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# MARKETING PLAN OF RENTAL APARTMENTS IN COSTA BLANCA FOR SCANDINAVIANS

Case: Zariko Enterprise SL

LAHTI UNIVERSITY OF APPLIED  
SCIENCES  
Faculty of Business Studies  
Degree programme in  
International Trade  
Thesis  
Spring 2014  
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Marketing Plan of Rental Apartments in  
Costa Blanca for Scandinavians

Case: Zariko Enterprise SL

Bachelor's Thesis in International Trade 79 pages

Spring 2014

ABSTRACT

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This thesis is a marketing plan of rental apartments in Costa Blanca for Swedish, Norwegian and Danish customers. The ordering party is Zariko Enterprise SL, which is a real estate agency operating in Torrevieja, Spain. The company is both selling and renting properties, but this thesis is focused only on the rentals. The objective of the thesis is to create a marketing plan which the company can put into practice. It will support the case company in finding more customers from the target countries and provide valuable information about these countries.

Marketing planning process starts with analysing the company and its operational environment. These analyses can be used when making strategy, segmentation, targeting and positioning decisions. In order to reach the wanted target groups, the company's marketing mix options should be studied thoroughly. According to the 5P model, which is used in this thesis, the marketing mix elements are product, price, place, promotion and people. A great tool to research the target market and countries is PEST analysis, which studies the political, economic, social and technological environments of the market.

The thesis was carried out as a secondary research. Both written and electronic sources as well as e-mail correspondence with the manager of Zariko Enterprise SL were used as sources. Some of the conclusions are also based on writer's own knowledge gathered during an internship in the company.

The outcome of the thesis is a marketing plan which the case company can use as a base when planning the marketing operations. In order to keep the marketing plan up to date, the company should keep developing and updating it in the future.

Key words: marketing plan, service marketing, real estate business, rental service

Lahden ammattikorkeakoulu  
Kansainvälinen kauppa

KIRSSI, JOHANNA:

Costa Blancalla sijaitsevien vuokra-  
asuntojen markkinointisuunnitelma  
Skandinavian maihin  
Case: Zariko Enterprise SL

Kansainvälisen kaupan opinnäytetyö 79 sivua

Kevät 2014

## TIIVISTELMÄ

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Tämä opinnäytetyö on Costa Blancalla sijaitsevien vuokra-asuntojen markkinointisuunnitelma. Suunnitelma on suunnattu Ruotsin, Norjan ja Tanskan markkinoille. Työn toimeksiantaja on Zariko Enterprise SL, joka on Espanjan Torreviejassa toimiva kiinteistönvälitystoimisto. Yritys sekä vuokraa että myy kiinteistöjä, mutta tässä opinnäytetyössä keskitytään vain vuokraustoimintoihin. Tämän työn tavoitteena oli luoda teoriaa apuna käyttäen toimiva ja realistinen markkinointisuunnitelma, jota Zariko Enterprise SL voi käyttää. Työ auttaa yritystä saamaan lisää asiakkaita kohdemaista, sekä tarjoaa yrityksen henkilökunnalle hyödyllistä tietoa kyseisistä maista.

Markkinointisuunnitelman laatiminen alkaa yrityksen ja sen toimintaympäristöjen analysoinnilla. Näitä analyysejä voidaan käyttää hyväksi strategiaan, segmentointiin ja asemointiin liittyvissä päätöksissä. Jotta tavoitellun kohderyhmän tarpeisiin voidaan vastata mahdollisimman tehokkaasti, täytyy määritellä yrityksen kilpailukeinot. Tässä työssä käytetyn 5P-mallin mukaan kilpailukeinot ovat tuote, hinta, saatavuus, markkinointiviestintä ja henkilöstö. Kohdemarkkinoiden ja maiden analysointiin voidaan käyttää PEST-analyysia, jossa tarkastellaan markkinoihin vaikuttavia poliittisia, taloudellisia, sosiaalisia ja teknologisia tekijöitä.

Opinnäytetyö toteutettiin pöytälaatikkotutkimuksena. Lähteinä käytettiin sekä kirjallisia että elektronisia lähteitä, kuin myös sähköpostikirjeenvaihtoa yrityksen johtajan kanssa. Osa päätelmistä ja tiedoista perustuu kirjoittajan viiden kuukauden mittaisen työharjoittelun aikana keräämiin tietoihin.

Työn tuloksena on valmis markkinointisuunnitelma, jota Zariko Enterprise SL voi hyödyntää markkinoinnissaan. Jotta työ pysy ajankohtaisena, yrityksen tulee kehittää ja päivittää sitä myös tulevaisuudessa.

Asiasanat: markkinointisuunnitelma, palvelumarkkinointi, kiinteistönvälitys, vuokraus

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## 1 INTRODUCTION

### 1.1 Background

Creating a marketing plan will help a company to perceive all the internal and external factors affecting the company's operations. With a thorough research the company can find the most beneficial marketing solutions and avoid wasting resources on unprofitable functions. Hence, marketing planning has a huge impact on the company's profitability.

The core service of Zariko Enterprise SL is letting and selling properties. I had an internship with the company during the summer and autumn 2012. My tasks were mainly related to planning and executing online marketing. At that time most of the marketing operations were directed to the Finnish and Spanish customers of the company. Customers from other Nordic countries besides Finland were not particularly taken into consideration when planning the marketing functions. This is probably one of the main reasons why only a small part of the current clientele of Zariko Enterprise SL comes from Sweden, Norway and Denmark. The company does not have a written marketing plan for these countries yet, so there was a real need for it.

Due to the tough competition in the market, thorough marketing planning is vital for the company. Expanding the clientele would improve Zariko's position in the competition. It would also increase the company's profitability. A marketing plan would add orderliness to marketing and hence increase its efficiency.

### 1.2 Research Objective and Goals

The subject of this thesis is to create a marketing plan of rental apartments located in the area of Costa Blanca, Spain. The ordering party is Zariko Enterprise SL, which is a Finnish-Spanish real estate agency operating in the city of Torrevieja and nearby areas. The subject was proposed by the manager of Zariko, since one of the company's future goals is to get a larger clientele from Scandinavia. At the moment a remarkable share of the company's customers come from Finland,

Spain and Russia. Thus, the focus group of the marketing plan is the potential customers in Sweden, Norway and Denmark.

The objective of this thesis is to plan the most efficient marketing operations in order to reach the Nordic customers. The thesis is mostly focused on finding suitable marketing channels and target groups among the Scandinavians.

Especially the role of online marketing is emphasized, since it is the most efficient and cost-effective way for Zariko to reach the target groups in countries outside of Spain. In addition, this thesis will provide useful information about the Scandinavian countries, which will help planning the marketing operations targeted to the countries discussed. The goal is that all information gathered in this thesis could be used in the future when planning the marketing to the Scandinavian countries.

### 1.3 Structure

The thesis consists of two parts: theory and empirical parts. Theory part includes all aspects of marketing planning. It starts with situation analyses that include company, customer and market, and competitor analyses. It also includes a SWOT analysis, which is an overview of the most important information gathered in the analyses. The theory part also includes segmentation and marketing goals, including strategies and positioning. It also comprises an overview of the 5P's of marketing mix. The theory part was carried out as a secondary research. Written and electronic sources were used as a source material.

The empirical part is a marketing plan for Zariko. It begins with PEST analyses of Sweden, Norway and Denmark. The PEST analyses represent the market and customer analyses. The analyses are later used as reasons for some of the decisions and statements made in the marketing plan. On this account, the PEST analyses are represented before the actual plan. Otherwise the marketing plan follows the structure of the theoretical part. It starts with situation analyses and continues with an examination of the marketing mix of the case company. Final part of the marketing plan is a schedule and budget for the planned marketing operations. Research materials used in the empirical part are both written and

electronic sources, as well as e-mail correspondence with the manager of Zariko Enterprise SL. Since I was a marketing intern in the company in the year 2012, my own observation is used as a source as well.

The final chapter sums up the essential concepts and goals of the thesis. It also includes the most important findings of the thesis and possible follow-up research topics. In addition, the last part evaluates how well the objects set to the thesis were reached.



## 2 MARKETING PLANNING

### 2.1 Marketing Planning Process

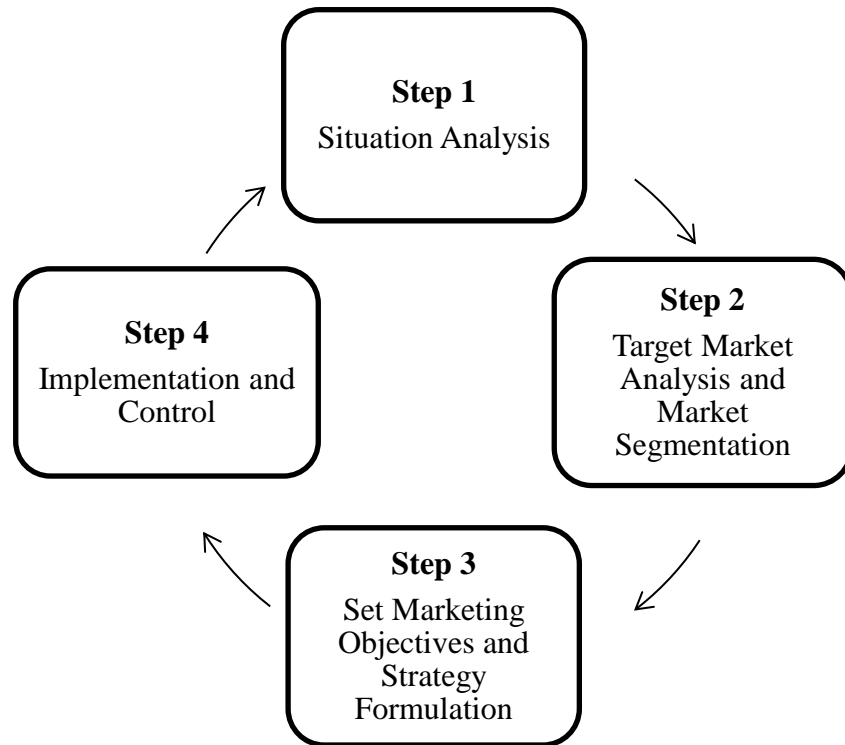
Unlike often thought, there is more to marketing than just selling and advertising. It can be described as an act of satisfying customer needs. The main purpose is to build customer relationships by creating value for them. (Kotler, Armstrong, Wong & Saunders 2008, 6.)

The marketing process consists of five steps: understanding the market and customer needs, creating a strategy, developing a marketing programme, building customer relationships and creating profits by capturing value from customers. The basis for the marketing process should be the organization's overall business idea and objectives. (Kotler, Armstrong, Wong & Saunders 2008, 7.)

A marketing plan is a manual for a company's marketing actions, telling them what, where, when, how and with what tools (Viitala & Jylhä 2006, 116). It gives the marketing personnel information about the current situation and what is expected in the future in order to reach the set objectives. The marketing plan is based on various analyses and it should include marketing objectives and strategies. It is usually presented in a written form.

Creating a marketing plan is a four-step process, which starts with analysing the company itself as well as its competitors and operational environments. The second step is to analyse the customers and target market, which should be used as a basis for segmentation. After this, marketing objectives and strategies should be set. Finally, the plan should be implemented and evaluated. The steps are demonstrated in the figure 1. The figure also demonstrates the fact that marketing planning should be considered as a continuous process. (Wong, Radel & Ramsaran-Fowdar 2011, 6; Raatikainen 2004, 60.) All of these elements will be further discussed later on in this thesis.

FIGURE 1. Steps of the Marketing Planning Process (Wong, Ramsen &



Ramsaran-Fowdar 2011, 6.)

Developing a marketing plan is beneficial in many ways, but the five main advantages are:

1. Through the various analysis an organization will find out its position in the market
2. It forces the marketers to consider the needs and wants of their target customers and shareholders
3. It helps identifying scenarios, possibilities and results

4. Through marketing planning the marketers can identify the resources needed to achieve objectives
5. It helps evaluating results and therefore gives the company a chance to reconsider its marketing objectives and strategies.

(Wong, Radel & Ramsaran-Fowdar 2011, 2-3.)

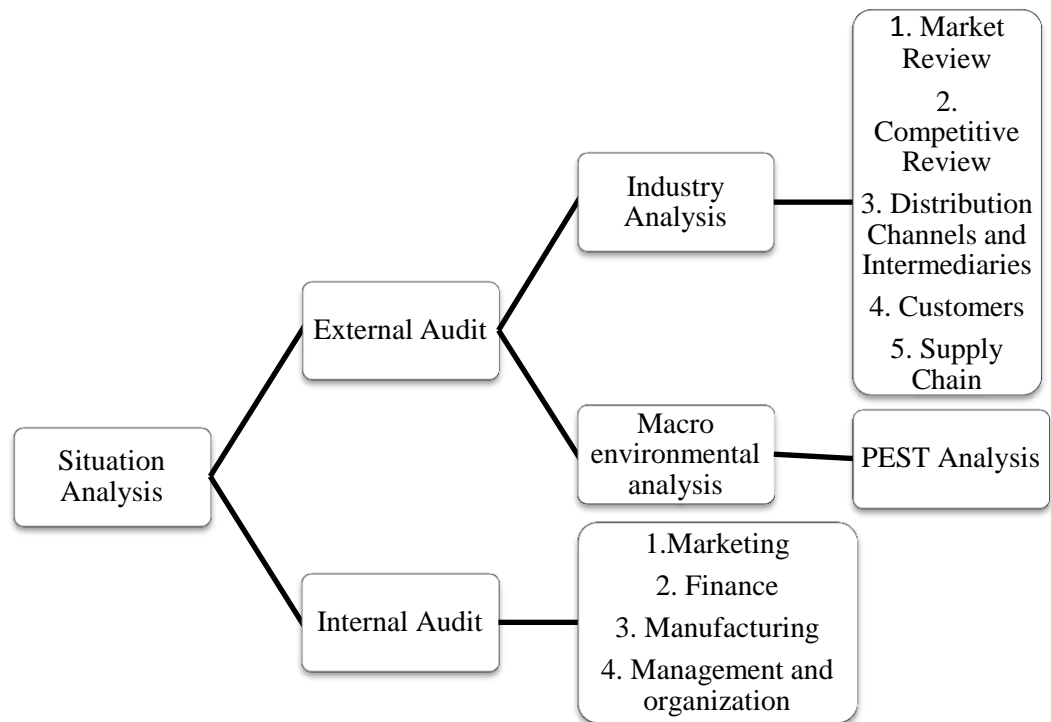
## 2.2 Situation Analyses

There are various environments in which every company is operating in, and which are affecting the functions of the company. Therefore, it is extremely important for the company to examine the current situations and happenings of each environment. This is when a company should make a situation analysis, which is also known as the environmental audit. It is divided up to external and internal audit. What separates these too, is the fact that a company can control the internal factors but not the external ones. Nevertheless, they both affect the company's plans and operations. (Wong, Radel, Ramsaran-Fowdar 2011, 15-16.) The structure of the situation analysis is presented below in the figure 2.

As for this thesis, one of the most important environments is the company's marketing environment, which is divided to micro- and macro environments. The macro environment includes political, economic, social and technological environments. The macro environment is a part of the external audit of the situation analysis. The microenvironment is a combination of all the factors closely connected to the company, for example the competitors, suppliers and intermediaries the company uses. They can affect the company's operations either in negative or positive way. The external audit also includes an industrial environment analysis. (Wong, Radel & Ramsaran-Fowdar 2011, 179; 16.)

