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Increasing profit in a small business.

A case study of Europatours travel agency

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Abstract

Observations during my internship period revealed deficiencies in the business plan and management of Europatours travel agency, mainly due to lack in knowledge and experience in the field of the owner, who is also the only employee. The investigation is aimed at revealing the strengths and weaknesses of the business plan and the recommendations for improving the services with the purpose of achieving higher profit. Participant observations as an intern, an interview with the manager and a survey about introducing a tour to Bucharest among the offerings, are the methods used for the research. The solution is a combination of discipline and learning at the management level, a clear positioning of the firm, and a marketing strategy for transmitting the message to the target audience. Furthermore, promoting a tour to Bucharest will not only bring more customers, but also create awareness on the destination and on Europatours. Implementing these processes will keep Europatours in the tourism business, and the constant activity on the internet and social media will in time create higher profit.

1. Introduction

The world is in continuum progress. Internet takes over and images and texts become more important than human interaction. Quality of products and services is no longer enough to keep a business running. Keeping up with progress and technology is the key. Customers request the best and demand transparency. They need new challenges, new ways to try their limits, whether that means adventure, culture, knowledge, or technology.

New products and services have to be advertised in ways that were unknown for 20 years ago. Marketing is today as important as the product itself. Internet, social media, netnography, are terms and actions that are part of our everyday lives. However, everyone has access to that, so how can we be special, how can we convince the customers they should buy from us? There is large amounts of literature describing the different kinds of competitive advantage, advising managers

what to do to be special, to be better than the competition. Big firms have different problems than small firms, but there are solutions for all of them. Yet, the question remains: What should we do to earn more in profit? When, how, who should do that? How risky is that? How do we know that it will be worth it in the end? All these questions are part of a manager's everyday thoughts and struggles. To be the owner of a company today, you need passion, commitment, skills, discipline and a desire to succeed. Nevertheless, marketing can help a manager transmit the message to the target audience, building thus awareness, trust, and loyalty. "*Marketing matches consumer needs and market offers*" (Lilien and Rangaswamy, 1998, in Dolnicar and Ring, 2014, p. 32). Therefore, a thorough investigation of the market and the identification of the target audiences are the main actions that lead to the market positioning, followed by the marketing strategy that will help delivering the message. A new product, skills, technology and knowledge are as well elements that can create competitive advantage, necessary for a business to not only exist, but also grow.

Working as an intern at Europatours, I wished to find solutions for it to grow and make more profit. However, selling group holidays to Europe is not very special, there are many other travel agencies that offer the same. Furthermore, some of them have a brand well established on the Danish market. The offerings of the big travel agencies cannot be matched, as they have the capital to reserve rooms in hotels long time in advance, obtaining thus better prices; they can as well attract customers through discounts on packages; they can also afford advertising that reaches a bigger segment of the population. For all these reasons, Europatours needs a strategy, a way to improve its activity. That could be accomplished by following a business model, namely detect the competitive advantage, position the firm in relation to its competitors, select the target audience, and then the distribution channels for delivering the message. A new product can as well bring more customers and create awareness about both the destination and the firm.

1.1 Research questions:

How can Europatours travel agency increase the profit?
Sub question: **How can a new product, namely a tour to Bucharest, bring awareness and more customers to Europatours?**

1.2 Aim of the research

The aim of this research is to find a way to increase the profit of Europatours, a small travel agency, with only one employee. Several management and marketing elements will be analyzed in order to find the way this can be achieved. Furthermore, a survey will investigate whether awareness can be created and the number of customers grow by adding a new city as a travel destination, namely Bucharest, Romania. First, we have to determine whether there is a market for that. That we will learn from the results of the survey filled in by Danish citizens. The interview with the owner will show whether there is an interest at the management level. If the results are positive, the solution is a good marketing strategy for targeting the right consumers and create the message that should then be delivered through the right channels.

1.3 Europatours

Lars Wodschow took over Europatours travel agency in 2013, from Marcel Craciunescu, who had established it in 2002. Lars has taken over the customer database and the school groups that were already using Europatours for their annual trips to Europe. The agency is not making enough profit yet for hiring employees, so Lars is managing everything himself. He has decided to focus on groups, with different themes, according to age, interests, passions.

My internship at Europatours lasted for three months, from August to November 2014. My job there was interesting and exciting, very special in the way that being just the manager and me, I took part in everything. Even though I worked for many years in tourism, on different positions and having different tasks, I was never involved in all departments at the same time. Thus, my job consisted in several tasks: administrate the office; make offers for 2015; contribute with ideas for the website; administrate the Facebook page; promotion and marketing.

Among the main offerings of the agency are the spa holidays, golf tours, gift cards.

Europatours has an agreement with Danubius chain for spa holidays in Eastern Europe, where there are facilities and mineral waters for different diseases, but as well wellness and beauty treatments. Hungary and Czech Republic have facilities for arthritis and rheumatism, and treatments for respiratory problems. Slovakia offers treatments for skin diseases, like psoriasis.

Romania is famous for its salt lakes that can treat skin diseases, and is used for inhalation treatments as well. We thought about selling the spa holidays as a combination of treatment and visits to the beautiful cities of Eastern Europe.

Lars's passion and a big part of his life is playing golf. Therefore, he has an offering for golf trips to Ireland and UK, which are famous for their golf banes. We thought about selling it as men trips, or bachelor parties that would have golf as the main activity. We came across a promotion from Veneto Region in Italy, which was offering cooking lessons and golf playing. Lars thought about organizing trips where the wives could have cooking lessons while the men are playing golf, thus including the women in a sport almost exclusive for men.

A popular product of the agency is the 'holiday gift card', where the giver decides on the amount and the receiver decides on the destination and the time of departure. There were sold a few gift cards in the three months I worked for Europatours, in connection with birthdays, anniversaries, or celebrations.

Other categories of group holidays could be teambuilding, bachelor parties, birthday parties, sports events, wedding anniversaries etc.

2. Methodology

Methodology describes the way the idea was generated, the issue or the interesting situation of a destination or organization, the process of the data collection and the methods used to analyze it. I find Europatours an interesting case, for it has only one employee, thus being quite vulnerable among the competition. Even though sometimes it can be easier to work alone and be the only one taking decisions, this fact has its pitfalls, especially in terms of managing both the administrative part and the customers' needs. I hope through my research to show there are solutions for a small firm to create brand awareness and establish a strong position on the market. With these thoughts in mind, I began my investigation of Europatours, with the purpose of finding solutions to the issues, turning the disadvantage into competitive advantage, and fear for risk into innovative actions.

The following sections will discuss the research approach, the philosophy of science, the research methods, the case study, followed by a description of the data collection, limitations, the analysis method and the validity of the research.

2.1 Research approach

Induction and deduction refer to the way the theory is used in relation to the empirical data, i.e. either the theory is generated based on the data collected, or the empirical data confirm or contradict existing theories. The type of research conducted is important to establish, for the reader to understand the whole process starting with the idea generated and followed by the research procedures, based either on the known theory or on the field research.

According to Bryman (2008), in an inductive research, the theory is the outcome, i.e. "*drawing generalizable inferences out of observations*" (p. 11). In the deductive approach, theory and the hypothesis deduced from it come first and are the basis for the collection of data (Bryman, 2008). However, there are researchers who use both the inductive and the deductive approach in their research. Patton (1991, in Hyde 2000) explains the process: first the researcher collects the empirical data and is open to whatever emerges from that, which is consistent with the inductive

approach. Then the researcher finds the pattern in the data and thus the theory, focusing then on verifying that theory; this is a deductive approach. According to Morgan (2007), this process is called abductive research and it means moving back and forth between induction and deduction, first converting observation into theories and then assessing those theories through action (p. 71).

In my research, the idea was generated by participant observations during my internship at Europatours. I learned that the agency is organizing group holidays, especially for school trips, and that there is not enough profit for hiring somebody. After sessions of brainstorming together with my boss, I started thinking of a way to bring more customers, having in mind the theory learned in school. This matches the inductive approach. Marketing came to mind, as a way to promote the firm and its products, and social media could be the inexpensive means to do that. I became thus in charge of the Facebook page of Europatours, my job being to create awareness on the agency and give ideas on trips to big cities for young people. This is consistent with the deductive approach. I thus followed the abductive approach in my research, starting with the inductive approach based on observations, and then matching the theories that would help verifying the findings, which is the deductive approach.

2.2 Philosophy of science

The philosophy of science is the foundation of the quest for knowledge (Ponterotto, 2005). It is the relationship between science and truth. It explains the position of the researcher in relation to the subject investigated. It incorporates notions about ontology, which is the nature of reality, epistemology, as the study of knowledge, and methodology, which is the process and procedures of research. The philosophy of science will explain my position towards the travel agency investigated, my opinions about the subject researched, and thus the reliability of this study.

A research paradigm is a set of assumptions about the world and it helps the researcher choose the methods, tools and participants in the study (Ponterotto, 2005). According to Sandelowski (2000), paradigms are 'viewing positions' of the researcher (p. 247). The most common paradigms are the constructivism and the positivism. As opposed to the positivists, who believe there an external reality independent of human experience, and that *"there is an objective reality that we as learners assimilate"* (Jonassen, 1991, p. 8) the constructivists believe that social world is constructed and

reconstructed through the experience and knowledge of humans. Constructivists do not believe there is an external reality, reality depends on each of us and how we construct it. "*The real world is the product of the mind that constructs that world*" (Jonassen, 1991, p. 10).

Ontology describes the nature of reality, namely the assumptions that we hold about the physical world (Jonassen, 1991). Bryman (2008) distinguishes between objectivism and constructionism. Objectivists state that social entities have a reality independent of social actors who cannot influence that reality and believe that *"there is an objective reality that we as learners assimilate"* (Jonassen, 1991, p. 8). Constructionists state that social phenomena are continually being accomplished by social actors. My study has both elements of these philosophies. The survey results are objective, I cannot change them, but the observations and the interview with Lars, were based on the knowledge I built every day on the agency and its manager.

Epistemology is the study of the nature of knowledge and thought. (Jonassen, 1991). Positivism asserts that it is important to imitate the natural sciences (Bryman, 2008). Interpretivism is the contrasting view to positivism, and implies the subjective meaning of social action. The hermeneutic approach is the way to 'understand' the human action, as opposed to positivists who are concerned with 'explaining' the human behavior (Bryman, 2008, p. 15). Positivism is again used for the survey, but hermeneutics exists in the observations I did as an intern, getting to learn the manager and his thoughts and developing interest for the firm.

As for the methods used in my study, there are participant observations, a qualitative interview and a quantitative survey, which is consistent with a mixed method research. Morgan (2007) discusses the controversial mixed methods research and the paradigm that should be used in such a research. If qualitative inquiries are traditionally using the constructivist approach and the quantitative inquiries use the positivist approach (Hyde 2000), then what is the right paradigm when doing a mixed methods research? Furthermore, is there a right paradigm, or is it possible to shift between them? Morgan (2007) brings up a term from Kuhn (1996), namely 'incommensurability' (Morgan, 2007, p.58), which means it is impossible to create complete correspondence between the ideas in two different paradigms. The article argues though that by choosing one paradigm, it does not mean rejecting the others, and the number of paradigms used in a study is up to the researcher. Guba and Lincoln (2005, in Morgan, 2007) had no objection to

combining methods, as long as paradigms were not combined, especially constructivism and positivism.

Morgan (2007) comes thus with an alternative to the existing paradigms and the idea of incommensurability, namely *pragmatism*. The pragmatists believe there is no external system that explains our beliefs for us, there is no priori basis that the researchers follow. This is in line with Kuhn's idea that the methods and the theory are the main factors in a research. The emphasis is on 'shared meanings' and 'joint action' (p. 67). On the other hand, Morgan (2007) asserts: "*I do not believe for one moment that the participants in any research field ever represent a random assortment with regard to personal history, social background, and cultural assumptions*" (p.69). Ibid (2007) suggests thus that just the way we move back and forth between induction and deduction, we can as well move back and forth between the knowledge we gain from qualitative and quantitative data. My research follows both my own background in the observations and the semi-structured interview, which is consistent with the constructivist approach, and the objective data from the survey, which is consistent with the positivist approach. It matches thus Morgan's pragmatism approach.

The article by Morgan (2007) dismisses the rigid idea of choosing either subjective or objective approach, arguing that there is no such thing as complete objectivity or complete subjectivity. The pragmatic paradigm suggests the *intersubjective* approach (Morgan, 2007, p. 71). It is also both accepted the statements that there is a single real world and that individuals interpret that world in their own way. My research shows one reality, as the results of the survey are objective, independent of my influence. On the other hand, I am an interpreter in relation to the interview and the observations, as knowledge and experience gained every day influence my reality.

2.3 Research methods

In conducting my study, I used observations while working as an intern, for three months, I conducted a semi-structured interview and a survey launched online, with seven questions. The observations helped me gain insight about the firm and the issues it faced, and about the manager's ideas and business plans. This constituted also the base for this project. The interview with the manager was meant to reveal more of his future plans, but also his opinion about introducing a

new tour, namely Bucharest, Romania. The survey results would help Lars Wodschow decide whether it is a good idea to promote a new product, as the answers will reveal the perceptions of Danes on Bucharest, and their opinions on Romania as a travel destination. Thus, all these data together, will give a clearer picture of the situation and will maybe constitute the push factor needed for Lars to try a new product.

2.3.1 Participant observations

Bryman (2008, p. 410, citing Gold, 1958) identifies four roles that observers adopt in relation to the social setting and its members. The complete participant is a member of the social setting, whose identity is unknown to the other members. The participant-as-observer is also a member but the others are aware of his/her identity. The observer-as-participant is mainly an interviewer, with little participation. The complete observer does not interact with people, he/she just observes and takes notes. My role in the research was that of a participant-as-observer, I was participating in the everyday practices, I was also observing and taking notes, and my boss was aware of my status. Even though my start in Europatours was not as an ethnographer but as an intern, I could later remember the discussions and the issues, with the help of the internship report that explains in details the situation of the firm and my work as an intern.

2.3.2 Qualitative research

According to Bryman (2008), qualitative research highlights words and their meaning, emphasizes an inductive approach, adopts the interpretivism theory, and entails that reality is the creation of individuals. The qualitative research offers thick explanations and descriptions and is much concerned with the context (Bryman, 2012). Hesse-Biber (2010) states that the aim of the qualitative research is "*to understand how individuals make meaning of their social world*" (p. 455). Most of the times, the qualitative researchers prefer less structured approaches to interviews, as they offer 'the prospect of flexibility' (Bryman, 2012, p. 404), as the researcher can build and develop new questions arising from the answers of the interviewees. In my research, I had one semi-structured interview with the owner of Europatours, which was recorded and later transcribed, for a better analysis of the data and for avoiding the loss of relevant information.

2.3.3 Quantitative data

Quantitative methods focus on the quantification of the data and use statistical procedures. According to Bryman (2008), quantitative research implies a deductive approach, adopts the positivist theory and considers reality as an external element. For my research, I launched an online survey that should show a statistics on Danish citizens' opinions about traveling to Bucharest, Romania.

2.3.4 Triangulation

The research strategy of this paper is the use of triangulation, which is a "*combination of methodologies in studying the same phenomenon*" (Denzin, 1978, in Jick 1979, p. 602). The mixed methods research is recognized as the third major research approach next to the qualitative and the quantitative research (Johnson et al., 2007). As stated above, I believe triangulation gives a better insight over a firm's situation, and can better show the issues it faces; at the same time, it offers a clear answer to my suggestion for a new product, namely a tour to Bucharest.

Campbell and Fiske (1959, in Decrop 1999) introduced the concept of triangulation, as a multimethod, part of a validation process of the research. Webb et al. (in Johnson et al., 2007) named this method triangulation. However, it was Denzin (1978, in Johnsonet al., 2007) who first explained how to triangulate methods. The original triangulation referred to the use of multiple forms of qualitative research methods, not the combination of qualitative and quantitative methods (Denzin 1970, in Denzin 2012).

Decrop (1999) states that triangulation implies that a single point is considered from three different and independent sources. It means looking at the same phenomenon from different sources of data. By variation of the data, combining interviews with secondary data, photos, documents etc, the critique to the qualitative research is avoided, bringing validity to the study. Johnson et al. (2007) follows on the same idea, stating that the mixed methods research is an approach to knowledge that takes into consideration multiple viewpoints, perspectives, positions and standpoints (p. 113). In my case, it means the observations, the interview and the survey should give three different views of which results will help drawing a valid conclusion for this paper.

