

Feasibility about Establishment of Hostel at Tourism Destination

Thesis

Yuan Zhou

LAPLAND UNIVERSITY OF APPLIED SCIENCES

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The purpose of this thesis is to explore and describe the needs and services offered by a hostel type accommodation in Finland Rovaniemi region. In the study, the author will point out comprehensive conceptions of measuring and proving the profitability and practicality of a start-up accommodation in Northern Finland. In addition, there is attempt to provide a general idea of starting business in Finland and to explore the processes of how to enter the accommodation sector.

The theoretical background highlights the Finnish regulations and policies needed for small business in tourism and hospitality fields, government's policy preferences concerning to tourism industry, processes of starting a business in Finland.

The data collected for this thesis included an interview of a representative of hostel sector as well as survey material collected from potential target groups through the internet. The author used both quantitative and qualitative methods to analyse the material related to wishes, perspectives and suggestions on accommodation establishments. The qualitative approach comprises an interview to figure out the perspectives of Finnish tourism market and feasibility of this hostel business. And one open-ended question in the questionnaire. The aim of this research is to figure out the practical needs of potential customers and combine the results with analysis of competitors in Rovaniemi.

Keywords accommodation sector, hospitality industry, entrepreneur, market analysis, competitor comparison

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1 INTRODUCTION

1.1 Finland and Northern Lapland

Finland is one of the Scandinavian countries in Northern Europe, which is close to Sweden, Norway and Russia. It has approximately 179, 000 islands in inbound of Finland, and a number of 188,000 lakes. Therefore, Finland has received a well-known and global name, which can be the best description that represents a most feature of Finland: a country of a thousand lakes. The most specified feature about Finland is Aurora Borealis in Northern Finland, Lapland. It can appear on more than 200 nights a year. (VisitFinland 2016.) Finnish government provides a start-up grant for those enterprises, which grow up within 12 months. (Enterprise Finland, 2016) According to the Finnish development strategy, the industry of high technology and innovation attracts major investments from outside and assisted by Finnish government. (Invest in Finland, 2016) Finnish education has also been highly praised in the world. It implements the free education system from basic education to higher education for everyone who has a learning enthusiasm. (This is Finland, 2015.)

In Northern Lapland, there is still one destination to mention: Rovaniemi. It is the center of Finnish Lapland, and it has a world-renowned tourist attraction, Santa Claus Village. As the hometown of Santa Claus, its growth in tourism has exceeded the other cities in Finland since 2000. (Rovaniemi Tourism Strategy, 2016) For this season in 2015, tour operator companies and tourism enterprises in Rovaniemi grow up along this general tendency of Finnish tourism. Moreover, Rovaniemi is the third famous tourism destination in Finland. (Lonely Planet, 2017) The most important features of this tourism destination are the traditional European Christmas festival, and its geographical location in the Arctic Circle. The city of Rovaniemi has reinforced on development of this tourism destination by enhancement of its valuable travel brand-Santa Claus and travel activities and tourist attractions closely related to it. Since 2013, Chinese tourists have

become a target group in Finnish tourism market that refers to the increasing amount of tourists that have travelled to Finland, especially to Rovaniemi. (Finland Times, 2017) I have explained the incoming tourism from different countries in chapter 4.

1.2 Tourism Industry in Rovaniemi

In almost every travel guidebook, webpage or description of Lapland, there are some common words that the authors have used to attract the reader's attention: magical Lapland, the most adventurous place. However, travelling is a very personal thing and people might have different experiences of each attraction or destination they have travelled to.

Northern Lapland has altogether six regions. Firstly, the east of Lapland comprises of five sub regions: Posio, Salla, Pelkosenniemi, Savukoski and Kemijärvi. The Southern region of Rovaniemi comprises of Rovaniemi and Ranua. Kemi and Tornio region is comprised of Kemi, Simo, Tornio, Tervola and Keminmaa. In addition, the valley of Tornio region includes Pello and Ylitornio sub regions; as for north of Lapland, there are three sub regions contain Inari, Utsjoki and Sodankylä; the last part of Lapland is Fell Lapland that contains Kolari, Kittilä, Enontekiö, and Muonio. Amongst these places, the Northern Lapland region is the biggest one in the whole of Lapland. Its surface area is about 35, 000 square kilometers while that of in Rovaniemi region is 11, 712 square kilometers. Furthermore, according to Statistics Finland's research of the estimated population in Finland it is 5,503,347 at the end of November 2016, (Statistics Finland, 23 December 2016.) whereas there are approximately 182,000 inhabitants in Lapland. (Lapland Above Ordinary, 20 March 2017)

Rovaniemi, the capital of Northern Lapland, is the hometown of Santa Claus. The Arctic wildness of nature and has one of the best spots of catching the Northern lights, Aurora Borealis. With the increasing business of tourism industry in general, the local tourism sectors have grown. The safari companies

will be one of the winners in tourism business, due to the reputation of Arctic nature and beauty. All the different types of snow activities have become popular among holidaymaker. (Lapland above Ordinary, 2017)

For those planning to stay in Rovaniemi, there is not only one tourist attraction: the Village of Santa Claus or Christmas atmosphere that people could experience. Arktikum museum is an exhibition place where tourists can have an insight of the culture and nature of the North, as well as history of Rovaniemi and the polar region in general. It is the best attraction for culture tourists.

Rovaniemi is definitely a distinctive tourism destination attracting people by its characteristic geography and interesting natural phenomenon of eight different seasons a year (Rovaniemi, 2017) and its cultural features that include both Arctic Circle and Christmas. These factors are of importance to influence the motivation to visit Finland. During the off-season, there are adventure activities in the Finnish summer time related to the environmental surroundings. Rovaniemi is a region where tourists and locals can easily access the forest, even from the city center. (Visit Rovaniemi, 2016)

Starting a business in tourism sector is a wise decision thanks to the high-speed tendency of development of the international tourism market. To discuss this situation we have to combine market growth and current trends and I will explain this with additional information and statistics in chapter 4.

2 DEFINITION OF THE GOAL AND RESEARCH METHODS

The purpose and reason for this thesis is to do a preliminary market research for a business plan to start a hostel business in Rovaniemi, Northern Finland. Rovaniemi is the third popular tourism destination in Finland. (Lonely Planet, 2017). It has grown with international reputation and recognition based on specified geographical features, natural phenomenon of Northern lights and universality of traditional and well-known social culture of Christmas festival in European and Western countries. There seems to be a scarcity of hostel accommodation in the Northern Finnish pearl Rovaniemi. The combination of the great growth of tourism industry in Rovaniemi and its increasing amount of international tourists in recent years, and this scarcity of hostel business, has inspired and stimulated me with a business plan of operating the accommodation sector. Overall, the research is based on this background to find out the motivations and needs of tourists who choose to stay in a hostel during their holiday in Rovaniemi.

This thesis will utilize mainly quantitative methods to carry out a research on the feasibility of establishing a hostel accommodation business in Rovaniemi region. The qualitative method will be accomplished by open-ended questions in the survey. The questionnaire is delivered through the Lapland UAS public mailbox, mainstream Finnish forums, and Facebook groups as well. The aims for using these two different channels in the survey are to figure out the opinions of individuals already staying in Rovaniemi as well as motivations and indications of tourists who are about to travel to Rovaniemi: what these groups of people or individuals think about staying in a hostel according to the age, nationality and occupation. These features are used to analyze their choices, motivations of choices and comprehensive perspectives of the whole hostel business operating in Rovaniemi. The expected use of this thesis is to help future entrepreneurs in the accommodation sector to decide the choice of perspectives of tourism field of business. The questionnaire includes 16 multiple-choice questions and 1 open question where the applicants can write

their own conceptions about evaluation of experiences of staying in a hostel in Finland or in other countries and suggestions to improve this type of accommodation.

3 ENTREPRENEURSHIP IN TOURISM INDUSTRY

3.1 Tourism Industry

Tourism is one of the largest industries around the world, which makes a great contribution on economics in many countries. As rapid development and unpredictable changes are involved in the everyday of tourism industry, the entrepreneurs and enterprises cannot only concentrate on employment opportunities, regional development and sustainability, or foreign exchange earnings, but also have to have a high attention on economic growth among the daily operations and promotions as well. It is common in many countries that tourism industry has become one of the largest industries of business in its relationship with other sectors. The indicator of gross domestic product can be a convincing provident of how tourism industry has increased its performance. According to the obligation of European Union, tourism industry has generated over 10 per cent of the total GPD of the European Union. (Invest in EU, 2017) To speak more specifically, the industries, for instance, airports, seaports, restaurant and catering, traffic, road and tourist attractions related to or depended on tourism industry. (Sharpley, R. 2002)

Tourism businesses are normally small and medium-sized enterprises in most countries, but there are various definitions of a small or middle-sized company. (Maureen, B. and Levent Altinay. 2015.)

“Most of these tourism businesses are small and medium-sized enterprises (SMEs) and together employ 5.2% of the total European workforce; that translates to approximately 9.7 million jobs, with a significant proportion of young people. “(EU, 2010.)

In general, tourism industry in Europe has huge development opportunities. Tourism plays a significant role in the economic growth for consecutive years

also in Finland and has major effects on employment. (Finnish Tourist Board, 2011) Additionally, as the development of general tourism market and tourism industry, the accommodation industry as a supplement sector will certainly grow in Finland.

In this chapter, I will discuss standards and regulations related to operating a business in Finland as well as general environment and business culture in Finland. Before starting a business, it is necessary to know the business culture and environment in Finland. First of all, the Finnish people like to use time effectively if they work in a hostel. During the working days, the Finns have fixed working hours a day, which means that the entrepreneur will pay extra salary for the excess working time and must inform employees beforehand. (Finnish Enterprise Agencies) The responsible environment of the business is another significant factor that should be taken into consideration. This has to be checked from the beginning, especially in tourism sectors where change and challenges happen time-to-time. Furthermore, in the tourism industry, the environmental factor cannot be ignored for safety reasons. (Invest in Finland, 2017)

The concept entrepreneurship incorporates several aspects: age, gender, educational background, religion and ethnics origin. Each characteristics of an entrepreneur will act in different ways in operation and management of the enterprise. There is no such a thing as a common entrepreneur in a nation. There are four conceptual approaches to understand the entrepreneurship. (Getz, D., Carlsen. 2004.)

Motivation plays a significant role for an entrepreneur. To figure out the motivations of an entrepreneur who started the business, as well as motivations for each decision they have made will help us to understand how this intangible but powerful entity influences an enterprise from the beginning. Social-cultural demographic profiles comprise of age, gender and ethnicity. Any of these factors might affect the entrepreneurship. The characteristics have been used to identify and explain many things or situations.

Different types of enterprises will influence entrepreneurship as well. As Getz Carlsen has pinpointed in his book, the type of entrepreneurs in hospitality and tourism industry will become important when deciding the attitude of being an entrepreneur. (Getz, D., Carlsen. 2004.)

The cognitive factor will help the entrepreneurs to be successful. During the process of participation in daily operations and management, the entrepreneurs can be accessible and make improvements by acting as a real leader of company. The wider knowledge on domains of entrepreneurs and their educational background is important. There is no right or wrong way to be an entrepreneur. The enterprise need a suitable and matched entrepreneur to lead. (Getz, D., Carlsen. 2004.)

3.2 Establishing a Hostel Business

A permit and relative notifications are necessary procedures before operating an accommodation business in Finland. Premises where hostel operates are checked and approved by the Municipal Health Protection Authority. In addition, this notification must be submitted at least one month before the business is going to start. Besides, in a function accommodation business every staying visitor has to fill in a passenger card concerning the information of the passenger. This card must be submitted without a delay to the local police. The information has to be stored for one year. (MEAE, 2017.)