The internal audit is focused on the company itself. It examines the current and estimated situations of the company's marketing program, objectives and goals. (Wong, Radel & Ramsaran-Fowdar 2011, 26.)

FIGURE 2. Structure of the Situation Analysis (Wong, Radel & Ramsaran-Fowdar 2011, 16.)



### 2.2.1 Company Analysis

The purpose of a company analysis is to map the current state of the company. This can be done only after a studious inspection of the company's current situation. The main issues to be covered in the company analysis are marketing, finance, organizational structure and culture, manufacturing, and management. Figures got from the financial administration are a great help here. The company analysis provides the company an overview of the state of their marketing program, so they can evaluate if the set objectives are reached or not. If possible, the company analysis should be completed with an industry analysis, which studies the economic and politic features of the whole industry. These can be either combined or as two separate analyses. (Raatikainen 2004, 67-68; Jenster & Solberg Soilen, K 2009, 90-91.)

The key focus point should be on the business idea, which can be further analysed by using the SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). This is a very useful tool when making a marketing plan. In fact, the final stage of the company analysis is making a SWOT analysis based on the information found. The strengths and weaknesses are internal and reflect either the past or present situations, whereas the opportunities and threats are external and have to do with the future. Sometimes it is also useful to make the analysis in relation to competitors' SWOT. This way the company can reflect its own positive and negative characteristics to the competitors' qualities, and thus try to plan how to overcome them. (Wong, Radel & Ramsaran-Fowdar 2011, 29.)

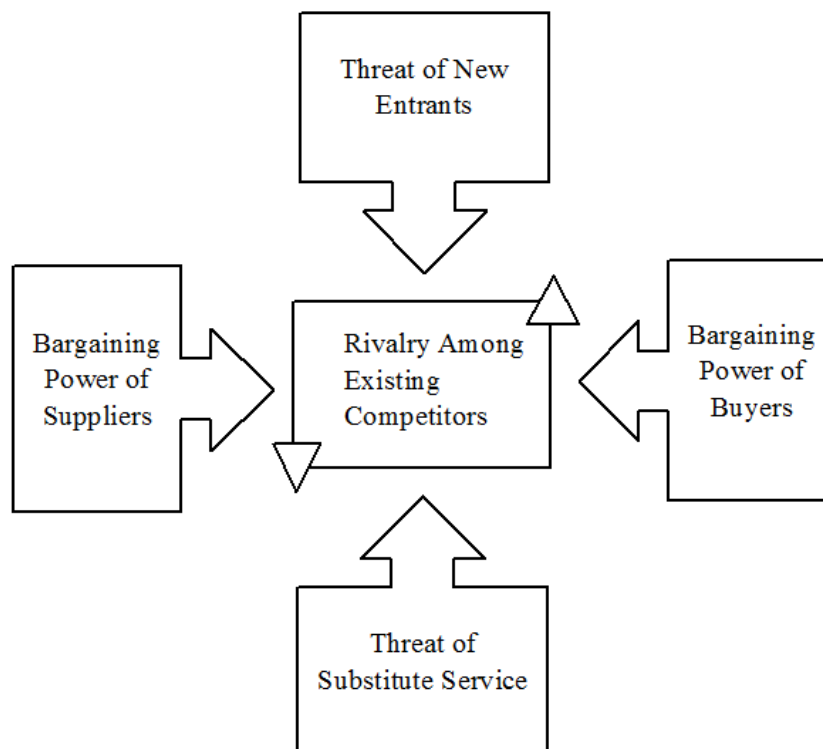
### 2.2.2 Competitor Analysis

Knowing the competitors and their products is extremely important to every company. It is essential to know what competitive tools the competitors use and what their position in the market is. If possible, it is useful to know what kind of resources the competitors are working with and what their strategies are. Hence, a company has a better ability to picture the nature of the competition and its own role in it. However, understanding the current situation is not enough but the company should also try to imagine the future scenarios. Following the competitors' operations and using the gathered information to find out their future plans may give an organization some competitive edge. The more knowledge a company has about its competitors' plans, the better possibilities it has to be successful in the future. (Raatikainen 2004, 63-64.)

According to Porter (2006, 72), there are five forces that determine the nature of competition. The relationship between these forces is illustrated in the figure 3 below. First one is the threat of new entrants entering the market. This is a threat because new entrants will lower a company's potential market share and profitability. New entrants will also decrease marginal profits. The second threat is the substitute services lowering prices and sales profits. Bargaining power of buyers and suppliers is seen as a threat, since good bargainers might manage to negotiate some of the sales profits to themselves. The fifth element is the rivalry among already existing competitors. One of the negative effects of competition is

that it decreases the profits of all competitors. In fact, Porter states that as a result of competition, customers will gain some of the profits in the form of lower prices. In addition, functions such as advertising and service development increase costs and consequently decrease profits.

FIGURE 3. Five Forces Determining the Nature of Competition (Porter 2006, 71.)



The impact these factors have on a company depends on the field of operation. In international competition, the effects are particularly significant. Countries have different conditions and thus companies operating in the same field but in different countries do not have the same prerequisites to succeed. Another noteworthy fact is that usually the fields important to high living standards are the hardest ones to enter, because they require special technologies, know-how and distribution channels. They also have high labour and capital productivity, which makes the structures of these fields especially favourable. Changes in the structures of some field create companies in different countries the possibility to enter new fields. For example, if the required technologies become more easily accessible, new companies are able to enter the market. (Porter 2006, 73.)

### 2.2.3 Customer and Market Analysis

Market and customer analysis will give the company information about the size of the market, customers' purchasing power and future scenarios. Only by collecting enough marketing information, a company is able to fully understand the wants and needs of its customers. These analyses give the company information about the decision making habits and criteria. (Ho Yin Wong, Radel & Ramsaran-Fowdar 2011, 7; Raatikainen 2004, 10.)

The market research process is about developing, gathering and analysing information. The process consists of five steps. The first step is to define the present problems and the objectives the company wants to achieve with the research. After that, planning of the research process and methods can start. In the third phase, the company collects the needed data which is then analysed. The final phase is reporting the discovered data and making marketing decisions based on the data found. Only after the process is finished the company can decide what services and price levels it will use. The information found should also determine the marketing channels. (Ho Yin Wong, Radel & Ramsaran-Fowdar 2011, 7; Raatikainen 2004, 10.)

Information can be gathered by a thorough market research or market intelligence. The market intelligence usually includes data suitable for long-term use, whereas the market research gathers information only for temporary use. (Ho Yin Wong, Radel & Ramsaran-Fowdar 2011, 7.)

### 2.2.4 Macro Environmental Analysis

As mentioned earlier, macro environmental analysis consists of the external factors connected to the company. The PEST analysis is an important part of the macro environmental analysis and it used in analysing the societal forces. It studies the political, economic, social and technological environments. It can be supplemented with environmental, cultural, legal ethical and/or demographic factors as well. This analysis is a great tool when evaluating and analysing the markets, especially when operating abroad or in various countries. (Wong, Radel & Ramsaran-Fowdar 2011, 24.)

Political environment is mainly connected to the political decisions but the legal environment can be included in it as well. The political factors are usually related to government policies such as currency fluctuation, recession, and trade restrictions. Political stability is an important part of the political environment. Legislations and regulations can affect customer behaviour, and thus they need to be examined carefully. Examples of the legal factors affecting markets are legislations, taxation, duties and regulatory constraints. Any changes in these factors will affect businesses. (Wong, Radel & Ramsaran-Fowdar 2011, 24.)

Economic environment consists of factors related to the development of the economy. There can be changes for example in incomes, inflation, unemployment, prices, and foreign currency exchange rates. Likelihood and impact of these changes need to be analysed, since they may affect the company or the market it is operating in. (Wong, Radel & Ramsaran-Fowdar 2011, 24.)

Social environment includes both cultural and demographic factors. Age structure, population growth rate and population density in specific areas are examples of the demographic factors. The cultural factors are influencing people's behaviour and way to think, so these should be considered when planning the marketing operations. (Wong, Radel & Ramsaran-Fowdar 2011, 24-25.)

Technological developments are affecting the way companies operate and communicate with their customers. Changes of this environment happen usually quite rapidly and require quick reaction from companies, since the technology is constantly developing. (Wong, Radel & Ramsaran-Fowdar 2011, 25.)



### 3 SEGMENTATION, MARKETING GOALS AND STRATEGIES

#### 3.1 Segmentation

In present-day markets it is basically impossible for a company to function without proper segmentation. It is a process of dividing customer groups to smaller segments so that the company can more easily satisfy the customers' unique needs. Trying to satisfy every potential customer will lead to a situation where none of the possible customer groups are truly satisfied. Thus, they would turn to competitors who might offer more differentiated services. Unlike before, nowadays services must be developed to meet the already existing demand, instead of creating a service and only then finding out if there is an actual need for it. Identifying the appropriate customer group enables the company to allocate its resources to the most beneficial customers, which will lead to greater profit. Trying to market to every possible customer group will lead to running out of resources. Therefore, segmentation is vital especially to small companies (Bergström & Leppänen 2007, 74, Kotler, Armstrong, Wong & Saunders 2008, 410, Pulkkinen 2003, 76; Rope 2005, 153-156.)

In order to succeed in segmentation, one must remember that segment and customer are two different things. Segment includes the potential customer which the company is trying to allure to buy its service, whereas customer is someone who has already used the company's services. Customer does not necessarily belong to the chosen segment. (Rope 2005, 155.)

Prerequisites for a functional segment are that it needs to be

1. Homogeneous
2. Measurable
3. Substantial
4. Accessible
5. Differentiable

## 6. Actionable

The first point, homogeneity, means that the segment needs to have at least one shared variable, for example age or gender. The segment also needs to be measurable, which means that there must be a way to measure the size, purchasing power and other features of the segment. Substantiality is referring both to the size and profitability of the segment. The bigger the segment is the bigger are the possibilities to gain profit from that segment. It is not reasonable to waste resources on a small segment with low purchase possibilities. Therefore, the segment should be large enough to enable economic profit. The segment also needs to be accessible, so that the company has a way to reach the whole segment with information and marketing. Accessibility is vital from the distribution point of view. The fifth point means that modifying the service and emphasizing different marketing mix elements has to bring added value for the chosen segment. Other segments should not have the same reaction for the service. Finally, the segment needs to be actionable, so it will react for example to new marketing programs and product launches. (Moore & Pareek 2010, 38-39.)

The first step of a segmentation process is to research the purchasing habits of the possible customers and group them by some fundamental characteristic. The most important thing to bear in mind in the segmentation process is that the customer group is heterogenic. Therefore, the company needs to find out the characteristics, basic needs and expectations of each group. This will help the company to create segments by recognizing the most suitable customer groups. The second step is choosing the segmentation method and pursued segments. In the final phase of the process, the company needs to plan the marketing to these segments. To achieve the best possible results, the marketing tactics should be designed separately to every segment. It is also essential to monitor the results afterwards, so that the service and/or marketing can be improved later on if needed. (Bergström & Leppänen 2007, 74; Rope 2005, 153-156.)

Choosing the right segment can be difficult, since it means that companies need to give up some potential customers. However, the segmentation group should be extremely narrow, so the reduction process is necessary. (Rope 2005, 155). There

are a few criteria which companies can use to carry out the segmentation process. The most common ones are dividing the market up by geographic, demographic, psychographic or behavioural variables. (Kotler, Armstrong, Wong & Saunders 2008, 411).

Geographic segmentation means that the market is divided into smaller geographic units. The division can be done for instance by nations, cities, streets or neighbourhoods. Since the consuming habits and circumstances in different areas can vary significantly, it is not efficient to market all of them as one consistent group. This segmentation method allows the company to customize their services to fit the needs of a specific region. (Moore & Pareek 2010, 39). Geographic characteristics are affecting all areas of marketing process. The marketing personnel need to keep the location of the segment in mind when designing the most suitable marketing campaigns for a service. For instance, the Internet and social media have been proven to be very successful channels in developed countries, whereas in third-world countries they might not be the most efficient channels. (Tybout, Calder & Kotler 2010, 39.)

The market can also be divided by demographic basis, such as age, gender, nationality and religion. People's needs and purchasing habits are often related to demographic factors (Moore & Pareek 2010, 40). Pensioners and students have different needs, as well as unmarried persons and couples with children. Another reason explaining the popularity of this method is that demographic factors are often easier to measure than others (Kotler, Armstrong, Wong & Saunders 2008, 413). Nevertheless, depending on the service provided, the demographic characteristics do not always offer any real competitive advantage. This is due to the fact that for instance not everybody in the same gender has the same needs. It is advisable to collect some other grounds for segmentation as well. For example, to truly understand the demographic factors affecting the consuming habits, one should have some geographic information as well. (Tybout, Calder, Bobby & Kotler 2010, 39; Pulkkinen 2003, 80.)

Psychographic segmentation means dividing the potential customers into groups by their social class, lifestyle, personality characteristics and attitudes. Marketing

a certain type of lifestyle through service has become a common phenomenon in today's marketing. (Kotler, Armstrong, Wong & Saunders 2008, 415). However, it is difficult to find out the way people are thinking or how they perceive things, and therefore using this method is a bit more challenging than using others (Moore & Pareek 2010, 43). The psychographic reasons are often related to why consumers use the services and buy the services that they do. This is the core difference between psychographic and other segmentation methods. This type of segmentation requires a lot of effort, and thorough analyses of the people's personalities. (Pulkkinen 2003, 82.)

With behavioural segmentation the market is divided according to the consumers' attitudes, knowledge and service usage rate. (Kotler, Armstrong, Wong & Saunders 2008, 415). When using behavioural reasons as a basis for segmentation, the customer group can be further divided into subcategories: large and small-scale consumers, non-customers and competitors' customers. This division can be helpful when planning the marketing campaigns for the segments. Thus, in order for the company to gain the maximum advantage of this division to subcategories, it should try to find out why the customers are behaving the way they are. That information will be useful when planning the marketing procedures. (Pulkkinen 2003, 79-80.)

In spite of the many advantages of segmentation, it also includes a lot of risks that can escalate, if the process is not handled appropriately. Choosing a segment on wrong basis or without requisite knowledge about it can lead to significant economic losses. The expenses of reaching the wanted segment should also be calculated, in order to see if the company can actually afford it. Risks increase also when the chosen segment is not profitable or big enough. In addition, a company should try to avoid concentrating too much on one segment, in case it turns out to be unprofitable in some way. (Raatikainen 2008, 26.)

### 3.2 Targeting and Target Marketing

After a successful segmentation process, a company needs to evaluate all the possible segments and select the ones it will enter. This process is called targeting.

Once a company has found a set of possible segments, it needs to make the final decision of which segments are the most beneficial to it. Company's resources are always limited and going after unsuitable or too many segments at the same time will lead to running out of resources. The chosen segments should also mesh with the company's strategy. (Moore & Pareek 2010, 50.)

In this phase, the company needs to consider segment size and growth, structural attractiveness, and company objectives and resources. This can be done by collecting and analysing as much data as possible of the segment. It should be borne in mind that the segments the company should target are not necessarily always the biggest and most fast-growing. The chosen segments should also subsidize the long-term objectives of the company. In addition, the company should be able to add superior value to the segment and use it in order to gain advantages over competitors. The chosen segments are called target markets. They are the group of customers whose needs and characteristics the company is trying to serve. (Kotler, Armstrong, Wong & Saunders 2008, 410; Moore & Pareek 2010, 50-51.)