Jick (1979) presented triangulation as a way to use qualitative and quantitative research together, as complementary and not as oppositions. Ibid (1979) suggests that qualitative researchers quantify their data through a survey, which will bring reliability to the study. Without a survey, the researcher can only make 'reasonable guesses' (Vidich and Shapiro 1955, in Jick 1979, p. 604). The quantitative researchers are also encouraged to use field work, as that will give a deeper understanding of the phenomenon and will bring validity to the study.

Jick's (1979) conclusion is that "*survey research and field work are better viewed as two ends of a continuum rather than as two distinct kinds of methods*" (p. 604). Therefore I find it relevant for my research to use observations, a semi-structure interview and a survey, which can together bring reliability to this study. The owner's opinions, the way he manages the business, the way he creates contacts and maintain the old ones, plus the opinions of Danish consumers on Bucharest, Romania, analysed together, will give results that can be considered valid.

Denzin (1978, in Johnson, 2007) identifies 'within-methods' triangulation, which is the use of either multiple qualitative or multiple quantitative approaches; and 'between-methods' triangulation, which is the use of both qualitative and quantitative approaches. Denzin recommends the use of 'between-methods' triangulation, and that is what I do in my research, as explained in the beginning of section 2.3.

2.4 Case study

A case study refers to the analysis of one case (Bryman, 2008), specifically Europatours travel agency. This paper will investigate the issues and weaknesses of Europatours, suggesting at the same time solutions for overcoming those issues.

According to Ritchie (2004, p. 42), a case study is "*a holistic empirical inquiry used to gain in-depth understanding of a contemporary phenomenon in its real-life context, using multiple sources of evidence*". The multiple sources of evidence are in my case participant observations, a semi-structured interview, and a survey.

Stake (1995, in Ritchie 2004, p. 40) states that the case study is "*personal, situational and intricate*", suggesting that by bringing personal experience and knowledge of the researcher into the project, the reader gains a broader view on the matter. I consider that my experience and knowledge can contribute to the analysis of Europatours and its issues, finding thus solutions for increasing the profit.

Thomas (2011) suggests the selection of a subject and an object when doing a case study. The subject is what is interesting to research, in my case Europatours, while the object is the analytical frame, namely the increase of profit.

2.5 Data collection

2.5.1 Primary data

The primary data for this paper consist of participant observations, a semi-structured interview and a survey. The observations while an intern initiated the thoughts about how a little travel agency can generate more profit. Along with following a business plan, a new product was my suggestion, namely an organized tour to Bucharest, but it hit a wall when exposed to my boss, as he did not believe Danes were interested in traveling to Romania. I then thought about a way to investigate whether that was true. The idea was to determine whether Danes could be persuaded to visit Bucharest, and that would be achieved through a survey. The manager's view on that is important, as well as his own perceptions on the destination; in case he agrees on a new product, then a solution can be found for creating that. An interview with him would therefore be necessary.

In the three months of internship at Europatours, I made observations about the agency and its customers, about the manager and his way of working, his way of interacting with customers, the relationship with partners, as well as the reactions to the promotions on the agency's Facebook page.

The semi-structured interview with Lars Wodschow took place on March 12th at the office of Europatours and it lasted for approx. 15 minutes. It was semi-structured, as I had prepared eight main questions that, during the interview, created a dialogue and brought more questions. The interview was conducted in Danish and recorded on the phone. It was then translated into English

and transcribed. It is attached to the project as Appendix 1. The interview is copied on a CD that is as well attached to this project.

Later on, during the writing process, I e-mailed more questions to Lars; the answers are attached as Appendix 2. More discussions took place over the phone several times, in order to clarify or obtain more information from Lars.

I started distributing the survey (Appendix 3) by e-mail on March 9th. It was then posted on the tourism Facebook page at Aalborg University Copenhagen, with the note that it should only be filled in by Danish students. It was as well posted on the Facebook page of Europatours, on March 11th where Lars asked kindly the 1490 connections to fill in the survey. On March 17th the advert on Europatours Facebook page was boosted for 72 kr. and reached 1439 people in three days. On March 31st there were 66 people that had filled in the survey.

2.5.2 Secondary data

As an intern at Europatours travel agency, I used netnography for learning about the competition within travel agencies that sell holidays for school groups. I have chosen this method, as I believe it is important to know the positioning of the company on the market in relation to other firms that sell the same type of product, and thus try to find the competitive advantage of Europatours. Netnography, as Kozinets (2006) asserts, is the fastest, easiest and costless method to learn about a company, a product or the customers' needs and wants. If in ethnology behavior holds an important role, in netnography, the message is transmitted through text and images. I found thus important to examine the other agencies' websites, to understand their message and focus, and find out what we can do differently or better.

The internship report helped me remember my observations during internship, serving as an ethnographer's notes. It also helped when making the questions for the interview with Lars. The internship portfolio, which referred to the use of social media versus traditional media, was also a source of inspiration as to creating awareness and promoting a new product on the social media.

2.6 Limitations

One limitation of this paper is that the consumers were not interviewed regarding their perceptions on Europatours' services and products. While working as an intern, I overheard conversations between Lars Wodschow and his customers, where they expressed their satisfaction towards the services received. In the interview (Appendix 1), Lars stated as well that many of his customers come back to him because they were satisfied with what Europatours had delivered. However, I did not talk personally with customers, and this can be the subject for a further research.

Another limitation is that being only one investigator, it was sometimes difficult to distinguish the issues, as I became subjective. I tried thus to fight the biases by thinking back on my initial theory about Europatours, and the issues observed at the beginning of my internship.

2.7 Analysis method

The analysis of the data is performed by mainly following the theory sections. Other themes aroused from the observations will also be discussed. Thus, each section will be connected to the survey results, the interview and the observations. By doing so, I assure that all concepts described in the theory chapter are discussed in connection with my research. By using the internship report, I assure that other themes will not be overlooked, as the notes were written before the current research began, namely in my internship period.

2.8 Validity and reliability

As participant observations can easily turn into subjective opinions, especially when only one investigator is present, a study should demonstrate that the data is valid and reliable. In their article about a rigorous case study, Gibbert et al. (2008) discuss four criteria for a valid case study, suggested by Yin (1994):

1. Internal validity refers to the data analysis phase. There are mentioned three measures to enhance internal validity:
    - A clear research framework. That is explained in the methodology of this paper;

- Pattern matching, i.e. comparing empirical material with previous studies. That is achieved in the analysis chapter, where theory and empirical data are discussed;

- Triangulation, i.e. multiple perspectives. There are different methods used in this paper, as mentioned in section 2.3.4: a qualitative semi-structured interview, a quantitative survey, observations and netnography.

2. <u>Construct validity</u> refers to the data collection phase, the construction of the study, meaning that a study investigates what it claims to investigate. There are mentioned two measures to achieve construct validity:

- Establish a clear chain of evidence, i.e. how the researcher is going from the research question to the conclusions. This is as well explained in the methodology chapter of this paper, the way the process started with my internship, then the theory was developed and the research question came up;

- Triangulate, i.e. use different data collection sources and strategies. As explained above, I used different methods for collecting the data.

3. <u>External validity</u> means generalization, the possibility of using a case in other similar settings. Based on the literature review, I believe that the elements presented as solutions for increasing the profit of Europatours can as well be used in other cases of small firms where the owner is the manager and the only employee.

4. <u>Reliability</u> refers to the transparency and replication. The transparency is achieved by explaining every step of the investigation, which I have done in the methodology chapter. Replication means creating a database of the documents collected, and which could be used by other investigators. The interview taken for this project has been translated and transcribed and is attached as Appendix 1, together with the CD containing the interview; the additional questions are attached as Appendix 2, and the survey is attached as Appendix 3.

3. Theory

Organizations within tourism industry are confronting with many challenges. "*Rapid environmental changes, shifts in buyer preferences, new products and services, and increased competition*" (Cravens, 1975, p. 53), force tourism firms to be continuously active, both within the firm and also related to its products and services. In order to evaluate the possibilities for growth of a small-size travel agency, the theory section will outline several major factors that can influence the future of the business, and the recommendations for the current case of Europatours travel agency.

The theory section will start with the competitive advantage, as a primary focus for a new firm, or one that needs to expand. When the competitive advantage has been identified, innovative ideas can be implemented, as innovation is one of the nowadays most used terms in tourism, therefore it cannot be ignored in the quest for increasing a firm's profit. Next, the strategic positioning needs to be established and the target audiences to be selected. Given the development of technology in the past years, internet is vital for any type of business, and is the most helpful tool for both consumers and providers. The last section of the theory, and on the same level of importance as the internet, lies the social media, with a special focus on Facebook social network.

3.1 Competitive advantage

Whether it is internal, focused on skills and knowledge, or it is external, focused on improvement or innovation of product/services, the competitive advantage is one element that can be taken into consideration in a highly competitive industry and in the case of a small firm. As netnography showed that there are several travel agencies that sell the same kinds of group holidays, only they are older on the market and bigger in terms of employees and profit generation, Europatours needs something special, namely a competitive advantage in order not only to survive on the market, but also to grow.

The section will start with the first use of the concept and a definition, and it continues with the different types of competitive advantage and the relations to other business elements.

The concept of competitive advantage can be traced back to Chamberlin (1939, in Reed and Defillippi 1990). Selznick (1957, in Reed and Defillippi 1990) mentioned the term again, linking advantage to competencies. Hofer and Schendel (1978, in Reed and Defillippi 1990) give a definition of competitive advantage: "*the unique position an organization develops vis-à-vis its competitors through its patterns of resource deployments*" (p. 90). Day (1984, in Reed and Defillippi 1990) and Porter (1985, in Reed and Defillippi 1990), considered competitive advantage as part of the organizational strategy.

Reed and Defillippi (1990) discuss competency and competitive advantage. Competencies refer to skills and knowledge and the way the firm uses them in relation to its competition. Ibid (1990) specify the fact that competencies do not necessarily generate competitive advantage. This opinion is in opposition with Selznick (1957, in Reed and Defillippi 1990), who states that competencies are connected to the competitive advantage. In my study, Reed and Defillippi's (1990) statement means that even though the manager does not have education in tourism, it does not mean he cannot create competitive advantage.

Grieves (2010) suggests that for building competitive advantage, an organization needs 'exceptional performance and innovation' (p. 149), which spring from internal forces of change. Ibid (2010) identifies three forces for change that enable a firm to create competitive advantage: Incorporate organizational learning, design the organization to exploit the strategic advantages, and develop new opportunities. The first two actions refer to the employees as a source for building competitive advantage. Investing in their skills and knowledge will contribute in time to the business development and its strong positioning on the market. Develop new opportunities refers to the innovative ideas that come from a need to change. Innovation can be a missed opportunity or a gap in the market (Grieves 2010). Innovative practice can be encouraged by: developing reward systems, empower those involved and use technology for improving the organization performance. Technology can as well increase market share or develop new markets (Ibid 2010).

According to Grieves (2010, p. 150), "*Internal organizational focus is the means to competitive advantage*". Instead of looking for external factors, organizations should focus on internal forces and drive change: the quality of leadership, motivated staff, and skilled employees. The mix of all these is the solution for competitive advantage (Ibid 2010).

Lei et al. (1999) suggest that as competition among businesses is increasing along with the progress of technology and the continuous change in customers' needs, the traditional economic drivers like firm's size, capital and technologies have to be replaced by new strategies based on knowledge and learning. This view is in accordance with Grieves's (2010) internal organizational change, but on the level of management more than on the level of employees. In order to create competitive advantage, companies will no longer rely solely on the process of innovation, but will have to "*shape the customers' expectations for future products and services*" (Lei et al., 1999, p. 26).

However, in order to introduce new strategies based on learning, it is necessary a process of 'unlearning' (p. 30), i.e. the replacement of the old strategies at all levels of management (Lei et al. 1999). This is apparently a difficult task, most of the times because of rigid and conservative ideas, organizational politics, budgetary changes (Ibid 1999).

The article of Lei et al. (1999) concludes that management position is the key to the successful creation of new strategies based on learning and innovation. This view can be as well utilized in tourism, even in a small firm, as the manager needs to open himself to innovative ideas if he wishes not only to survive on the market, but also to grow and establish a brand.

Following the same idea of fierce global competition, Woodruff (1997) suggests instead of internal organizational chance, an external orientation toward the customers' needs. Ibid (1997) explains that very few companies take into consideration the customers' values and needs when they plan new strategies. Woodruff (1997) claims that quality is no longer enough for achieving competitive advantage. Instead of focusing on internal change, organizations should find a way to measure customers' values. As a definition of customer value, Woodruff (1997) states that it is the assessment of the customer in connection to a product. There happens a 'trade-off' (p. 141) between the quality and benefits the customer receives and the price paid for that.

However, according to Woodruff (1997), customers perceive the value of a product or service in different ways at the purchase and after it has been used. When purchasing a product or service, the important role in the decision making process is held by the attributes, which are also compared to other similar products on the market. During or after use, the value is given by the performance. "*During the choice task, customers may predict received value, but during use, they actually experience received value*" (Ibid 1997, p. 141).

In the tourism industry, the received value of the product or service can make the difference between a one-time purchase and loyal customers. If the received value matches the predicted value, the firm gains a good name and a loyal customer that will recommend the firm to others. That means marketing alone is not enough, the delivery of good services is needed in order for an organization to build a competitive advantage and in time a strong brand.

As innovation is a way to achieve competitive advantage, and competition is the main driver for innovation, the next section will examine innovation in small firms.

3.2 Innovation

Innovation is maybe the most utilized term in tourism in the past years (Hjalager, 2010). Therefore, even in a small firm that cannot afford to risk big changes or big steps, innovation should exist, in small quantities, in inexpensive ways. Europatours cannot yet hire a person with experience in the industry, but given my many years of work in tourism and the tourism studies, having me as an unpaid intern was one way to bring new knowledge and perspective. A new product like a tour to Bucharest, that none of the competitive agencies is suggesting, can also be considered innovative, even though it does not imply big changes for the firm. It does imply a market research in order to find out if the target audience is interested in the respective new product. It implies as well learning about the destination suggested, in both theory and practice, in order to establish the attractions to be recommended.

This section starts with explaining the term, followed by the different types of innovation, definitions, classifications, and the situation of small firms in relation to innovation.

The word 'innovation' comes from the Latin 'innovatio', which means to create something new (Peters and Pikkemaat, 2006, p. 2). "*Innovation can be defined as the market-base application of new processes, products or forms of organization*" (Ibid, 2006, p. 2).

Chan et al. (1988, in Hall and Williams, 2008) identifies three types of innovation: incremental, which does not require major change; distinctive, which implies change in consumer behavior, like promotions and offers; and breakthrough, which is a new approach in consumer behavior, system organization or new technology. An incremental innovation for Europatours could be a

tour to Bucharest. Distinctive innovation can be promotions and offers on internet and social media, as well as the gift cards that Europatours is being successful with.

Abernathy and Clark (1998, in Hall and Williams, 2008) identify four types of innovation: niche, which is a new market; regular, which is incremental; revolutionary, which means new technologies but not influencing the entire industry; and architectural, which affects the entire industry. In the case of Europatours, the spa treatments in Eastern Europe can be considered niche market. The incremental innovation can be the tour to Bucharest. The revolutionary and architectural innovations are maybe too risky for a small firm.

Adams et al. (2006, in Hall and Williams, 2008) identify three ways to classify innovation: based on newness, as Schumpeter suggests, with two types: radical and incremental; based on the focus: on product, process, administrative or technological dimensions etc.; based on attributes; properties, qualities, features.

Moscardo (2008) states that innovation is based on creativity and a new way of thinking. Perdomo-Ortiz et al. (2006, in Moscardo, 2008, p. 5) consider innovation a 'dynamic capability', a new way of conducting business through actions that improve effectiveness. De Bono (1998, in Moscardo, 2008) believes that innovation is achieved by challenging the existing assumptions and looking at a situation from another perspective. A new way of thinking could help Lars Wodschow look at his business from a new perspective regarding the increase in profit. Instead of focusing on each customer, he could think bigger and find ways to bring more customers and thus create awareness and grow the business.

Although the term 'innovation' is used in connection with major changes in a firm, I argue that for a small firm like Europatours, the introducing of a new product can be considered innovative. Even though it is not about creating a new product or a new technology, new actions in a small firm imply adjustment and improvement of services, which lead in time to increase in profit and in the number of customers.