4. MARKET ANALYSIS

4.1 Macro Environment in Tourism Industry

Due to the fact that competition in the hospitality field is becoming more serious, customers' demands are more difficult to satisfy. All-around service is required from customer's point of view; especially it plays a key role in hospitality industry. In this case, interesting and unique experiences are able to bring new competitiveness. In addition, the acceptable price will be important in meeting customers' satisfaction. The relation between accommodation sector and tourism industry in general cannot be ignored. (Figure.1).

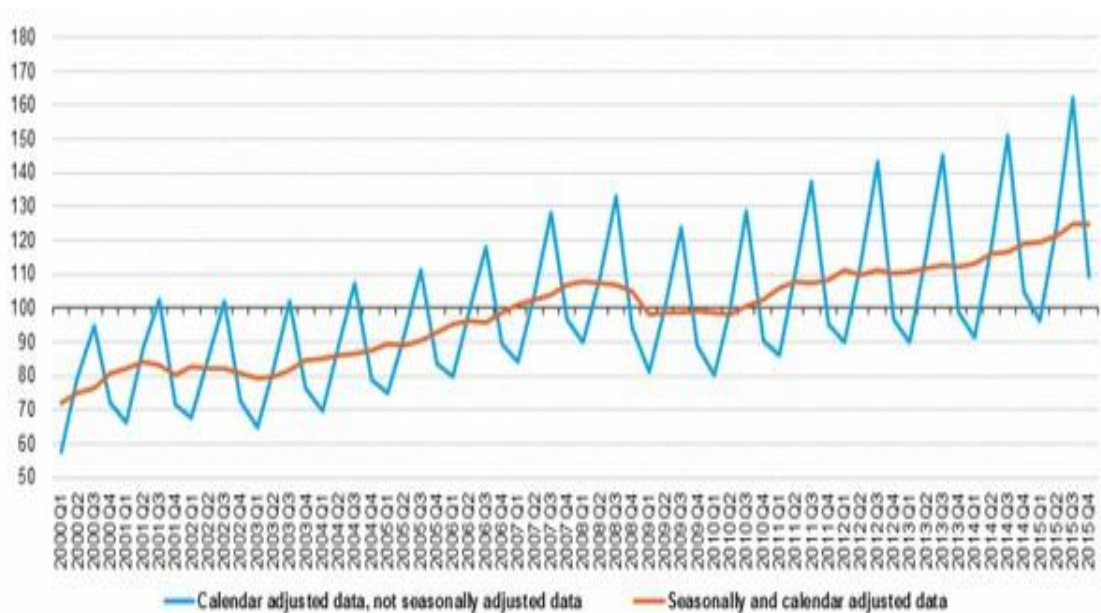


Figure 1: Calendar and Seasonally Adjusted Turnover for Tourism Aggregate, Quarterly data, 2000-2015 (Eurostat, 2016)

The macro environment of overall tourism industry in Finland shows a positive tendency throughout 2000-2015. The statistics related to the performance in tourism industry mean a great opportunity for future entrepreneurs. (Eurostat, 2016)

	NACE Rev.2	Number of enterprises	Turnover (million EUR)	Value added at factor cost (million EUR)	Number of persons employed
Total non-financial business economy (*)		22 579 017	25 956 037	6 234 879	133 054 900
Total services (*)		10 836 131	5 708 767	2 565 100	55 342 769
Total tourism industries (*)		2 228 899	941 075	344 198	12 004 500
Tourism industries (mainly tourism) (*)		346 351	428 126	121 198	3 122 700
Tourism industries (partially tourism) (*)		1 882 548	512 949	223 000	8 881 800
Transport related (total)		345 120	255 956	88 542	1 968 200
Land transport		331 856	110 304	56 867	1 548 800
<i>Passenger rail transport, interurban</i>	H4910	278	54 464	25 594	412 000
<i>Taxi operation</i>	H4932	288 226	20 607	12 317	600 100
<i>Other passenger land transport n.e.c.</i>	H4939	43 352	35 234	18 956	536 700
Water transport		9 565	20 581	6 154	90 000
<i>Sea and coastal passenger water transport</i>	H5010	5 965	18 982	5 459	72 900
<i>Inland passenger water transport</i>	H5030	3 600	1 599	695	17 100
<i>Passenger air transport</i>	H5110	3 699	125 071	25 521	329 400
Accommodation (scope of Reg 692/2011)		272 508	149 717	69 374	2 365 900
<i>Hotels and similar accommodation</i>	I5510	150 280	125 089	58 999	2 000 000
<i>Holiday and other short-stay accommodation</i>	I5520	106 126	16 162	6 452	274 700
<i>Camping grounds, recreational vehicle parks and trailer parks</i>	I5530	16 102	8 466	3 922	91 200
Food and beverage (total)		1 463 802	305 349	120 488	6 974 700
<i>Restaurants and mobile food service activities</i>	I5610	883 691	222 538	89 866	4 959 000
<i>Beverage serving activities</i>	I5630	580 111	82 811	30 621	2 015 700
Car and other rental (total)		51 552	68 714	37 278	202 300
<i>Renting and leasing of cars and trucks</i>	N7710	37 387	66 632	36 357	172 900
<i>Renting and leasing of recreational and sports goods</i>	N7721	14 165	2 082	921	29 400
Travel agency, tour operator reservation service and related activities (total)		95 917	161 338	28 516	493 400
<i>Travel agency and tour operator activities</i>	N7910	70 144	153 338	26 303	427 400
<i>Other reservation service and related activities</i>	N7990	25 773	8 000	2 213	66 000

Table 1: Key Economic Indicators for the Tourism Industry, 2013 (Eurostat, April 2016)

The hotels and similar accommodation has contributed turnover of 125, 089 million EUR in 2013, which is 83.6 percent of the total turnover of 149, 717 million EUR in accommodation field. The hotel type enterprises are the most common in the whole accommodation sector. It inevitably brings about intensified competition between tourism business operators. (Eurostat, April 2016)

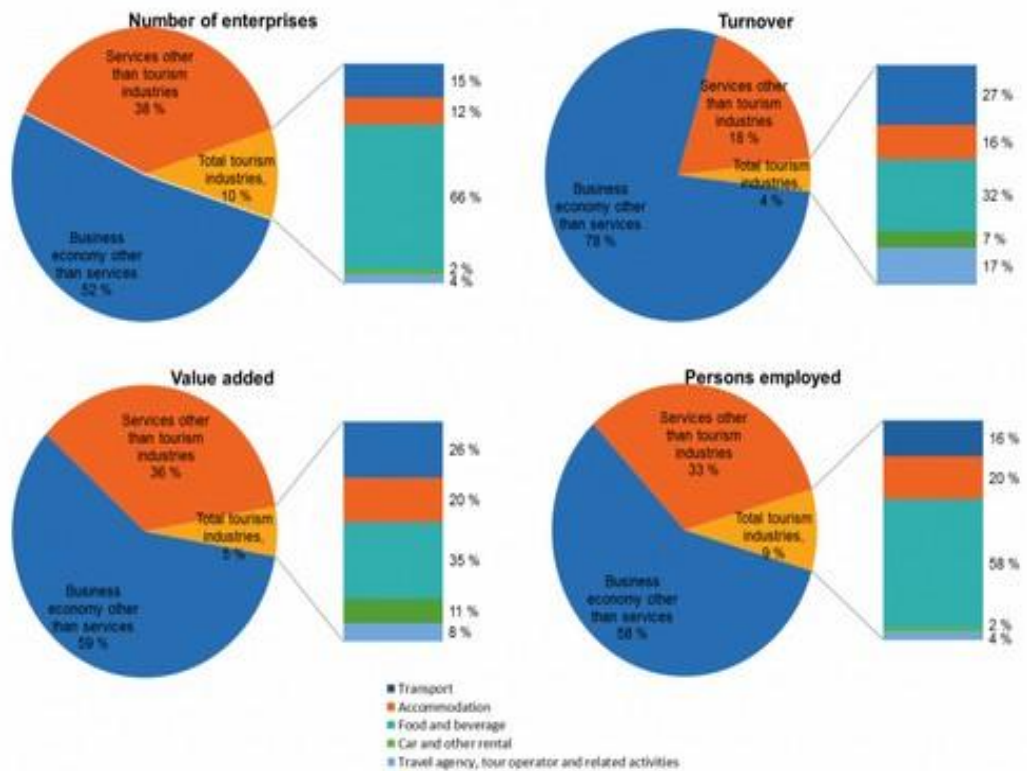


Figure 2: Number of enterprises, Number of persons employed, turnover and value added at factor cost, 2013 (%). (Eurostat, 2016)

The number of enterprises, persons employed in accommodation field, turnover, and cost of benefit factor have all expressed front view prospects in accommodation business without any exception. Tuulia Repo, one of the owners of a starting hostel in Rovaniemi (Figure. 3), has told that there seem to be good prospects in hostel business due to the recent increase in the number of tourists in Rovaniemi. (Finland Times, 2016)



Figure 3: Hostel& Cafe KOTI (Hostel Café Koti, 2016)

4.2 Market Trends

Accommodation in low-cost hostels has become a development tendency for the tourism service providers in Rovaniemi. The general price level in Rovaniemi is costly, especially expenditure on accommodation during the high season, from October to March. In this situation, the hostel business will stand out as a budget choice for travelers.



Figure 4: Visitor Exports and International Tourist Arrivals (WTTC, 2015)

According to the World Travel and Tourism Council, Finland attracted 4,294,000 international tourists in Finland in 2015. They have also made a forecast for the following 10 years expecting the number of international tourists will increase to total 5,478,000 by 2025, and give rise of consumption to 6.2 billion. (WTTC, 2015)

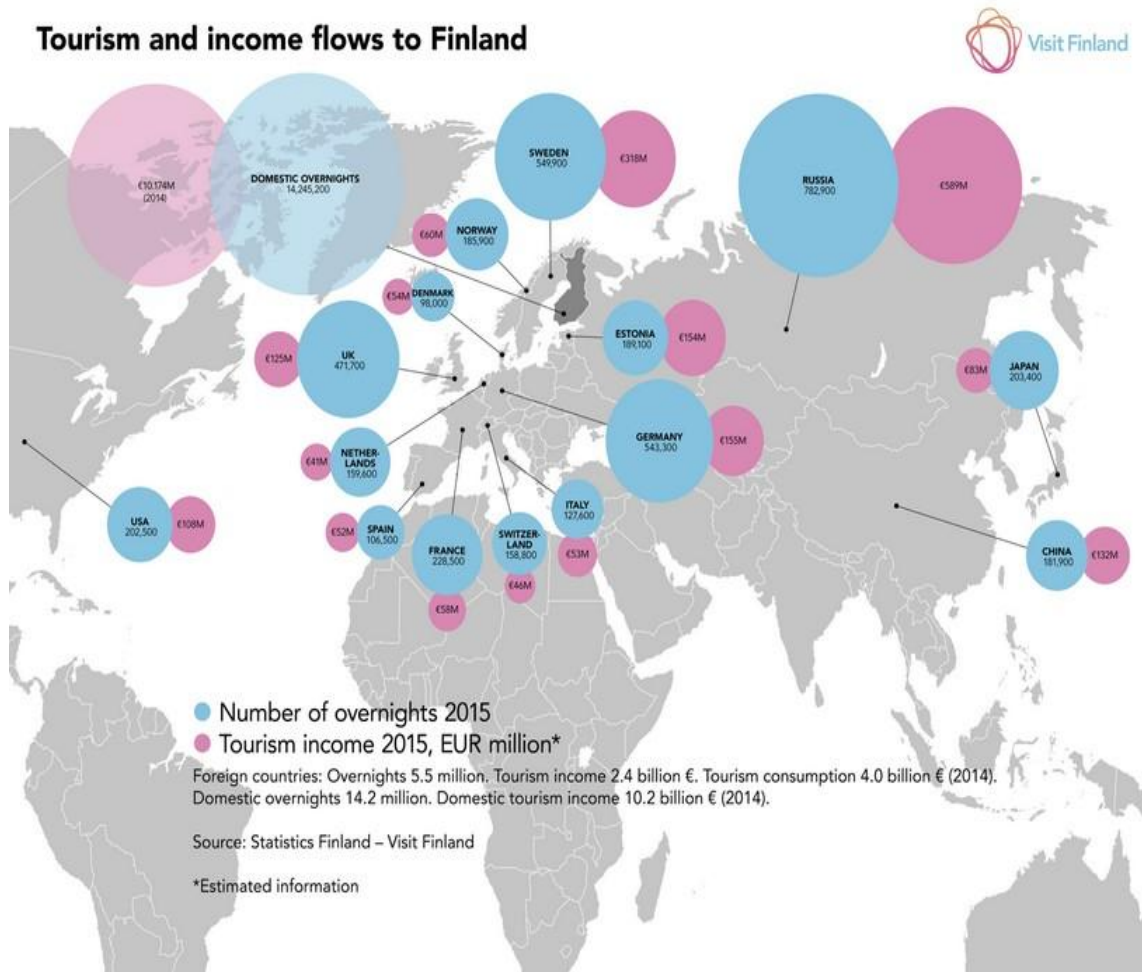


Figure 5: Tourism and Income Flows to Finland (Visit Finland, 2015)