There are several strategies which can be used when target marketing. Using undifferentiated marketing means that the company is targeting the whole market with the same service and advertising campaign. The company tries to find the most common features that will appeal to each segment, instead of taking the features differentiating the segments into account. Therefore, the needs of every segment have to be the same or at least very similar (Raatikainen 2008, 23). This strategy is also known as mass marketing and of all the strategies this gives the company the most broaden target marketing possibilities. (Kotler, Armstrong, Wong & Saunders 2008, 424-427.)

In proportion, if a company decides to use differentiated marketing, it will concentrate its targeting on needs of different segments and plan separate campaigns for them. This strategy might provide higher profit and stronger position within different segments. The drawback of this strategy is the higher costs of doing business than with undifferentiated marketing. Naturally, it is more

expensive to plan and implement several different campaigns than just one. (Kotler, Armstrong, Wong & Saunders 2008, 424-427.)

In a situation when the company has very restricted resources, it can be wise to choose concentrated marketing strategy. This is also called niche marketing. It means concentrating on a large share of smaller segments instead of small share of the whole market, like in other strategies. Thus, the company has more knowledge of the segment and therefore it can attain stronger position within it. This strategy gives the company a possibility to customize its offerings to meet the demand better and it usually involves less competition. The biggest con of this strategy is that it incorporates high risks. In case of strong competition or if the segment misfires, the company might bear great economic losses. (Kotler, Armstrong, Wong & Saunders 2008, 427.) Concentrated marketing is most commonly used when the offered services are highly specialized or when the company is exporting abroad (Raatikainen 2008, 22).

The narrowest way of target marketing is micromarketing. In this strategy, the company focuses on each individual customer and location of the segment. Therefore micromarketing is divided up to local marketing and individual marketing. Local marketing strategy means that the offerings are customized to meet the needs of customers in certain areas like cities and neighbourhoods. Hence, the company is able to embrace the regional differences and offer the customers exactly what they want and need. The disadvantages of local marketing are high costs and logistic problems. Individual marketing is the most extreme strategy, since the services are adapted to the needs and wants of each individual customer. (Kotler, Armstrong, Wong & Saunders 2008, 428-429.)

There are several factors that need to be taken into consideration before choosing the targeting strategy. Most importantly, it should be done according to the company's resources: with limited resources it is more appropriate to use concentrated marketing, since it requires less effort and resources. The variety of services should also be considered. If the company has only certain types of services that cannot be modified or it is offering only one service, it should choose undifferentiated marketing. However, if there is a possibility to change the

service's features or it is improved constantly, it is more efficient to use differentiated marketing. The chosen strategy is also dependent on the market variability and competitor's marketing strategies. (Kotler, Armstrong, Wong & Saunders 2008, 430.)

### 3.3 Positioning

Once a company has successfully finished segmentation and targeting, it is time to decide on value proposition. In other words, the company must decide what position it wants to achieve in the chosen segments and how it wants to bring added value for them. The purpose of positioning is to make the service seem unique, which will eventually differentiate it from others. The position defines how customers place the service in their minds compared to competitors' corresponding offerings (Vernon 2004, 159.)

Companies have few strategies they can use when positioning and trying to unbalance the competitors' already achieved position. The first strategy is strengthening and enhancing the company's image and current position on the market. It is important to find some characteristics that set an organization apart from the competitors, and learn how to use that as an advantage. The second option is to look for a market niche and find a position that none of the competitors have yet realized to use. Thirdly, companies can try to seek for something of the competitors' services or operations that can be seen as a flaw. For example, if the company is a domestic manufacturer but the competitor produces its products abroad, it can be used against the competitor in marketing. One possible positioning strategy is to reposition, but this usually requires a lot of resources and a large investments. Whenever the company feels a need to change the already established position, it should be done step by step, since customers might find sudden changes overwhelming. Therefore, the company should try to change the position simultaneously with the changing market environments. (Moore & Pareek 2010, 53-54; Kotler, Armstrong, Wong & Saunders 2008, 444-445.) )

After the wanted position is found, the company needs to find a way how to implement the plan and inform its customers about it. The marketing mix should support the positioning process, and therefore it is a great assist in this phase. Implementing a positioning plan can be found challenging and time-consuming. Especially creating a new position might take a lot of time. This is due to the fact that every potential customer is evaluating the service by their own standards. (Kotler, Armstrong, Wong & Saunders 2008, 444-445; Pulkkinen 2003, 119.)

### 3.3.1 Setting Marketing Objectives

Setting marketing objectives is extremely important to every company. Objectives and goals give a purpose for all the different strategies a company might have. The marketing objectives need to be coherent with the corporate objectives, which are guiding the whole organization. (Wong, Radel & Ramsaran-Fowdar 2011, 59-60.)

A practical marketing objective is offering the company a reason to operate and a tool to measure effectiveness with. It should help the company to make the most of its SWOT analysis for example by taking advantage of the found opportunities. In addition, a good marketing objective should offer some challenge so it can be quite ambitious. Marketing objectives can either be set for short term (no more than one year) or long-term (up to three years). (Wong, Radel & Ramsaran-Fowdar 2011, 61.)

The marketing objectives determine what services are offered to each segment. They are often expressing growth, market share or profits in a particular market or segment. (Wong, Radel & Ramsaran-Fowdar 2011, 60.) Typically, the most significant marketing objectives are related to overall sales, and therefore expressed in easily measurable variables like currencies, market shares or quantities. (Raatikainen 2004, 91-93.)

Objectives concerning profitability are also common. Companies can try to improve profitability by increasing sales or sales margin. This can be done by modifying the price levels, quality of the service and variety of services. Other option is to increase the sales margin. The key factor here is the structure of the



sales. The company needs to think through the service range and how they are offered to the customers. In addition, if the company has a possibility to decrease expenses, it will affect the sales margins and thus the company can achieve its sales objectives. Advertising plays an important role in improving the profitability. (Raatikainen 2004, 91-93.)

Other marketing objectives can be linked to the company's marketing mix elements: product, price, place and promotion. Companies need to decide the extent of their service range and it should be increased or decreased, according to the needs of the customers. The quality level of services should match the usual level of the market. Price determination affects the profitability and reaching the wanted customer groups. Objectives related to promotion are usually easily measurable, like the amount of sales and new orders. In a service business, the placement goals are usually related to how the customers find the company and distinguish it from competitors. For instance, a company's goals can be that its location is convenient enough for the customers and that the personnel are service-minded. (Raatikainen 2004, 94-98; Wong, Radel & Ramsarahn-Fowdar 2011, 76).

### 3.4 Choosing the Strategy

An effective marketing strategy helps the company to cope in the changing environments and channel its resources in a way that will lead to economic profit. It gives the company a possibility to produce benefits to its customers, shareholders and other partners in cooperation. The marketing strategy should always promote the company's other strategies and objects. (Tikkanen 2005, 167.)

In order to create a functional strategy, the company must truly understand its clients. Every time a customer is buying a service, he or she is trying to achieve some goal. These goals are based on emotional, functional or economic reasons. Some services are used in order to change how the person is feeling, others to solve some everyday problem. A good marketing strategy offers solutions for reaching these aims. (Jenster & Solberg Sjøilen 2009, 6-8.)

Every strategy should start with a mission statement, explaining what the purpose of the strategy is and what the company wants to accomplish with it. A mission statement should be based on the company's business idea and values (Raatikainen 2004, 73). It should list some objectives that are achievable but still involve some challenge. It should also identify the company values and policies as well as name the market or segment the company is targeting to. (Moore & Pareek 2010, 24.)

One part of a marketing strategy is planning the company's internal and external marketing. It also includes guidelines for resource allocation. With marketing strategy the company has a possibility to decide what features they want both from their own offerings and from the customer segments. In a good marketing strategy is stated how the efficiency of the operations can be measured (Tikkanen & Vassinen 2010, 28.) It is good to bear in mind that the marketing strategy involves different levels of objects and that they should be separated. However, they all should promote the company's general strategy. Typical examples of different levels are individual, customer relationship and segment levels. (Tikkanen 2005, 177.)

Making decisions about strategies require a lot of marketing know-how and strong vision, since there are several strategies companies can use. The most common types of strategies are related to growth, profitability and specialization of services.

There are four possible growth strategies to choose from:

1. Penetration: operating with the current customers offering the same services as before
2. Market expansion: expanding to new markets and customer groups with the same services
3. Service expansion: offering new services to the already existing customer groups

4. Diversification: creating both new customer groups and services (Raatikainen 2004, 75).

Profitability can also be selected as basis for a strategy. A mission statement should describe what kind of profitability objects the company has. The profits and costs of the company determine what kind of strategy would be the best for the company. (Raatikainen 2004, 77.)

Contrary to the growth strategies, when trying to improve the cost-effectiveness, the operations should be decreased. A company has four options: penetration, decreasing the amount of customer groups, downsizing the supply of services or reducing both of them at the same time. However, if one wants to keep the same customer groups and services, it is also possible to improve the profitability by accelerating operations, minimizing costs and increasing prices. (Raatikainen 2004, 77.)

In addition, specializing has proven to be an efficient marketing strategy and there are a few ways how to implement it. Firstly, a company can specialize to producing one service only. This is common in fields with only little competition and a really narrow market niche. Second option is to start producing only certain types of services that are modified to meet the needs of different customer groups. In market specialization the company chooses one or more customer groups that it wants to serve. After these groups are selected, the company will try to find a service that will meet their needs, and position it in a way that will offer it some competitive advantage. Some companies are very selective and they have restricted both their offerings and their customer groups. Lastly, some companies try to cover the whole market by modifying its services only a bit, in order to meet every potential customer's needs. However, this strategy requires a good knowledge of the market. (Raatikainen 2004, 78.)

## 4 MARKETING MIX (5P)

In order to survive the competition, companies have to come up with various ways how to market their product and/or service. Usually companies choose the areas they focus on: some are competing with cheap prices whereas others have more convenient location (Bergström & Leppänen 2007, 85). This combination of all the possible competitive tools is called marketing mix. According to the 4P model, the four elements of marketing mix are:

- Product/Service
- Price
- Place
- Promotion

Nowadays it is common to supplement the 4P model with a fifth element, people. This is called the 5P model and it is also used in this thesis. By choosing the right combination a company can achieve remarkable competitive advantage compared to other companies operating in the same field or market. (Bergström & Leppänen 2009, 169; Rope 2005, 96.)

### 4.1 Service

The key factor to company's success is naturally the service it is offering. All decisions companies have to make considering other marketing mix elements depend on the service. Services must meet the demand of the consumers. Therefore, it is extremely important to first think about who are the customers and what they are looking for. The company also needs to find a way how to make their own service stand out from what competitors have to offer. (Bergström & Leppänen 2009, 169.)

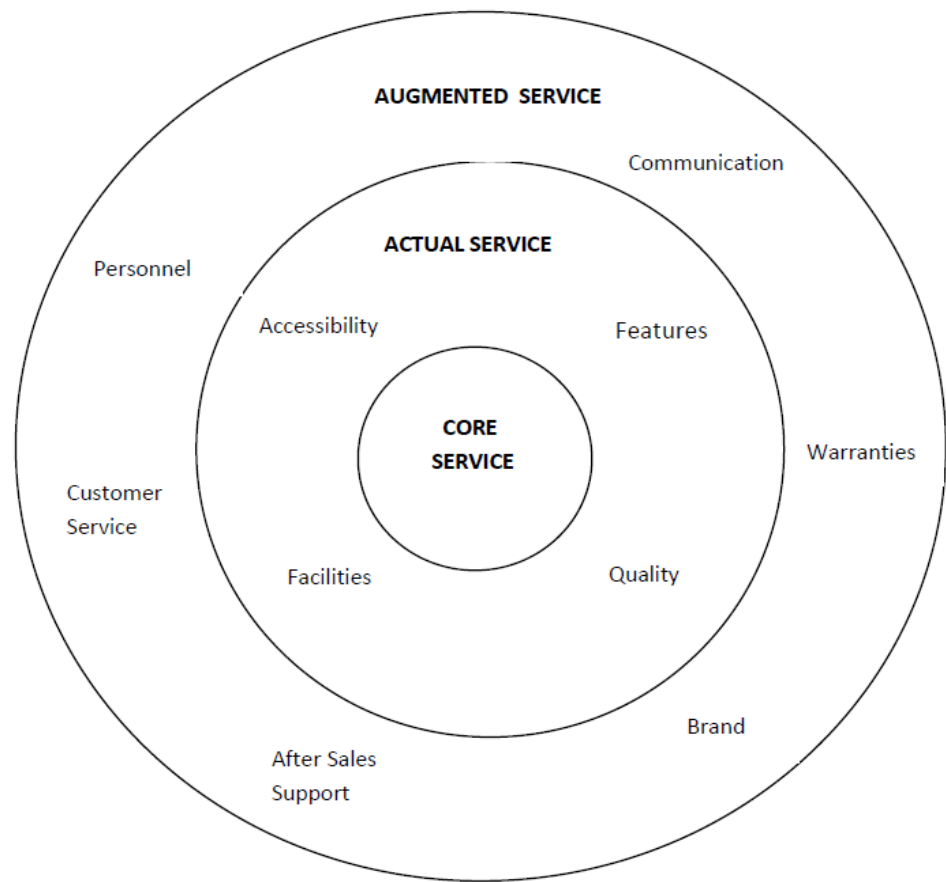
Consumers do not buy the service because of the service itself, but for the benefits and pleasures it can bring them. The most significant difference between services and products is that services are intangible, which means that the consumer does not get anything concrete from them and they do not lead in the ownership of

anything. However, in many cases services involve combinations of tangible and intangible goods. (Kotler, Armstrong, Wong & Saunders 2008, 500-501.)

There can be seen some features that are common to basically all services. First of all, a service is a process that is composed of several functions and demands a variety of resources. Offering a service that truly satisfies the customers' needs requires both manpower and other physical resources like infrastructure and information. Secondly, services are produced and consumed somewhat simultaneously. This leads to the last common feature of the services: the consumer is at least partly involved in producing the service. Therefore, the customer has either a negative or positive effect on the end result of the service. (Grönroos 2010, 79-81; Albanese & Boedeker 2002, 128.)

As seen from the figure 4, services can be described as three-levelled structures, the levels being core service, actual service and augmented service. Core service is the reason why the company started operating in the first place. It offers a solution to some problem or situation the customers have. In many cases the best solution is a combination of services and therefore companies are usually offering more than just one service. Actual service refers to the "visible" part of services, such as quality, brand, features, facilities and accessibility. These are necessary in order to the customer to be able to use the service. Without actual service, the core service is useless. Augmented services are the things that create added value for the customer and distinguish the service from competitors' equivalent services. Customer service, warranties, after sales support and credit are examples of these. Unlike the actual services, augmented services are not necessary. (Grönroos 2010, 224-225; Rissanen 2006, 21-22.)

FIGURE 4. Levels of Services (Rissanen 2006, 21.)



The term productization refers to developing a service into a standardized, marketed product. The purpose is to form a complex of uniform quality, which is designed to satisfy the customer needs. As a result of productization, managing the service as a whole becomes a lot easier. In order to succeed in productization, it is very important that the core service and the additional services distinguish from the competitors equivalent ones. This is because one of the main objects of productization is to create competitive advantage. (Parantainen 2013, 69; Bergström & Leppänen 2007, 120.)

One way to carry out productization is tailoring the service. This means that the service is designed, priced, and sold individually to each customer. It is a suitable solution to companies with good reputation as a service provider and only a narrow range of services. In mass tailoring the service is composed from different modules. These modules are often different supplementary services that most

customers appreciate. Mass tailoring offers the customers customized services but reduces the costs. Another extreme is a total standardization of the service. In this case, the features and price of the service is set at once, which guarantees the quality and uniformity. (Viitala & Jylhä 2006, 133-134.)