Some of the issues in tourism innovation are the low levels of human capital, skills and investment in training (Riley et al., 2002, in Hall and Williams, 2008). This is especially the case of small firms. "*Not only is innovation essential to the survival of small firms, but small firms also play a key role in innovation*" (Hall and Williams, 2008, p. 214). The reason for that is, according to

Bunnel and Coe (2001, in Hall and Williams, 2008), small firms are likely to generate more innovation, because they are more flexible, so easier to adapt to new ideas than big companies are. Furthermore, there is a high level of experimentation in the niche markets, and this is of significant importance for innovation. For these reasons, Europatours can suggest a tour to Bucharest, which would not imply major change, and the investment related to that would be minor.

Christensen and Overdof (2001, in Hall and Williams, 2008) state that the managers of small firms can be innovative because they are not restricted by rules, budgets, routines. The fact that profit is not a driver does not mean that business will end. With passion and joy, it might even achieve growth, despite the lack of skills and experience.

In conclusion, owners of small firms are not necessarily passive, but neither are they necessarily innovation leaders (Hall and Williams, 2008). This is also the case of Lars Wodschow, who lacks the education and experience in tourism, has the passion, but is not willing yet to take risky innovative actions. My research might stimulate him however to try a new product – the tour to Bucharest, become more active on social media, or/and hire a skilled person with education and experience in tourism. These actions can be considered incremental innovations, they are not new for the industry, but they are new for the current status of the agency and its manager.

3.3 Strategic positioning

The positioning of the firm versus its competition is one of the first steps to be taken in business, no matter the domain. The tourism industry has been facing changes due to the development of technology and the increase in consumer demand. Therefore, a small travel agency should take the right steps towards growth and increase in the number of customers. The positioning of Europatours was not clear when I started working there as an intern, so I initiated discussions about that with my boss. We decided together to focus more on the positioning on the market of Europatours among its competition.

This section will first trace the concept back to its first mention, continues with definitions, types of positioning, discussions about tangible and intangible products and the way positioning must be established in the service industry. The comparison between services and manufactured products regarding marketing is interesting for stressing differences and similarities in the

approaches. By analyzing the marketing for tangible products to the tourism products, we accumulate new knowledge and thus may find new ways to address the target audience.

According to Perry (1988), the concept of 'positioning' was brought out in 1972 by Ries and Trout and its original meaning was the position of a firm on the market in relation to its competitors. The competitive advantage of a firm, the 'strength' (Perry, 1988, p. 422) can be a real one, like a large market shares, or it can be in the consumer's mind, for instance due to the fact that the product was the first on the market; this means the strength is based on reputation, which can also be built through advertising and promotion. Reputation is connected to trust. Trust, according to Hall (2008), results from past experiences and is oriented to the future. Trust is a reason for good relationships. Without trust, cooperation is not possible (Ibid 2008). If the customers trust Europatours based on their previous experience with the agency, they will come back. Furthermore, if they trust Lars Wodschow with the accuracy of the information and transparency, they will become loyal to the firm and recommend it to others. Following on the idea, Hattori and Lapidus' (2004) develop a theory on stakeholder collaboration, distinguishing four attributes for trust as a condition for a good collaboration: authenticity, where the parties are sincere with each other; history of fulfillment of their promises; the ability to fulfil their responsibilities; commitment to the relationship, meaning that the parties are interested and involved in the actions that affect each other. Extrapolating that to firm-customers collaboration, the sincerity, the ability to meet the expectations of the customers by delivering good services, the interest in shaping the desired holiday, can in time bring more customers to Europatours and create a strong brand on the market. The action of building trust *"increases commitment and productivity in a climate of overall trust"* (Ibid 2004, p.100). Stein and Harper (2003) consider trust an essential condition for communication, knowledge, learning, and basic for understanding relationships. *"Trust is essential to all forms of cooperation"* (Ibid 2003, p.136). Therefore, Lars Wodschow can gain knowledge through a good collaboration and communication with his customers, and thus be able to predict future trends.

"Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect" (Ries and Trout, 1980, in Dahlen et al., 2010, p. 125). It means establishing and maintaining a brand in the targeted market space and in the mind of the targeted audience. David Ogilvy (in Dahlen et al., 2010) stated in 1955 that the effect of advertisement on sale depends less

on the way the message is delivered, than how the product is positioned. Kotler and Armstrong (2005, in Dahlen et al., 2010) stressed that the competitive advantage is the strength of the company, while the product's position is the audience's perception on the product.

Aaker and Shansby (1982) claim that positioning means different things to different managers. It can be about segmentation, image or the features to be highlighted. In order to have consistent marketing elements, a positioning strategy is needed. Ibid (1982) identify six categories of positioning: by attribute, where the product is associated with an attribute or a customer benefit; by price versus quality; by use or application; by the product user, where a personality or a class of users is used; in relation to a product class; in relation to a competitor. Regarding Europatours, its positioning can be associated with any of the categories mentioned above. It could be an attribute like its size, which can be also a customer benefit, as relationships between manager and customers can get more personal and by that, loyalty is created. It could be the price of the holiday or related to the school kids as the class of users. Europatours could as well establish its positioning in relation to its competitors, by specifying the nature of the holidays it offers, namely custom-made or self-created trips, compared to the other travel agencies that offer ready-made trips.

In developing a positioning strategy, Aaker and Shansby (1982) identify six steps: identify the competitors, determine how the competitors are perceived, determine the competitors' positions, analyze the customers, select the position, monitor the position (p. 59).

There are four factors to be considered in order to establish the positioning: the target market, the product's quality compared to the competitors', the product's value in the target audience's mind, the ability to communicate this value to the target audience. "*The brand identity and positioning are central to developing a strong customer base and brand equity*" (Gwin and Gwin, 2003, p. 31). These factors were discussed during my internship, where my boss and I tried to establish the target audience, compare the competitors' products with Europatours', and decide on the marketing strategy to be used. The product's value was communicated to us by the customers at their return from holiday.

According to Gwin and Gwin (2003), a product can be differentiated from others on the market through attributes, quality, packaging innovation, price benefit, additional features. Although the article by Gwin and Gwin (2003) refers to manufactured products, it is possible to extrapolate it to

tourism products and services. In my case study, the attribute of Europatours can be the size of it, as that can influence the relationship between Lars and his customers. That influences as well the price and the quality of services.

Gwin and Gwin (2003) state that through evaluating the positioning on the market in relation to the competitors, a firm can conclude whether it is stronger than the competition or more vulnerable. If it is vulnerable, there are a few actions that can redress the situation: a new product, changes in the existing product, changes in price, or a new promotional strategy.

Another meaning of positioning is related to the product and its attributes, compared to other products on the market. In terms of marketing, there are two 'battlegrounds' (Perry, 1988, p. 420): the market and the consumer's mind. Therefore a small firm like Europatours should learn first about the market and establish its own position among the competitors, and then communicate that position to the target audience.

Regarding the product positioning, there are two stages: designing the product and its attributes and place it in the consumer's mind. According to Perry (1988), the consumer has in mind a perceptual map and the location of the product on this map is the product position (p. 422). Ibid (1988) suggests that the first aspect considered by the consumer in order to place the product on the perceptual map, is the price related to the quality. Then come all the attributes and benefits of the product.

Discussing the image of a destination in the consumers' mind, Ahmed (1991) states that it is not what the consumers see as objective facts, but what they 'think' and 'feel' about a destination, its services, attractions, hospitality, which affects their consumer behavior: "*How people behave depends to a great extent on how they perceive the world around them*" (Runyon, 1977, in Ahmed, 1991, p. 331). Successful destination marketing depends thus on how the consumers perceive the product and how the marketing places it in their minds. This is in line with Perry's (1998) perceptual map on product positioning. The survey I launched online for this project has as focus the perceptions of Danish consumers on Bucharest and Romania, as I believe one of the reasons of Danes not being interested in Romania as a travel destination is the bad reputation of Romanians in Denmark. Although this paper does not discuss destination image, I believe the consumers' perceptions about the destination can help Europatours' manager find the attributes to focus on if the tour to Bucharest should be promoted.

A major difference in marketing between a tangible product and a tourism product is that perceptions, according to Ahmed (1991), are more important than attributes. Positioning means thus determining how the product is perceived, but also developing a marketing strategy in order to achieve the desired position on the market. What people think about a tourist product is very important, as "*people react to what they think rather than fact*" (Ibid, 1991, p. 332). Or, as Dahlen et al. (2010) assert, "*perceptions are the foundation of brand value and marketing effectiveness*" (p. 27). Furthermore, Ibid (2010) state that there is a difference between the actual product and the communicated one, and the marketing communications help positioning the brand in the consumer's mind and on the market.

Kaul and Rao (1995) state that in order to make profit, a firm must continually reposition the existing products or come with new products. Therefore, the positioning of the product needs to be established and its attributes communicated through a marketing strategy to the right target audience. Ibid (1995) claim that consumers choose a product according to its utility, which is given not only by the perceptions on the product, but as well by the importance of its attributes. Again a reference to manufactured products versus tourist products, or 'utility' versus 'perceptions, impressions and feelings'.

Nevertheless, there are characteristics of product marketing that we can extrapolate to tourism. Kaul and Rao (1995) suggest two types of positioning: the repositioning of existing products and the design of new products. The repositioning of existing products can be necessary from several reasons: the current position has not been a good choice; consumers have changed their needs; the firm reacts to a competitor's new product. The new product introduced on the market can either be evolutionary, which is an extension of an existing product, or revolutionary, which is a completely new product that has nothing in common with the existing products. The evolutionary product can be positioned by altering the attributes of the existing products, while the revolutionary product needs a new set of attributes. The new product, new positioning or new attributes, are in line with the innovation concept, discussed later in section 3.4 of this project. In the present paper, the tour to Bucharest, Romania, can be considered an evolutionary new product that Europatours introduces in its offerings. The marketing strategy is similar to the other travel offers, the target audience is the same as for the other city tours, and just some attributes might differ.

For introducing a new product on the market, the positioning and design of the product are essential: "*In addition to meeting the needs of a target market, the product should be seen as distinctive and superior to its competition*" (Kaul and Rao, 1995, p. 295). Ibid (1995) identify four important actions in positioning a new product: identifying the alternatives on the market, establishing the product attributes, modeling the consumer decision process, and position the product according to the firm's interest. For avoiding the overlap, similar product on the market should be identified (Kaul and Rao, 1995). In tourism, many agencies sell the same products; therefore, the difference is made at the price level or the extra options included in the offering. For establishing the product attributes, Ibid (1995) distinguishes between characteristics and attributes. Characteristics are the physical and utility aspects, while attributes are the perceptions of the consumers on the product, and also what influences the consumers in their choice. The decision process takes place as a result of the combination of product characteristics and the marketing propositions, based on which consumers develop perceptions and preferences. The firm's decision on the product is influenced by economic reasons, and profit is usually the main factor (Kaul and Rao, 1995). Ibid (1995) come up with models for evaluating a firm's costs versus profit, explaining that costs involve production and marketing. However, in the tourism industry, we can consider marketing as the only cost involved in launching a new product. Therefore, for a travel agency, it is not as easy to evaluate the costs/profit relationship as it is for a factory. When trying to convince my boss to invest more in Facebook ads, he replied that he could not see the outcomes of the previous investments. I thus had to make a comparison between a factory, of which products have a fix production cost and a fix price, so the profit is easy to calculate and investments easy to plan. In tourism, the profit does not come immediately after investment, and it is hard to measure the outcomes of social media marketing, as discussed in section 3.6 of this paper.

3.4 Target audiences

After establishing the positioning, the selection of target audiences should take place. A travel agency needs to find the specific segment of the population to address to, one that matches the product/services offered.

This section will discuss the relationship between marketing communications and consumer behavior, the decision factor that leads to purchase, the role of advertising in convincing the consumers to purchase. Next, two models for evaluating advertising for destinations are presented, which can be extrapolated to the case of an organization. The section ends with the situation in which the brand or product is perceived negatively by the audience.

"*The purpose of marketing communications is to develop a continuing dialogue with target audiences to build brand equity – brand associations (awareness and image), brand dominance and brand prospects*" (Dahlen et al., 2010, p. 25).

Dahlen et al. (2010) emphasize the relationship between marketing communications and consumer behavior, stating that marketing communications influence the consumers' decision making; therefore, good marketing communications needs to be informed on the target markets and the consumers' needs and wants. Brand credibility is another factor that influence the decision making, therefore the associations with brand's benefits and the credibility of the source of information are important (p. 51).

Citing Sheth et al. (1991), Dahlen et al. (2010) list five 'consumption values' (p. 54) needed in choosing a brand, extrapolated to tourism and my case study. The consumption values can help Europatours' manager understand the consumers' mind in relation to tourism products. They can also help in creating the marketing strategy, as these five consumption values can be a starting point when holidays are promoted. The functional value is the product utility. In tourism, the functional value can refer to the budget allocated for a holiday. The social value is given by affiliation to a group. Organized trips are here a good example, where people meet and socialize while enjoying the holiday. The school trips represent more social actions than quests for new cultures. The emotional value is given by the feelings associated with the respective brand. We can refer here to the loyal customers, who return to the travel agency if they have had a good experience and they trust it. The epistemic value is the curiosity in purchase. This is especially present in tourism, where new adventures, new cultures or new landscapes are presented as attractions of travel destinations. This value should be kept in mind when creating a new product, like the tour to Bucharest. The conditional value refers to certain events like birthdays and celebrations. This is as well often met in tourism; one example in my case is the gift cards Europatours offers, which are bought in connection with anniversaries and celebrations.

Dahlen et al. (2010) explain the five steps in customers' decision, purchase and consume of the product/service. The consumers' needs influence the purchase process. The needs can be physiological or psychological and get stimulated by marketing communications the moment the consumer feels a difference between the actual state and the desired state (p. 55). When the need is recognized, the search for the product begins. The needs manifest in general close to holiday periods, therefore Europatours, as other agencies as well advertise more intensely before Christmas, Easter, or summer. According to Dahlen et al. (2010), this search is of two types: memory-based, which is an internal search, and action-based, which means looking externally for the product in printed materials, on the internet or among friends. If the brand has been used before, the consumer only needs the internal search. In the three months as an intern, I noticed that Europatours' customers were mostly those who had used the agency before, and not so many that responded to the advertising. Therefore, I recommend a bigger focus on promotion, especially on social media. Litvin et al. (2008, in Leung et al. 2013) state that a traveller's planning process, which is pre-trip, during-trip and post-trip, can be hugely influenced by social media. One of the issues in tourism has always been the fact that the product cannot be tried and judged before it is consumed. This is where social media intervenes and helps; through others' eyes we can experience tourism before we pack our bags and the decision is based on the online recommendations, the electronic word-of-mouth (eWOM) (Leung et al. 2013).

Following Dahlen et al.'s (2010) steps towards purchase, after product search, the evaluation of alternatives comes next, where consumers compare the different similar products on the market. Then comes purchase. After purchase, the product evaluation is not over, it depends on the degree of satisfaction, and it is influenced by the expectations. This is the last step in the decision making. The marketing communications must make sure that the product will meet the consumers' expectations (Ibid, 2010). My observations while an intern show that my boss has built trust-based relationships with his customers, supplying them every time with accurate information on accommodation, location of the hotel, or transport. If the budget was tight, he made sure customers were told the downsides of cheap holidays. He thus made sure their expectations were not higher than the quality of products and services. Emphasizing the importance of matching the marketing with the consumers' needs, Dolnicar and Ring (2014 p. 32, citing Borden, 1964) state: "*The skillful marketer is one who is a perceptive and practical psychologist and sociologist*". The advertising

Europatours has used does not reveal details of the trips recommended, Lars prefers to talk to each customer in person, and create their desired holiday within their budget.

Regarding advertising and the target audiences, Siegel and Ziff-Levine (1990) give two alternative models for evaluating travel destinations advertising. These models can be used by a travel agency in both creating brand awareness, but also when promoting a new product. It is important for a tourism manager to understand the way advertisement functions, and that of all the people reached by a campaign, there will only be a small percentage that will actually become customers. The 'conversion model' (p. 51) functions as follows: A segment of the target audience exposed to advertising will remember it; it is the awareness. A segment of those will become aware of the destination advertised as a place to visit; this is called unaided awareness of destination. A segment of those will become interested in the destination, which is called inquiry/fulfillment. A segment of those who received the fulfillment piece will desire to visit the respective destination; this is motivation. A segment of those who wish to visit the destination will finally do it; this is conversion. The conversion model assumes that "*all advertising-driven visitations depend upon the inquiry/fulfillment process*" (Siegel and Ziff-Levine, 1990, p. 52).