The research has shown the great potential for the Finnish market of tourism industry. According to the prediction of the World Travel and Tourism Council (WTTC) the number of international tourists coming to Finland will steadily rise by 33.7% from 2006 to 2016. (The China Investors) This market trend will have an impact on the development and rise of the hostel business in Rovaniemi. One example of this is the new hostel established in December 2016, the Hostel and Café Koti.

4.3 Market Growth

According to the statistics collected by tourism accounts, tourism has generated the revenue of up to EUR 14 billion for lasting successive years. In addition, from 2007 to 2011, the growth rate of tourism industry has been practically four times faster than the rest of the Finnish economy. (MEAE, 2017) For instance, Lonely Planet has ranked Finland as one of the best Top 10 countries to travel in 2017, (Lonely Planet, 2017.) There is no doubt that the number of visitors to travel to Rovaniemi will also be soared. This information or news both directly pointed out that Rovaniemi is becoming a destination with a great growth tendency and opportunity of operating business related to tourism. Furthermore, various sectors in tourism industry, accommodation type of hostel will certainly conduct that as a new burgeoning business model in Rovaniemi: there is only one hostel in this region at present. The following tables of statistics will be best performance of tourism sector in Finland.

Region	Nights spent, total	Change of nights spent, total, %	Nights spent, residents	Change of nights spent, residents, %	Nights spent, non-residents	Change of nights spent, non-residents, %
Whole country	17,465,241	2.2	12,719,979	2.0	4,745,262	2.6
Mainland Finland	17,061,424	2.2	12,557,332	2.0	4,504,092	2.5
Uusimaa	4,702,218	2.0	2,519,480	0.1	2,182,738	4.3
Varsinais-Suomi	1,064,342	2.6	866,238	2.6	198,104	2.7
Satakunta	348,089	-2.0	294,625	-2.4	51,464	0.5
Kanta-Häme	337,185	7.9	304,484	9.4	32,701	-3.9
Pirkanmaa	1,271,017	0.6	1,084,288	0.0	186,729	3.8
Päijät-Häme	470,518	-1.6	400,301	0.2	70,217	-11.0
Kymenlaakso	253,363	-12.3	209,401	-3.6	43,962	-38.7
South Karelia	556,778	6.5	407,213	14.0	149,565	-9.6
Etelä-Savo	631,108	0.3	501,447	1.0	129,661	-2.3
Pohjois-Savo	718,176	-0.5	633,637	1.2	84,539	-11.6
North Karelia	404,718	-6.8	348,039	-1.1	56,679	-31.0
Central Finland	892,865	3.7	774,992	3.7	117,873	3.1
South Ostrobothnia	628,118	4.1	591,781	2.1	36,337	51.4
Ostrobothnia	338,782	-10.1	271,543	-10.3	67,239	-8.9
Central Ostrobothnia	141,870	7.7	127,622	8.6	14,248	-0.1
North Ostrobothnia	1,419,612	2.2	1,209,711	3.1	209,901	-2.8
Kainuu	803,930	-0.1	731,844	-1.1	72,086	11.8
Lapland	2,080,735	10.5	1,280,686	9.1	800,049	12.7
Åland	403,817	3.3	162,647	2.1	241,170	4.1

Table 2: Nights spent in all establishments, January-October 2016. (Statistics Finland, 2016)

According to the statistics of the accommodation situation from Statistics Finland, the total number of nights spent at all accommodation establishments grew by 2.2 per cent between January to October 2016. Moreover, during the period from January to October 2016, the number of nights spent at accommodation establishments in Finland has reached the revenue of EUR 17.5 million totally. This was 2.2 per cent higher than in the corresponding period in 2015. In total, 12.7 million of overnight stays were accounted for resident tourists and 4.7 million overnight stays for non-resident tourists on 2016. The overnight stays of resident visitors were up to by two per cent and those of non-resident visitors by 2.6 per cent from the corresponding period of 2015. (Accommodation statistics, Statistics Finland, 2016)

Country of residence	Visitor arrivals in all accommodation establishments	Nights spent in all accommodation establishments	Change of nights spent in all accommodation establishments, %	Nights spent in hotels	Change of nights spent in hotels, %
Total	9,562,327	17,465,241	2.2	13,831,862	2.5
Finland	7,235,930	12,719,979	2.0	9,836,311	1.6
Foreign countries	2,326,397	4,745,262	2.6	3,995,551	4.9
Sweden	278,979	495,512	0.6	379,616	-0.8
Germany	242,951	478,134	-1.3	389,261	-0.9
Russia	249,213	572,337	-14.7	411,072	-15.1
United Kingdom	126,619	291,129	-2.9	261,240	-1.1
United States	94,575	204,288	14.1	197,816	14.8
Norway	84,967	158,602	-4.4	121,450	-3.0
Netherlands	67,444	152,634	9.2	121,813	9.7
Italy	55,171	113,907	8.4	102,402	9.8
France	78,103	200,269	7.4	177,461	9.4
Japan	97,710	182,638	6.7	179,472	7.7
Estonia	72,107	163,399	1.5	117,563	6.0
Switzerland	62,259	135,457	-3.6	99,907	-5.1
Spain	46,684	96,524	13.5	87,066	15.1
China	136,826	196,432	23.1	192,996	24.0

Table 3: Visitor arrivals and nights spent by country of residence, January-October 2016. (Statistics Finland, 2016)

The number of nights spent by Russian travelers at accommodation establishments in Finland were totally 572,000 between January to October, which decreased 14.7 percent compared to the respective period of 2015. They

were the largest group of foreign visitors during January to October, while Swedish travelers came second with 495,500 overnight stays.

The third largest group were German visitors at accommodation establishments of recorded 478,000 nights spent. Their overnight stays went down by 1.3 per cent from the respective period of 2015, while British visitors remained next with 291,000 nights at accommodation establishments and tourists from America has totaled 204,000 nights. Nights spent by British tourists decreased by 2.9 per cent, whereas those nights spent by American visitors were rising by 14.1 per cent from January to October 2016. Moreover, overnights spent by French visitors has increased to over 200,000 nights. Among these countries of foreign travelers who stayed overnights of visiting Finland, overnight stays of Chinese tourists have increased the most from January to October 2016. The nights spent by Chinese visitors went up to 196,000, which was 23.1 per cent more than in the corresponding period of 2015. (Statistics Finland, 2016)

4.4 Market Segmentation

To achieve the goal to operate hostel accommodation in a specified tourism destination comprises several regional features. The most important and inevitable thing for starting a hostel business is to make a holistic marketing plan around Rovaniemi destination. The products and services should be modified according to the motivations, demands and interests of tourist who are going to visit Rovaniemi or have a travel plan. To be able to serve the chosen customer segment it is necessary to find out how customers think about Rovaniemi, how they generally think of staying at a hostel during the trip; what are their motivations and requests of choosing a hostel to stay. For an entrepreneur the more specified the segmentation statistics, the deeper understanding of targeted consumers. Nevertheless, there has a huge difficulty that to accurately calculate the volume and value of a market segmentation in hospitality markets. (David,B. &Francis,B. 2011) There are three main

marketing strategies, which may affect the choice of accommodation, positioning, pricing and promotion.

Positioning strategy is of primary importance when discussing the marketing strategy of segmentation of establishing a hostel in Rovaniemi. My purpose is to come up with a plan of develop a hostel business, and make it successful in this destination. There are two different methods to define the positioning strategy: objective and subjective. (Ries & Trout, 1986) The objective positioning of a hostel is to focus on its specialty on Nordic culture and geographic characteristics in Rovaniemi. This will show in decoration of the hostel to make it become one of the most distinctive hostels in Rovaniemi, which refers to adding destination features and culture involved into decoration of the rooms in the hostel. Moreover, for subjective positioning, the hostel will provide exceptional services, products, and advices for the best experience and memory for customers.

Defining the pricing strategy for a hostel is not a simple thing. The price domain has to link with the destination common price and average price in the accommodation sector and be determined on the general market standards of Rovaniemi. These statistics of each accommodation sector, especially the competitor, is meaningful as reference of pricing. In addition, target groups of customers are necessary to take into consideration in pricing. The target group is normally the individual visitor or student. Moreover, the group of people who would not want to spend much on accommodation, since the average expenditure of travelling in Rovaniemi or Lapland is expensively. Based on that, it is wise to make a favorable price margin based on the information above.

The promotion strategy must be compared with the same type of a hostel, which is located in the city center of Rovaniemi with a relatively low price per night for one person. For standing out in the hostel accommodation sector, I have perspectives of setting up a reasonable and favorable price involved in good quality of services from each stage of the hostel accommodation. To meet

the standard of the hostel sector, pricing is becoming one of the pivotal promotion strategies for implementation of the hostel business.

The welfare of the membership system can be a plus to attracting customers with some scales of discount or well-being. For instance, one member accumulates a certain amount of credits that means the customer can once experience one night in a hostel without any costs. Furthermore, one additional service of welfare can be organized by the hostel periodically: a short trip to a national park for example, for members who have attained standards of required credits.

What is more, there is an opportunity that the hostel can be utilized for advertising to get reputation. During the Finnish national holiday, the hostel can provide a certain amount of discounts and prepare a small gift for customers who book at least 60 days in advance before the departure date. It is also possible for the hostel to organize the 90 per cent of charge of one night for totally four nights of stay, to name a few.

4.5 Competitor Analysis

Analysis of the situation of the competitor would be definitely a trigger for running a business. The completed information of them will incorporate marketing, sales, management, price, and feedback from customers, and so on. The more comprehensive information is collected from them, the easier for people who want to start the same sector of business. The analysis of the competitors is divided into three aspects as a sample or reference to consider the hostel business. In addition, this analysis will be combined with the results from respondents of the latter of the two questionnaires to research the

demands, motivations, requests, and interests towards the hostel staying. This part, I will explain later on chapter 5.