## 4.2 Price

Unlike often thought, the price of a service contains more aspects than just the amount of money charged for a service. Price as a competitive tool is made up of scaling of prices, discounts and terms of payment. It is one of the most crucial steps of the service marketing process. According to Rope, (2005, 225) there is no other process in marketing as creative as the pricing process, but it is the most creative of them all.

By pricing, companies can create a wanted image to the service and show customers what its value is: high prices are often seen as a sign of a high quality. The price is always connected to the market, time and to the customers' point of view. This means, that the price of a service can be altered in different time spans, and target groups might approve a different price level for the exact same product. If the price is not set on an adequate level, it will affect the purchase decision of the consumers. Therefore, it is essential to know your target groups well. (Raatikainen 2008, 148).

The pricing process consists of five steps. In the beginning of the process the company should analyse its customers, competitors and total costs of the project. After that the company should position the service in comparison to its competitors. This will help in finding the right price range. The third step is to create a pricing strategy that enables maximizing the market share and the value of the service for customers. The main goal is to achieve some growth in the long run. The next phase is to create some concrete pricing models that can be used. Finally, the company should evaluate how it has succeeded in pricing and how it could be improved. (Raatikainen 2008, 149-156.)

In order to find the right price level, a company needs to take into account its own marketing strategy as well as competitors' strategies and prices. Severe

competition often causes a decrease in prices. By differentiating services and making sure they stand out from the competitors' service range, a company gets more freedom to choose its prices. If the customers think the quality or features of one company's service are better than others', they may be ready to pay higher price for it. Hence, image advertising is extremely important. (Bergström & Leppänen 2007, 139-140; Rope 2005, 222-225.)

The characteristics of the market the company is operating on should be considered before making any pricing decisions. Especially when operating internationally, the operational environment of the country plays a significant role in the process. Different countries have different economic situations, laws, restrictions and taxation policies, which should be taken into account. (Vahvaselkä 2009, 203.) The price level should correspond to company's objectives so that adjusting the prices help achieving them: increasing the sales rapidly requires alluring prices, whereas making a lot of profit call for prices that are significantly higher than the costs. (Bergström & Leppänen 2007, 139.)

Since quality, lifespan and image are major issues affecting the price levels, exact price of a service can be set only after its designing and developing is completely finished. (Rope 2005, 222; Kotler, Armstrong, Wong & Saunders 2008, 639.) Nevertheless, it is essential to start thinking about the pricing principles already before that, since it will help the company evaluating if it has resources to start the service development project at all (Raatikainen 2008, 148).

#### 4.3 Place

In marketing mix, the term place refers to all of the functions that help companies supply services to the end customer. These include for example delivery, transportation, storage, and distribution and marketing channels. The objective is to manage them as effectively and profitable as possible. (Vahvaselkä 2009, 209.)

One of the most critical decisions companies have to make is what distribution channels it will use. After the channel is chosen, it is rather hard to change (Moore & Pareek 2009, 89). The first step of choosing the distribution channel is to set objectives and select the operation model. The key issues influencing the selection



of the channel are company's previous customer contacts and experiences, segments, target markets, cultural aspects, distance, familiarity and the economic system of the market. Naturally the service itself plays an important role in the selection as well as its value and the know-how it requires. (Vahvaselkä 2009, 211.)

When delivering abroad, a company usually needs to find partners and intermediaries they can co-operate with. There are several possible types of partners in cooperation:

- agent
- importer
- retail trade chain
- commission agent
- trading house
- another industrial company
- own representative office, sales office or subsidiary

Co-operation benefits both parties, since it allows them to concentrate on the tasks they are specialized in. This will lower the costs and increase effectiveness, which will lead to the adding of customer value. (Moore & Pareek 2009, 91.)

The distribution channels can be either direct or indirect. Direct distribution channels do not involve any third parties, but the producer of the service is in direct contact with the customer. There are several direct distribution channels a company can use, such as the Internet, mail or phone. The indirect forms are usually longer and involve at least one intermediary. In international business, the distribution channels for services are usually direct. It should be borne in mind that different target markets might require different distribution channels. Moreover, in international trade this should be done on a country-by-country basis. (Vahvaselkä 2009, 210). Cultural, economic and social factors have an influence on the distribution decisions (Bergström & Leppänen 2007, 159; Vahvaselkä 2009, 211; Moore & Pareek 2009, 97).

#### 4.4 Promotion

There are many ways in which companies can inform customers and other interest groups about their services and operations. Promotion as a competitive tool is a combination of all of these actions. Its purpose is to create, maintain and strengthen the relationship with different interest groups. Without proper usage of marketing communication, it is extremely hard for the customers to find the company and its services. All forms of corporate, internal and marketing communications should form a coherent whole, in which the different ways of communication support each other.

These means of communication can be divided to four groups:

1. Advertising
2. Personal selling
3. Sales promotion and,
4. Public relations (Vahvaselkä 2009, 216.)

##### 4.4.1 Advertising

Advertising is marketing the service either in some media, for example in social networks, or direct marketing to carefully selected targeted groups. (Vahvaselkä 2009, 216). Companies need to decide what is the purpose and message of the advertisement, what channels and how much money will be used and how to measure the success of the advertisement.

The goal of an advertisement is either to inform, persuade or remind the customers. Informative advertisement is used for example when launching a new service, whereas reminding is used during off-seasons to keep the service in customer's minds. Persuasive advertising is used for instance to encourage consumers to switch to a different brand. The message of the advertisement should show how the service is different from others. The channel should be chosen according to the target group and their behaviour. For example, when targeting to younger population it might be more cost-effective to advertise in the Internet whereas for older people newspapers could be the best channel. The

budget of advertising should be calculated based on the overall costs of the advertisement campaign, including the costs of producing the advertisements. All advertisement campaigns should be measured both before and after its implementation. Before the campaign the drafts should be tested by restoring, identification and measuring the impacts of the advertisement. Afterwards it is possible to count its impacts on sales and reputation. However, with figurative advertisements this can be fairly difficult. (Kotler & Armstrong 2004, 449; Kotler 2005, 79-81.)

#### 4.4.2 Personal Selling

The point of personal selling is to establish personal intercourse with the potential customers. It is typically used when selling from business to business, or when the offered service is fairly expensive. (Vahvaselkä 2009, 216; Bergström & Leppänen 2007, 178.) Unlike other ways of promotion, personal selling creates a two-way communication between the company and its customers. Personal selling can be carried out one on one, but also via e-mail, telephone or other means of communication. The sales persons of a company have a possibility to explore in more detail what are the customers' problems and needs. Thus, the advertising can be adjusted to fit each customer's needs. (Kotler & Armstrong 2004, 476.)

Virtual and mobile communication is more popular than ever. The rapidly developing information technology provides companies faster and more cost-effective solutions than the traditional ways of promotion. Especially in international marketing communications, the Internet has reasserted its position as the key channel. (Kotler, Armstrong, Wong & Saunders 2008, 692; Vahvaselkä 2009, 216.)

#### 4.4.3 Sales Promotion and Public Relations

In sales promotion the aim is to increase the sales of a company. This can be done by demonstrations, samples, discounts, competitions, and exhibitions (Viitala & Jylhä 2007, 123). The company can also support the members of the distribution channel in sales work. Thus, there can be expected growth in the demand of a

certain service. Sales promotion is most effective when the services available in the market are easily differentiable. The customers will more easily try out new services if the features are different or better than in the ones they used before. Sales promotion should be used with consideration, since discounts and offers might decrease the value and quality of the service in customers' minds. However, when using sales promotion simultaneously with advertising, the customers are more likely to try the service; advertising gives them a reason and sales promotion an initiative to do so. (Kotler 2005, 114-115; Vahvaselkä 2009, 216.)

Public relations (PR) is all about creating relationships and keeping in touch with the interest groups. Promotion can be carried out through various channels such as radio, TV, Internet and print media. (Vahvaselkä 2009, 216). Press relations, service publicity, public affairs, lobbying, investor relations are all ways of carrying out public relations. The purpose of PR is to manage the reputation of the company. Getting the consumers' attention by PR is a lot cheaper than with advertising. When the company itself organizes events or circulates information, it can be picked up by some medias, which will give the company free publicity. (Kotler & Armstrong 2004, 465; Viitala & Jylhä 2007, 123.)

#### 4.5 People

In service companies the personnel is one of the most important marketing tools. It is crucial that the employees have the requisite knowledge of the company and its objects. In addition, they should be committed to the company and have a true will to promote the business. This is not possible without proper training and internal marketing. (Bergström & Leppänen 2007, 86-87.)

In a way, the managers should think of their employees as consumers. The values and missions of the company should be sold to the personnel like they are sold to the customers. However, it is harder to persuade the employees to believe in the company, since they have a better outlook on it and hence they can more easily notice fake values and empty promises. Getting the employees on board with the values and mission is extremely vital, since in many cases, the customers are judging the company through its personnel. (Kotler 2010, 71-78.)

It is stated that the personal relationships between employees and customers can influence the purchasing decisions. This is accurate especially when companies offer very similar services or products and there are no other valid reasons for the decision. In many cases, if a customer likes the personnel, he or she will keep using the company's services. (Rope 2004, 47-48.)

## 5 PEST ANALYSES OF SWEDEN, NORWAY AND DENMARK

### 5.1 Sweden

#### *Political Factors*

Sweden, officially the Kingdom of Sweden (Swedish: Konungariket Sverige), is located in Northern Europe, between Norway and Finland. The capital of Sweden is Stockholm, which is situated in the northwest coast of the Baltic Sea.

Sweden is a parliamentary democracy with constitutional monarchy. Since 1973, the head of state has been the King Carl XVI Gustaf. His heir Apparent is Princess Victoria Ingrid Alice Desiree. (CIA 2013a.)

However, the King's power is only formal and the parliament, "Sveriges Riksdag", has the highest decision-making power. The parliament is a unicameral system with 349 members and it is elected every four years by popular vote. The government has the executive power in Sweden. Since October 2010 the head of government has been Prime Minister Fredrik Reinfeldt, and Deputy Prime Minister Jan Björklund. The Prime Minister is always named by the parliament and it is his or hers responsibility to form the government. Usually the Prime Minister is the leader of the majority party. All the different ministries operate as departments of the Government Offices. (Government Offices of Sweden 2013a; Embassy of Finland, Stockholm 2013.)

Sweden is divided into 21 administrative provinces, which are further divided to 290 municipalities. Each municipality has a local council as the decision-making body which is led by a municipal councillor (Swedish: kommunalråd). In addition, there are 21 autonomous county councils that are responsible for example of the local healthcare. Although these counties have the same borders with the provinces, they are not part of the state administration. The representatives of the counties and municipalities are elected every four years, as a part of the parliamentary election. (Embassy of Finland, Stockholm 2013; Government Offices of Sweden 2013.)

Sweden is part of many important international organizations, such as the United Nations (UN), the Council of Europe, the World Trade Organization (WTO), International Monetary Fund (IMF), the Nordic Council, Organization for Economic Co-operation and Development (OECD), and the European Union (EU). The laws and regulations of these organizations are affecting the political environment of Sweden. Especially the EU has had a significant influence on the country's foreign policy, and Sweden has been really active on promoting the issues of the Nordic countries in the EU. Since 2001, Sweden has also been part of Schengen co-operation. Sweden is emphasizing the importance of free trade and free movement of persons. (Embassy of Finland, Stockholm 2013.)

### *Economic Factors*

Due to capitalism, advanced technologies and welfare benefits, Sweden has a very high standard of living. However, like other European countries, Sweden has suffered from the impacts of the financial crisis of 2007-2008. The economy of Sweden has slowly started to recover from the recession, and in 2012 the gross domestic product (GDP) growth rate was 1.2% and the forecasted GDP per capita was 42 219€. Inflation rate has also decreased a little bit, and in 2012 it was only 0.9%, compared to the 3.4% of the year 2008 (CIA 2013a). In May 2013, the unemployment rate of Sweden was only 8.2%, whereas the youth unemployment rate (15-24-year-olds) was over 19%. (Embassy of Finland, Stockholm 2013).

Even though Sweden is a member of the Economic and Monetary Union of the EU (EMU), the country has not adopted the Euro. Therefore the currency of Sweden is the Swedish krona. (Embassy of Finland, Stockholm 2013.)

Corruption level of Sweden is very low. Sweden is in 3rd place out of 177 countries in

Transparency International's comparison. On scale of 0-100, Sweden had 89 points in the year 2013. The higher the rank in this comparison is, the lower is the corruption level of the country. (Transparency International 2013.)

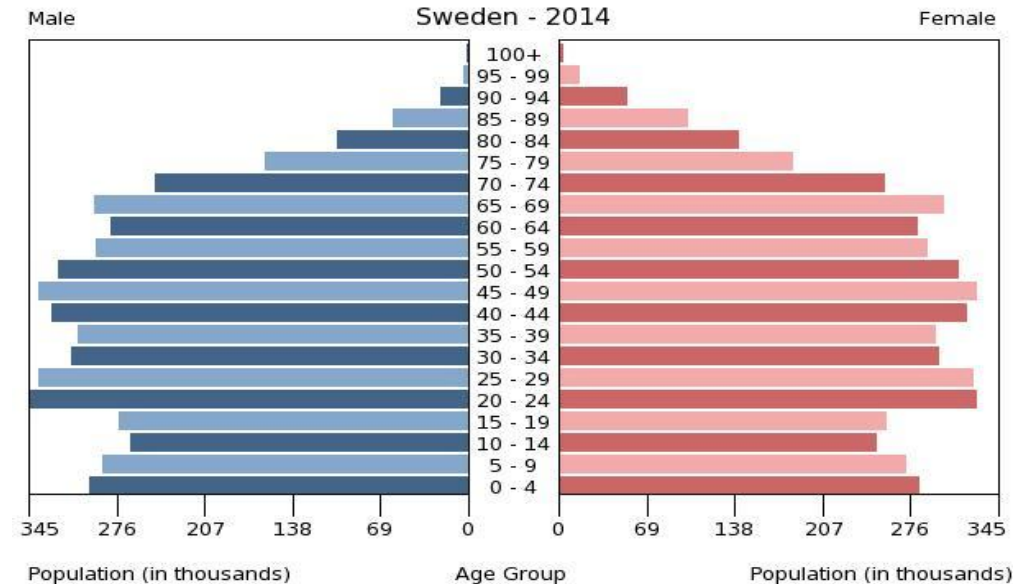
<b>GDP per Capita</b>	42 219 €
<b>GDP Growth Rate</b>	1.2%
<b>Unemployment rate</b>	8.2%
<b>Inflation rate</b>	0.9%
<b>Corruption Ranking</b>	3/177

### *Social Factors*

There are approximately 9.6 million people living in Sweden and in 2013, the population growth rate was estimated to be 0.18%. The life expectancy rate for the total population is 81.28 years. The expectancy of life for men is 80.17, whereas for women it is 83.85 years, slightly above the average. (CIA 2013a.; Statistics Sweden 2013a.)

The biggest age groups are 25-54-year-olds (38.8% of the whole population) and 65 years and over (20.5%). Other age groups are significantly smaller than these two: 0-14 years 15.4%, 15-24 years 12.9% and 55-64 years 12.4%. The median age of the whole population is 42.4 years. Figure 5 represents also the gender distribution of each age group. As can be seen from the figure, there are more females in the older age groups, but otherwise there are no significant differences between genders. (CIA 2013a).

FIGURE 5. Age and Gender Structure of Sweden (Source: CIA 2014a.)