On the other hand, the 'advertising tracking model' (Ibid, 1990, p. 52) claims that inquiries do not have such a major role in the purchase decision. Thus, consumers might be convinced by the advertising solely through awareness and image-building impacts. According to this model, the main goals of advertising are to generate awareness, generate awareness of the destination as a place to visit, create a positive image of the destination in relation to the competition, motivate consumers to travel, and convert those motivated consumers to actually visit the destination. This model is recommended if the goal of the marketers is to create awareness and build a positive image of the destination.

Thus, with the tracking model in mind, I created a survey for my research, which should test the interest of Danish consumers to travel to Bucharest, Romania. The purpose was not only to find out whether a tour to Bucharest would sell, but also to create brand awareness and position Europatours in the minds of the potential customers. If the results show interest in visiting Bucharest, an advertising campaign can be launched in order to convert the interested consumers to actually travel to Bucharest.

Dahlen et al. (2010) discuss the situation in which the product or the brand is perceived negatively by the audience. This can be the situation of a destination like Bucharest, which might be perceived negatively by the Danish consumers, resulting from both negative appearances in the Danish media, and the lack of promotion from the destination. Ibid (2010) identify three actions that can change the perceptions. The refutational approach means focusing on the cause of the negative attitude, without offending the audience; if the product is not as popular as others, the emphasize should be on the cause for that, which should be presented from a new perspective. Influencing attribute evaluation is another way to distract the audience from the negative aspects and focus instead on other attributes. Repositioning the product is a third way to change the perceptions of the audience, by presenting new attributes and not mention the previous associations with the product (Dahlen et al., 2010, p. 305). All these actions can be considered when launching a product like Bucharest, which can be challenging to sell. These approaches can as well be used in connection with a travel agency, where bigger and more known travel agencies are usually preferred over a small agency that does not have a strong brand position. Negative perceptions in Europatours' case can also be the size and name of the firm, even the location, meaning that it is not necessarily seen negatively, but not seen at all.

3.5 Internet in tourism

Internet is used in all domains nowadays. For creating awareness, building a brand, learning about the competition, selecting the target group and advertising. In tourism, where most of the travelers buy their trips online, firms need to be present and furthermore, to be active on the internet (Christian, 2000).

This section will discuss the advantages of using the internet, but also the 'disintermediation', namely the purchase of products and services online, without the assistance of a travel agency. This is especially relevant in my case, due to the fact that Europatours is forced to organize mostly group holidays, as individuals do not often need the services of a travel agency for purchasing their holiday.

One of the main innovations in tourism, according to Stamboulis and Skayannis (2003) is the information and communication technologies (ICTs), especially due to the fact that tourism

organizations have the possibility to obtain all the information they need about tourists' wants, the competition, new destinations etc.

Batinić (2013) explains the advantages of using the Internet in modern tourism: the distribution of products and services do not depend on the quantity of printed material, by means of the internet the information is delivered to millions of users; overbooking is impossible, as all communication problems have been removed. The conclusion of the article is that *"modern Internet technologies help travel agencies in creating a unique identity, increasing efficiency and developing value-added services"* (Batinić, 2013). Europatours can establish the positioning on the market in relation to its competitors, it can find the target audience, deliver the marketing messages, all by means of internet and in a fast and inexpensive way.

Buhalis (1998, in Stamboulis and Skayannis, 2003) argues that the ICT-based interaction has as consequence the process of disintermediation. Customers can get in contact directly with service providers, so the intermediary party, namely the travel agencies, will soon disappear. Therefore, the way they create relationships with customers is crucial for the survival of the travel agencies, as trust and reputation lead to loyalty. *"The ability to build and sustain trust-based relations with customers and to gain reputation and credibility is critical in the new power relationships"* (p. 37). Stamboulis and Skayannis (2003) call this process 'knowledge-based entrepreneurship', and claim it is the main source of competitive advantage. Ibid (2003) suggest a *"virtuous cycle of user-based interactive learning"* (p. 37), where interaction with consumers leads to accumulation of knowledge, which leads to better content integration, which leads to enhancing trust and reputation, which influence the interaction with consumers.

Drawing on the same idea of the importance of technology in tourism and the role of the travel agency, Law et al. (2004) state that internet is a means of communication and distribution for both the travelers and the suppliers of tourist services. It at the same time forces the businesses to take extra actions as the competition is a lot fiercer today than it was in the pre-internet age. It is not a matter of size of the business and capital anymore, small companies with a low budget can be as effective as the big ones via the Internet, and deliver the information to as many potential customers as them. The competition becomes thus a matter of imagination, honesty, skills, and most of all transparency. The services and products need to have high standards, as the future of the company depends on the reviews of the customers (Law et al., 2004).

Following on the same idea as Buhalis (1998, in Stamboulis and Skayannis, 2003), Law et al. (2004) observe that *"to the extent that the Internet enables e-travelers to easily arrange and purchase their own services/ products, the future of travel agencies – the traditional intermediary – becomes uncertain"* (p. 100). The term 'disintermediation' is often brought up in tourism, meaning the elimination of the middle agent that connects the customers with the suppliers (Ibid, 2004). According to Law et al. (2004) some researchers consider internet as the element that will eventually eliminate the travel agencies, while others consider it as a help and an advantage for the travel agencies. The conclusion of the article is that *"both online and traditional travel agencies will eventually remain equally important in the travel and tourism industry"* (Law et al., 2004, p. 106). However, from 2004 things have changed at the level of Information Technology, and it is even easier than ten years ago to purchase products and services from all domains. It is the reason why Lars Wodschow sells mostly group holidays, as individuals purchase easily their tourism products via the internet.

In his research on the internet use as a marketing tool in tourism and hospitality industry, Christian (2000) finds that small and medium-size enterprises (SMEs) do not use the internet enough for developing their business. Ibid (2000) suggests these firms start learning about advantages and opportunities of internet as a marketing tool, if they want to have a future on the market. Ibid (2000) finds it odd that travel agencies, at global level, do not use internet as a promotion tool, despite the fact that they have the hardware and the trained staff for it. Another issue Christian (2000) finds is that firms think it is enough just to be on the internet: *"SMTEs with an Internet presence that are not actively engaging in related promotional activities are depriving themselves of valuable new business"* (p. 172). We have to notice that the article was written in 2000 and technology has been developed radically since then. Nevertheless, Christian (2000) was able to foresee the future of the internet as a help for businesses, especially in tourism. This is the reason why I recommend Europatours to verify its website and update it more often, and also be more active on social media. Even though it is not mentioned in the article of Christian (2000), social media seems to match the 'actively engaged presence'. As for *"there is currently not nearly as much practical creative freedom as there is with traditional media"* (Christian, 2000, p. 172), we can today confirm that the possibilities at the internet level are far above the traditional media. However, as discussed in section 3.6, social media is still not used at its utmost capacity.

3.6 Social media

A small travel agency that would like to promote its products and create brand awareness cannot avoid the social media. Europatours has two major reasons for using social media as a marketing tool: it is much less costly than traditional media and it serves the chosen target group – young people, visiting European cities for shopping, nightlife, socializing, culture, history etc. Furthermore, brand awareness and trust are built much easier by customers sharing photos, opinions and recommendations.

This section will describe the outcomes of using social media in business, the types of social media, and the way consumers use social media. It will then focus on Facebook, as it is the largest social network, and also because one of my main tasks as an intern was to administrate the Facebook page of Europatours.

"New media industries are those who exploit and benefit from online, digital networks and social network markets. They are marked by interactivity or participation" (Hartley 2011, p. 189). Following on the same idea, social media is *"a new digital revolution that shifts a technology based on 'command-and-control' to a technology based on engaged and empowering individuals"* (ATW, 2005, Shih, 2009, in Hvass and Munar, 2012, p. 94). Participation and interaction with the customers on social media is easier to accomplish and cheaper than individual telephone conversations, which is what Lars Wodschow does mostly.

Social media means blogs, virtual communities, wikis, social networks, collaborative tagging, and media files shared on sites such as YouTube, Flickr etc (Stankov et al. 2010).

Social media, along with the search engines, are the biggest trends in the tourism industry (Leung et al., 2013). By sharing their experiences through texts, images, videos, travelers are helping the tourism companies and at the same time help other travelers get the accurate information on the specific destination, hotel, restaurant etc. On the other hand, tourism organizations understand better their customers' needs and wants, staying updated on the tourist trends (Ibid, 2013). Europatours can receive positive reviews and spread its name if more active on social media. It can as well learn more about the consumers and their needs.

According to Hvass and Munar (2012), the user-generated content (UGC) is the 'foundation of social media' (p. 94), as it is the user who decides what to share on the internet, whether it is a text, a photo or a sound. UGC is the online content created by non-professional users (Hartley 2011). However, UGC grew hugely in the professional world by the mid of the 2000s, being more and more used in corporate activities, replacing other professional reviews, especially in the tourism industry (Ibid 2011).

Carson and Sharma (2001, in Leung et al. 2013) state that the online technologies have five functions: promotion, product distribution, communication, management and research. Europatours can use the social media for spreading its name, promoting its products, communicate with its customers and potential customers, being able thus to continuously improve the quality of its services.

Mangold and Faulds (2009) suggest that social media is a hybrid element in the promotion mix that lead to successful integrated marketing communications (IMC). Ibid (2009) state that there are two roles of social media in terms of promotion. The first one, in accordance with the traditional IMC, is when the companies address to their customers via blogs or Facebook. The second role is when customers communicate with each other, which is an extension of word-of-mouth communication.

Stankov et al. (2010) offer a detailed explanation of what Facebook is all about, mentioning that it is a special social network, as its members meet offline first, and then add each other online. Facebook was launched in 2004 as a site for the Harvard students. In 2006, it became available to any person with an e-mail address. Facebook can be very useful to businesses, due to the fact that there is a huge user base, they spend large amounts of time online, have a detailed profile including age, interests, education, location, so it is possible to create groups or adverts that target certain groups, or applications that users can add to their profiles (Stankov et al. 2010).

According to the Internet World Stats (2012, in Leung et al. 2013), Facebook is the largest social network, hosting 11.5% of the world population. In 2010, Facebook had more than 500 million users, adding 700.000 new members every day (Noone et al. 2011). What is special about Facebook in business is that a company can have activities, post images, offers, but as well interact with its customers and answer to questions in real time. Many companies however are still

skeptical about using Facebook as a professional tool, due to the fact that it is still new, and it has not yet been proven the extent to which the investment in Facebook generates revenues.

Alba and Stay (2008, in Stankov et al. 2010) point out a few advantages in using Facebook as a business tool: keep track with employees, keep an eye on the competition, attract potential customers, promote brand. Yet, the most important attribute of Facebook is as a marketing tool.

In line with Leung et al. (2013), Stankov et al. (2010) find that the tourism industry does not take full advantage of the Facebook features and does not understand the size and importance of it in the modern world, as well as the benefits for the business.

The research Stankov et al. (2010) conducted had as subject the presence of European National Tourism Offices on Facebook. Ibid (2010) found that 51% of them were not on Facebook, 28% had a Page and 18% had a Group. The conclusion was that the national tourism offices did not realize the importance and advantage for the tourism industry in being on Facebook.

Social media represents the chance the consumers and suppliers have to interact with each other and share ideas, experiences, knowledge and relationships. Thus, companies gain new ideas and strategies regarding their business. At the same time, they have the chance to protect their brands and images. As Lars Wodschow is not aware of the outcomes of using Facebook for promoting, selling or spread awareness about Europatours and its offerings, I suggest that he, based on the literature review used in this project, will learn more about the advantages and opportunities of social media as a marketing tool in business. Furthermore, he should be more active with posts and website promotions, thus creating awareness and building a brand.

4. Analysis

In order to answer the research questions, I will follow the theories discussed in section 3, and connect them with the data collected, namely the observations as an intern, the interview with Lars Wodschow, and the online survey. I will try thus to find the strong attributes of Europatours, as well as the weak elements, and hence the actions for increasing the profit. The operations recommended for growing the business in the case of Europatours, are to be assimilated altogether; the competitive advantage alone does not accomplish the goal of increasing the profit, without the positioning on the market; just like the selection of the target audience is not enough if not followed by the delivery of the message; the same, innovation is not enough without marketing communications.

4.1 Competitive advantage

In terms of internal organizational strategy, Europatours might have an advantage, considering that the owner is also the only employee, so he has total control of the company. Furthermore, the same person takes the decision and performs the task, so there is less time spent on decision-making, delegating and checking on the results. On the other hand, things can be easily overlooked when alone, and sometimes too many tasks may lead to sloppiness. Moreover, the lack of knowledge and experience results in a management without a goal, a strategy or a plan for the future of business.

Selznick (1957, in Reed and Defillippi, 1990) suggests competencies are connected to competitive advantage. Even though Lars Wodschow does not have the education or the experience in tourism, he seems confident in running the business. As he explains in the interview (Appendix 1), he took over the agency gradually, sharing the office with the previous owner, so he learnt from him how to manage the firm. He also took over the database, and many of his current customers have been loyal to the firm since before Lars bought it (Appendix 1, p. 2). On the other hand, Reed and Defillippi (1990) do not consider skills as generator of competitive advantage. Lars's skills consist in building relations with the customers, keeping the contact, and trying to understand their needs.

However, without a business plan to follow, building relationships with the customers is not enough for increasing the profit of the firm.

Grieves (2010) asserts that through learning, exploitation of strategic advantages and new opportunities, an organization can achieve competitive advantage. Regarding learning, Lars does not currently have plans to attend tourism courses; however, he has friends who work in tourism, and who share their knowledge and experience with him. The strategic advantages of Europatours, according to Lars, are the relationships he builds with the customers. Working as an intern, I noticed that he took his time in talking to the customers on the phone and establishing details for their trips. Another advantage is that Lars, as he is the owner, has flexible working hours, which means that he works more hours a day than an employee. As for new opportunities, Lars was open to introduce in Denmark something called 'Perfect Living', a place in Thailand that offers small houses for long-time rent, in a peaceful, charming area. The concept is called 'the perfect place for retirement', the idea being that pensioners can live there for a month or two every year, where they have several activities and meet with other people. We started together on this project, but when I finished the internship, Lars did not continue on the idea. Lei et al. (1999) state that the management needs to be open to learning and innovation in order to have a successful business. The fact that Lars did not follow on the Thailand project, might be due to lack in a strategy and an investment plan, so after the initial research, the idea looked more difficult to implement. Being alone, it can also be challenging when taking a decision that involves time, money and a possible failure.

According to Lei et al. (1999) competitive advantage is achieved through meeting customers' expectations. This is in line with Lars's answer to the question about making suggestions to customers: "*if you can feel that the customer wants to go somewhere else, then you focus on that; a travel agency cannot survive if it just suggests trips that customers don't feel like trying*" (Lars Wodschow, Appendix 1, p. 3).

As competitive advantage is measured vis-à-vis a firm's competitors (Hofer and Schendel, 1978, in Reed and Defillippi, 1990), I checked the competition's websites and tried to find useful ideas for our site, as well as faults and pitfalls. When searching for 'grupperejser', the first names that come out are Kilroy, Alfa Travel, Benns Danmark and Unitas. As Kozinets (2006) suggests, it

takes a good ethnographer to be a good netnographer. I tried thus to apply the ethnography theory, where the first impression is very important. The image and attitude of a person says a lot about him/her, even before speaking. The first impression of a website is as important, therefore, with potential customer's glasses on, I looked first at the presentation and design of the websites. As this occurred in my first week as an intern, there is no question of bias, I simply looked at the websites like a potential customer. As the consumers have not been interviewed, I only describe my own perceptions. I noticed thus that Kilroy has a very unattractive website, with no colors and long texts with small fonts, so very hard to read and focus. Alfa Travel's website gives a good first impression, colorful enough, but again very long texts, with many unnecessary details. It makes thus the reader tired before getting to the interesting part. Compared to that, Europatours' website is more attractive, good design, with texts covering the important details, and professional photos. The information offered is enough to raise curiosity but also awareness about all offerings, without losing interest. The section 'about us' explained how the company started and a little about the new owner, with a photo, which is a good idea for making the potential customers feel confident about calling or writing a mail. It is also in line with Lars' focus, "*personal contact and dialogue with the customers*" (Lars Wodschow, Appendix 1, p. 4).