Product would be the first thing to compare with a competitor. The hostel business that I test its feasibility of operation in tourism destination, Rovaniemi. The products and services have to be changed and modified to be differentiated than the competitor, Hostel and Café KOTI. They have two mixed dormitories and one female dormitory that each can be suitable for 10 persons. Besides, they have one standard double room that is suitable for two persons, superior double room that is suitable for 2 persons, triple room that is suitable for 3 persons, family room, which is suitable for four persons, and an apartment that is suitable for six persons. They have 23 rooms and 3 dormitories in the hostel, and altogether 79 beds totally. (Hostel & Café KOTI) In addition, for customers who are staying in rooms, they will have their own restroom and a breakfast which is included in the room price. In addition, there is a fully scaled kitchen, a place for relaxing and a traditional Finnish sauna for customers to experience. Moreover, they will organize small events on selected evenings for guests to connect and have fun. Moreover, they have a small art exhibition that will be held in the café restaurant timely. In addition, for the regulation of cancellation of the terms and conditions is flexible and reasonable. During the high season between 15th of November to 31st of March, there would be no charge of cancellation if the customer make it 30 days before arrival. In addition, for the low season from first of April to 14th of November, and cancellation one week before arrival would not cost anything. (Hostel Café KOTI)



Figure 6: (Google maps, Hostel Café KOTI)

There are different prices for room and dormitory. For the dormitory, the price is equal for both fixed room and female room, which is 30 EUR of one person per night. As for standard double room is 99 EUR for two people per night. Superior double room is 104 EUR per night. In addition, 142 EUR for staying triple room; and 179 EUR for staying a family room which is suitable for 4 people. An apartment is totally 299 EUR for six people per night. In addition, there is no difference in price of different season. (Hostel Café KOTI)

5 NEED FOR A HOSTEL AND ITS SERVICES

5.1 Method and Implementation

The quantitative method of research was applied by data collection through survey questionnaire. This quantitative analyses method was utilized to get comprehensive results by form of tables and diagrams based on the data collected. The questions that were used to ask the respondents generally were based on the research theme. The quantitative analysis include graphs or charts to explore and examine the data in general. The research that I have done aims to learn about people's motivations, feelings, desires, or interests. The quantitative research method uses theoretical indicators to discuss and observe the specified issue. During the research, people got used to using both these two methods to make the studies. In addition, the relationship between these two methods of research is that qualitative method is a mechanism for enhancing the efficiency of the quantitative research. (Proctor, 2005)

During this thesis, the quantitative method was mainly utilized. The quantitative questionnaire was carried out as a primary method of research to gather the information or statistics. I have used the online open-ended questions involved in the survey questionnaire to study how people, tourists or potential customers' responds, motivations, feelings, and requests if they choose hostel accommodation to stay during a holiday as well as their evaluation or suggestion regardless of the hostel accommodation. The survey questionnaire (Appendix 2) includes 17 questions that were presented on the Finnish public mailbox, the international groups on Facebook, and sent to Lapland UAS mailing list for more focused data collection. The respondents are divided into three groups: people who have already travelled to the Northern Finnish capital, Rovaniemi; people who are going to travel to Rovaniemi; people who study, work or live in Rovaniemi. The respondents were both internationals and local people. The second survey questionnaire (Appendix 3) was posted through

social media where it could directly catch the tourist or other potential people. The difference between these two surveys is the range of respondents.

The qualitative research method was applied by using open-ended questions involved in the survey questionnaire. They allow respondents to answer the questions with free thoughts to get information that is more detailed. The questionnaire includes 16 obligatory closed questions and one open-ended question. The first part of the questions is to ask basic information of respondents, such as gender, age, nationality, occupation. The second part of the questions is to ask about resources or channels to make a reservation, type of travel, and reason for travelling, to lead them step by step until they have realized that the factors influencing them to make a decision to stay at hostel accommodation. Besides, the indicators of price, location and quality of their requests as a condition to make them choose a hostel. In addition, the most important factor to choose a hostel on a holiday as well as when they decide to stay at hostel the potential requests concern the living environment. This information helps me to understand the motivations, demands and requests of hostel accommodation, which can exactly provide me the suggestions or feedback from respondents who could be even the potential customers on orientation of how to operate the hostel business from the very beginning. In the next section, I will present the results of the questionnaire by giving further details.

5.2 Analysis and Results

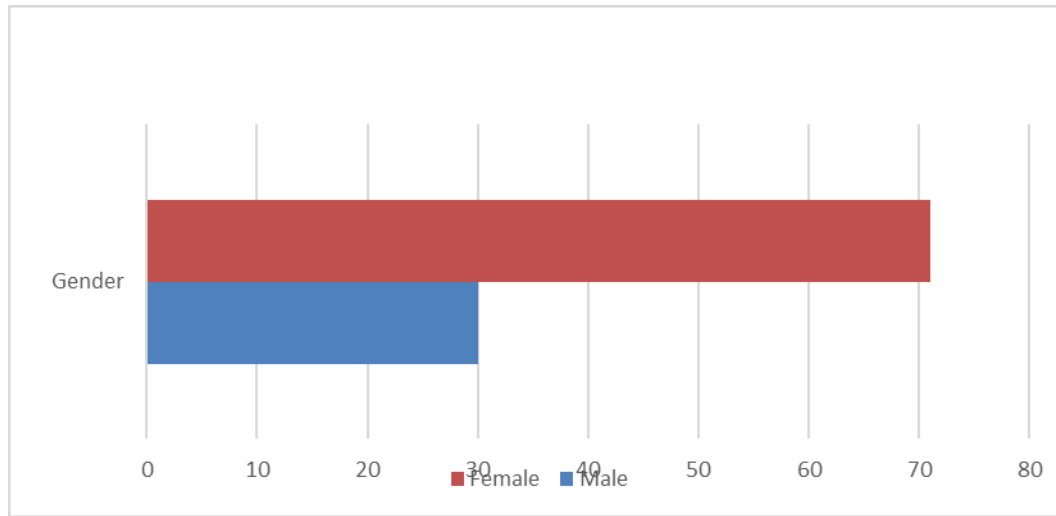


Figure 7: Gender (N=100)

There are totaled 100 respondents for Lapland UAS, and another 100 respondents also from the internet. Figure 7 demonstrates the demographic characteristics of respondents. Among these respondents who are majority of groups of students in Finland, and the rest of them had experience of travelling to Finland for leisure reason, or have plans to visit Finland. There are 71 female respondents and 30 male respondents who filled out this questionnaire.

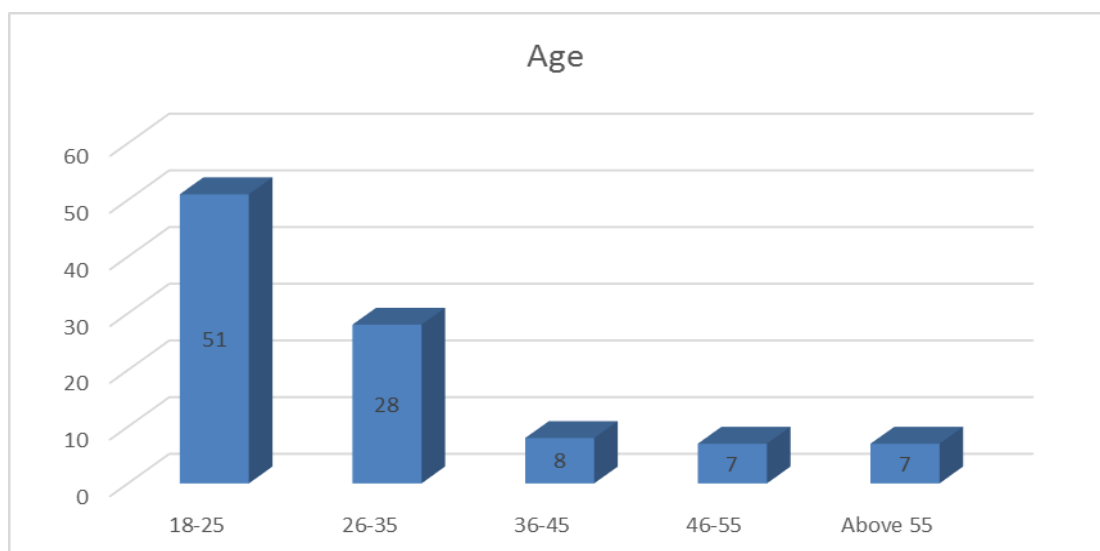


Figure 8: Age (N=100)

As Figure 8 reflects, the majority of respondents are students who are 18-25 years old, and occupied 50 per cent of the whole amount of respondents. The reason is that the questionnaire has been mainly advertised on mailbox of university of applied science and universities. The second largest respondents are between 26-35 years old, approximately 27.8%. There are a total of 15 people between 36 to 55 years old. There are only 6.9% of respondents older than 55 years.

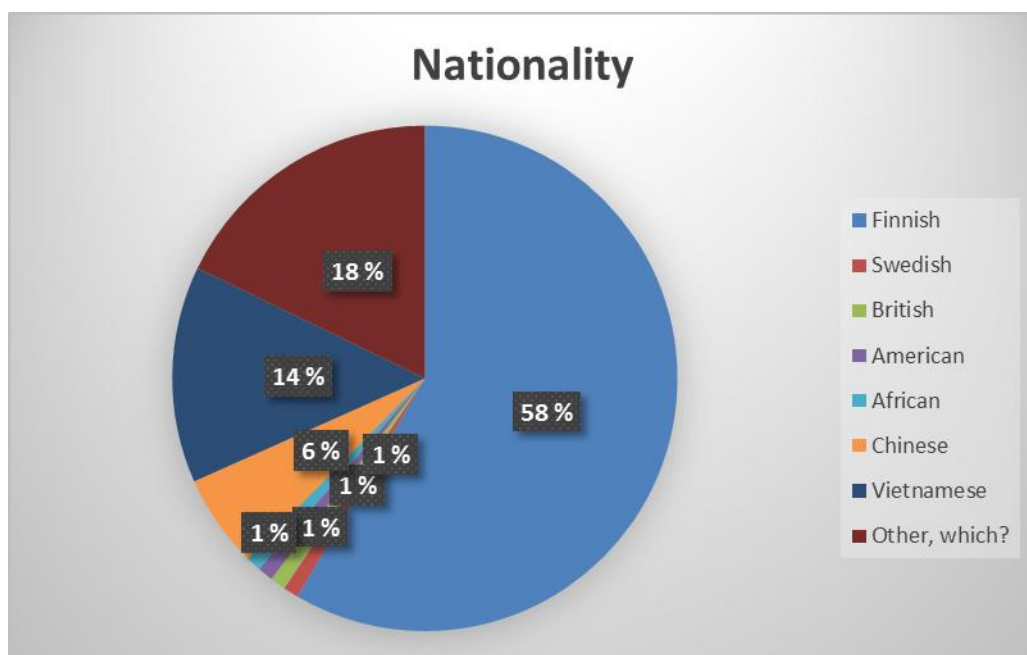


Figure 9: Nationality (N=100)

As you can see from Figure 9, there are 58 Finnish people. The large proportion of the respondents are Finnish people. The second largest group of respondents are multinational, which are 18 people totally. There are Russian, Austrian, Japanese, Austria, German, Slovak, French, Hungarian, and Italian, to name a few. Moreover, there are 14 Vietnamese people, 6 Chinese respondents and for America, British, Africa and Sweden, there is only one respondent from each country.

