grill sausages are also possible at the same time during sauna safari.

### **Family groups**

It is a well known fact that the reasons for people to come to Lapland are the Northern lights and visiting Santa Claus's hometown which is full of snow. Especially families which have little children who are dreaming about Santa Claus will realize their excited dreams. Hotel Kakslauttanen has been building its private amazing Santa Resort since 2008 where clients could enjoy their time with Santa Claus, his elves, his red cabin and reindeers.

The Hotel Kakslauttanen area is quite suitable for hunting Northern lights because there is no city or town nearby. No lights will bother peaceful and dark sky. What's more, due to Hotel Kakslauttanen is about 260 kilometers north of the Nordic line, the probability to catch Aurora Borealis is over seventy percent.

Regarding to family groups, the A la carte menu includes particularly Kid's menu, too. There are special large cabins whose capacity is up to five people and Sivakka cabin which can accommodate 10 people. In this case, most families are able to accommodate in the same log cabin, enjoy Finnish sauna and fireplace together.

### **Couple groups**

Throughout all of the clients in Hotel Kakslauttanen, the most common clients are couple groups which mean boyfriend with girlfriend or husband with wife.

Referring to these clients, extraordinary cabins are requested normally. For instance, Queen Suites and Honeymoon Suite including bathtub and private Jacuzzi and special interior decorations are quite popular among them.

Sometimes these groups demand assistance for proposing marriage or creating extremely romantic circumstance during dinner time. Hotel Kakslauttanen is able to offer a private dining room in Karhu or near a fireplace in main log restaurant with a special layout table or in snow restaurant wearing overalls. After dinner courses, couples could enjoy glass of cocktail or a cup of Lappish coffee in the main restaurant piano bar or in ice gallery.

### **Friend groups**

Friend groups play an important role in Kakslauttanen customers' resources. Plenty of clients come to accommodate in Hotel Kakslauttanen also because of friends' recommendation.

Due to they are friends, usually friends prefer stay in same cabin but not shared bedrooms. Ordinary hotels can only provide twin rooms or triple rooms where have two or more separated beds but unfortunately in the same room. However, there are several cabins in Hotel Kakslauttanen which contain two separate bedrooms with double bed and bunk beds. Those are more appropriate and acceptable for friend groups.

It is worth to mention, Hotel Kakslauttanen has cooperation with lots of excursion companies such as husky safari companies, reindeer safari companies, snowmobile safari companies and ice fishing safari companies and so on. With regard to friends group, all the interesting activities are able to promote friendship and improve the delights of travelling.

### 5.3 Objectives of Marketing

The objectives in this marketing plan for Hotel Kakslauttanen are quite clear, mainly they are:

Short-term objective:

To accomplish 2 - 5 % sales profit growth with the given budget in March (compared with March 2010) and satisfy clients better;

Long-term objectives:

- to provide a positive hotel experience for clients, to improve their satisfaction;
- to promote popularity and reputation in the world area;
- to accomplish 2 - 5 % sales profit growth with the given budget every year.

### 5.4 Marketing Mix Strategies for Hotel Kakslauttanen

Generally speaking, there are mainly three types of ways to check availability and make a reservation in Hotel Kakslauttanen. Directly contacting with Hotel Kakslauttanen by email ([hotel@kakslauttanen.fi](mailto:hotel@kakslauttanen.fi)) or phone calls (+358-16-667 100) and fax (+358-16-667 168), reserving via a travel agency in local, booking through two online booking links: [www.booking.com](http://www.booking.com) and [www.splendia.com](http://www.splendia.com).

By these three ways, clients are able to check availabilities, photos and facilities. Hotel Kakslauttanen co-operates with all these travel agencies and online booking companies by following co-operation contracts' policies which have been signed by both sides.

#### 5.4.1 Product / Service Strategies

Refers to a hotel or holiday village, actually its product is equal as service. In Hotel Kakslauttanen, clients are willing to enjoy an extremely peaceful and quiet resting vacation with a high-level taking care.