Woodruff (1997) believes as well that customers' values should be the main element in achieving competitive advantage, where customer value is the assessment of the customer in connection to a product, or in my case, services. These values are given by the quality of services received in comparison to the price paid. As Lars wishes to build strong relationships with his customers, and thus obtaining loyal customers, he is open and honest about the conditions the customer is about to experience; he never forgets to mention that low price has an effect on the accommodation type and location of the hotel. He remembers also to call the customers after they have returned, and ask how the experience has been. By doing that, he achieves several things: he keeps contact with the customers and learns about their values and about expectations versus experience. He gets as well feedback on his work and company. He also gains loyal customers who will recommend the firm to others. This is in line with the way Lars is seeing his agency growing in the future: "*I do my best to meet my customers' wishes, and this can develop into word-of-mouth. I hope it will grow from there. There are many customers that come back because they are satisfied with the services of my agency*" (Lars Wodschow, Appendix 1, p. 4). This means the customers of

Europatours are satisfied with the received value and that it matches the predicted value, which is the expectations (Woodruff, 1997).

Summary

A research from the Carnegie Institute of Technology concludes: "*85% of your financial success is due to your personality and ability to communicate, negotiate and lead. Shockingly, only 15% is due to technical knowledge*" (LinkedIn). I would add the drive and ambition to grow personally and professionally. The financial success is based on the desire to create profit. Even though Lars has a pleasant personality and the ability to communicate, the lack of ambition and of profit motivation can lead to a stagnation in the growth of business, both in the number of customers and in profit. The competitive advantage might thus not be very useful, if not connected to other elements of a business plan. His skills might help Lars predict the change in the customers' taste, and prevent them thus to choose another firm. However, lacking the theory as a basis for running a business, results in a disorganized firm, where new ideas are never fulfilled, plans are never followed, and strategies are overlooked. Based on my observations as an intern, the discussions with Lars until present, and considering that from November 2014 until May 2015, no investments have been done, either related to knowledge or money, I recommend Lars Wodschow to start following a business plan. For that, he needs to read about management and marketing, and learn how to use the strengths of the firm and his abilities with the purpose of establishing a strong brand on the market, and thus in time, increase the profit.

4.2 Innovation

If a new product is innovation (Peters and Pikkemaat, 2006), I suggest a tour to Bucharest promoted by Europatours can be considered innovation, both because Lars Wodschow has not recommended that before, but also because the competitors of Europatours do not have it in their offerings. Even though 'innovation' is associated with the creation of 'newness' (Schumpeter in Hall and Williams, 2008), the promotion of a new product implies changes, adjustments and improvements. As Lars has not traveled to Bucharest (Appendix 1), it is a destination he needs to

learn about, in order to recommend it to his customers. New knowledge is an important benefit when planning an increase in profit.

Chan et al. (1988, in Hall and Williams, 2008) identify three types of innovation: incremental, distinctive and breakthrough. The tour to Bucharest represents an incremental innovation, as it does not imply major change. It can be part of the general offering of Europatours on big cities, and the target audience is the same as for the other offerings, namely young people and school kids. Distinctive innovation can be promotions and offers, which can happen on social media. The Europatours gift card can be mentioned here. As for breakthrough innovation, which can be a new system organization or new technology, it is not relevant for a small firm, as it implies big investments that are not possible.

Similar to the classification above, Abernathy and Clark (1998, in Hall and Williams, 2008) identify four types of innovation. The niche product, the revolutionary, the architectural type of innovation, and the regular innovation, which can be the tour to Bucharest.

Question no. 3 of the survey is meant to influence Lars Wodschow in the decision to promote a new tour, by investigating whether Danish consumers would be interested in visiting Bucharest. If there are more 'yes' and 'maybe' answers, it justifies the promotion of Bucharest as a travel destination. Out of 65 respondents, 28 answered 'yes', 28 answered 'maybe', and 9 answered 'no'. The marketing campaign should address both the interested consumers and the undecided, and help them in their decision making by illustrating the attributes of the city (discussed in section 4.4), but also the benefits of such a trip, like low prices and short flight duration, as it takes just a little over two hours to fly to Bucharest. With the help of social media and little investment, Lars Wodschow can try an incremental innovation without risking big loss, and thus maybe even set a trend for Bucharest as a travel destination.

The economic performance represents a driver for innovation. Schumpeter (in Hall and Williams, 2008) discusses whether the economic performance brings innovation, as firms with large capital can afford to invest in new ideas; or it is the other way around, as innovation brings usually higher profits. Therefore, even a small firm like Europatours needs new actions in order to increase the profit.

Demand-led innovation occurs when the demand increases (Hall and Williams, 2008). Vice versa, innovation can also stimulate demand. If consumers are not aware of Bucharest as a travel destination, the promotions can bring awareness and stimulate demand, which is contradicting Lars Wodschow when stating that it is not a solution to recommend a destination that the customers are not acquainted with (Appendix 1).

<u>Summary</u>

The promotion of a tour to Bucharest represents an incremental or regular innovation, as it does not entail major change for the firm or manager and does not boost the profit or the number of customers significantly. It requires small adjustments in the offerings of Europatours and additional information on the destination.

The answers to the survey question regarding the willingness of Danish consumers to travel to Bucharest justify the promotion. However, according to my investigation on Lars Wodschow, he is not interested in launching a new product. The reason might be that Bucharest is not a destination requested by his customers. He prefers to allocate more time to his current customers and the destinations that sell easier. Another reason can be the time needed for implementing new actions. It is difficult for one person to think of both the customers and the firm's growth; the everyday practices, as I noticed as an intern, leave little space for thinking of new ways to improve the services and increase the profit.

4.3 Strategic positioning

This section will evaluate the strengths and weaknesses of Europatours travel agency regarding the positioning on the market compared to the competition. As stated in the 'Limitations' section of this thesis, there were no interviews with customers or potential customers of Europatours for measuring their perceptions on the firm. The audience's perceptions on different tourist firms and their services can make the subject for future research. My study focuses on the firm and the management, and its positioning in relation to the competitors.

Perry (1988) states that the strength of a firm can be based on reputation, which can be built through advertising and promotion. From what I noticed while working as an intern, the reputation of Europatours is based exclusively on word-of-mouth. The advertising and promotions used so far have brought first-time customers, or just potential customers who requested offers. The reputation among the loyal customers has been built based on the services received and the flexibility of Lars regarding the change of departure dates, number of persons in the group, or hotel location. Reputation is connected to trust. In order to build trust, the services have to fulfill the expectations of customers and the price paid. When the customers trust Lars Wodschow, they become loyal to Europatours and recommend it to other consumers. Moreover, Lars learns about the needs and values of his customers and understand their change in demands; reciprocal trust can also help Lars learn about the strengths and weaknesses of his firm and thus improve his services.

Regarding positioning, my observations as an intern have shown a weakness in the business strategy of Europatours. When discussing with Lars different concepts and theories, I realized that positioning was not something Lars was aware of. Target audience, competitive advantage and advertising were quite clear to him, and he had decided on that right after he took over the agency. However, the positioning was not taken into consideration, although he was aware of the main competitors, the travel agencies that were selling the same kind of holidays for young people and school trips, Kilroy, Benns Danmark, Unitas and Alfa Travel. If positioning means the audience's perception on the firm (Kotler and Armstrong, 2005, in Dahlen et al., 2010), Lars needs to focus more on marketing for establishing a more clear positioning. He needs as well to learn about the customers' perceptions on the firm, as he has been only focusing on the services and products received at the destination. As that is difficult to control by an intermediary, it is hence more important the view on Europatours as the facilitator between the supplier and the customer. Recommendations, advices, warnings and transparency in general can sometimes compensate for lower level of product quality at the destination.

The travel agencies mentioned above are present on the internet at the first search and they have adverts in magazines and brochures inserted in newspapers; they have the capital to combine traditional media with social media and offer discounts. They are on Facebook, Twitter, Instagram or You Tube. On Facebook, they post a few times a week, and beside offers for tours all over the world for young people, they also post recommendations, competitions and interesting facts about

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different destinations. They are present wherever their target audience can see them and their position on the market as some of the most known travel agencies is quite clear.

As mentioned in section 3.3, the positioning of Europatours can be associated with different elements, identified by Aaker and Shansby (1982). The firm's size can be considered an attribute, as that brings certain advantages. The manager of a small firm allocates more time to each customer and thus builds trust-based relationships that lead to loyalty. It also gives the customer the chance to be more involved in planning his/her own holiday. It is also in line with Lars's way of working: "*It is very important to me to have a dialogue with the customer as soon as possible after he/she contacts me, so we can decide together the details*" (Lars Wodschow, Appendix 1, p. 2). On the other hand, a small firm might have difficulties in making enough profit for investments or employments; the reverse is that without employments and investments, higher profit is hard to achieve. An idea could be moderate investment and self-education. The customer benefit can be the price, as a firm with one employee can usually apply lower prices. It can also be associated with the class of users, like the school groups, which are selected as target audiences. Europatours could as well establish the positioning on the market in relation to its competitors, by specifying the nature of the holidays offered, namely custom-made or self-created trips, compared to other travel agencies that offer ready-made trips, where the destination, transport, and hotel are chosen by the firm and sold as a package. Considering that 77% of the survey respondents would prefer an independent tour, where they decide on each tourist product, the custom-made trips can be a benefit for a certain target group. All these elements can be used by Europatours to establish its positioning on the market, which can afterwards be communicated to the audience through a marketing strategy.

Aaker and Shansby (1982) suggest six steps in developing a positioning strategy. Identify the competitors, which is what I did as an intern, with help from Lars who was aware of them. The next step is to determine how the competitors are perceived. We did not do that, instead we checked their activity on the websites and the social media. The number of followers and the comments and involvement of customers on the social media gave us an idea on how they are situated on the market. This was explained earlier in this section and represents the next step in developing a positioning strategy. Analyze the customers comes next, but as explained earlier, they have not been investigated. Instead, some feedback was examined and connected with my observations as

an intern, illustrated that many of the customers were satisfied with the services received. Select the position and monitor it are the last steps to be taken, and have not been achieved yet.

The customers of Europatours learn about the strengths of the agency when they are in contact with its services and manager. However, the target audience cannot reach Europatours without a clear positioning on the market. Therefore, a marketing strategy is needed, followed by an active presence on the social media to attract the audience, make it aware of the competitive advantage of Europatours, and then transform the audience in advertising tools, by creating interaction through photos, quizzes, competitions, recommendations. Thus, the name of the agency will be spread and the consumers will feel they are important to the agency and the other consumers due to information share and advices. At the same time, the manager will learn more about the consumers' needs and wants and thus be able to follow the trends. Lars was explaining that the cities mostly requested by his clients follow a trend, of which the most popular are Prague, Berlin, Barcelona, Istanbul, also because of low prices (Appendix 1, p. 3). He believes that these trends change at times and other cities become popular for a period of time. This would be easier to follow on social media, and grab the opportunity of selling certain destinations right when they become interesting for the consumers. To confirm Lars' beliefs, question no. 2 of the survey (Appendix 3), is about the cities in Eastern Europe visited by the respondents. 74% of them answered Prague; Budapest comes next with 60%, Bucharest and Warsaw 21% and Sofia 17%. Lars Wodschow believes that Prague is popular due to the promotions launched by the destination itself (Appendix 1, p. 4).

From my discussions with Lars and the interview (Appendix 1), I have learnt that he is aware of the size of his agency in terms of profit, and also that he is new and without experience in the field. Therefore, he is careful with the actions taken, preferring to move slower than fail: "*it depends on how fast one wishes the number of customers to grow*" (Lars Wodschow, Appendix 1, p. 4). While working as an intern, Lars and I went to a workshop where other travel agencies were present. We found out that even these agencies were also small-sized, the people working there had at least 20 years of experience in tourism. This can be intimidating for somebody new in the field like Lars, but at the same time stimulating, from a desire to show it is possible to run a business even without experience and education in the domain. Future investigations could show whether Lars will take

actions for improving his management skills, or he will continue to please his customers in the hope that they will recommend his firm.

According to Gwin and Gwin (2003), four factors have to be taken into consideration in relation to the positioning: the target market, the product's quality compared to the competitors', the product's value in the target audience's mind, and the ability to communicate this value to the target audience. The target audience of Europatours was settled by Lars when he bought the firm, and it will be discussed in section 4.4. As for the quality of services, while I was working as an intern, I witnessed a few conversations of Lars with the customers at their return from holiday, where they thanked him for his assistance regarding their travel. They communicate thus to Lars the value of the services in their mind, so that he is learning more about the consumers and the different tourist products used during their holiday; thus, even if he has not personally tried all the accommodation facilities sold to his customers, Lars knows what to recommend to the potential customers. However, in the tourism industry, the main values of the products/services are usually the promptitude in answering to the offer request, the price of the trip and the experience as a whole.

Even though some of the tourist products and services are not dependent on the travel agency, the experience as a whole influences the future actions of the customers. Therefore, a travel agency needs to make sure the partners are reliable and the collaboration is built on trust. I witnessed a few fails in the collaboration of Lars with his partners. It happened that he was late in paying the suppliers, or forgot to cancel plain tickets that would not be used. It also happened that a contact person from a hotel in Istanbul was irritated over the fact that Lars had requested offers many times but never used them. These kinds of mistakes can in time deteriorate the collaboration, and maybe even create bad reputation among the suppliers. It is difficult for one person to keep strict discipline, and be able to coordinate all the departments in the firm. The recommendation is thus keeping a strict agenda, with the help of both electronic and physical calendar, with specifications of deadlines for payments, events related to the collaborating firms, return dates of the customers so he can obtain feedback on their experience. One person can run a business if he is both a good administrator and a good manager. Lars needs more work on both, but first he needs to acknowledge the issues. In the case of the hotel in Istanbul, Lars managed to fix the relationship by simply calling the man and explain that it is of course the choice of the customers and it happens

that they change their mind sometimes. Nevertheless, Lars needs to be more careful regarding the collaboration with partner companies, as this kind of fails can create difficulties for his customers and he might eventually lose them.

By analyzing the competitors, we evaluated the positioning on the market following Gwin and Gwin (2993), concluding that Europatours is more vulnerable compared to the others. This conclusion was based on the wider offering other travel agencies display, the discounts for early booking, the number of Facebook followers. However, we do not have concrete information about the number of customers or the profit earned by these firms. It is only the perception we hold from the online search and the brochures we found in different magazines; as we paid as well for adverts in a magazine, we knew the prices for such ads, and comparing the sizes, we concluded that these agencies had spent large amounts of money on the traditional media. According to Gwin and Gwin (2003), when a firm is vulnerable in comparison to its competition, there are a few actions that can redress the situation: a new product, changes in price, or a new promotional strategy. My recommendation for a new product is a tour to Bucharest, Romania. In order to measure the interest of Danish consumers for this destination, I launched an online survey, which provided 66 answers. The survey will be analyzed in the following sections. Returning to Gwin and Gwin's (2003) actions for strengthening the position on the market, changes in price is one of them. Discussing with Lars Wodschow his commission for the trips, I have understood that usually he adds 15%, but when it is about schools, which have low budgets, he often goes down to 10%. As Lars explained to me, big travel agencies have agreements with certain hotels around the world, where they book a number of rooms for the whole season, which can result in lower prices; they do the same with plane tickets. On the other hand, the customers cannot create their own holiday, where they choose the destination, the hotel and the time of departure, as these are settled by the agency.

Regarding positioning, Kaul and Rao (1995) suggest two types: repositioning existing products and design of new products. A new product introduced on the market can either be evolutionary, which an extension of an existing product, or revolutionary, which is a completely new product. The tour to Bucharest can be considered an evolutionary new product. The marketing strategy can be similar to the other travel offerings, the target audience is the same as for other big city tours, and just some attributes differ. Accommodation, activities, restaurants, nightlife, are similar to those in other capital cities. The architecture, nature, cultural places, are different and can be

advertised so that they attract customers. Kaul and Rao (1995) suggest four actions for positioning a new product on the market: identifying the alternatives on the market, establishing the product attributes, modeling the consumer decision process, and position the product according to the firm's interest. While investigating Europatours' competition, I noticed that none of the travel agencies suggested Bucharest as a travel destination. The reason can be, as Lars suggested, that it is just not the trend right now (Appendix 1, p. 3). The attributes of Bucharest will be discussed in section 4.4, as well as modeling the consumer decision process, according to the interests outlined by the survey answers. The last action is to position the product, and that can take the form of a recommendation for an Eastern European capital city, on the same level with Prague and Budapest, maybe a little cheaper. As the firm's decision on a new product is influenced by economic reasons (Kaul and Rao, 1995), Lars explains why he currently does not promote Bucharest: "*It is not an industry where the profit margin is very high, and there is not much money for advertising*" (Appendix 1, p. 4). I argue that investment in social media does not have to be high for reaching thousands of consumers and in time, spread the firm's name at online level. Lars states that there are photos of Bucharest on the website and the Facebook page of Europatours (Appendix 1, p. 4). However, as discussed in section 3.5, a firm's presence on the internet is not enough, it needs as well to be active in order to be seen by the consumers. More on social media will be discussed in section 4.6.