Approximately 85% of the Swedes live in cities, which of whom almost 1.3 million (about 14% of the whole population) live in Stockholm. Other major cities are Göteborg and Malmö. The annual urbanization rate is about 0.6%. (CIA 2013a.)



The official language of Sweden is Swedish, although there are strong Sami- and Finnish speaking minorities. (Embassy of Finland, Stockholm 2013; CIA 2013a; Statistics Sweden 2013b.).

The Swedes are known to be tolerant and open-minded society. However, getting to know a Swede well might take some time, since they often come across reserved. They are punctual and respectful people, who take laws and regulations seriously. Equality is very important for them, which can be seen in everyday life. (Swedish Institute 2013b).

When it comes to business culture, the Swedes are quite informal and flexible. They are creative, efficient and skilled employees. Managers encourage employees to open discussions. Organization structures are flat, which means that the hierarchy is quite clear since there are not that many managers. This also enables good flow of information. Teamwork is an important part of the work culture, and everybody is expected to participate. Usually each team is focusing on just one given issue at a time. Even though the Swedes are hard-working, they appreciate their personal life as well, and these two need to be separated. Business hours are from Monday to Friday from 8 am to 4 pm. Most of the employees are on holidays in July and December, so these are not the best months to do business with Swedes. When starting a co-operation with a Swedish company, one should come across experienced, competence and trustworthy. They appreciate people who are detail-oriented and initiative. When attending to a meeting with the Swedish, it is very important to be well prepared and to find out beforehand all the facts and data that might be needed. One should also be prepared for long negotiations and remember that when the final agreement is done, it usually cannot be changed afterwards. (Kwintessential 2013a.)

### *Technological Factors*

Sweden is one of the most advanced countries in the world when it comes to telecommunication. Their fixed-line, mobile-cellular, Internet and broadband systems are very highly appreciated. There are about 5 million telephone main lines and 12 million mobile phones in use. Submarine cables and satellites guarantee good connections internationally as well. As much as 87.3% of all at

least 16-year-olds have access to the Internet at home, and about 76.3% of them use the Internet daily or several times a week in their free time. The Internet country code of Sweden is .se. (Statistics Sweden 2013c; CIA 2013a.)

There are 231 airports in Sweden, of which 149 has paved runways that can be used for international commercial flights. Sweden has also two heliports. (CIA 2013a.) The flight connections from the biggest Swedish airports to Alicante, which is the closest airport to Torrevieja, are very good. Various airlines are offering flights with affordable prices, especially during the summer season. The largest airports of Sweden are located in Stockholm, Malmö and Göteborg (VisitSweden 2014).

## 5.2 Norway

### *Political Factors*

The Kingdom of Norway (Norwegian: Kongeriket Norge or Kongeriket Noreg), is bordering both the North Sea and the North Atlantic Ocean. It also shares a boarder with Sweden, Finland and Russia.

Norway is a constitutional monarchy, reigned by the King Harald V (since January 7<sup>th</sup> 1991). The monarchy is hereditary and the King's Heir Apparent is Prince Haakon Magnus. The King's status is mainly representative and ceremonial. Nevertheless, he names the government, runs weekly Council of State meetings and is the Commander-in-Chief of the armed forces. (Embassy of Finland, Oslo 2013.)

In Norway, the government has the highest executive power. The head of government is the Prime Minister, who has been Erna Solberg since October 2013. There are several separate ministries, but the Office of the Prime Minister is considered as the Government's central office (Embassy of Finland, Oslo 2013.)

The parliament of Norway has all legislative power. It consists of 169 members and the head of parliament is the Speaker, who is usually leader of the biggest party in the parliament. In addition, five Deputy Speakers are chosen. The

parliamentary elections are held every four years with proportional representation. In order to make the legislative work easier the parliament has 12 different committees. Every member of the parliament is part of at least one committee. One of the most important tasks of the parliament is to supervise the Government and the public administration. (Embassy of Finland, Oslo 2013, Stortinget 2013.)

Norway is divided into 19 provinces and 428 municipalities. Every province is led by county governor, who is representing Norway's central government. The provinces are responsible for example developing the area. Municipalities on the other hand have the responsibility to offer the basic services to citizens. (Embassy of Finland, Oslo 2013.)

International co-operation is very important for Norway. It is part of many international organizations including the UN, the European Economy Area (EEA), North Atlantic Treaty Organization (NATO), Council of Europe, IMF, the Nordic Council, OECD and World Bank. Norway is also part of the Schengen co-operation. Good relations with other Nordic countries are carefully maintained, as well as relationships with the United States and Russia. Even though Norway is not part of the EU, co-operation with it is very important to the country. (Embassy of Finland, Oslo 2013.)

### *Economic Factors*

Impacts of the financial crisis were not as severe in Norway as in many other countries. Thanks to the wealthy oil industry, Norway was able to start regenerating the economy already in 2008, which led to a positive growth. (Embassy of Finland, Oslo 2013.) Nevertheless, the government budget is still in surplus. The GDP per capita in the year 2012 was NOK 579 632, which is approximately 68 900 Euros. The GDP growth rate was 3.5%. Inflation rate of Norway in 2012 was 0.7%. (CIA 2013b.)

The unemployment rate has been approximately 3% for years, which is very low in the current economic environment. However, the quantity of people on disability pension and sick leaves is higher than in most countries. The costs of this phenomenon in Norway are a lot higher than in any other OECD-country. In

comparison to its European trading partner countries, the salaries in Norway are over 60% higher. This is mainly due to the high export prices and oil investments. (Embassy of Finland, Oslo 2013.)

Norway is not part of the EMU and therefore it is one of the few European countries not using the Euro. The currency of Norway is the Norwegian krone (NOK).

In Transparency International's corruption comparison, Norway is ranked as number 5, with 86 points. (Transparency International 2013).

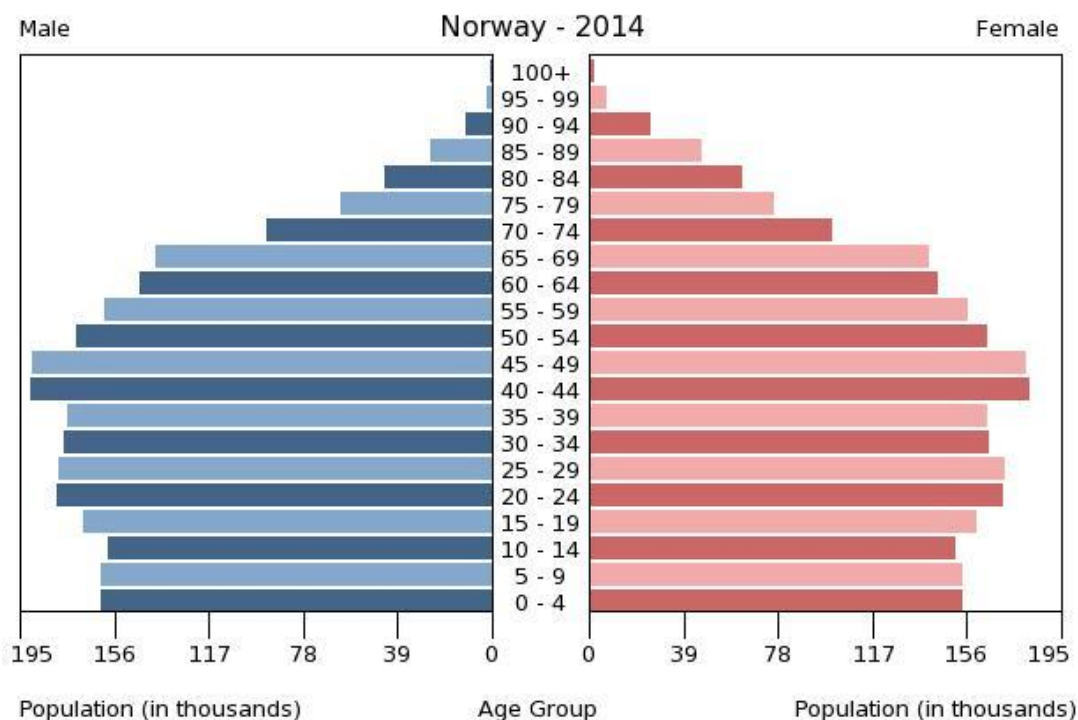
<b>GDP per Capita</b>	68 900€
<b>GDP growth rate</b>	3%
<b>Inflation rate</b>	0.7%
<b>Unemployment rate</b>	3.2%
<b>Corruption ranking</b>	5/177

### *Social Factors*

The population of Norway is around 5.1 million and the population growth rate in 2013 was approximately 0.33%. Life expectancy of total population is 80.44 years. Like in most countries, women in Norway are expected to live longer, 83.27 years, whereas the life expectancy for men is only 77.76 years. (CIA 2013b.)

39.8% of the population is in the age group from 25 to 54 years, which is by far the largest age group in Norway. The other groups are pretty much the same size; 0-14 years: 17,5% of the population, 15-24 years: 13,4%, 55-64 years: 12.5% and 65 years and over: 16.8%. The age groups as well as gender groups are presented in figure 5. It shows that there are no significant differences in the sizes between the gender groups. As mentioned earlier, the life expectancy rate for females in Norway is higher, which can be seen also from the figure 6; there are more females than males in the older age groups. (CIA 2013b.)

FIGURE 6. Age and Gender Structure of Norway (CIA 2014b.)



About 80% of the population lives in cities. Oslo, which is the capital of Norway, is the largest city by over 620.000 citizens. Other major cities are Trondheim and Bergen. (Embassy of Finland, Oslo 2013; CIA 2013b.)

There are two forms of Norwegian, which are both official languages: Bokmål Norwegian and Nynorsk Norwegian. Bokmål Norwegian is originally developed from Danish, and the greater part (85%) of the population uses it. Nynorsk is a combination of different dialects used and it is popular especially in the western parts of the country. In addition, Sami is an official language in six municipalities in the north. Norway also has a remarkable Finnish-speaking minority and therefore Finnish has a second language status in the north. (Embassy of Finland, Oslo 2013; CIA 2013b.)

The Norwegians are very honest and sincere people, who respect one another. They do not like to brag, since they like people for their personalities, not for their money or success. Humility is a very important part of the Norwegian culture. (Kwintessential 2013b.)

In business life, Norwegians are quite informal. Doing business does not require personal relationships, but the Norwegians like to do business with people who seem confident and trustworthy. They appreciate direct communication and are able to express even their dissenting opinions. The organizational structures are usually flat, and opinion of all group members is valued. When negotiating with Norwegians, one should send the agenda for them beforehand. This is because they like to do their research and be well prepared in meetings. It is also important to bear in mind, that the Norwegians are very detail-oriented people. Making any decision might take time, since they need to be done in consensus and the Norwegians like to evaluate all possible options first. However, the decisions are often made based on price. Being on time is essential, since Norwegians are very punctual people. They like to go straight to business without a lot of small talk. Interrupting is considered rude, and all questions should be saved until the end of one's presentation. (Kwintessential 2013b; Finpro 2013b.)

#### *Technological Factors*

In Norway, there are almost 5 million telephone main lines and over 11 million cellular lines in use. In fact, Norway has one of the most advanced telecommunication networks in the whole Europe. By the end of September 2013, 94% of households had an Internet connection available. About 60% of the population uses social media regularly. Submarine cables, satellites and earth stations provide good international connections. The Internet country code of Norway is .no. (Statistics Norway 2013; CIA 2013b.)

There are over 50 airports in Norway, of which eight provide international connections as well. The biggest airport is Oslo Airport. Other big airports are located for example in Bergen, Trondheim, Sandefjord and Stavanger. Reasonably priced non-stop flight connections to Alicante are offered from these airports (CIA 2013b; Innovation Norway 2014.)

### 5.3 Denmark

#### *Political Factors*

Denmark, officially the Kingdom of Denmark (Danish: Kongeriket Danmark), is the southernmost of the Scandinavian countries, bordering only Germany. The Baltic Sea and the North Sea separate Denmark from other Nordic countries. Denmark has also two autonomous areas; Greenland and the Faroe Islands. The capital of Denmark is Copenhagen, which is located in the eastern coast.

Denmark is a constitutional monarchy and since 1972 the head of state has been Queen Margrethe II. The monarchy is hereditary, and the Queen's Heir Apparent is Crown Prince Frederik. According to the constitution, the Queen and parliament together have the legislative power but the Queen alone holds the executive power. Nevertheless, the Queen's position is still mostly ceremonial. (Embassy of Finland, Copenhagen 2013.)

The parliamentary elections are held at least every four years, but it is possible to arrange them within a shorter time span as well. The Prime Minister decides the date of the elections. The parliament is a unicameral system with 179 members, two of them presenting Greenland and two the Faroe Islands. The parliament has 25 committees. (Embassy of Finland, Copenhagen 2013.)

The government of Denmark consists of three parties; social democrats, social liberals and socialist people's party. The Prime Minister is Helle Thorning-Schmidt, who used to be the head of the social democratic party. The Queen nominates the Prime Minister. There are 22 ministers, including the Prime Minister, in the current government. Denmark is divided up to five regions, plus the two autonomous areas. These are further divided into 98 municipalities. (Embassy of Finland, Copenhagen 2013; CIA 2013c.)

As other Nordic countries, Denmark is an active member of many important international organizations, such as the UN, WTO, OECD, IMF, Schengen, the Nordic Council and the Council of Europe. In addition, Denmark belongs both to the EU and NATO. The Danish politics are very concentrated on reducing the climate change and promoting sustainable development. Democracy and human rights play a significant role in the politics. Hence, Denmark is stressing the importance of international co-operation especially in these matters. (Embassy of Finland, Copenhagen 2013.)

### *Economic Factors*

Denmark has a really high standard of living thanks to the extensive welfare benefits and income equality. The government's quick responses to the financial crisis allowed Denmark to slowly start recovering in the beginning of 2010, but by the end of the year the country fell back to recession. The economic situation has been improving again since 2012, even though the GDP growth rate was still negative. However, by the end of year 2013 the GDP growth rate was estimated to 0.3%. The GDP per capita in 2012 was 41 100 Euros. Inflation rate in the year 2012 was 2.4%. (CIA 2013c; Eurostat 2013; The World Bank Group 2013.)

Denmark is part of the EMU but the country has decided not to adopt the Euro and thus the official currency is the Danish krone (DKK). (Finpro 2013c.)

In 2012, the unemployment rate of Denmark was 7.7%. Although the youth employment was a bit higher, almost 15%, there were no significant differences between genders. (Haagensen Munch 2013, 84-85.)

According to the Transparency International (2013), Denmark, together with New Zealand, is the least corrupted country in the whole world.

Denmark got 91 points out of 100, which is one point more than in previous year. (Transparency International 2013.)