Hardware facilities comprise unique glass igloos, a special snow igloos, an ice chapel, a snow restaurant, the Santa Resort, luxury log cabins and the world's largest smoke sauna and so on. According to accommodated clients' advice, we tried to make progress as follow:

- **Darkness:** When clients come to check-in, they will be provided room key with a small torch which could help somehow to find the way.
- **No TV, WIFI in cabins and igloos:** Due to Hotel Kakslauttanen's original purpose, all cabins and igloos are designed without any news, emails, phone calls which could protect clients for a real peaceful holiday. However, as a number of clients suggested, Hotel Kakslauttanen adopted a moderated solution by installing TV and WIFI only in log restaurant, piano bar and luggage room.
- **Heating problem:** Occasionally clients reflect cold problem, hotel staff brings extra heaters inside the cabins.
- **Several rooms are far away:** For example, cabin Sivakka is about 500 m away from the log restaurant. If clients prefer, Hotel Kakslauttanen's staff is able to drive them return.

Software service involves staff service, restaurant food level and hotel organization, etc. After analyzing clients' feedback, Hotel Kakslauttanen improved as follow:

- Communication problems: Because of worldwide clients, everyone has different language speaking. Unfortunately a majority of them are not able to explain everything clearly enough in English. In this case, Hotel Kakslauttanen recruited more than 15 different nationalities staff to solve this trouble in a way.
- Different requests for restaurant food: As mentioned, clients are from all over the world, naturally their requests for food are different. Nowadays in Hotel Kakslauttanen chef could cuisine in Finnish, Russian, Asian, American ways to ingratiate customers' taste standards.

#### **5.4.2 Price Strategies**

It is easy to guess that Hotel Kakslauttanen's price lists are extensive since plenty of room types, activities kinds and facilities' sorts and all of them have different prices. Moreover, it is worth to mention that even with same accommodation or excursion there can be different prices when there are different numbers of clients to join in.

Hotel Kakslauttanen sensed out from results of survey that prices are too expensive. Although the hotel owns some unique and special stuff when compared with other competitors, anyway, in order to comfort customers, Hotel Kakslauttanen determined several policies as below:

- Normally in luxury hotels, the prices grow up every year by 3 % - 5 %.  
However, on the basis of questionnaire consequences, Hotel Kakslauttanen decided there would be zero percentage growth for next winter accommodation prices. Also, all the prices in summer season are lower than half of winter's prices.

- Free policy:  
Group size is more than 8 people, less than 16 people, tour leader gets -50 % discount; Group size is more than 16 people, less than 32 people, tour leader is free; Group size is more than 32 people, 2 people are free.  
This policy concerns accommodation.
- Discount policy:  
Week price is equal as 6 nights for all log cabins. In addition to, from the eighth night the price will be -15 % discount; if more than 2 people accommodate in one cabin, the third, fourth and fifth person get about -35 % discount.

### **5.4.3 Promotion Strategies**

#### **Media Advertising**

Hotel Kakslauttanen is quite frequently attending Trade Fairs, exhibitions, magazines and newspapers' editions, marketing conferences locally and internationally:

- International magazines: Falcon Travel House, Swiss; Northern Lights, UK, etc.
- Local newspapers: Saariselkä News; Journal of Saariselkä; Inarilainen, etc.

#### **Sales Promotion**

- Participation in international trade fairs:  
Meet Finland Matka, 19<sup>th</sup> Jan, 2011, Helsinki, Finland;  
Work Shop Travel Seminar, 3<sup>rd</sup>-6<sup>th</sup> Feb, 2011, Reykjavik, Iceland;  
Visit Finland workshop tour, 2<sup>nd</sup>-3<sup>rd</sup>, Mar, 2011, Mumbai, India, etc.