Summary

In order to establish the positioning of Europatours on the market, a few actions need to take place. The customers' perceptions have to be examined more systematically for learning about their experiences, about the quality of products and services they have received during the holiday, and the services provided by Europatours. Lars Wodschow can thus adjust or improve his methods, which will result in more recommendations and hence to more customers and increase in profit.

Moderate investments are also necessary for raising awareness. It can be promotions on social media, paid ads on Google, or brochures in magazines. Even though Lars does not find it necessary to accelerate the growth of the business, lack of promotional activity might lead to business stagnation. Before the services are tested, consumers need a name, a brand that matches their needs in terms of holidays. Therefore, Europatours needs first to be seen by many potential customers

and then perform. The way it functions now, without a clear positioning, the growth of the firm is going to be slow and there is a risk for inactivity in extra season.

In order to follow a business plan with the purpose of increasing the profit, Lars needs to gain a theory basis that can give him access to knowledge otherwise difficult to obtain. Improving the management skills is a process that occurs in time, either by everyday practice, or by attending specialized courses.

Another improvement that needs to be done is regarding the collaboration with partners. In order to build trust-based relationships both with customers and with partners, Lars Wodschow needs to be more reliable, and for that, he can either employ a person that can keep his agenda, or he can strictly follow a calendar, so that he does not miss appointments or payments.

4.4 Target audiences

In July 2013, Lars Wodschow took over Europatours from the previous owner, Marcel Craciunescu. He decided to organize mainly group holidays like school groups, teambuilding trips, celebrations with friends and family, and in general groups of more than nine persons. There are mainly school groups that use Europatours' services for their annual trips (Appendix 1, p. 2). However, while working there as an intern, we received as well requests for group offers for teambuilding or project fieldwork from different institutions.

Lars has decided to focus on groups, as there are only very few individuals that need the services of a travel agency for going on holiday. The groups are difficult to arrange without an intermediary. One reason would be that some groups are on low budget, like the school groups, and a travel agency is able to provide better prices than the suppliers, due to special agreements between accommodation facilities and travel agencies. Another reason is that it is difficult but especially time consuming to coordinate flight tickets, bus transfers, accommodation, activities, find the best prices, send advance payments and keep track of all the arrangements for the trip. Another reason why groups choose travel agencies for organizing their trips is that it is not possible to book plane tickets online for more than nine persons; travel agencies have agreements with ticketing agencies,

which means that the plane tickets are cheaper when booked for a group, and even cheaper when booked with long time in advance.

Although the consumers have not been interviewed, I witnessed a few conversations and saw e-mails from the customers, which can give an idea about the level of satisfaction. However, my theory regarding the target audiences of Europatours is based mainly on the literature review and my observations. Lars Wodschow has an idea about his customers' needs and wants and their perceptions on the firm, but this matter has not been investigated thoroughly. Nevertheless, based on the theories, the knowledge accumulated as an intern and the discussions with Lars, I can create the foundation for a future examination of the consumers' perceptions, and thus facilitate the adjustments and improvements if necessary.

According to Dahlen et al. (2010), marketing communications influence the consumers' decision making; therefore, in order to create good marketing communications, a firm needs to determine the target markets and the consumers' needs. As mentioned above, the consumers' needs and the received value of Europatours' services are communicated to Lars by his customers. He is thus continually informed and has the possibility to improve his services or alter the promotion type according to the changes in consumers' needs and wants. Brand credibility is another factor that influences the consumer decision making (Dahlen et al., 2010). Credibility, like trust and reputation, is conferred by the quality of services delivered by the agency, the promptitude in answering to the offer request and the transparency of actions. Karsten Koed from Gorm Larsen & Zornig advertising agency states: "*Trust minimizes the barrier of choice. Building equity is building trust*". My observations during the three months of internship point out that many of the customers of Europatours have used the firm before, which illustrates that Lars has been able to induce trust. However, we are missing investigations on the customers' experience, satisfaction level, and expectations versus received value.

The five consumption values Sheth et al. (1991, in Dahlen et al., 2010) identify can help Lars Wodschow understand the consumer mind and hence create a strong marketing strategy. The functional value is given by the budget allocated to the holiday, and the travel agency has to use it as a starting point in creating the holiday. If the budget is fix, as the schools usually have, Lars prefers to adjust his commission than recommend a lower standard of accommodation. The social

value is given by traveling in a group, and the school trips are an example here, where the social factor is as important as the learning factor. The emotional value is given by the feelings associated with the firms, in our case the loyal customers. As Lars mentioned in the interview (Appendix 1, p. 4) and as I witnessed while an intern, there are customers who use Europatours every time they want to travel; some because it is easier, as they know the procedures, others because they trust Lars to find the best solutions for their trips. There are also a few individuals who are not familiar with the internet and they do not dare to book the tourist products and services by themselves; they turn thus to Lars who books everything for them. The epistemic value is the curiosity in purchase, which is stimulated by marketing communications. When launching a new product, like a tour to Bucharest, the epistemic value should be kept in mind for attracting customers, by presenting new adventures and new culture. The conditional value refers to events like birthdays and celebrations. A special product of Europatours is the holiday gift card, where the giver decides on the amount and the receiver decides on the destination and the time of departure. They are usually bought in connection with birthdays or anniversaries.

The two models for evaluating advertising in travel destinations suggested by Siegel and Ziff-Levine (1990) can be extrapolated to a travel agency. The conversion model can help Lars Wodschow understand the way an advertising campaign functions, and that only a small percentage of the people reached by it will actually be convinced to purchase. This fact can also be observed in connection with the survey campaign I launched on Facebook, where the post reached 1439 people, but only 14 clicked on the link and 4 'liked' the post. The conversion model is based on the interest consumers develop for a product after being exposed to advertising. This is what we hoped to achieve from the Facebook adverts I posted while working as an intern. The recommendations and ideas for different occasions like Christmas gifts, birthday parties, anniversaries, accompanied by photos of the different cities in Europe, were meant to trigger consumers' curiosity so that they would request travel offers from Europatours. On the other hand, the advertising tracking model claims that the goals of advertising are to generate awareness of the destination and a positive destination image. Even though Bucharest as a travel destination has not been advertised in Denmark, I believe that the survey I launched has not just illustrated the consumers' willingness to visit Bucharest, but it has also created awareness of the destination as a place to visit. One person who had filled in the survey, wrote to me: "*Now I really feel like visiting Bucharest!*". Another one stated: "*I've just realized that I haven't travelled to that part of the world*

yet". This shows that even though the destination has not been officially promoted, it can still be advertised and sold if awareness is created.

When the product is perceived negatively by the audience, there are a few actions that can change that (Dahlen et al., 2010). The refutational approach, where the cause for the negative perceptions is presented from a new perspective. The survey results show that many respondents consider Bucharest an unsafe place. The real situation does not necessarily have to be pointed out through a marketing campaign, but it can be explained to the customers by the manager of Europatours. Influencing attribute evaluation is another way to distract the audience from the negative aspects of the destination. Based on the survey answers, we can determine the main interests of Danish consumers when choosing a big city as a travel destination. As cultural experiences constitute the biggest percentage, a marketing campaign can be created, where Bucharest is depicted as a place of countless cultural experiences, for all ages and tastes. Any of the actions mentioned above can be adopted by Europatours for promoting Bucharest as a travel destination, even though "*some destinations are difficult to sell*" (Lars Wodschow, Appendix 1, p. 4).

According to Perry's (1988) perceptual map, the first aspect consumers take into consideration for placing a product on the map is the price in relation to the quality. Attributes and benefits of the product are next. Lars is aware of the importance of the quality related to price, and he always informs his customers about the standard of accommodation, transport, location and even food. Sometimes the offer request sent by e-mail becomes different after the talk with Lars, as the customer clears out details that he was not aware of before. Thus, together, they are able to shape the desired holiday, within the customer's budget. The attributes and benefits are afterwards tested during holiday, and from my observations, customers are in general satisfied with the tourist products received. Thus, my observations and the discussions with Lars reveal that the perceptions match most of the times the experience and Europatours might thus gain loyal customers.

Discussing further the consumers' perceptions, Ahmed (1991) asserts that the destination image in the consumers' minds is not according to the facts, but to the perceptions they hold about that particular destination. Therefore, it is very important that the marketing is addressing to the right target audience with the right message for placing the product in the consumers' minds. Having been living in Denmark for more than two years, I have come to realize that people have negative

perceptions about Romanians and Romania in general. I was thus interested to know if that was the reason for Danes not traveling to Romania. The survey I launched online had a question regarding the perceptions on Bucharest (Appendix 3, p. 2, question 4). By that, I wanted to find the elements to be used in a marketing strategy.

The 66 survey respondents represent the target audience for Europatours in terms of age group, with 14 respondents of 18-29, 30 respondents of 30-44, 16 respondents of 45-55, and six respondents of over 55 of age. Considering that for the school groups the decision makers are the teachers, most of Europatours' customers fit in the 18 to 29 and the 30 to 44 age groups.

Two of the survey questions are connected and complete each other: "*What is important to you when visiting a big city*?" and "*What is your perception on Bucharest*?" The answers will help building a marketing campaign that will emphasize the attributes of Bucharest taking into consideration the interests of the consumers when visiting big cities.

Out of 62 respondents, 14 find Bucharest unsafe. This is interesting, as from private conversations with Danish individuals that lived in Bucharest for many years, I know they find the city much safer than Copenhagen, even during the night. Therefore, this could be an element to be used in a marketing campaign. Almost 60% of the respondents believe Bucharest is cheap and has many cultural and historical attractions, which is true. Surprisingly, 26% believe locals have bad English skills. Working in tourism for many years, and giving Romanian language lessons to foreigners, I heard many times that most Romanians speak English, and all employees in the tourism industry speak good English, even the seasonal ones. This could be another attribute advertised in a campaign to shape the destination image. 24% of the respondents believe there are many gypsies and street kids, which depicts an old situation. Today, this is not a problem anymore, there are still beggars on the streets, but not noticeable. 42% perceive Bucharest as poor. It is true, the country is poor, but the touristic places in Bucharest do not show that. The center of the city is divided in two parts: a modern one, with shopping malls, restaurants and clubs, and the old center, which is the gathering place for young people, where one can take a walk on the narrow streets that in the 1920s used to be the red district of Bucharest, or sit on a terrace of the many cafés and restaurants. Therefore, tourists will not feel the real economic situation of the country while visiting Bucharest. A marketing campaign could change that opinion and focus on the attractions instead. Only 9 out

of 62 respondents associate Bucharest with a vibrant nightlife, which is another attribute that can be advertised, as Bucharest, like any other European capital, has many opportunities for diversified entertainment at night. The old center is never empty of people; day and night, summer and winter, the atmosphere is warm and cozy, and everyone is out there for having fun. 26% of the respondents to the survey perceive Romanians as friendly people, which is something tourists always notice when they visit Romania. They are never afraid of talking to foreigners, they are always open and helpful, and most of the times happy to use their English. Only eight respondents out of 62 perceive Bucharest as a dirty city, which is a positive factor, as it is not cleaner than other capital cities.

Beside the 62 respondents that answered the question about the perception on Bucharest, there were also five comments to it (Appendix 3, p. 2,3): "*I do not know much about the city*", "*Beautiful and old*", "*I know nothing about Bucharest*", "*I do not have many thoughts about it, as I do not know it*", "*A city under development to become a modern big city*". These answers show that some people cannot even imagine how Bucharest looks like, and this is probably due to a lack of promotion. As Lars Wodschow also suggested (Appendix 1, p. 4), "*One thing that could help is the country itself to start promoting it, use the efficient marketing strategies, and have for example commercials on TV, like Czech Republic has done*".

Question no. 6 of the survey (Appendix 3, p. 3,4) is meant to find answers as to the interests of Danish consumers when visiting a big city: "*What is important to you when visiting a big city?*". Almost 80% of the respondents answered 'cultural experiences', and 44% 'history', which matches the perceptions on Bucharest as a city of many cultural and historical attractions. Examples of cultural attractions are many: The newly renovated National Theater, Opera, Operetta, a circus, the Romanian Athenaeum, which is a concert hall for classical music. As well two big concert halls hold concerts or dancing shows almost every weekend, three football stadiums, two natural parks, a village museum, a history museum and the National Arts Museum. As for the historical places, I can mention the Arch of Triumph; the Revolution Square, which in 1989 hosted the beginning of the fall of communism; the Parliament House, which is the second biggest building in the world after the Pentagon; the Romanian Patriarchy, which is the main church of the Romanian Orthodox religion. These examples show that the consumers' perceptions about Bucharest match their interests when choosing a destination, and they match as well the real attributes of Bucharest. Therefore, in this case, there is no difference between the actual product

and the communicated one, contradicting thus Dahlen et al. (2010), who state that marketing communications position the product on the consumer's mind according to the image desired, and not the actual attributes, resulting thus in a different communicated product than the actual one. The next most important factor in deciding on the destination, according to the answers to question no. 6 of the survey (Appendix 3, p. 3,4), is the price level, for 59% of the respondents. As the respondents perceive Bucharest as a low price destination, which is also true in comparison with Danish prices, the perceived product is again the same as the actual product. Therefore, it can be communicated as it is and promote it as one of the city's attributes. 46% of the respondents find safety as an important factor when choosing a travel destination. As 23% of the total number of respondents think of Bucharest as unsafe, these perceptions need to be corrected through marketing communications. Bucharest can thus be aligned with the other East-European cities like Budapest, Prague or Warsaw, in terms of price level, safety, architecture, or attractions. 48% of the 63 respondents to this question consider shopping possibilities important when visiting a big city. Although the possibilities are countless, as it is the case in any European capital city, Bucharest is not known for major seasonal discounts as London, Milano or Barcelona are. Therefore, it can be mentioned in a campaign where the shopping possibilities are just part of a big city, but not an attribute in itself. 41% of the respondents consider the service level an important factor for a big city. This is an interesting fact, as from a presentation of Visit Denmark we understood that Denmark is quite criticized for its low quality of services in tourism. The tour guide course organized by the National Tourism Office in Bucharest teaches that the smile and the service mind are the most important elements when working with tourists. As Bucharest has mainly permanent employees in tourism, their skills level and experience are also higher than of those at the seaside or at the mountains, where seasonal employees are usually unskilled and underpaid. Therefore, this is a positive aspect that can be communicated through marketing to the unaware target audience. For 29% of the respondents, architecture is important in a big city. Images of Bucharest can in this case prove it worth to visit. On the other hand, the nightlife and the common language are not so important, only to 11% and 13%. As the ages of the survey respondents fit with the target audience of Europatours, we can conclude that these two aspects are not taken into consideration when choosing a travel destination. Consequently, even though they constitute attributes of Bucharest, a marketing campaign should not focus on them. Beside the 63 who chose the answers from the list, there were three answers in plus for interests when visiting a big city:

"gastronomy", *"activities for different ages"*, *"cafés and restaurants with different price levels"*. The gastronomy is not a strong point in Romania, but there are restaurants that serve food from all over the world, as well as cafés, pubs, bars and cafeterias. As for activities for different age groups, the possibilities are just as numerous as in any other big European city.

Ahmed (1991) asserts that perceptions are more important than attributes. Therefore, positioning the product in the consumers' minds and on the market needs to be done based on their perceptions. On the other hand, Kaul and Rao (1995) state that consumers choose a product according to its utility, which is given not only by the perceptions on it, but by its attributes as well. The answers to question no. 4 of the survey (Appendix 3, p. 2) outline the perceptions of Danish consumers on Bucharest, Romania, giving thus a starting point for promoting a tour to Bucharest. Together with the answers for question no. 6 (Appendix 3, p. 3,4), Europatours could promote Bucharest according to the interests of consumers and highlight the attributes of the city, with a special focus on safety, shopping possibilities, many cafes and restaurants, low level of prices, and cultural and historical attractions.