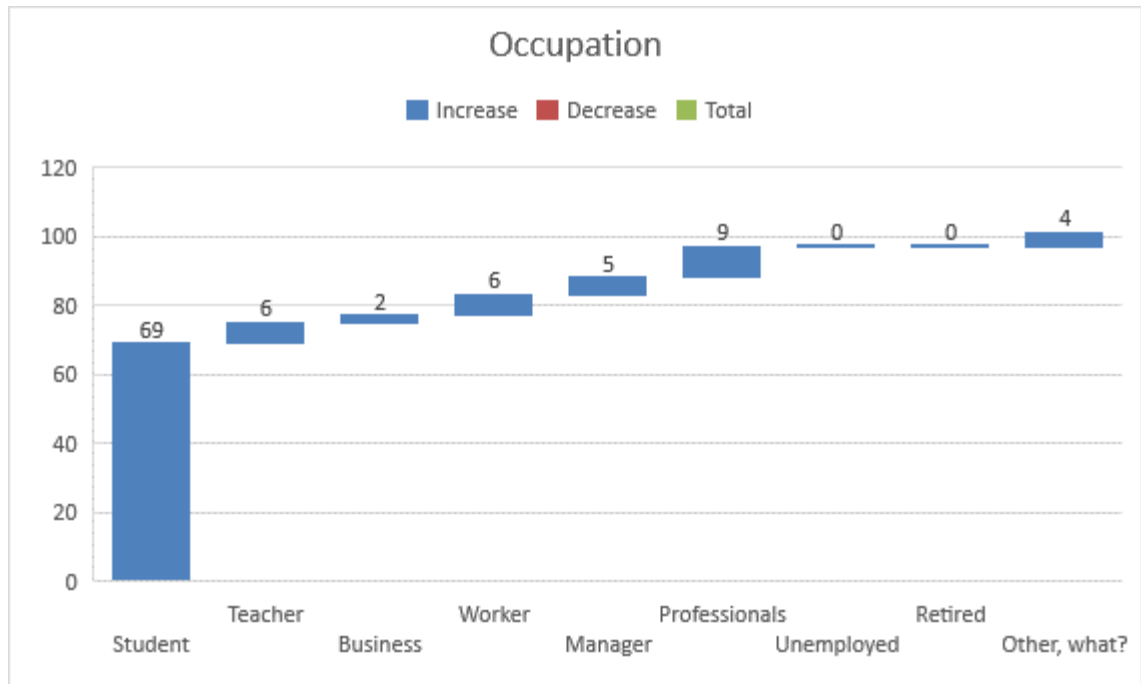


Figure 10: Occupation (N=100)

As shown in Figure 10, the respondents are mainly student (68%) and professionals (9%). The majority of respondents are studying in school or conduct on professional work in school. Six per cent of the respondents are teachers or workers. Amongst them, there are 5 per cent manager respondents. As for the rest respondents, they are employees, physiotherapists or travel consultants. There is no one retired or unemployed.

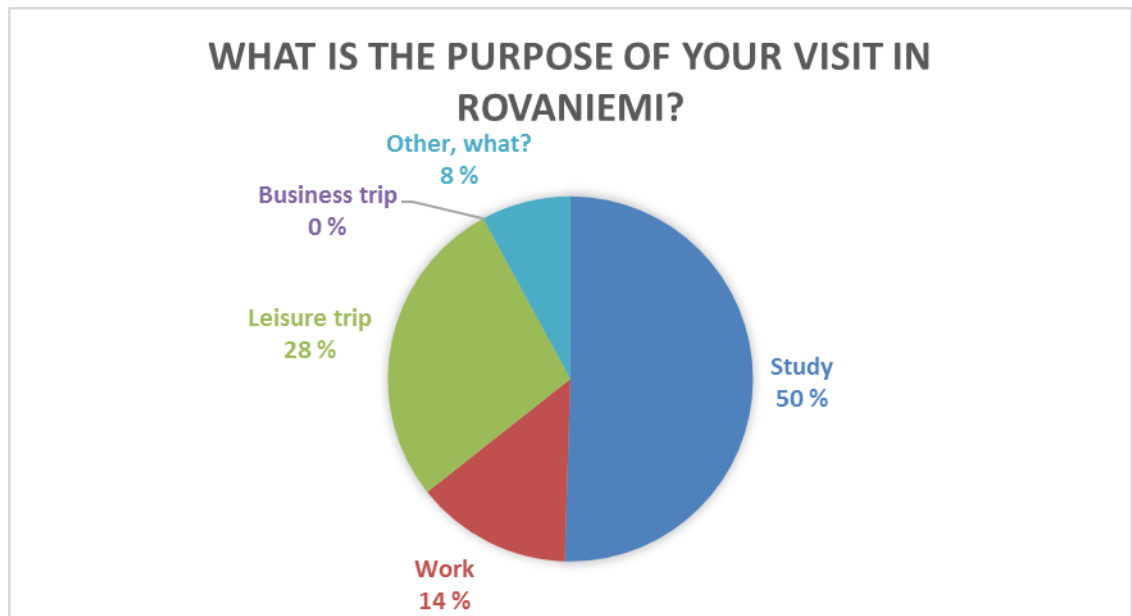


Figure 11: The purpose that people visit in Rovaniemi (N=100)

Figure 11 illustrates that the purpose of study (50%) was dominating, whereas the percentage of leisure trip was 28 per cent, which means that many people come to Finland for entertainment reason. There are about 14 percent of respondents are working in Rovaniemi, Finland. There is no one who came to Finland on a business trip.

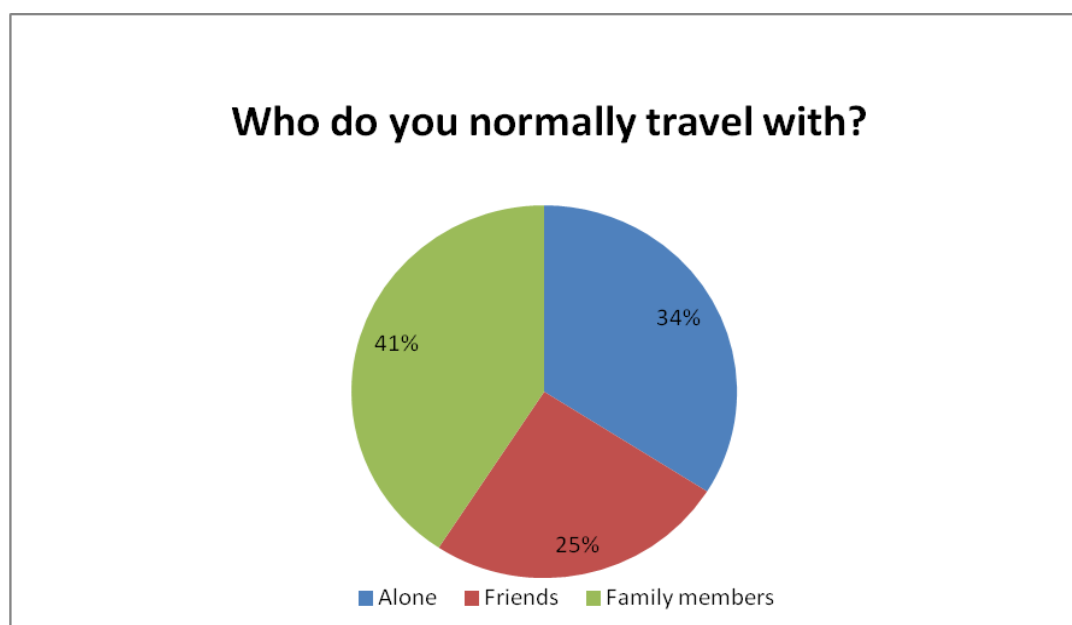


Figure 12: People normally travel with (N=100)

During these 101 respondents, they mainly travel to Finland with family members (41%). We can find out that people prefer to travel with families when they choose Rovaniemi, Northern Finland, as a tourism destination. There are 34% of people prone to travel as sole travelers, at the same time, 25% of the people like to travel with friends.

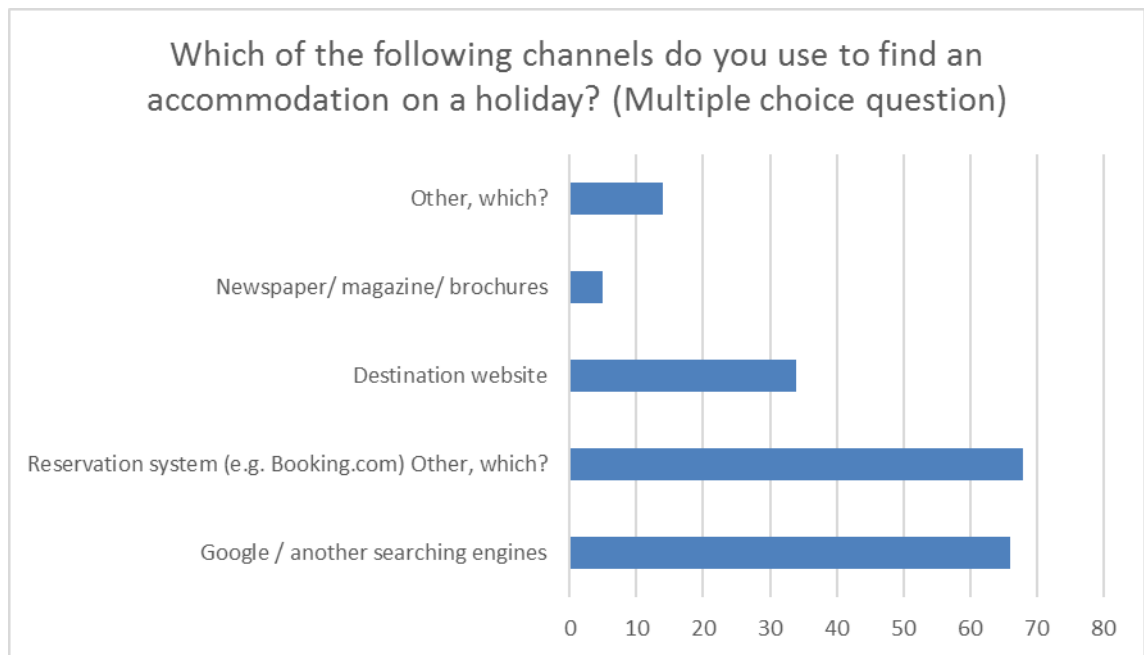


Figure 13: The channels that people like to use to find accommodation (N=100)

We can see that there are 68 people who mainly use the online reservation system, for instance, Booking.com to make a reservation for their accommodation in tourism destination. At the same time, 66 people might use searching engines to track the staying place. Among the people who prefer to find information on a destination website are around 34. Besides Booking.com, people like to use Trip adviser, Airbnb, Trivago, Agoda, Hostels.com as well. In addition, people might ask their friends or use Couchsurfing to get the information they need.

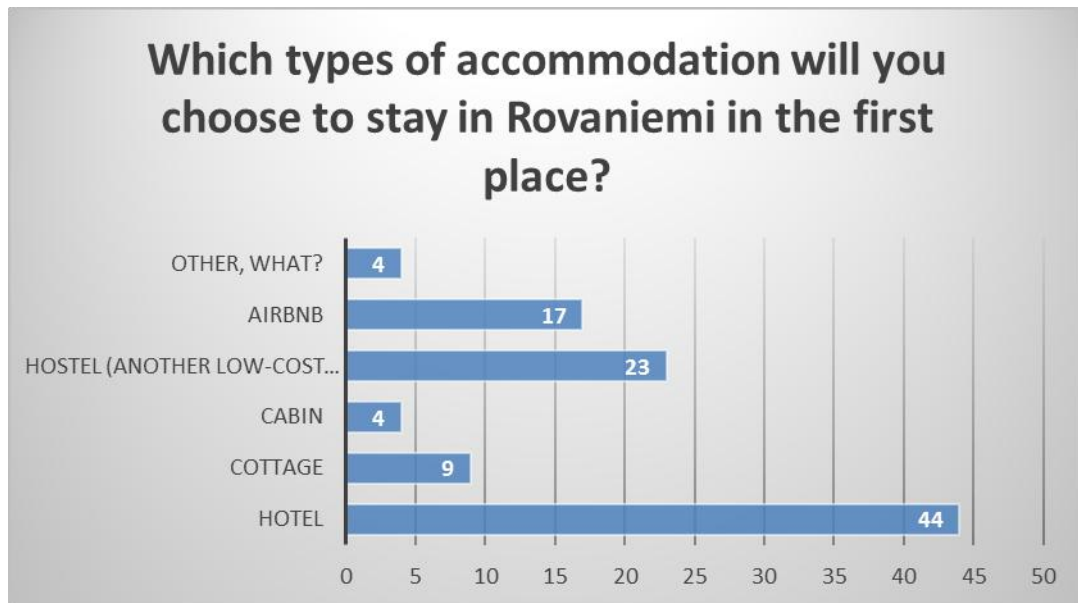


Figure 14: The accommodation that people will choose to stay in Rovaniemi (N=100)

Hotel is the main type of accommodation that people will choose to stay at on a holiday in Rovaniemi, which was chosen by 44 respondents. Hostels and other low-cost accommodation (23%) has become the second choice after hotel. It is quite unpredicted that Airbnb is the third choice of type of accommodation that people choose to live in temporary during the trip. A cottage is a feature of accommodation in Finland that people might be interested in. There are only four people of each cabin accommodation and other approaches of staying, Couchsurfing or staying with friends.