GDP per Capita	EUR 41 100
GDP growth rate	0.3%
Inflation rate	2.4%
Unemployment rate	7.7%
Corruption ranking	1/177

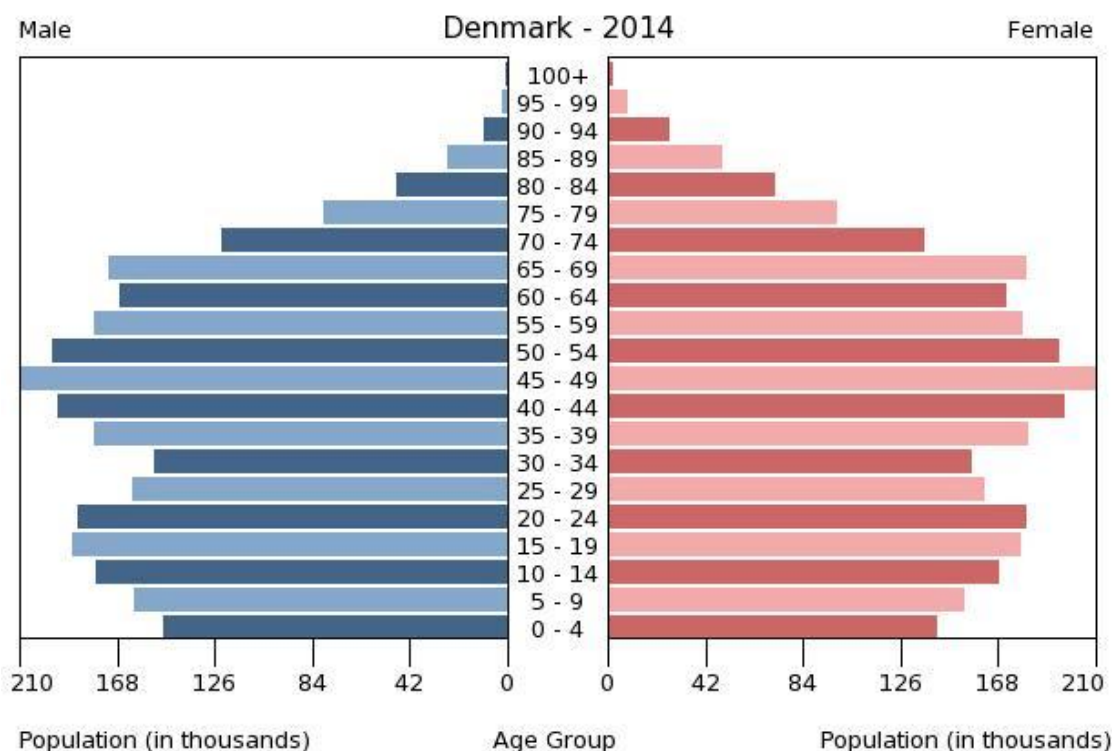
### *Social Factors*

The population of Denmark is approximately 5.5 million and the population growth rate is 0.23%. The biggest age group is the people aged 25-54 years, since 39.3% of the population belongs to that group. The smallest group is the 55-64-year-olds with 12.5% of the population. However, 13% of the population is 15-24-year-olds, so the difference between the groups is not big. The extremes are also about the same size: 17.2% are 0-14-year-olds and 18% are 65 years or more. The median age of the total population is 41.4 years and the average life expectancy for the whole population is 78.9 years. For men the expectancy is 76.5



years and for women 81.5 years. The difference can be also seen in the figure 7, which represents the age and gender structure of the population. Otherwise there are no notable differences between genders. (CIA 2013c.)

FIGURE 7. Age and Gender Structures of Denmark (CIA 2014c.)



Over 85% of the population live in urban areas, Copenhagen (1.2 million inhabitants) being the largest of them. Other major urban areas are Aarhus, Aalborg and Odense. (Statistics Denmark 2013a.)

Danes are often seen as open-minded and tolerant people, but still slightly reserved. They have a strong sense of community. The Danes are very modest people, who often care more about others' needs than their own. They expect everybody to behave politely and obey rules. If one does not obey them, it is not rare to be reprimanded for it. When meeting a new person, they are usually greeted with a firm handshake and eye contact. Danes have a habit of getting to a first-name basis right away, even when doing business. Nevertheless, when starting to do business with new people professional titles and family names should be used until invited to use first names. (Kwintessential 2013c.)

In business life, punctuality is extremely important. If there is ought to be any delays or changes in the schedule, the Danes should be informed immediately. Meetings require an appointment which should be confirmed in writing. One should not deviate from the original agenda of the meeting. Decision making might take some time, since everyone involved in the meeting should be consulted first. The Danes are not keen on small-talk but prefer to get down to business fairly quickly. All presentations should be based on facts and figures. (Kwintessential 2013c.)

### *Technological Factors*

As all Nordic countries, Denmark has excellent telecommunication services. There are over 2.5 million telephone main lines and nearly 7.5 million mobile phones in use. Thanks to submarine cables and different satellites, Denmark is well connected to other countries and continents as well. (CIA 2013c.)

95% of people aged 16-74-years have used the Internet within the last three months (Statistics Denmark 2013b). Furthermore, 94% of all households have access to the Internet (Statistics Denmark 2013c). The Internet country code of Denmark is .dk.

Despite of the fairly small surface of Denmark, there are still 80 airports. However, only 28 of them have paver runways and can be used also with larger and heavier planes. The biggest airports are the Copenhagen Airport, Aarhus Airport and Billund Airport (Visitdenmark.com 2013). Convenient flights to Alicante are available from all of these airports, especially during the summer season.

## 6    MARKETING PLAN FOR RENTAL APARTMENTS OF ZARIKO ENTERPRISE SL

### 6.1    Situation Analyses

#### 6.1.1    Company Analysis

Zariko Enterprise SL is a Finnish-Spanish family-owned real estate agency, established in 2005. The manager of the company is Heidi Saarikko. Zariko's headquarters and only office is located in Torrevieja, Spain. The business idea of Zariko is to offer real estate services to customers from all over Europe. Zariko is both selling and letting properties, and they have several additional services such as property maintenance and cleaning service as well. They assist their customers through the whole process of buying or renting a property. The mission of Zariko Enterprise SL is to create long term customer relationships by offering them the best possible service. Zariko is not just showing the customers possible apartments, but also helping with practical issues like opening a Spanish bank account, getting a mortgage and familiarizing with the area.

Zariko has a very international clientele and they promise their customers professional and reliable service. Most of their customers buying properties are Finnish, Russian or Swedish. Rental customers are basically divided to two groups: Finnish pensioners and holidaymakers during the winter season and Spanish holidaymakers from the interior of Spain during summer.

Currently Zariko has six employees, and one of them is responsible for the rental operations. The personnel of Zariko are able to serve customers in eight languages: Finnish, Spanish, English, Swedish, Russian, French, Ukrainian and Flemish.

The office of Zariko is open six days a week and customers are allowed to visit without an appointment. Unlike many companies operating in Spain, Zariko is not closed in the afternoons because of "siesta". However, due to the nature of the field of operation, the personnel are often away from the office in property

viewings or checking out possible new properties for rent. The personnel are keeping in touch with the customers via mail, phone and Skype. This makes it possible for them to have customers from different countries and even though basically all the customers are European, they would be able to serve customers from other continents.

The microenvironment consists of the things coming from the outside of the company. There are dozens of real estate agencies in Torrevieja, operating in the same markets with Zariko. The competition between these companies is tough and Zariko needs to react quickly to the new services the competitors offer. Zariko is doing business directly with the owners of the apartments, so they do not use any intermediaries. However in some cases, for example in the Swedish and Finnish markets, Zariko is co-operating with other real estate agencies who recommend their operations for the customers. In addition, Zariko is using subcontractors to carry out some of the supplementary services. It is vital for the company's success to choose these partners correctly, since they have a huge effect on the quality of the service Zariko is providing.

The company does not want all their information public and therefore this thesis does not include an analysis of their financial situation.

#### 6.1.2 Competitor Analysis

Naturally, there are a lot of Norwegian, Swedish and Danish real estate agencies that are targeting to the same group as Zariko. They have a huge advantage since they speak the Scandinavian languages and have better networks in those countries. Competing with them would require huge resources from Zariko. Thus the biggest competitors of Zariko are the other real estate agencies not owned by Swedish, Norwegians or Danish, and they should focus on winning customers from them.

Examining the competition according to Porter's model of five forces, it can be seen that new entrants are not a very severe threat. This is even though the real estate business in Costa Blanca is very popular and there are dozens of agencies operating in the area. Selecting a home for long term or just for a vacation is a big

decision, and therefore customers appreciate agency's experience in the field. Zariko has operated since 2005, so it is easier for the customers to trust their expertise. In addition, new agencies do not necessarily have as much options to offer for the customers and they might not be able to offer the same price level.

Threat of substitute services is very high. The other international agencies operating in Costa Blanca area offer the same or very similar services as Zariko. This naturally decreases the sales volume of Zariko. Because of the substitute services, it is also not possible for Zariko to set the price level totally by their own will. If they would set the level higher, customers would most likely turn to competitors with lower prices.

Customers have some bargaining power when it comes to the services of Zariko. The customers can negotiate about the features of the service, such as check-in and check-out times and even equipment. However, usually the customers cannot bargain about the prices, since Zariko needs to pay the owners of the apartment their share. Therefore they cannot bargain some of the profit for themselves.

Suppliers on the contrary have a lot of bargaining power. Zariko does not own the rental apartments, so the owners of the properties have a lot of power. Without private owners to co-operate with, Zariko could not operate in the rental business. Most of the additional services are produced by outsourcing, so these partners have bargaining power.

The existing rivalry is affecting the operations of Zariko remarkably. The company needs to use a lot of resources on competitive acts such as marketing. Zariko also needs to pay special attention to the quality of service, since in the situation of tough competition every detail matters. They have also created additional services, which all competitors do not offer. Additionally, the prices need to be set according to the general level; otherwise the company would lose customers.

### 6.1.3 Macro Environmental Analysis

Important part of the macro analysis is understanding the political, economic, social and technological environments the company is operating in. The political environment is an important part of the situation analysis. Since Zariko is located in Spain, all its functions are controlled by the Spanish legislation and taxation. These are controlled by the government. There are several issues such as the economic situation affecting the decisions the government makes. Since Spain is part of the European Union, also the legislations and policies of the EU are influencing the government's decisions.

Due to the financial crisis begun in 2008, the economic situation of Europe is not the best possible. Spain has suffered especially hard because of the crisis, and the unemployment rates of Spain are one of the highest of Europe. This naturally affects the purchasing power of the Spanish customers. Luckily Zariko has customers from all over Europe instead of just one or few countries, so the business has not suffered.

Torrevecija is part of the Comunidad Valenciana and it is the fifth largest city of the region by population. It belongs to the province of Alicante and it is third largest city of the province. In the beginning of the year 2014 the population of Torrevecija was 107 492 people. Only 46.86% of the population is Spanish and the rest 53.13% come from other countries. The biggest immigrant groups are the Russians and Germans. The Swedish are the third largest group with 3 206 persons. There are 2 397 Norwegians living in Torrevecija, which makes them the seventh largest immigrant group. There is also a very small Danish minority represented in Torrevecija. (Ayuntamiento de Torrevecija 2014.)

Technology and especially the Internet are very important for the success of Zariko. Without different technological devices it would be basically impossible for them to communicate with their customers in different countries. New web applications have brought new aspects on marketing and they also reduce the costs significantly.

#### 6.1.4 SWOT Analysis

Table 2 illustrates the SWOT analysis of Zariko and it is done from the point of view of the rental operations. It includes the issues discussed in the situation analysis as well as other important aspects.

TABLE 2. SWOT Analysis of Zariko Enterprise SL

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>- Personnel's expertise</li> <li>- Personnel's knowledge of the area</li> <li>- Ability to serve customers in several languages</li> <li>- Competitive price level</li> <li>- Good variety of different types of apartments to offer</li> <li>- Large clientele</li> <li>- Apartments in different locations (Torrevieja and Orihuela Costa)</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>- Large customer group</li> <li>- Not a lot of personnel taking care of the rentals</li> <li>- Internationally not well-known company</li> <li>- Marketing is partially not well planned and executed</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>- Expanding the clientele</li> <li>- New co-operation partners</li> <li>- New marketing channels</li> <li>- Expanding the operations</li> <li>➔ New offices</li> <li>➔ More personnel</li> <li>- Increasing international visibility</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>- Economic crisis</li> <li>➔ Purchasing power decreases</li> <li>➔ Customers cannot afford to spend vacations abroad</li> <li>- Competitors' actions (alterations to the price levels, new services)</li> <li>- Partners' actions</li> <li>- New competitors</li> </ul>

#### *Strengths*

One of the biggest strengths of Zariko is the skilled personnel. They have a good knowledge of the areas in which the rental apartments are situated and thus they are able to tell the customers about the different amenities in the areas. Thanks to their language skills, they are able to serve customers from different countries.

Another big advantage of Zariko is the price level, which is set according to the general price levels. This combined to the large variety of different types of rental apartments gives the company real competitive edge. The company offers rental apartments both in Torrevieja and Orihuela Costa, which gives the customers more options. Zariko has a large clientele, so they are not dependent on just some regular customers. Even if the company would fail in reaching Scandinavian customers, the current clientele would be enough to guarantee the profitability of the operations.

#### *Weaknesses*

Zariko has very large target groups, since the customers are targeted only by their nationality. This makes effective marketing more difficult. The marketing operations of Zariko are also not completely thought through. The company is not using social media and other free marketing channels effectively. Even though Zariko has an international clientele, most of the customers are from Finland and Spain. The company is not internationally well-known, so it is hard for the customers to find it.

#### *Opportunities*

Zariko has realistic possibilities to expand their clientele. They have good services and competitive prices, so with efficient marketing it is possible to attract new customers. New co-operation partners and marketing channels could also bring new customers to the company and increase people's awareness of Zariko. They could also make the company more well-known internationally. Zariko has the possibility to expand their operations and open new offices. By opening new offices they could also recruit more employees.

#### *Threats*

One of the biggest threats for Zariko's operations is the economic situation in Europe. In bad economy people do not have the money to travel which can lead to decrease in holiday home rentals. Since the competition in the real estate business in Torrevieja is very hard, the competitors' actions might influence Zariko's operations. If for example the competitor's lower their price levels, the customers



would most likely choose their services over Zariko's. The same could happen also if the competitors would start providing some additional services that Zariko is not offering. In order to offer additional services, Zariko is co-operating with other companies. If these companies would have problems producing their services or would go out of business, it would impact the quality of Zariko's services as well.

## 6.2 Segmentation and Strategies of Zariko Enterprise SL

### 6.2.1 Segmentation and Targeting

Currently Zariko is segmenting its customers only by nations. Thus, it can be seen that Zariko is using geographic segmentation. The company is providing marketing materials and information in English, Finnish, Spanish and Russian. In fact, the biggest customer groups come from those countries. However, providing the marketing materials and information in English enables reaching potential customers from the UK and other countries as well. Otherwise Zariko is not trying to allure any specific customer groups by its marketing. Nevertheless, the customer group is rather homogenous. When trying to reach Scandinavian customers Zariko could start also demographic segmentation strategy in addition to the geographic strategy.

Sweden, Norway and Denmark were set as the desired segments for this marketing plan. Zariko has already established a small Scandinavian clientele, but they have realistic possibilities to enlarge it. Torrevieja is a popular holiday destination among the Scandinavians and there is a remarkable Scandinavian community in the city. There are several clubs such as Club Nórdico, Klubb Torrevieja, Más Amigos and Danske Venner Klubb i Torrevieja, organizing events and activities for people from the Nordic countries living in Torrevieja. In addition, there are plenty of Scandinavian restaurants, bars and shops there, and many companies in different fields offer services in Scandinavian languages. There is also a Scandinavian school located close to Torrevieja and a Norwegian school in Ciudad Quesada, which is a city next to Torrevieja.

However, the company should narrow the segments instead of trying to reach all three nations altogether. Already most of the customers are from the same demographic groups: pensioners, middle-aged people and families with small children. In addition, as stated in the PEST analyses, age groups 25-54 and 65 years or more are the biggest ones in Sweden, Norway and Denmark. During the low season, Torrevieja does not have a lot to offer for younger people or for those without children. They are often seeking for more activities and excitement on their vacation. Renting an apartment is also usually a bit more expensive than hotel rooms, so they cannot always afford it. Therefore it would be wise to focus on those already existing groups, since others do not really have the same potential.