## **Public Relations**

Besides, Hotel Kakslauttanen strived for some famous or popular stars' parties, weddings or ceremonies which are extremely helpful to promote reputation and popularity in TV programme or in life.

## **Direct Advertising**

Furthermore, Hotel Kakslauttanen tried best to offer free accommodation, smoke sauna and food, etc. for related travel agents, co-operative companies' staff, magazine and newspaper' editors and photographers and so on. In this case, they could explain or describe better in detail for clients in travel agencies, readers of their books and audience of their speeches.

Also, staffs of Hotel Kakslauttanen send every season brochures, price lists, promoting program description and so on to co-operators by post or emails.

## **5.5 Action Program and Financial Forecast**

Each marketing strategy can now be broken down into specific action programs. This will be the actual items that you plan to do in order to meet your goals. Each action program should include what will be done, when it will be done, who is responsible for doing it, how much it will cost, and what the quantifiable projected outcome will be. The action programs should show when the items would be started, reviewed and completed. At completion, this section will provide your organization with a detailed plan to follow. In doing so, you will be on the road to meeting your goals. (CharityVillage 2003)



Items	What	When	Who take care	How much
International magazines	Falcon Travel House, Swiss; Northern Lights, UK, etc	January-March, 2011	Jussi Eiramo, Jari Virtanen	Free(Co-operators)
Local Newspapers	Saariselkä News; Journal of Saariselkä; Inarilainen, etc.	January-March, 2011	Jussi Eiramo	About 100 € – 500 €
International trade fairs	Meet Finland Matka,	19 <sup>th</sup> Jan, 2011, Helsinki, Finland	Jari Virtanen	About 30,000 €-40,000 €
	Work Shop Travel Seminar,	3 <sup>rd</sup> -6 <sup>th</sup> Feb, 2011, Reykjavik, Iceland;		
	Visit Finland workshop tour, etc	2 <sup>nd</sup> -3 <sup>rd</sup> , Mar, 2011, Mumbai, India.		
Popular stars' parties, weddings or ceremonies		January-March, 2011	Sumonta Jane, Esa-Mikko Lappalainen	
Offer some related co-operators opportunities to experience		January-March, 2011	Jari Virtanen, Esa-Mikko Lappalainen	About 10,000 €

Send brochures, price lists, etc by post or emails		January-March, 2011	Markus Gottwald, Yueyuan Yu	About 500 €
Total amount				40,600 € – 51,000 €

*Figure 32. Action program and financial forecast.*

## 5.6 Controls

The last section of the plan outlines the controls that will be used to monitor progress. Normally, goals and budgets are outlined for each month or quarter. Management can review the results for each timeframe and determine if the plan is allowing the organization to meet their goals. If necessary, the plan can be modified to contain corrective actions. (CharityVillage 2003)

Consequently, until March 2011, this marketing plan has been helping to attract more clients and to obtain 4 % higher profit compared with March 2010. Apart from this, Hotel Kakslauttanen's reputation and popularity have grown due to trade fairs, exhibitions and advertising in magazines and newspapers. More and more customers who come from worldwide would like to accommodate and experience different service types in Hotel Kakslauttanen. In addition, more and more travel agencies try to build co-operation with Hotel Kakslauttanen.

In the long term the objective is to provide a positive hotel experience for customers, to improve the customer's satisfaction, to promote the popularity and the reputation of the hotel worldwide and to accomplish 2 - 5 % sales profit growth with the given budget every year. The study provides suggestions for realizing the marketing plan, which will hopefully help to achieve these goals in the future.

## 6 CONCLUSIONS

Hotel Kakslauttanen (Lomakylä Kakslauttanen) has been built in 1973 and it is located in the Saariselkä fell area amidst beautiful Lapland scenery in the vicinity of Urho Kekkonen National Park. Today Hotel Kakslauttanen owns unique glass igloos, special snow igloos, an ice chapel, a snow restaurant, the Santa Resort, luxury log cabins and the world's largest smoke sauna in an aurora borealis and midnight sun magic land.