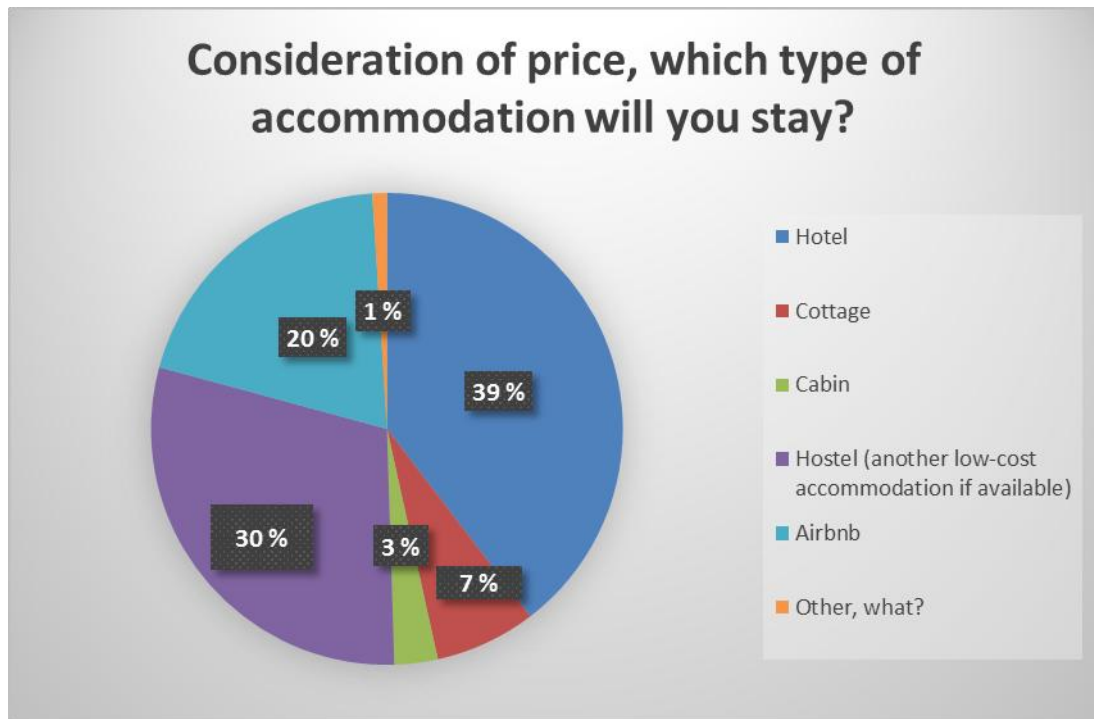


Figure 15: Considering the price, which type of accommodation do people chose (N=100)

Figure 15 has shown that hotel is still the superior choice (39%) if the price is taken into consideration. Then, hostel and other low-cost of accommodation was second choice (30%) if people consider the price of accommodation. Airbnb (20%) has become the third option after hostel. There are 7% of people who have chosen to stay in a cottage, and 3% of the people would like to stay in a cabin. Only 1% people will find another alternative to stay in during the trip.

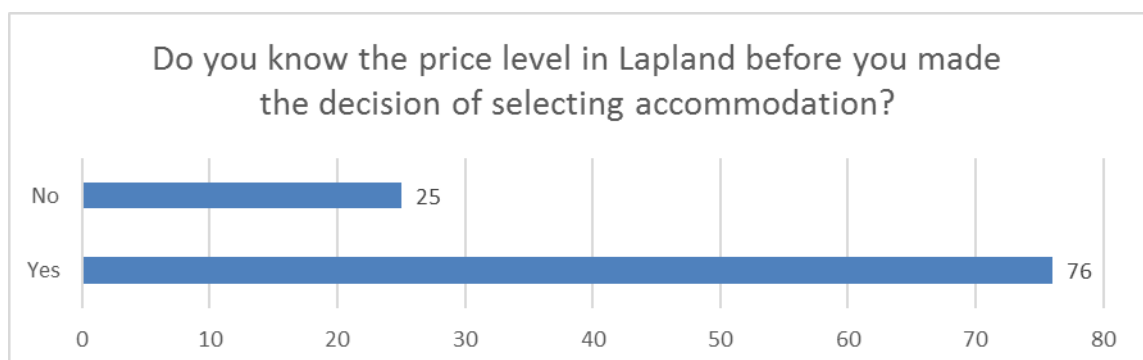


Figure 16: Price level in Rovaniemi (N=100)

As you can see, there are 76 respondents who know about the general price level in Rovaniemi before they make the travel decision, and the rest of 25 respondents who do not know the situation of pricing in Rovaniemi before their departure.

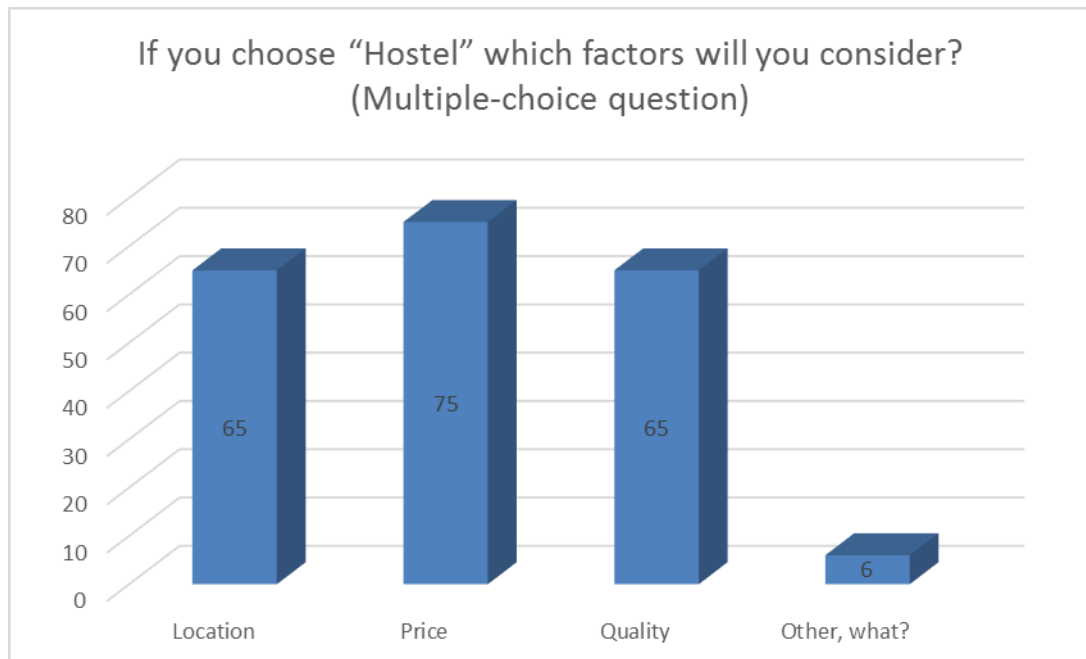


Figure 17: The factor will be considered if people choose to stay in a hostel (N=100)

There is no doubt that price has become the biggest factor when people choose hostel accommodation as their rest place. As it is a multiple-choice question, people can make several choices. We can see that there are 65 people think the location and quality are far of important after price factor. There are only a few of respondents has given the concepts of additional services or necessary factors cannot be ignored: the internet, bike renting service, and safety and hygiene of the place.

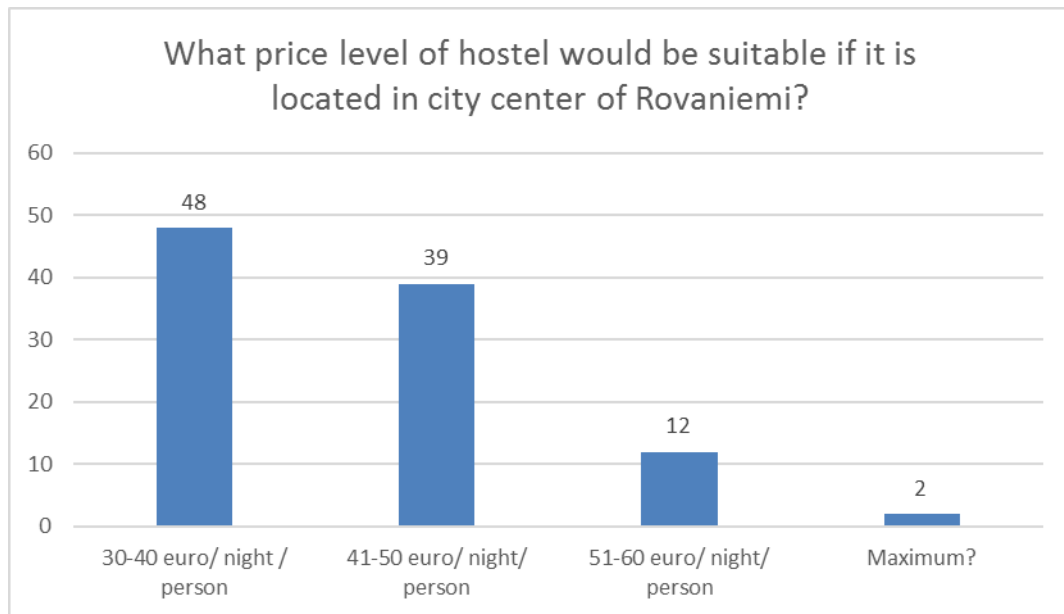


Figure 18: The suitable price level of Hostel in Rovaniemi city center (N=100)

From Figure 18, we can easily find out that the price between 30-40 EUR per night in the hostel which is located in central region of Rovaniemi, was the superior choice, which 48 respondents (48%) have chosen. Another large proportion of respondents 39 (39%) thought that the reasonable price for staying in a hostel one night is between 41-50 EUR. In addition, the price from 51-60 EUR has been chosen by 12 respondents (12%). Only a few respondents have left the opinion in the text field regardless of maximum price per night, which is 70 EUR.