Elderly people do not always have sufficient language skills, but they still like to travel. Therefore, they tend to travel to places like Torrevieja, where they can get service even in their own language. Due to the salt lakes nearby Torrevieja, the air is proven to have positive health effects. This is one of the reasons why the area is popular among pensioners. The sense of community might make it easier for the older population to settle in and even move there permanently or temporarily after retirement.

The great climate, beaches and relaxed atmosphere allure middle-aged people to Torrevieja and nearby areas. They are often looking just for a relaxing holiday without anything to worry about. Costa Blanca offers a lot of activities for families with children, such as water park, zoo, amusement park and go-kart track. The long sandy beaches are perfect for families, especially since they seldom have very high waves.

### 6.2.2 Positioning

There are a lot of different kinds of real estate agencies operating in Torrevieja, of which many are owned by Scandinavians. Zariko needs to establish a strong position in order to survive in the competition.

A customer satisfactory survey for Zariko, published in May 2013, shows that most customers chose Zariko for the company's supply of services, price level and

the friendliness of service (Kemppainen 2013, 32). This represents the position Zariko currently has in customers' minds; a company with good offerings and friendly service in a reasonable price range.

According to the survey, when looking for a real estate agency, customers highly appreciate good reputation of the company, flexibility of service and getting service in their own language. (Kemppainen 2013, 31). Since these are the reasons why customers choose one company over another, these are the key points Zariko should focus on. The survey shows that on scale from one to five, one being the lowest, Zariko got an average of 4.4 when asked about the flexibility of the service (Kemppainen 2013, 33). However, only one respondent out of 25 chose Zariko because of the company's reputation (Kemppainen 2013, 32). Improving these features would strengthen the good position the company already has achieved.

Improving the company reputation can be difficult but with positive, active marketing it can be achieved. Since grapevine has a huge impact on customer's opinions, excellent customer service in every situation is vital. When it comes to reaching Scandinavian customers, Zariko should promote more the personnel's ability to serve customers in Swedish. The service of Zariko is already seen very flexible, so the employees should remember to keep flexibility as part of the service also in the future. By offering even wider variety of rentals, Zariko could strengthen the already achieved position and bring more flexibility to the service, since customers would have more options. The company needs to be active on the search for new rental apartments, in order to succeed in this. For instance, Zariko is constantly looking for new rentals, but still the last time it was informed on the company's website was in July 2013. The announcement needs to be updated at least every few months, so people will know it is still topical.

### 6.2.3 Choosing the Strategy

Zariko has been operating in the same field of business in the area for almost ten years. They have managed to establish a stable position in the market and now would be the perfect time for the company to expand the operations. Therefore the

chosen strategy is a growth strategy by market expansion. This means that the company operates with larger clientele but with the same services. The company is already offering more additional services than many of the competitors, so there is no need to develop new services. Since Zariko is trying to find more rental apartments, they would have the required resources to satisfy the needs of an expanding clientele. Of course if there comes up a clear demand for some service from the customers, the company should react to it. Meanwhile they should focus on providing the existing services as well as possible.

It is important for Zariko to enlarge its clientele by getting more customers from the Scandinavia. Zariko needs to establish some sort of reputation in Norway and Denmark, since they do not yet really have customers from those countries. Zariko has Swedish customers buying properties, so the Swedish already have some knowledge about the company. In order to gain more customers Zariko needs to focus on active marketing. Each chosen segment should be considered when planning the marketing operations. When the company is focusing only on few demographic or geographic groups, they have better possibilities to expand the clientele and strengthen their position in the market.

### 6.3 Marketing Mix of Zariko Enterprise SL

#### 6.3.1 Service

At the moment Zariko has approximately 80 rental apartments to offer. They are constantly looking for new apartments, and due to the large demand they should have about 160 rental apartments. The desired apartments are well equipped and in a good condition. Type or size of the apartments does not really matter. Zariko has a variety of different types of apartments to offer: bungalows, duplexes, flats, penthouses and quads. The sizes of the apartments differ from one to three bedroom apartments. All the rental apartments of Zariko are located either in Torrevieja or Orihuela, which are neighbouring cities. (Saarikko 2013, Zariko Enterprise SL 2014b.)

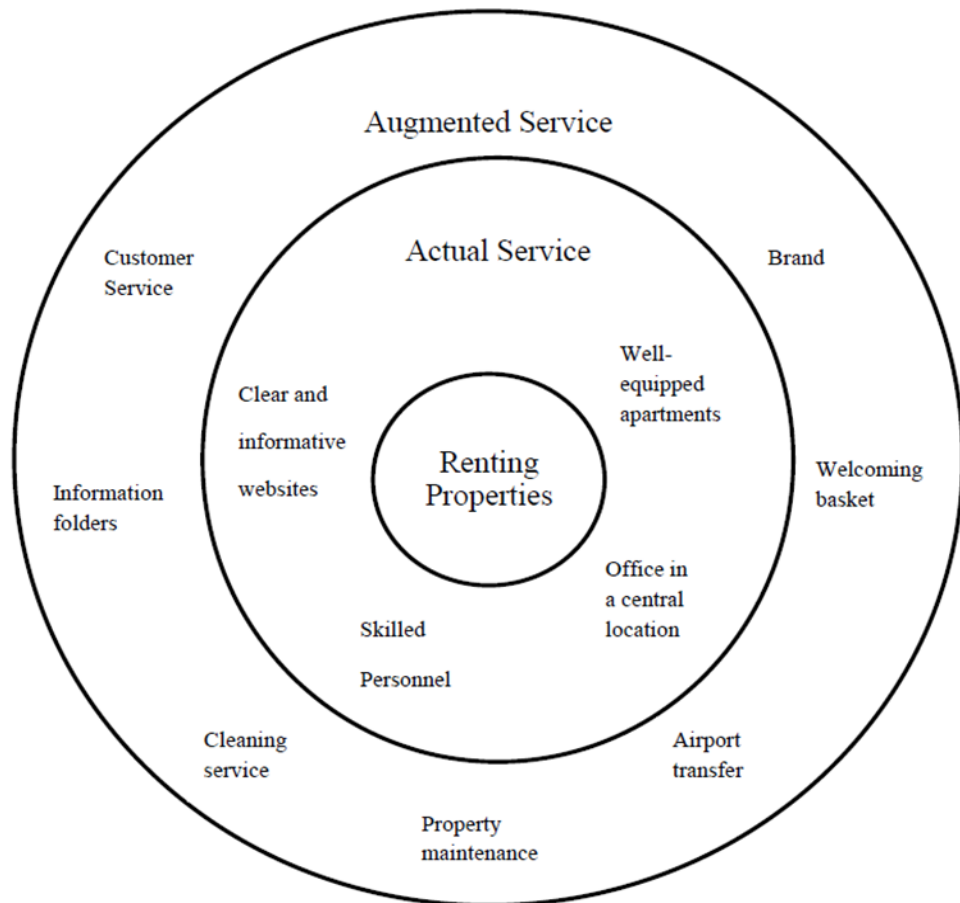
Some of the apartments are available only for short-term rental (less than six months) or long-term rental (maximum of 11 months). Usually the minimum rental period is one week. Short-term rental is the most common rental type. During the winter season clients come mostly from the Nordic countries, whereas during the summer season they are mainly Spanish holidaymakers. (Zariko Enterprise SL 2014b.)

Zariko does not own the rental apartments but they are privately owned. Every property is checked and evaluated before signing the letting contract. The property owners are also staying in the apartments from time to time. Most of the apartments are very well equipped and they include everything one can need during a holiday: towels, sheets, dishes and so on. The apartments can be booked via e-mail and phone or by visiting the office in Torrevieja.

Zariko has also a large selection of new construction, resale and bank realization estates to offer. They are also selling business premises and plots of land. The estates on sale are situated from Costa Blanca to all the way down to the South coast, Costa del Sol.

In addition to rental and sale services, Zariko is also providing few supplementary services, such as airport transfers and cleaning service. Customers can also choose to have a welcoming basket waiting for them when they arrive to the apartment. Zariko can also help renting a car. Zariko also offers a property maintenance service, which is very helpful especially for the owners of the properties. This means that the company will take care of the property while it is empty. (Zariko Enterprise SL 2014a.)

FIGURE 8. Levels of Zariko Enterprise SL's Rental Service



As mentioned in chapter four, services consist of three levels. The figure 8 shows the levels of Zariko's services. The core service Zariko is providing is renting properties. Hence, they are solving customers' accommodation and housing problems. Quality, features, facilities and accessibility comprise the actual service. The apartments are well-equipped which is a prerequisite for succeeding in the rental business. If the apartments do not have the needed furniture and equipment customers will not rent them. In addition, the apartments and their equipment need to be in a good condition. The office's central location and clear websites makes the company and its services easily accessible for the customers. The company's websites are the most effective channel for providing customers information about the apartments and Zariko's services. Without skilled personnel, the customers

could not use the services of the company. Especially in the case of holiday rentals, the personnel need to be able to help customers basically in any given situation. Augmented services are the things that are not necessary, but which bring added value. Zariko is offering property maintenance and cleaning services, airport transportation and possibility to buy a welcoming basket before arrival. An average rental company does not offer these services. The personnel of Zariko are professional, and they know the area well. Therefore they can help the customers settle in and find the amenities they need. In addition, every apartment has a folder including general information about the company and the area and its amenities. Excellent and flexible customer service is the most important way Zariko can create added value for the customers. The marketing materials, brochures and websites of Zariko create the company's brand.

By contacting the customers during and after the rental period, Zariko could gather valuable information on how to improve their services. The company should form a standard satisfaction survey from, which they could send to the customers either by e-mail or regular mail. Most of the customers would probably appreciate this extra effort and consider it as a good customer service. It would also show the customers that the company is interested on their needs and wants to develop the services.

### 6.3.2 Price

Since Zariko is offering rentals as holiday homes, the prices vary according to the season. During the low season, from October to May, the prices are slightly lower compared to the summer season. The summer season is divided up to three periods with different price levels: 1.6-15.7, 16.7-31.8 and 1.-30.9. The most expensive period is from the middle of July till the end of August. During that time renting an apartment costs 230-600€ per week or 550-2 000€ per month, depending on the size of the apartment. During the low season the prices differ from 200-400€ per week to 450-780€ per month. The long term rental apartments cost 250-640€ plus costs (water, electricity and so on), regardless of the time of the year.

There are naturally many other aspects affecting the rental prices such as the condition of the apartment and its equipment level. The longer the rental period is, the cheaper the rent is; renting an apartment for more than one week is relatively cheaper. (Zariko Entperpise SL 2014c.) Zariko cannot alone decide the level of the rental prices, but they are set together with the owners of the apartments. Zariko claims a commission from the owner. This commission forms most of the profit Zariko gets from rentals. The rental prices of Zariko are corresponding to the general price level of similar real estate agencies in Torrevieja, so it does not require alterations in the future. Nevertheless, the company should pay attention to the changes in the general price levels and respond to them quickly by altering the prices as needed. Due to the high living standards the Scandinavian customers can afford to use the services with the current price levels.

Many private owners as well as real estate agencies offer rental apartments with special discounts for last minute bookings. These offers are valid only for a certain rental period, and they begin within a very short time span. Zariko could apply this kind of offers to short-term rentals. For example, if it looks like some apartment will be empty for two weeks it can be promoted as a last minute opportunity. This kind of pricing would naturally decrease the gross margins, but at least the company would get some revenue from those properties.

### 6.3.3 Place

Zariko is using mainly direct distribution channels. The customers get most of the information about the company and their services via Internet and the personnel are contacting customers directly by email and phone. The office is open six days a week, so they have the possibility to meet customers personally in the office.

All apartments are presented on Zariko's websites with pictures and a small description of the apartment as well as the area it is located in. There is also a booking calendar for each apartment showing the dates it is available. The calendar is always kept up to date in order to help customers find the most suitable apartment for them. Like the rest of the websites, the apartment descriptions are available in English, Finnish, Spanish and Russian.



The websites of Zariko are translated to Finnish, Spanish, English and Russian. It would be advisable to translate them also in the Scandinavian languages. Zariko has a few employees that can speak Swedish, so translating the sites or even some of it into Swedish is possible. Since the employees of Zariko are constantly updating the websites themselves, hiring an outside translator to translate the sites into Norwegian and Danish would not be reasonable or cost-effective. But they definitely should make the most of the language skills they have in the office. It does require a lot of time and effort, but it would most likely pay off. Zariko uses keywords to help customers find them when searching information online. These keywords should be translated also into Swedish, Norwegian and Danish, to assure Zariko will show in their search results. This could be carried out using dictionaries or by small co-operation with some native speaker of the languages.

#### 6.3.4 Promotion

Since the majority of the population of Sweden, Norway and Denmark are using the Internet on a daily basis, Zariko should focus on online marketing. It is the most cost-effective way for them to reach customers, since there are a lot of websites and online applications that are low-priced or totally free of charge.

##### 6.3.4.1 Advertising

Zariko is advertising their service on multiple international online holiday rental portals, like kyero.com and tripadvisor.com. TripAdvisor is the world's largest travel site, so by using it Zariko has a possibility to reach a huge amount of people via just one website. TripAdvisor is operating also 20 other travel media brands, including Niumba, which Zariko is currently using. However, they are planning to abandon the site in the near future. Zariko is also planning to start using Holidaylettings, which is a website also operated by TripAdvisor. Holidaylettings has 13 cooperation sites, which Zariko would then also use. Another TripAdvisor site Zariko could use is flipkey.com, which is popular both among private owners and real estate agencies. Holiday lettings and Flipkey, both have a logo "by TripAdvisor" on their front page informing about the connection between these websites. TripAdvisor pages are generally found trustworthy, so consumers would

have fewer concerns when using these sites. Therefore it is advisable for Zariko to use these sites.

Other popular sites for finding holiday rentals are [homeaway.com](http://homeaway.com), [wimdu.com](http://wimdu.com), [booking.com](http://booking.com), [9flats.com](http://9flats.com), [alwaysonvacation.com](http://alwaysonvacation.com) and [spain-holiday.com](http://spain-holiday.com). These sites are mainly used by private owners, but there is no reason why an agency could not use these too. The operating principle of these websites is very similar: one can either choose to have an annual listing or pay per every received booking. If Zariko would choose to pay only per booking, listing properties and adding content would be free of charge. Signing up and listing properties to [alwaysonvacation.com](http://alwaysonvacation.com) and [spain-holiday.com](http://spain-holiday.com) include a fee. One of the benefits of these sites are that they are available in all Scandinavian languages, so the customers will find them even when using keywords in Swedish, Norwegian or Danish.

There are some popular Scandinavian websites Zariko should also try out. [Stugsidan.se](http://Stugsidan.se) is a very popular Swedish website that offers home owners a possibility to rent their property. It is used both by private owners and companies. [Stugsidan](http://Stugsidan.se) offers a free six month trial period and during that time advertising is free. After that there is a fee of 150SEK per year, which is about 17EUR. However, during the free trial one can have only four advertisements. With an additional fee of 2SEK/word (0.25EUR) [Stugsidan](http://Stugsidan.se) will translate the advertisements into English, Swedish and German. [Fritiden.se](http://Fritiden.se) is a similar but a bit more expensive Swedish site. Advertising on [fritiden.se](http://fritiden.se) cost 380SEK, which is about 45EUR. [Finn.no](http://Finn.no) is a similar Norwegian site. There are two options an advertiser can choose: 400NOK (48EUR) for 60 days or 700NOK (83EUR) for 120 days. ([Stugsidan.se](http://Stugsidan.se) 2014, [FINN.no](http://FINN.no) 2014.)