Due to the current growth of economies and the increase in competitive pressure, Hotel Kakslauttanen had to figure out some marketing plans and strategies to attract more customers. Several months of basic training as a waitress and in-depth training as an office clerk in Hotel Kakslauttanen offered a starting point for the marketing study.

In a word, as it mentioned before, the basic objective of this thesis was to make a marketing plan to help Hotel Kakslauttanen to increase its sales profit, to improve the satisfaction of customers and to promote its popularity and reputation.

Overall speaking, the quantitative research method was considered to be the most appropriate for this research. In theoretical part, it focused on internal and external marketing environment analysis, marketing strategies management and planning, marketing mix and segmentation. On the other side, the empirical part includes questionnaire research among Hotel Kakslauttanen's accommodated customers and co-operative travel agencies. After summarizing the survey results and analyzing of the marketing environment, a marketing plan for Hotel Kakslauttanen was designed.

Definitely making a marketing plan for a world famous hotel is not a simple project. However, by the help of kind customers, co-operators, hotel employer and employees' assistance and their useful suggestions, this marketing plan has been helping Hotel Kakslauttanen to attract more clients and to obtain higher profit. Also, its reputation and popularity have been augmented in a way.

Certainly there are limitations in this project. As originally planned, the research was supposed to be implemented with direct clients and all the co-operators such as travel agencies, safari companies, taxi companies, and food, drinks and souvenir suppliers and so on. However, in this way, the length of thesis and the range of research both would have come burdensomely. So the study only focused on the main co-operators, travel agencies.

Thus, this research result was incomplete because of the limitation in research objects. Also, the marketing plan for Hotel Kakslauttanen was incomprehensive which lacks of tactics for other co-operators except travel agencies.

Anyway, the author wishes this marketing plan can and will help Hotel Kakslauttanen more and more in the future. Personally speaking, this was first time the author worked in a Finnish company and made a marketing plan for them. In this case, the method to combine theoretical knowledge with practical life was learned, especially in Finland. Thanks for all the opportunities and experiences they offered the author.

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## APPENDICES

### Appendix 1

#### The questionnaire for accommodated clients in Hotel Kakslauttanen

**Dear Clients, thank you for your time and have a nice day:**

1) Your gender:

- A. Male      B. Female

2) Your age:

- A. <17 years old    B. 17-25    C. 26-35    D. 36-50    E. >50

3) Your nationality:

- A. Finnish    B. Swedish, Norwegian, Danish, Icelander  
C. British    D. Italian    E. Spanish    F. French    G. German    H. Swiss  
I. Dutch    J. Canadian    K. American    L. Japanese  
M. Chinese    N. Brazilian    O. South African    P. Australian  
Q. Other \_\_\_\_\_

4) How often do you travel normally abroad for vacation:

- A. Every 3 months    B. Every half a year    C. Every year  
D. Every 2-4 years    E. More seldom

5) How did you know Kakslauttanen:

- A. Relatives or friends' recommendation  
B. Travel agencies  
C. Magazines and other advertisements  
D. Kakslauttanen exhibitions and trade fairs

E. Others\_\_\_\_\_

6) How did you make reservation in Kakslauttanen:

- A. Individual reservation via email and phone call
- B. Individual reservation via travel agency
- C. Group reservation via email and phone call
- D. Group reservation via travel agency

7) Which reasons attract you mostly at Hotel Kakslauttanen(options):

- A. Unique glass igloos B. Snow igloos C. Log cabins
- D. World largest smoke sauna E. Snow restaurant F. Excursions
- G. Finnish and Lappish food H. Aurora Borealis I. Others\_\_\_\_\_

8) Are you travelling:

- A. Alone B. With friends C. With colleagues
- D. Couples (with bf, gf, husband, wife)
- E. Families (with children, parents)
- F. Others\_\_\_\_\_

9) How many nights is your reservation:

- A. 1 night B. 2-4 nights C. 5-8 nights
- D. 9-14 nights E. more than 2 weeks

10) How often do you accommodate in Hotel Kakslauttanen:

- A. Every year B. Every 2-4 years C. Every 5-15 years
- D. This is the first time I accommodate here, I am not sure about future
- E. Once in life, I will never comes back

(reasons\_\_\_\_\_ )  
\_\_\_\_\_ )

11) Please advise which aspects Kakslauttanen should improve(Options):

A. Accommodation (including room facilities, cleaning, room service, etc)

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B. Restaurant and food

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C. Staff service (including employees and employer)

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D. Prices

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E. Souvenir shop

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F. Excursions

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G. Others

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12) How do you like Kakslauttanen(0-5, bad-good):

A. 0   B. 1   C. 2   D.3   E.4   F.5

13) Will you recommend Kakslauttanen to others:

A. Yes   B. Maybe   C. No

## Appendix 2

### The questionnaire for cooperative travel agencies of Hotel Kakslauttanen

**Dear Co-operators of Hotel Kakslauttanen, thank you for your time:**

- 1) Which country your company locates in:
  - A. Finland B. Sweden, Norway, Denmark, Iceland
  - C. Britain D. Italy E. Spain F. France G. Germany H. Switzerland
  - I. Holland J. Canada K. American L. Japan
  - M. China N. Brazil O. South Africa P. Australia
  - Q. Others \_\_\_\_\_
  
- 2) How many years your company has been founded:
  - A. <2 years B. 2-5 years C. 5-10 years D. 10-30 years E. >30 years
  
- 3) How many years have you been cooperating with Kakslauttanen:
  - A. 0-2 years B. 2-5 years
  - C. 5-10 years D. more than 10 years
  
- 4) How many similar co-operators as Kakslauttanen do you have:
  - A. 0-5 B. 6-20 C. 21-50 D. 51-100 E. more than 100
  
- 5) During sale, which factors attract clients mostly of Kakslauttanen(Options):
  - A. Unique glass igloos B. Snow igloos C. Log cabins
  - D. World largest smoke sauna E. Snow restaurant and Ice chapel
  - F. Excursions G. Santa Resort H. Aurora Borealis
  - I. Others \_\_\_\_\_

6) After accommodated in Kakslauttanen, what is the best aspect clients prefer:

A. Accommodation (including room facilities, cleaning, room service, etc)

B. Restaurant and food

C. Staff service (including employees and employer)

D. Prices

E. Souvenir shop

F. Excursions

G. Others \_\_\_\_\_

7) After accommodating in Kakslauttanen, what is the worst aspect clients complain:

A. Accommodation (including room facilities, cleaning, room service, etc)

\_\_\_\_\_  
\_\_\_\_\_

B. Restaurant and food

\_\_\_\_\_  
\_\_\_\_\_

C. Staff service (including employees and employer)

\_\_\_\_\_  
\_\_\_\_\_

D. Prices

\_\_\_\_\_  
\_\_\_\_\_

E. Souvenir shop

\_\_\_\_\_  
\_\_\_\_\_

F. Excursions

\_\_\_\_\_  
\_\_\_\_\_

G. Others

\_\_\_\_\_  
\_\_\_\_\_

8) Consulting with clients' feedback, how do they feel after accommodating in Kakslauttanen:

A. 0   B. 1   C. 2   D.3   E.4   F.5

9) Do you have any advice for Kakslauttanen( your advice is very helpful for us to improve):

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10) According to your sales profit, would you like to continue cooperating with Kakslauttanen:

- A. Pretty nice and we would like to keep on cooperating
- B. Better than average, we probably will keep on cooperating
- C. Average, it depends on how is situation going to change, we maybe keep on cooperating, maybe stop
- D. Quite poor, we will stop cooperating if no miracle happens

**Thank you so much for your time and wish you have a nice day!**