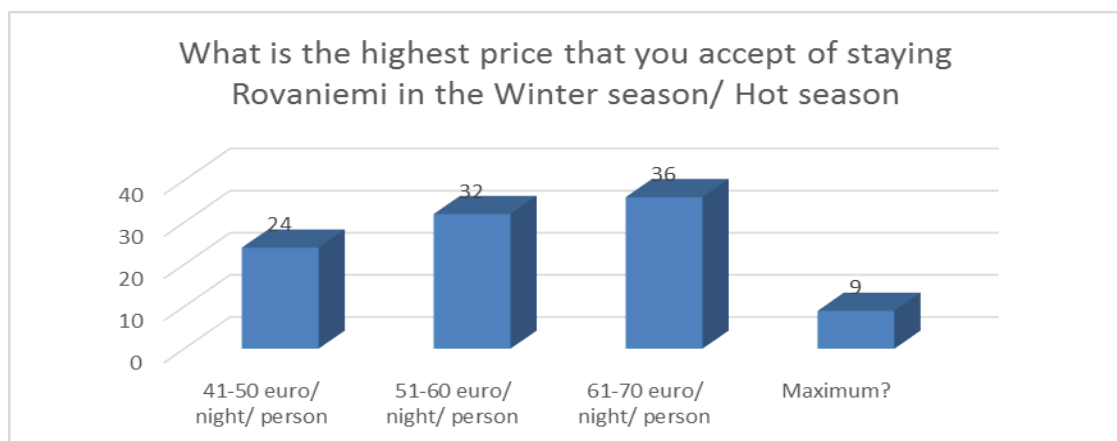


Figure 19: The highest price of staying in hostel during the winter season (N=100)

We can see from Figure 19 that highest price of staying in hostel per night is between 61-72 EUR which has chosen by 36 per cent of respondents, followed by 51-60 EUR (32%), 41-50 EUR (24%). The percentage of respondents who have provided opinion of maximum price is 9%, and price is from 80-100 EUR.



Figure 20: Amount of persons could be suitable in the dormitory of hostel (N=100)

Figure 20 demonstrates that a large portion of respondents chose four persons (67%) in one dormitory in a hostel in Rovaniemi. In addition, there are fourteen people who chose six persons in one dormitory and at the same time; six people chose a room of maximum eight persons. Only one-person thought that 10 people is maximum for a dormitory. In addition, there are a few of people who gave the conceptions of the maximum amount of person in one room, which was 12 people.

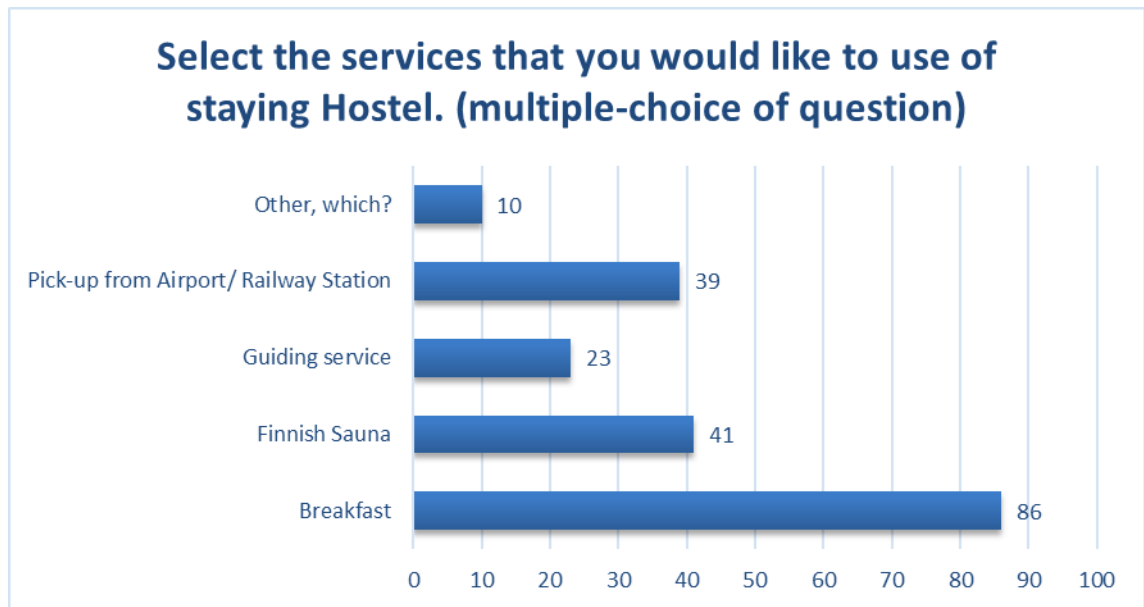


Figure 21: Services that people want to use when stay in hostel (N=100)

This question has asked for the services that people want to use when staying in a hostel in Rovaniemi. The majority 86 percentage of respondents chose to have breakfast in the hostel. The second largest portion of respondents (41%) desired to experience the Finnish sauna. There are 39% of respondents who want to have the service of pick-up from airport and railway station, and 10% of respondents want to be guided. Few of respondents (10%) want to have additional services in the hostel, for instance, car or bike renting, Gym, or baby stuff, etc.

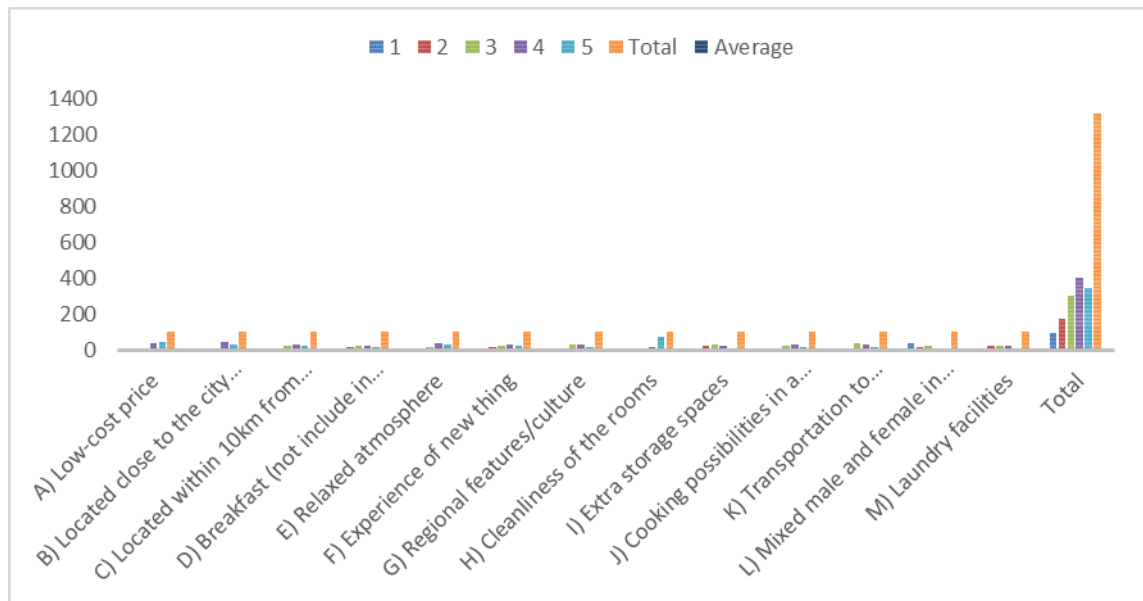


Figure 22: How important of services provided by hostel (N=100)

This is a question about the degree of importance of comprehensive services or requests of staying in a hostel from those respondents. Figure 22 illustrates that the biggest portion of respondents (Totalled 103 persons) chose factor of location that close to the city center. The service of separate male and female in a dormitory. And second important aspects are storage spaces, cooking possibilities and transportation service to attractions.(102 persons) Breakfast, relaxed atmosphere, experience of new things, regional features or culture as well as cleanliness of the rooms are third important aspects of consideration of hostel facilities and services.

The last question was asked about the general evaluation of the respondent who had experiences of staying in a hostel in Finland or other countries, and their suggestions or advice. 31 respondents have answered this question. The basic thoughts that respondents provided were that there are only very few respondents who had experience of staying in the hostel accommodation, and most of them never stayed in a hostel in Finland. There are some examples of the answers.

“I never been in hostel in Rovaniemi or Finland. Last experience is from Poland and there was very nice, simple room with a king sized bed. That was basically

all I needed.” “I have never stayed in a hostel in Finland, but in UK and Ireland. Usually there breakfast (usually toast, cereals and tea/coffee etc.) is included to the price which is one of the most important reasons why I choose to use specific hostels. Because what is the use of cheap accommodation if you have to buy breakfast.”

“My experience whiling staying in a hostel in Copenhagen and Hamburg is that they were located in the city center, very close to tourism attractions and offered competitive prices.”

“I don't have any experience of staying at Hostel and I don't really want to experience that, but if I would, I'd accept that only with all aspects which I chose in this questionnaire.”

“I have stayed in a hostel during my visit in Helsinki and the hostel was okay considering its price; room for two, common kitchen area, shower room and a possibility to have breakfast. It was also within a walking distance to the desired attraction.”

“Some of the too far from city center.” “Hostels around the world are usually very cheap, as they should be. In Finland, they are expensive. That is why it is good to check also hotels etc. while staying in Finland, because the price might be almost the same in a hotel as in a hostel.”

“Parking place is very important in a hostel/hotel service.” “Also cleanliness and friendly staff are important matters.” “Mainly positive experiences.”

For those people who had experiences of staying in hostel, there were three important aspects they have mentioned; reasonable price, convenient location close to the city center or tourist attractions, as well as safe space for the luggage storage. In addition, the suggestions that they have written for operating a hostel is safety or privacy of personal staffs, parking availability and cleanliness of restroom.

5.3 Outlook of Result

In conclusion, the majority of respondents are students who have experience of travelling to Rovaniemi, Northern Finland or have plans to visit Rovaniemi. They are mainly from the age group of 18-25. The second and third groups were professionals and teachers in schools. As for their nationality, most respondents are from Finland, and the rest of them come from different nations, such as Russia, France, Germany, but they are from European countries. Except for the group of students, there were many people who visit Rovaniemi for recreational purposes, and they often like to travel with family members. Additionally, the channel that most respondents will use is worldwide reservation website, for instance, Booking.com and Trip Advisor, to name a few. There are a few respondents who will use official webpage of regional tourist information center to find needed information or stay at friend's place on a holiday. Consideration of high price level in Northern Finland that people will cost on the travelling, many respondents chose to stay in hostel or other low-cost accommodation in Rovaniemi. We can see that the requests of respondents are various, mainly about reasonable price, convenient location which is near the central area of city or tourist attractions, as well as the quality of living environment. Furthermore, the price for staying one night in hostel that is located in city center of Rovaniemi, is between 30 to 40 EUR during the off-season, whereas the price level will be reasonable from 61 to 70 EUR in the winter season.

From this survey, we can easily come up with conclusion of motivation and demanding of people who accept to stay in hostel during the holiday in Rovaniemi. The general cost to travel in Northern Finland is exorbitant. Under this situation, people will consider choosing a hostel or other low-cost accommodation. Nevertheless, people are demanding of unending requirements and benefit of what they pay for. There are not only fundamental requests of a accommodation sector provide they need, but also additional services which might be completely more than a hotel could offer. As part of respondents expressed, the accessible parking place, hygiene of room and

restroom, and a safety place to store the luggage or valuable items and are becoming significant indicators of a hostel.

5.4 SUGGESTIONS

Based on the analysis of the results of the two online surveys with 200 respondents, the author provides some reliable suggestions for those managers or entrepreneurs in the hostel sector about seeking for opportunities and avoid of mistakes during the operation and make the improvements for products or services. As for future hostel entrepreneurs, there are outcomes of motivations and needs of tourists to study to meet their expectations.

For customers who will stay in a hostel when they visit Rovaniemi, they have various requests for hostel services. Firstly, for those people who had experiences to stay in hostel might ask for a benefit or extra offers of what they have to pay for. It is important for hostel owners to make a balance between the price, types of services that can prepare for customers, and provide quality. As everybody knows the general price will be spent on accommodation in Lapland is costly compared to other European countries. At the same time, people demand for additional value of what they already pay for. For instance, we can see from Question 16 in the survey that people have several needs that are impossible to satisfy holistically. However, the indicators of location, hygiene and safety issue are basic but pivotal aspects to achieve.