 Summary

By interviewing the consumers, the manager of Europatours can gain insight on their needs and wants, their values, and by that, build trust and credibility, which leads to reliability and thus in many cases to loyalty. Loyal customers that travel several times a year can increase the profit of the firm even though the number of customers is not higher.

The answers to the survey illustrate that Danes are reticent in traveling to Romania not because of bad reputation, but because of lack of awareness and information. The survey points out the Danish consumers' opinions about Bucharest, their perceptions and interests, and the type of tour they would prefer. On the other hand, the consumers have become aware of the destination and maybe curious enough to request more information about it in the near future and even try it one day. If the tour to Bucharest creates awareness on the destination as a place to visit, it might bring more customers, and thus increase the profit of the company.

4.5 Internet and disintermediation

The use of internet in business nowadays is a sine qua non. Whether it is used for creating awareness, learning about the competition, or advertising, the internet represents a big part of a firm's activity. An advertising course by Gorm Larsen & Zornig explains the term "*zero moment of truth*", which means the consumers will first check the possibilities on the internet and then contact the selected firm; that results in 50% chance of buying from the respective firm. However, the presence online is not enough, as Christian (2000) explains, a firm needs to be active, in order to be noticed.

When I started working as an intern, my first assignment was to examine the website of Europatours and the competitor agencies', in order to bring it more up to date regarding the focus and the target audience. We decided thus to focus on some of the trips and give them a bigger space on the website. It was the spa and wellness holidays, the golf trips, and the gift cards.

In order to establish the positioning of Europatours among the competition, I started in my internship to identify the competitors. I checked their websites and their offering. I found out some of the big agencies had offices in Jylland, about 300 km away from Copenhagen, and I thought we should keep that in mind. However, it seems that in the internet era, the location of a travel agency is not important, and Lars explained that many of his loyal customers are from Jylland and they have never met. The details are set over the phone or e-mail. Internet makes thus the physical distances irrelevant and the virtual space becomes the market where suppliers sell and consumers buy without meeting in person.

Batinić (2013) considers internet as a help for travel agencies, especially in promotion, as it is a costless way to advertise and reach millions of consumers. Lars Wodschow is using the internet every time he creates a holiday for a customer, for finding accommodation, transport and activities, especially in cities where he does not have contacts. He then uses TripAdvisor to verify the standard and the quality of services from the consumers' point of view, and only when he is sure they correspond to his customers' wishes, Lars sends the offer further to them.

On the other hand, Buhalis (1998, in Stamboulis and Skayannis, 2003) considers that the information and communication technologies will eliminate travel agencies. 'Disintermediation'

means the elimination of the intermediary, as consumers and suppliers can get in contact via the internet, and do not require assistance from a travel agency. Therefore, building trust-based relationships with customers is a vital action for gaining loyalty and thus survive on the market. As discussed in section 4.1, Lars Wodschow focuses mainly on creating relationships with his customers, and so far, he is satisfied with the result of that.

The answers to question no. 5 of the survey "*When searching for a travel destination, what kind of media do you use*?" (Appendix 3), illustrate the 'disintermediation' issue, but also the importance of reputation. 86% of the respondents use the internet when searching for a holiday and 67% use as basis word-of-mouth. Between 10% and 15% admit being convinced by brochures, magazines or TV and radio advertisements in selecting the travel destination.

A statistics from March 2015 (Internet Travel Hotel Booking Statistics) gives a clear picture of the online travelers. Annual online travel sales shows a number of 93.8 billion online sales in 2007 and 162.4 billion online sales in 2012. The same statistics shows that there are 81% of travelers who find user reviews important, and 49% of travelers who would not book a hotel without reviews. This means that travel agencies are not so much used for booking hotels anymore, so it confirms the theory according to which the travel agencies might be eliminated in time by the Internet.

Regarding the type of holiday they would choose for travelling to Romania, which represents question no. 7 of the survey, 77% of the respondents answered independent tour, 23% answered package tour, and only 6% would choose an organized tour. These results illustrate that people feel confident to try independent tours even when they are not familiar with the destination, as they know they can find all the information online, they get recommendations from other tourists, as well as photos of the different attractions that interest them. As most of the respondents of the survey are within the target group of Europatours, the conflict independent-intermediary comes to the fore again, and the importance of gaining loyal customers is once again pointed out.

Christian (2000) outlines the importance of not only be present on the internet, but more notable, to be active, stressing the advantages and opportunities of internet as a marketing tool for small and medium firms. This is what I recommend to Europatours, as an online active presence can create a brand and bring more new customers. Combined with the delivery of good services and

tourist products, and the creation of relationships, it leads to loyal customers, brand awareness and thus to a strong business.

Summary

Internet is of major importance in the tourism industry, as it is the consumers' main source of information. Therefore, a firm's website needs to both be updated and provide the necessary information, and have a pleasant design in order to stimulate customers to contact the firm. Europatours' website is updated by an external partner, which results in a long and heavy process. A solution is thus necessary for the website's updates to take place in a more rapid and efficient way, so that the new information appears online right after it is created.

Internet is as well a major help for travel agencies, which in their turn obtain the information needed from the suppliers. On the other hand, as most of the people are familiar nowadays with the use of internet, travel agencies find themselves in a dangerous situation, where their services are not required so much. Therefore, it is more important than ever to keep contact with the customers and build trust-based relationships.

Being more active on the internet, as Christian (2000) suggests, means as well keeping up with the social media. This will be discussed in the next section.

4.6 Social media

Social media, as one of the biggest trends in the tourism industry (Leung et al., 2013), is increasingly used nowadays by businesses in their quest to reach more consumers and build a strong brand. Whether it is used for creating awareness, selecting the target audience, positioning the product, and then promote it, the presence of a firm on social media is a necessary action under the circumstances of fierce competition in the tourism industry. Today the forums are more popular than the websites of the destinations, hotels, or restaurants. There we learn about the location and quality of services, the staff's attitude, and we know the information is accurate. 'Word-of-mouth' is transferred online and this transparency makes it work better than advertising and PR. A photo and a comment on Facebook followed by Trip Advisor is a huge help for new or small travel agencies, which do not need thus to visit every location included in their tourist offering.

According to Litvin et al. (2008, in Leung et al., 2013), social media plays an important role in the traveller's planning process, which is pre-trip, during-trip and post-trip. Through shared photos, recommendations, comments, we experience others' holidays and thus get inspired in the decision making. The word-of-mouth is thus transferred electronically (eWOM) (Leung et al., 2013).

The main characteristics of social media are the participation of users and the transparency of information; due to this transparency, companies need to be credible and their product trustworthy; at the same time, the customers get accurate information about the product or company they are interested in. There are various ways to engage users in the content creation. By posting travel photos, it encourages users to post their own photos of the respective destination and comment about it. As social networks "*are marked by interactivity and participation*" (Hartley, 2011, p. 189), we had an idea that we shared with the teachers of a school group that was traveling soon to Prague. The kids would take photos of places and of the activities they took part in; we would then sort them out, post them on Facebook and the best photo would win two tickets to the cinema. They all liked the idea, but the whole process of asking the parents for permission took so long time, so it never materialized.

Interesting facts about a certain destination also attract comments and arouse curiosity of the users about the destination. Games and competitions are also a common way to involve social media users in discussions that lead to awareness about the destination and the firm. The content resulted is characterized thus by accuracy and transparency, and gives the participants a feeling of familiarity, trust and safety regarding the firm, which eventually leads to contact.

We decided to use Facebook as social media, due to its rapid popularity and the big number of users. A research carried out by the Statistic Brain (Overbey, 2014) in February 2014, provides data regarding the Facebook social network: 1.3 billion active users, 680 million mobile users, 22% increase of Facebook users between 2012 and 2014, 54 million Facebook pages, 70 languages available on the Facebook site. This can give us an idea of the importance of social media for business. The same article written by Overbey (2014) makes a comparison between Facebook and Twitter for business promotion. While Twitter has certain technical advantages, the research concluded that Facebook is however better under several circumstances: if there is low budget for promotion; if the personal profile of the owner has a large follower base that can be leveraged for

the business page; if there are many photos used for the product, as they produce large interactions. The conclusion of the article is that if we should choose one of the social networks at that point, February 2014, it would be Facebook, as it is still the leader in social traffic, with 1.3 billion users.

Social media can be used by companies as a marketing tool to reach the target groups they want to address to. Facebook adverts seem to reach every one of us according to our interests and age, and manage to surprise us each time with ads that seem to pop out of our minds. Yet who is behind these ads, and how does Facebook know what we like? We learnt that the adverts created on Facebook could reach the target audience according to the interest, age, gender etc. People interested in travel, will get adverts on tourism products from travel agencies. The costs for the Facebook ads are insignificant compared to the printed adverts.

The adverts we posted on Facebook about different destinations as recommendations were meant to bring awareness on Europatours travel agency, but also as examples of trips that could eventually arouse curiosity and determine potential customers to request offers.

When I started as an intern, Europatours Facebook page had 1.223 'likes', which meant 1.223 people followed the agency's activity on Facebook. We created announcements for different kinds of trips, examples of cities that could be visited in combination with different activities, which could be culture, sports, spas, or history related activities. We posted them on Facebook. We then invited all our Facebook connections to follow our page. Some of them asked privately for details, and I explained more about the agency and the products we offered, and also asked kindly for their 'like', knowing that it meant that all their Facebook connections will in turn see the page. This is how a Facebook page can be spread among the users; the more followers a page gathers, the more chances are that people become aware of the firm and the destinations; the success of these actions for business is that when a connection follows a page, it makes it more trustworthy, transparent, easier to reach. I have 117 connections on Facebook, of which approximately half live in Denmark; those plus the 195 connections of Lars were invited to follow Europatours page. Every time one of them does that, all his/her connections can see our page. Every time one of the connections of Europatours clicks 'like' on an ad we post, again all his/her connections can see that. The idea is for the name to be seen as much as possible, and grabs the moment somebody is thinking about a holiday or a present to a dear one.

As Europatours lacks the capital for investing in paid adverts, I suggest the more active use of social media for establishing the audience's perceptions. Social media can involve the loyal customers so that they recommend the agency to others, they can also post personal photos and thus make the audience more confident in contacting the agency. Considering that a 'like' click on a photo on Facebook means that all one's contacts can see that, the time spent in being active on Facebook is actually a good investment. Europatours has 1480 Facebook connections. Unitas has 883, Benns 11.000 and Kilroy 34.000. Alfa Travel is not on Facebook. They all organize trips for young people all over the world. According to Lars, Kilroy is the biggest of the travel agencies that sell group travels, and it also has the most followers on Facebook. We can thus conclude that Facebook brings customers and awareness, as long as there is activity and interaction with the consumers. Hence, Europatours can increase the number of followers on Facebook and thus the possibility for more customers.

I also posted the logo together with some information about our trips on the Facebook group of our class at Aalborg University, and again invited them to click 'like'. The groups on Facebook are created by someone who then invites others to join, or confirm when others ask to be a part of it. Our Facebook student group has about 100 members at this point. As they are mostly young people with many friends all over the world, Europatours could be the right travel agency for them. A few colleagues asked for more details, which for me was a good sign that social media is a fast, costless solution for promoting a company or a product. I noticed already the first days that some of my colleagues followed our page.

Then we 'promoted page' for 14 days, and paid 200 DKK per day. This action developed as follows: we first chose the country where the Facebook page of Europatours will show up as a 'suggestion', and of course, we chose Denmark. Then we chose the age of the individuals that should receive this suggestion; users fill in the 'info box' when they join Facebook, stating their age, education, interests, hobbies, the place they live in. Due to this fact, it is easy to reach the selected target group when creating a professional advert. Therefore, we chose individuals between 18 and 45 of age. At the 'interests' section, we chose 'holiday, activities, sports, culture, history'. Every click costs about 2 DKK, but it would stop when reaching 200 DKK per day. In reality, a 'suggested link' with Europatours travel agency appeared on the Facebook page of about 200 people every day. Of these, only a few actually clicked 'like' on the page.

After one month of posting adverts, promoting page and inviting our connections, there were 1.495 followers. It means 1.495 people follow the activities we post on Facebook and every time they click 'like' on an ad, all their connections see that. As the Facebook page was my responsibility as an intern, I tried to be active every day and spread the word to as many people as possible, while Lars was taking care of the customers. However, as there is currently only one person that should manage all departments in the firm, the lack of time forces Lars to focus on the offer requests more than on the promotions and future plans. As the period I worked there was a success, I recommend Lars to make agreements with interns that can work at Europatours as part of their education, who can bring knowledge and structure with no costs involved.

Summary

At the end of my internship, there was no evidence that the Facebook activity helped bringing more customers to Europatours. However, the literature describing the advantages of using social media as a marketing tool is clear on the time span for research in this domain, meaning that it is still very early to draw conclusions on concrete profit coming from that. Nevertheless, considering the role of internet and social media in the young generations' lives, we can foresee a future where suppliers, intermediaries and customers of the tourism industry will utilize it a lot more as a tool for promotions and sales.

Even though Facebook has not brought more customers to Europatours until now, we have to always think about progress, about the future, in order to have a successful business. Information technology is the future right now, so that is where we have to look.

"It won't be finished. That's the point. The way fashion is never finished" states Mark Zuckerberg, the founder of Facebook (Dijck, 2012, p. 160). Meaning that social media will continuously evolve, developing new functions, always in line with the progress and the needs of the public.

4.7 Social media versus traditional media

Lars and I found out that we had different ways of thinking, but also different ways of seeing things. Lars believes in the traditional advertising, as he also states when asked about which kind of media he trust more for his firm, the traditional media or the new media; he answered 'both' (Appendix 2). Therefore, he paid adverts in the 'Folkeskolebladet', a quarter of a page in the next issue, plus a little box with the agency logo, which should appear in the next three issues. Our different points of view were in fact very constructive, as we tried to convince each other of the advantages of the different kinds of advertising, learning thus a lot about both.

Against my expectations, people who actually contacted Europatours and requested concrete offers and who afterwards became customers, came from the few ads in the 'Folkeskolebladet'. Apparently, the teachers noticed the ads in the magazine before those on Facebook. This fact convinced my boss not to continue investing in the promotion of the page or boost the ads on Facebook. The moment we stopped the activity on Facebook, for the next month there were almost no new followers.

An interesting view related to which media is better, the traditional or the new, we find in an article of Weinberg and Pehlivan (2011), who argue that in fact the combination of the two creates better results in marketing. Ibid (2011) suggest that social media can be used aiming for traditional objectives in marketing, like purchase. The two types of marketing differ a lot when it comes to the process. The traditional media starts with segmenting the market, then targets a segment, selects a vehicle for reaching that segment and finally funnels consumers towards purchase. The social media marketing starts with monitoring for content of interest, then identifies the individuals who mention the brand, then decides how to target them, and finally funnels them towards evangelism. The term 'evangelism' in marketing refers to the action of customers satisfied by a brand who start recommending it to others, spreading awareness and helping developing the product (Weinberg and Pehlivan, 2011). The article concludes: *"Social media is neither a perfect substitute for traditional marketing, nor is it one-size-fits-all"* (Ibid, 2011, p. 282). Considering the important role of social media as a tool to empower consumers, leading to relationships built between organizations and individuals, marketers can use social media and focus on traditional objectives.

Summary

Regarding the means of marketing that reached the teachers, so far the traditional media has provided more customers to Europatours than the new media. Yet, from discussions with Lars, the printed advertising was too expensive compared to the outcome, and it resulted in deficit on 2014, which means he will not use that again for promoting his products. Nevertheless, social media helps building networks for long-term relationships. Even the terms traditional and new suggest past versus future. I believe thus in the effectiveness of the social media and especially Facebook for growing a business and creating a brand name. My recommendation is thus the further investigation on the Europatours' customers every six months, in order to draw any conclusion regarding the effectiveness of the new media in the increase of profit and customers.