Zariko should choose 10-20 apartments to advertise on each site. It is not reasonable to advertise same apartments on every site, but change the selection for every site a little bit. Since some of the websites might turn out to be unprofitable, it is advisable to add listings to as many of these websites as possible at first. This way the company can cut down the unsuccessful ones when they see which ones are efficient enough, but they would still have listings on some sites.

Zariko is already advertising in some magazines but to reach the Scandinavians they should start advertising in the Scandinavian magazines published in Spain. This way they could allure also those who are already living or spending holidays in Spain. There is a very popular magazine called *Solkysten*, which is read by Danish, Norwegians and Swedish, even though it is published only in Danish. It is distributed in the South of Spain, in Costa del Sol, which is a very popular area among Scandinavians. Every month over 12 000 copies of *Solkysten* are distributed for free in locations with a lot of Scandinavians and 2 000 pdf-copies are sent to readers in other locations.

A publisher Norrbom Marketing is publishing magazines for the Scandinavians in Spain. Their magazines have monthly approximately 31 000 subscribers and the magazines are distributed in over 250 locations. The magazines are distributed for free in Costa del Sol, but they are also sent to other cities and countries. Their Danish magazine is called “*La Danesa*”, which has approximately 10 500 readers every month. “*En Sueco*”, which is targeted for Swedish people, has about 12 500 readers each month. Norwegian magazine “*Det Norske Magasinet*” has 8 000 readers each month, so it is the smallest one of the magazines by distribution. The advertisements in these magazines cost 89-745 Euros per month, depending on the size and placing of it. With 50-1 000 Euros per month it is also possible to get an advertisement on the magazines’ websites.

*Vagabond* is one of the biggest travel magazines published in Nordic countries. The Swedish publication has approximately 166 000 and the Norwegian 173 000 readers per edition. The average age of the readers of the Swedish *Vagabond* is 43 years. The Norwegian version is targeted for people between the ages of 30 to 39, but the readers are aged between 20 and 70. Thus, the readers of both editions belong to Zariko’s target group. An advertisement of ¼ pages in the Swedish edition costs 13 700SEK (1 552EUR) and in the Norwegian edition 9 900NOK (1 185EUR). *Vagabond* is also published also in Denmark but the prices need to be confirmed personally with the marketing personnel. (Egmont Tidskrifter 2014; *Vagabond Forlag AS* 2013; *Rejsemagasinet Vagabond ApS* 2014.)

Currently Zariko is offering the customers a possibility to subscribe to their mailing list and receive a weekly newsletter by e-mail. The newsletters include some current information about the company, area, or housing markets in Spain. In addition, they include a small description of eight rental apartments. These letters are provided in English, Spanish, Finnish and Russian. In order to allure more Scandinavian customers Zariko should start providing newsletters also in Scandinavian languages. Since there are Swedish speaking personnel in the company, it would be possible to translate these letters into Swedish as well.

On social media, Zariko could be a bit more active. Marketing on social media is nowadays very important, and therefore Zariko should pay attention to it. The company has a Facebook page which they update frequently with current information, advertisements, tips and quizzes. All the posts are in English, which is convenient. Zariko has also a Twitter account but uses it only to release links to their weekly newsletter, so the company has not taken advantage of all the possibilities Twitter has to offer. They should use it in a similar way they are using Facebook; as a channel to provide information and attract interest. An efficient way to promote rentals of holiday homes is image advertising. Zariko should start using free applications like Instagram and Pinterest. On Instagram Zariko could share pictures for example of the apartments, office, landscape and everyday life in Torrevieja. It is possible to add a caption and keywords to every picture, which will help other users find these pictures. The idea of Pinterest is fairly similar; Zariko could use it as a channel to share pictures and create images of holidays and life in Torrevieja. Each picture contains a link to the original source, so just by clicking the picture users would be directed to Zariko's websites. All of these applications are free of charge.

Advertisements should include information not just about the company and its services, but also about Costa Blanca area. This is easy especially with the online advertisements. All the property descriptions on different websites should include a small description of the area as well. Social media networks are a great way to promote the special features and amenities of the area. Thus Zariko would be able to arouse interests of also those consumers who have not visited or even heard of Costa Blanca before.

#### 6.3.4.2 Personal selling, Sales Promotion and Public Relations

All employees of Zariko are communicating directly with the customers, so they are all responsible for personal selling. The purpose of personal selling is to create two-way intercourse with the customers and create long-lasting customer relationships. Therefore it would be advisable that the same employee would contact the same customer every time. This will give the customer an impression that serving him/her is more of a priority to the employee and he/she is important to the company. It would also give the employees better insight of the customers' needs, so they can offer exactly the right rentals and additional services for them. In real estate business, it is important that the customers feel like they can trust the persons they are dealing with. This is why well-executed personal selling is very important for the company.

Zariko has produced brochures and business cards in Finnish, Spanish, English and Russian. These should also be translated into Swedish, Norwegian and Danish, in order to attract more customers. Brochures and business cards should be provided in locations that are popular among Scandinavians, for example in the Scandinavian Shopping Centre, bars, restaurants and club rooms of the Scandinavian clubs.

Campaigns and discounts are part of sales promotion. So if Zariko would start using the last minute offers, it would be part of sales promotion functions. The company could also start campaigns to get more bookings. For example, when booking an apartment during a certain time period customers will get a discount of 10% per booking. Otherwise rental business does not offer a lot of opportunities for sales promotion.

Fair Media International AB organizes each year the biggest Nordic property exhibitions called Buying Properties Abroad. Exhibitors from all over the world participate in these fairs and they are all selling properties outside Nordic countries. These exhibitions are held annually in Stockholm, Oslo, Gothenburg, Malmö and Helsinki. Even though these fairs are mostly focused on properties on sale, they are a great opportunity to promote the rentals as well. By attending to these exhibitions Zariko would get an opportunity to gain customers in both

categories. Zariko should participate on the exhibitions held in Stockholm and Malmö. The exhibition in Stockholm attracts 2 000-6 000 visitors each time. The exhibition in Malmö is smaller with about 2 000 visitors, but due to the location close to Denmark, it attracts both Swedish and Danish customers. (Fair Media International 2012.)

### 6.3.5 People

In the real estate business, the personnel play a significant role in getting new customers and keeping the old ones. For most people renting and especially buying a property is a huge decision that requires a lot of consideration. After all, it is a significant investment that affects one's quality of life. The personnel must be found truthful, reliable, and professional. Thus, it is extremely important that the employees of Zariko have all the required knowledge and skills in order to carry out their jobs successfully. In a way of creating reliability, Zariko could add small presentations of the employees on their website. This way the customers would find out already beforehand who they are dealing with. Since Zariko has a multinational customer base, also the personnel must be international. Luckily the current personnel are able to serve customers in several languages. Zariko is posting current information and articles on the company's website and the latest posts are shown on the front page. This could be a great channel to remind the customers about the personnel's language skills. It could also be posted on the company's Facebook site.

Since the clientele is international, the employees should be familiar with main characteristics of different nations and cultures. This will help them understand the customers' behaviour and avoid misapprehensions. It can also improve the quality of service. The personnel should adjust their own behaviour and service according to the customer's nationality. The PEST analyses of this thesis can be used as a tool of getting information of the Scandinavian countries. In order to keep the personnel motivated, they need to be updated about the company's issues, goals and results. Their successes should be acknowledged for them not to lose interest in their work and feel like it is not important. The personnel must be informed early enough before executing new principles or operation models. They

should also be given the possibility to share their own points of view. This will show them their opinions are appreciated and keep them motivated. Naturally it is not purposeful to carry out all their ideas, if they are not in the best interest of the company.

#### 6.4 Schedule and Budget for the Marketing Actions

The marketing operations of this marketing plan are scheduled to begin in April 2014. Duration of the schedule is one year. During the first month, Zariko should focus on contacting magazines. To assure there is enough space for Zariko's advertisement in the wanted issue, the magazines should be contacted well in advance. In addition, the deadlines should be personally confirmed with the publisher. Since most of the Nordic tourists come to Costa Blanca during the low season, the press advertising is concentrated on the summer and early fall. During April Zariko should distribute their brochures and business cards in locations that are popular among Scandinavians. It should be checked at least every two months that the locations still have enough materials. One of the most important things Zariko need to do is listing their apartments on new websites. This should be carried out as soon as possible. The company should also start translating the websites into Swedish.

There are some operations that need to be carried out systematically every week or month. The newsletter should be sent to customers every week on a same day, so they know when to expect it. When writing these letters, the company should keep in mind the holiday seasons and promote especially apartments that are available during them. Every two months the company should evaluate if the apartments listed on the various websites have created enough interest among consumers. Thereafter the selection can be modified. For example, if there is a property that does not create any inquiries within few months, it can be removed from the site.

Fair Media International AB has not yet published the schedule or price list for the exhibitions organized in spring 2015. However, usually the exhibitions are held in

February and March. Zariko should contact the Fair Media International AB at least six months before hand about the schedule and exact prices.

There was no given budget for the marketing operations, but the aim was to keep the costs as low as possible. Therefore the importance of using free websites and applications such as Facebook and Twitter is emphasized. The budget does not include the expenses of attending to the exhibitions. The expenses of advertising in Solkysten are estimated to be 200-400€. Thus the total expenses of these marketing operations are 4 188-4 388 €. These expenses do not include for example the personnel's salaries.

After every month Zariko should evaluate how well the marketing operations have succeeded. If there are some channels that do not bring any new customers, the usage of these channels should be evaluated again. The personnel need to find out where the new customers got the information about the company. This should be asked from every customer from Sweden, Norway and Denmark. Hence the company can invest more resources on marketing through the most popular and efficient channels.

<b>Time</b>	<b>The Marketing Operation</b>	<b>Budget</b>
<b>April 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting apartments still available for autumn and especially winter season</li> <li>- Adding and creating keywords in Swedish, Norwegian and Danish</li> <li>- Listing apartments on new websites</li> <li>- Starting a six month trial with Stugsidan</li> <li>- Providing brochures and business cards in locations popular among Scandinavians</li> <li>- Contacting Norrbom Marketing, Vagabond and Solkysten about schedules, prices etc.</li> <li>- Translating the websites into Swedish</li> </ul>	
<b>May 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters</li> <li>- Sending marketing materials to Vagabond (Sweden and Norway)</li> <li>- Translating the websites into Swedish</li> </ul>	



<b>June 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Providing brochures and business cards in locations popular among Scandinavians</li> <li>- Weekly newsletters</li> <li>- Changing the apartments listed on the websites</li> <li>- Advertisement in Vagabond Sweden</li> <li>- Translating the websites into Swedish continues</li> </ul>	- 1 552€
<b>July 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters</li> <li>- Advertisement in Vagabond Norway</li> <li>- Sending marketing materials to La Danesa magazine (Norrbon Marketing, deadline 15.7.2014)</li> </ul>	- 1 185€
<b>August 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially apartments still available for the fall and winter season (School holidays in October, Christmas holidays, New Year)</li> <li>- Changing the apartments listed on the websites</li> <li>- Providing brochures and business cards in locations popular among Scandinavians</li> <li>- Advertisement in La Danesa (1.8.2014)</li> <li>- Sending marketing materials to En Sueco (Norrbon Marketing, deadline 15.8.2014)</li> <li>-</li> </ul>	- 417€
<b>September 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially apartments still available for the fall and winter season (School holidays in October, Christmas holidays, New Year)</li> <li>- Additional newsletters promoting the apartments still available for the winter season</li> <li>- Contact Fair Media International AB for the exhibitions in Stockholm and Malmö</li> <li>- Advertisement in En Sueco (1.9.2014)</li> <li>- Sending marketing materials to Det Norske Magasinet (Norrbon Marketing, deadline 15.8.2014)</li> </ul>	- 417€

<b>October 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially apartments still available for the winter season (Christmas holidays, New Year)</li> <li>- Changing the apartments listed on the websites</li> <li>- Providing brochures and business cards in locations popular among Scandinavians</li> <li>- End of Stugsidan free trial, evaluating if usage of the website should be continued</li> <li>- Advertisement in Det Norske Magasinet</li> <li>- Sending marketing materials to Solkysten</li> </ul>	- 417€
<b>November 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially apartments still available for the winter and spring seasons (Christmas holidays, New Year, school holidays, Easter)</li> <li>- Advertisement in Solkysten</li> </ul>	- 200-400€
<b>December 2014</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially apartments still available for the winter and spring season (Christmas holidays, New Year, school holidays in February, Easter)</li> <li>- Changing the apartments listed on the websites</li> </ul>	
<b>January 2015</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially the apartments still available for spring season (school holidays in February, Easter)</li> </ul>	
<b>February 2015</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially the apartments still available for late spring (Easter) and summer season</li> <li>- Changing the apartments listed on the websites</li> <li>- Attending to Buying Properties Abroad exhibition in Stockholm/Malmö</li> </ul>	
<b>March 2015</b>	<ul style="list-style-type: none"> <li>- Updating Facebook, Twitter, Instagram and Pinterest weekly</li> <li>- Weekly newsletters promoting especially the apartments still available for late spring (Easter) and summer season</li> <li>- Attending to Buying Properties Abroad exhibition in Stockholm/Malmö</li> </ul>	

		<b>4 188 - 4 388€</b>
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## 7 CONCLUSIONS

The object of this thesis was to create a practicable marketing plan for Zariko Enterprise SL, and find the best segments and marketing channels for the company. In addition, the purpose was to provide the company more information about the target countries, which is why the thesis includes PEST analyses of the countries. The case company did not have a written marketing plan for the desired segment, so there was a need for it.

The marketing plan includes all aspects of marketing planning process. The theory of marketing planning was explained in the theoretical part of the thesis and then presented from Zariko's point of view in the empirical part. The marketing planning process includes examinations of the operational environments of a company, the markets and customers. It also includes analyses of the competitors as well as the company's own macro environment. The most beneficial segmentation, positioning and strategy decisions for the company were introduced in the empirical part. The company's marketing mix was studied according to the 5P-model, but the focus was on promotion.

Based on the information gathered in the PEST analyses, demographic and geographic segmentation were chosen as the most suitable segmentation strategies for Zariko. They should focus on targeting their services for certain age groups: 25-54-year-olds and over 65-year-olds. Positioning decisions were made based on a customer satisfactory survey produced for Zariko. The company should focus on improving the company image. When examining the marketing mix of Zariko, I focused mainly on promotion. In order to reach the customers possibly living across Europe, Zariko needs to find efficient marketing channels. There are various websites and online applications they can use for that. Since there is a significant Scandinavian minority living in Spain, Zariko should also advertise in the medias they are following. As a final part of the thesis I created a marketing plan schedule and budget. They offer guidelines for the company of how and when to execute their marketing operations. The budget is approximate, but it gives the company a good image of the expenses.

The subject for this thesis was quite wide, since it included three countries. Therefore it was not possible to examine all of the aspects of marketing planning thoroughly. As a further study, it could be possible to research the services of Zariko more closely. Thus the company could find out what are the Scandinavian customers exact wants and needs, and thus improve their services to gain more customers from those countries.

The object of this thesis was reached well. The thesis offers the case company guidelines and tools they can use when marketing to the Nordic customers. Through PEST analyses the personnel gets general information about the countries and their cultures. This will help them to avoid misunderstandings and awkward situations. The marketing operations presented in this thesis will help the company expand clientele and differentiate from competitors. Through marketing planning, the company can implement marketing more consistently. Thus they are more likely to reach the set goals.

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