4.8 Lifestyle business

Hall and Williams (2008) bring forth the term 'lifestyle business' (p. 218), referring to small businesses that are not driven by financial gains. Ibid (2008) mentions New Zealand, where the owners of such businesses do not consider earning income as 'a significant necessity' (p.218), yet they see profit as very important. They do not run their firms according to a business strategy, yet the customers are satisfied and the business is profitable. Thus, enthusiasm and job satisfaction can lead to a profitable business, where income is important but not vital. This is apparently the case of Lars Wodschow, whose income is not covered solely by Europatours, but it is 'a necessary supplement' (Lars Wodschow, Appendix 2). This can be both an advantage and a hindrance in business developing. The advantage is that the manager can be relaxed and focus on the wellbeing of the customers, instead of calculating the profit every time a customer makes contact. On the other hand, innovation might be blocked, as the manager does not find it important to grow the business fast. Lars's answer, "*It depends on how fast one wishes the number of customers to grow*" (Appendix 1, p. 4), indicates the fact that he is not in a hurry with increasing the business. While I was working as an intern, I asked him whether he did not wish to earn more in profit, and his answer was: "*I do not need to drive a Mercedes*". This does not mean Lars is indifferent regarding his business, but clearly the income is not vital, he prefers to build a strong firm slowly and gain a good reputation through his customers. This fact might be the reason why Lars is reticent in

promoting a destination that he finds 'difficult to sell' (Appendix 1). As the increase in profit is usually the motivation for innovative actions, Lars Wodschow will not aim higher regarding the development of his firm, as long as the earned profit does not make a difference for his living.

In 2014, Europatours was in deficit, due to the investments in promotions. Lars expects 2015 to bring a little plus. However, if he does not try to attract more customers through active promotions, it is unlikely that the firm will make a significant profit in the future.

<u>Summary</u>

The fact that profit is not the main motivation for Lars Wodschow, is both a positive element and a negative one. He will always focus more on the customers than on profit, which is an important competitive advantage, and word-of-mouth will possibly bring more customers. However, if time and attitude do not allow for investments and innovations, Europatours may still be a business with zero in profit. This kind of business is not an asset for the tourism industry, it will not make a difference on the market, it will not come with something new and useful, and it will not influence the competitors or the customers regarding tourism products.

5. Conclusions

The aim of this thesis was to find solutions for Europatours travel agency to increase its profit. Moreover, a tour to Bucharest, Romania was suggested as a way to bring more customers. In order to answer the research questions, several elements have been discussed. Competitive advantage, innovation, positioning on the market, target audiences, internet in tourism, and the importance of social media in tourism, have been analyzed in relation to the data collected. Hence, solutions are suggested for creating a strong brand, bring more customers, and thus increase the profit of the firm.

The competitive advantage of Europatours seems to be Lars Wodschow's skills to create relationships with the customers. According to Lars and my observations, they are in general

satisfied with the services received and many of them come back and become thus loyal customers. However, competitive advantage alone is not enough to keep a business running. A business plan is necessary and for that, knowledge is a useful tool. Lars has ideas and passion, but he lacks the theory for being able to put them all together and create a strategy that in time will grow the business in profit as well as in customers. The recommendation is thus the acquirement of knowledge in management and marketing, which can help Lars create a business strategy and then transmit the message through marketing communications.

As the positioning of Europatours has not been established yet, a few actions are necessary. Firstly, the consumers have to be interviewed in order to learn about their perceptions and needs. Based on that, Lars Wodschow can improve his services and establish a clear positioning on the market, which will result in increased number of customers. He can as well build trust-based relationships with the customers, thus gaining loyalty, which will lead to increase in profit.

Investments are also necessary for achieving brand awareness. Even though the current customers are satisfied with Europatours' services, without gaining new customers the business cannot grow, and neither the profit. The recommendation is thus moderate investments in advertising that matches the budget, whether social media or traditional media.

An improvement in the collaboration with partners is as well necessary in order to avoid difficult situations for the customers, which will result in bad reputation. More structure is thus recommended, both administratively and managerial.

A solution for updating the website of Europatours in a more efficient way is recommended, in order to be able to share the new information with the consumers the moment it is born. An idea would be for Lars to learn how to do that himself, so that he would not need an external person.

Considering the current situation in which consumers can reach the suppliers by means of internet, travel agencies are in danger of becoming irrelevant. The process of disintermediation induces travel agencies to be more active on the internet, to be transparent and offer higher quality of services. Therefore, building trust-based relationships is the key for gaining loyal customers who will not only use the firm every time they travel, but will as well recommend it to others. Lars

Wodschow is aware of this fact, and therefore keeps contact with his customers, trying to match their needs and wants.

As one of the biggest trends in the tourism industry, social media cannot be ignored. Young people spend much of their time online sharing information, photos and advices and thus spreading awareness about products and companies. It is therefore a necessary action in developing a business, gaining more customers and increasing the profit. However, being active on social media means not only interacting with the consumers, but also create adverts for promoting products. The costs involved are insignificant compared to the printed media, while the outcomes are countless. Even though the revenues of such promotions have not been yet measured, comparing the Facebook followers of a firm with the size of the firm in terms of capital and customers, we can assume that being active on social media brings in time benefits that will leave the traditional media behind.

A tour to Bucharest could bring awareness about the firm and the destination, and possibly bring more customers to Europatours. The results of the survey show the Danish consumers are not familiar with Bucharest as a travel destination, possibly due to lack in promotions by the destination. Therefore, it could be promoted so that demand is created. The attributes of the city combined with the interests of the target audience, communicated to the young consumers that travel to big cities for shopping, cultural experiences, nightlife etc through the right channels that reach them, could result in more customers, and thus, higher profit. However, it is all conditioned by the decision of the manager, who will have to invest some time and money in promotions in order to make it happen. For that, he needs to be convinced that it will sell, as he would not risk losing the investment.

Regarding the 'lifestyle business', the fact that profit is not the main motivation for Lars is probably also the main reason why he does not make much profit. As long as Europatours is not his main income generator, innovative actions and future plans will be hindered, and hence the business will not grow. Consequently, a business that sells the same products to the same customers does not contribute to the development of trends in the industry, or generate innovative ideas that create major influence on the market, the competitors, the consumers or the industry.

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Lars Wodschow (the initial questions prepared for the interview)

1. Hvad er din baggrund? Hvornår startede du i turismen?

2. Hvad er firmaets mål?

3. Hvilke byer anmoder dine kunder oftest om?

4. Har du prøvet at påvirke kunderne i deres valg ved at foreslå nye steder?

5. Hvorfor tror du danskerne ikke er interesseret i Rumænien som rejsemål?

6. Hvad er din personlige opfattelse af Bukarest/ Rumænien?

7. Ville du være interesseret i at rejse til Bukarest/ Rumænien?

8. Hvad tror du ville hjælpe med til at øge antallet af kunder?

Transcription of the interview

R: What is your background? When did you start in tourism?

L: I have been in the TV and film industry for many years. Then I started in tourism in July 2013, so almost 2 years.

R: How did you get the idea of buying a travel agency?

L: The idea was to start a travel agency together with a friend that was working in tourism. But it didn't work out, so when I saw Europatours for sale, because the owner was going on pension, I had a talk with him, Marcel Craciunescu, and made an agreement that I could have a year to learn from him. And now, after the learning period, I have taken over the agency completely.

R: Did you know anything about tourism before, or you learnt everything from Marcel?

L: I didn't know more than what I experienced as a tourist and what I had heard from friends that work in the tourism industry.

R: Was it difficult to start a tourism agency?

L: I didn't start it, I took over a firm that had started a long time before, and was making profit at that point. And for more than a year, Marcel and I shared the office, so he was always there to help. So it went gradually, until I could handle the customers alone.

R: Did you take over the customers also?

L: Yes, many of the current customers used Europatours before I took over. There are also some new. So yes, there was a customer data base that I took over.

R: What about employees? Where there any when you bought the agency?

L: Marcel had a few employees some years ago, but because of the changes on the market, it went down, and the agency only worked with the loyal customers, so the last 2 years before I took over, he was alone.

R: What is the focus of the agency?

L: Today, I am only focusing on groups, especially school groups. They need a travel agency to plan the trip, more than a couple or a family, who can find everything they need on the internet. An agency cannot compete with that, if we should also earn something. So groups of 10 or more people need somebody like me to help planning their holiday. Sometimes, they only need transport, other times they want the whole trip organized by me, including activities, or guided tours.

R: Does it have to be only Europe?

L: No, there are no limitations regarding the destination. I am creating the holiday after the needs and wants of the customers. It is very important for me to have a dialogue with the customer as soon as possible, so we decide together on the details. And if they wish a holiday outside Europe, then that is what they will get.

R: But the firm is called 'Europatours'

L: Yes, that was the name when I took over, and it is still mainly Europe we sell, but if sometimes there is a request for a destination outside Europe, it is not a big problem.

R: What are the main cities requested by your customers?

L: It is the traditional Prague, Berlin, which are cheap and the transport is also cheap. Barcelona is also requested often. Sometimes customers request offers for Rome or Paris, but it is very expensive, so most of the times it does not become a holiday. Amsterdam and London are also very expensive but very popular.

R: But these are examples that all travel agencies suggest. What about Eastern Europe? Is it not also becoming more popular?

L: You asked what my customers often request, so that is what I answered on. Well, Prague is in Eastern Europe and it is quite popular. Budapest has also been asked for. From my point of view, it can also be Beograd or Bucharest or Sofia, but no, there is not much interest for them.

R: Have you been to all these places you recommend?

L: I have been to many of them, but the world is big, I have not managed to see everything. But if I get the chance, I will not hold back.

R: Why do you think Danes are not interested in Romania as a travel destination?

L: I don't think it's because they are not interested, I think they just have other priorities, they want to see other places first. If it is the school students, they should have some interest in that, these trips are connected to their studies. But in general I can see it is about the trends, right now it is the cities I mentioned before that are popular, at a certain point Bucharest will also be an attraction.

R: We discussed a lot in school about innovation and how a firm can be special compared to its competitors. Do you believe that a special thing that the others don't suggest, could give you an advantage?

L: Yes, but if you can feel that the customer wants to go somewhere else, then you focus on that, because it is better to sell a trip than not sell at all. A travel agency cannot survive if it just suggests holidays that customers don't feel like trying.

R: That's true, but it is a question of marketing. If you post on FB some photos of Bucharest and suggest some activities, don't you think that will work?

L: But Bucharest is on the home page and also on Facebook. But again, it is not an industry where the profit margin is very high, and there is not so much money for advertising. So some destinations are difficult to sell. One thing that could help is the country itself to start promoting it, and use the more efficient marketing strategies and have commercials on TV. I have seen Czech Republic doing that and some South European countries. Thus, if people become interested in Romania, they will address to us and request offers.

R: Do you think one of the reasons Danes are not interested in Romania is the bad reputation? There are many problems here with Romanians.

L: I think there have been some problems with Romanians in Denmark, mainly with Rromas. But it is not so bad anymore, I don't think Romanians have such a bad reputation today.

R: What is your personal perception of Bucharest/ Romania?

L: I cannot imagine something else than a beautiful country, I have seen some photos of the Carpathian Mountains, which looked fantastic. And Bucharest, as far as I know, is an old European city with a long history and a lot of old buildings. So I can imagine that it is just as exciting as any other big European city.

R: Would you be interested in traveling to Bucharest/ Romania?

L: If I get the chance one day or a reason to do it, yes, I would travel to Bucharest. But right now I don't have any plans regarding that.

R: What do you believe would help increasing the number of customers?

L: First of all, marketing. And that can be done in many ways. But it also depends on how fast one wishes the number of customers to grow. If it should happen very fast, then the solution is a big investment in marketing. And then there should be a lot of customers for earning back the investment and pay the rent and all the other expenses. But this is a small travel agency that prioritize the personal contact and dialogue with the customers. I do my best to meet my customers' wishes, so it is also a question of word-of-mouth. So I hope it will grow from there. There are many customers that come back because they were satisfied with the services of my agency.

Appendix 2

Lars Wodschow

R: What kind of advertising do you trust most? Traditional media or social media?

L: Both.

R: If you should invest in marketing, what would that be? Magazines, brochures, Facebook, newspapers?

L: Magazines, brochures and Facebook.

R: How is the activity right now compared to one year ago? Are there more customers now?

L: No, but the right kind of customers. Groups.

R: What is your motivation for having the agency? If it is not money, what is it?

L: No, I do not live only of this. But it's not just for fun. It is a necessary supplement.

Appendix 3

Din aldersgruppe

- **Besvaret: 66**
- **Sprunget over: 0**

Svarvalg–	Besvarelser–
– **18-29**	**21,21%** 14
– **30-44**	**45,45%** 30
– **45-55**	**24,24%** 16
– **over 55**	**9,09%** 6
I alt	66

SIDE 2

Sp. 2

Eksporter

Tilpas

Hvilke af følgende byer har du besøgt?

- **Besvaret: 47**
- **Sprunget over: 19**

Svarvalg–	Besvarelser–
– **Prag**	**74,47%** 35
– **Sofia**	**17,02%** 8
– **Budapest**	**59,57%** 28
– **Bukarest**	**21,28%** 10
– **Warszawa**	**21,28%** 10
Respondenter i alt: 47	

SIDE 3

Sp. 3

Eksporter

Tilpas

Ville du være interesseret i at besøge Bukarest?

Svarvalg—	Besvarelser—
— Ja	**43,08%** 28
— Nej	**13,85%** 9
— Måske	**43,08%** 28
I alt	65

SIDE 4

Sp. 4

Eksporter

Tilpas

Hvad er din forestilling om Bukarest?

Svarvalg—	Besvarelser—
— Moderne	**6,45%** 4
— Usikker	**22,58%** 14
— Beskidt	**12,90%** 8
— Venligt folkefærd	**25,81%** 16
— Billigt	**58,06%** 36
— Fattigt	**41,94%** 26
— Mange kulturelle og historiske seværdigheder	**59,68%** 37
— Levende natteliv	**14,52%** 9
— Dårlige engelskkundskaber	**25,81%** 16
— Mange sigøjnere og gadebørn	**24,19%** 15

Respondenter i alt: 62

Kommentarer (5)

Svarvalg—	Besvarelser—

Kender ikke meget til byen
23-03-2015 09:17 Vis respondentens svar
smukt og gammelt
20-03-2015 13:06 Vis respondentens svar
+Jeg ved intet om Bukarest.
13-03-2015 18:46 Vis respondentens svar
Jeg har faktisk ikke så mange tanker for jeg kender den jo ikke...
09-03-2015 21:44 Vis respondentens svar
En by i udvikling til at blive en moderne storby
09-03-2015 16:59 Vis respondentens svar

SIDE 5

<div align="center">

Når du søger efter et rejsemål, hvilken slags medier bruger du?

</div>

- **Besvaret: 64**
- **Sprunget over: 2**

Svarvalg—	Besvarelser—
— **Brochurer**	**15,63%** 10
— **Magasiner**	**10,94%** 7
— **Aviser**	**15,63%** 10
— **TV & radio reklamer**	**15,63%** 10
— **Internet**	**85,94%** 55
— **Social media**	**15,63%** 10
— **Mund-til-mund**	**67,19%** 43

Respondenter i alt: 64

Kommentarer (0)

SIDE 6

Sp. 6

Eksporter

Tilpas

<div align="center">

Hvad er vigtigt for dig, når du besøger en storby?

</div>

- **Besvaret: 63**
- **Sprunget over: 3**

Svarvalg—	Besvarelser—
— **Historie**	**44,44%** 28
— **Kulturelle oplevelser**	**79,37%** 50

Svarvalg—	Besvarelser—
— **Arkitektur**	**28,57%** 18
— **Natteliv**	**11,11%** 7
— **Indkøbsmuligheder**	**47,62%** 30
— **Prisniveau**	**58,73%** 37
— **Serviceniveau**	**41,27%** 26
— **Sikkerhed**	**46,03%** 29
— **Fælles fremmesprog**	**12,70%** 8

Respondenter i alt: 63

gastronomi

21-03-2015 10:20 Vis respondentens svar

Aktiviteter for forskellige aldre, gerne noget aktivt

20-03-2015 19:36 Vis respondentens svar

masser af caféer og spændende restaurenter i alle prisklasser

09-03-2015 21:45 Vis respondentens svar

SIDE 7

Sp. 7

Eksporter

Tilpas

Hvilken type turist pakke ville du vælge for at rejse til Rumænien?

- Besvaret: 64
- Sprunget over: 2

Svarvalg—	Besvarelser—
— **Organiseret grupperejse**	**6,25%** 4
— **Pakkerejse**	**23,44%** 15
— **Selvarrangeret tur**	**76,56%** 49

Respondenter i alt: 64

Photos of Bucharest

the Palace of Deposit and Loan

the Romanian Athenaeum

the Parliament

the Arch of Triumph

the Romanian Patriarchy