Secondly, as results have shown that the group of family members is a superior choice that people like to travel with. In this case, the family type of room in a hostel is necessary for these customers. The family room, which accommodates 4 to 6 persons, could be a plan of setting up the rooms of a hostel.

Thirdly, expect the condition of low price in a hostel; people will more consider the location, which is better near the central area of Rovaniemi or tourist attractions. Besides, the brand-new experience of regional culture that is involved in a relaxed atmosphere is the desire of customers.

6 CONCLUSION

The purpose of this thesis was to understand the motivations and needs of those people who will choose to stay in a hostel when visiting Rovaniemi. The objective was to explore the products or services a hostel needs to adapt for the tourism business environment, and development of the tourism industry in the accommodation sector in Northern Finland, as well as to analyze the tendency of development of the accommodation sector in order to face future challenges. In addition, the respondents or potential tourists' satisfaction level of staying in a hostel in Rovaniemi was also studied in the research. Furthermore, the aim was to provide a point of view or suggestions to entrepreneurs who have an interest to start a hostel business in Rovaniemi, to show them the processes, which they can start from, and for those hostel managers or entrepreneurs with a picture of what people need and expect when staying in a hostel. The most important is to improve the products or services to enhance competitiveness and be innovated in operation in the Lappish tourism market. From this thesis, the reader might acquire the knowledge of consumption motivations, needs and suggestions from tourists and target customers for development of hostel accommodation, as well as the knowledge and prospects of starting a hostel business in Northern Finland. From the survey, we can figure out the motivations and expectations of people choosing a hostel as a rest place in Rovaniemi and their evaluation and feedback regardless of hostel experience. This thesis will help the hostel managers or entrepreneurs to make improvements in the hostel business to attract more tourists that are international.

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APPENDICES

- | | |
|-------------|--|
| Appendix 1. | Cover Letter of researched motivation |
| Appendix 2. | Questionnaire of Hostel Research for student group |
| Appendix 3. | Questionnaire of Hostel Research for tourists |
| Appendix 3. | Outcomes of survey |

Cover Letter for the survey

Appendix 1

Hello All,

I am studying International Business at Lapland University of Applied Science and recently doing my bachelor thesis, which is about research of feasibility of operating hostel business in Rovaniemi based on my previous business idea. Filling out of this survey questionnaire will take approximately 10 minutes of your time and which will provide me of valueless information regardless of my studies. All the information would be only used for my research. This is what it is all about.

Thank you for your time!

Yuan Zhou

Demanding and motivations of Choosing Hostel

1. Gender

- Male
- Female

2. Age

- 18-25
- 26-35
- 36-45
- 46-55
- Above 55

3. Nationality

- Finnish
 - Swedish
 - British
 - American
 - African
 - Chinese
 - Vietnamese
 - Other, which?
-

4. Occupation

- Student
 - Teacher
 - Business
 - Worker
 - Manager
 - Professionals
 - Unemployed
 - Retired
 - Other, what?
-

5. What is the purpose of your visit in Rovaniemi?

- Study
- Work
- Leisure trip
- Business trip
- Other, what?

6. Who do you normally travel with?

- Alone
- Friends
- Family members

7. Which of the following channels do you use to find an accommodation on a holiday? (Multiple choice question)

Google / another searching engines
Reservation system (e.g. Booking.com) Other, which?

Destination website
 Newspaper/ magazine/ brochures
Other, which?

8. Which types of accommodation will you choose to stay in Rovaniemi in the first place?

- Hotel
- Cottage
- Cabin
- Hostel (another low-cost accommodation if available)
- Airbnb
- Other, what?

9. Considering the price, which type of accommodation will you chose.

- Hotel
- Cottage
- Cabin
- Hostel (another low-cost accommodation if available)

- Airbnb
 - Other, what?
-

10. Do you know the price level in Lapland before you made the decision of selecting accommodation?

- Yes
- No

11. If you choose “Hostel” which factors will you consider. (Multiple choice question)

- Location
 - Price
 - Quality
 - Other, what?
 -
-

12. What price level of hostel would be suitable if it is located in city center of Rovaniemi?

- 30-40 euro/ night / person
 - 41-50 euro/ night/ person
 - 51-60 euro/ night/ person
 - Maximum
-

13. What is the highest price that you accept of staying Rovaniemi in the Winter season/ Hot season?

- 41-50 euro/ night/ person
 - 51-60 euro/ night/ person
 - 61-70 euro/ night/ person
 - Maximum?
-

14. How many persons could be in one room if you have chosen "Hostel"?

- 4
 - 6
 - 8
 - 10
 - Maximum?
-

15. Select the services that you would like to use of staying Hostel.
(multiple choice of question)

- Breakfast
- Finnish Sauna
- Guiding service
- Pick-up from Airport/ Railway Station

Other, which?

16. How important do you consider the following aspects at a Hostel in Rovaniemi?

1=Not important at all

2= Not very important

3= Do not know

4= Fairly important

5= Very important

	1	2	3	4	5
A) Low-cost price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Located close to the city center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Located within 10km from the city center (transportation is available)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Breakfast (not include in price)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Relaxed atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Experience of new thing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Regional features/culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Cleanliness of the rooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Extra storage spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J) Cooking possibilities in a small-scale kitchen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K) Transportation to attractions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

L) Mixed male and female in a room

M) Laundry facilities

17. What is your evaluation of previous experience of stayed at Hostel in Finland or other countries or any questions or suggestions of my questionnaire?

Demanding and Motivations of Choosing Hostel to stay on a holiday in Rovaniemi

1. Gender

- Male
- Female

2. Age

- 18-25
- 26-35
- 36-45
- 46-55
- Above 55

3. Where are you from?

- Finland
- Scandinavian countries
- European countries
- North or South America
- Africa
- Asia
- Name your home country here_____

4. Occupation

- Student
- Worker
- Manager
- Professional
- Retired
- Unemployed
- Other, what _____

5. If you have visited or you have plans to visit Rovaniemi, what would be the main reason?

- Study
- Work
- Leisure trip
- Business trip
- Other, what _____

6. Who do you normally travel with?

- Alone
- Friends
- Family members
- Colleagues
- Other, what _____

7. Which of the following channels do you use to find an accommodation on a holiday? (Multiple choice question)

Google / another searching engines
Reservation system (e.g. Booking.com) Other, which?

Destination website
 Newspaper/ magazine/ brochures

Other, which?

8. Which types of accommodation will you choose to stay in Rovaniemi in the first place?

- Hotel
- Cottage
- Cabin
- Hostel / low-cost accommodation
- Airbnb
- Other, what _____

9. Do you know the price level in Lapland?

- Yes
- No

10. If you choose "Hostel" then which factors will you consider? (Give a rank of each factor, from lowest to highest)

	1	2	3	4
Price				
Location				
Quality				

11. What price level of hostel would be suitable if it is located in city center of Rovaniemi?

- 30-40 euro/ night / person
- 41-50 euro/ night/ person
- 51-60 euro/ night/ person
- Other _____

12. What is the highest price for staying one night in hostel?

13. If you travel to Rovaniemi during the winter season, then what is price you will accept to stay in hostel?

- 41-50 euro/ night / person
- 51-60 euro/ night/ person
- 61-70 euro/ night/ person
- Other_____

14. How many persons could be in one room if you have chosen “Hostel”?

- 4
- 6
- 8
- 10
- Other_____

15. Select the services that you would like to use of staying Hostel.
(multiple choice of question)

- Breakfast
- Finnish sauna
- Guiding service
- Transportation to attractions
- Pick-up from/to Airport/Railway station/ bus station

- Storage service (valuable item)
- Laundry service
- Room service (cleaning, morning call, etc.)

16. How important do you consider the following aspects at a Hostel in Rovaniemi?

1=Not important at all

2= Not very important

3= Do not know

4= Fairly important

5= Very important

	1	2	3	4	5
A) Low-cost price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Located close to the city center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Located within 10km from the city center (transportation is available)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Breakfast (not include in price)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Relaxed atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Experience of new thing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Regional features/culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Cleanliness of the rooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Extra storage spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- J) Cooking possibilities in a small-scale kitchen
- K) Transportation to attractions
- L) Mixed male and female in a room
- M) Laundry facilities

17. What was your evaluation about previous experiences that stayed at hostel in Finland/other countries, or any questions/suggestions of my questionnaire?

1. Gender

	Gender
Male	30
Female	71

2. Age

	Age
18-25	51
26-35	28
36-45	8
46-55	7
Above 55	7

3. Nationality

	Nationality
Finnish	59
Swedish	1
British	1
American	1
African	1
Chinese	6
Vietnamese	14
Other, which?	18

Open text answers: Other, which?

- Russian
- Austrian
- Russian
- Japanese
- Austria
- Russian
- German
- Hungarian
- Slovak
- Bangladesh
- French
- Russian
- Russian
- French
- Russian
- Italian
- Australian
- Russian

4. Occupation

	Occupation
Student	69
Teacher	6
Business	2
Worker	6
Manager	5
Professionals	9
Unemployed	0
Retired	0
Other, what?	4

Open text answers: Other, what?

- Employee
- Both student and worker
- Physiotherapist
- Travel Consultant

5. What is the purpose of your visit in Rovaniemi?

	What is the purpose of your visit in Rovaniemi?
Study	51
Work	14
Leisure trip	28
Business trip	0
Other, what?	8

6. Who do you normally travel with?

	Do you normally travel with?
Alone	34
Friends	25
Family members	42

7. Which of the following channels do you use to find an accommodation on a holiday? (Multiple-choice question)

	Which of the following channels do you use to find an accommodation on a holiday? (Multiple choice question)
Google / another searching engines	66
Reservation system (e.g. Booking.com) Other, which?	68
Destination website	34
Newspaper/ magazine/ brochures	5
Other, which?	14

Open text answers: Reservation system (e.g. Booking.com) Other, which?

- TripAdvisor
- booking
- Airbnb
- booking, hostel world, Airbnb
- Trivago
- hotel website
- hotels.com

- Trivago
- Airbnb
- hotels.com
- Agoda
- Momondo
- Airbnb&Booking.com
- Momondo
- Trivago TripAdvisor
- hotels.com trivago.com
- Booking.com TripAdvisor
- Airbnb, hotel/hostel world
- hostelworld.com, Airbnb
- agoda.com
- airbnb.com
- Booking.com
- Airbnb

Open text answers: Other, which?

- friends
- Airbnb
- Airbnb
- My friend recommendation
- My friends home
- information from locals, bloggers or TripAdvisor
- Couchsurfing
- Airbnb, Couchsurfing
- Ask friends
- my friends
- TripAdvisor
- friends network
- local tourist office webpages
- I know the place

8. Which types of accommodation will you choose to stay in Rovaniemi in the first place?

	Which types of accommodation will you choose to stay in Rovaniemi in the first place?
Hotel	44
Cottage	9
Cabin	4
Hostel (another low-cost accommodation if available)	23
Airbnb	17
Other, what?	4

Open text answers: Other, what?

- Couchsurfing or something really cheap
- friends apartments
- Friend's place
- Family

9. Considering the price, which type of accommodation will you chose.

	Consideration of price, which type of accommodation will you stay.
Hotel	40
Cottage	7
Cabin	3
Hostel (another low-cost accommodation if available)	30
Airbnb	20
Other, what?	1

Open text answers: Other, what?

- One union (professional) has beds for the members

10. Do you know the price level in Lapland before you made the decision of selecting accommodation?

	Do you know the price level in Lapland before you made the decision of selecting accommodation?
Yes	76
No	25

11. If you choose "Hostel" which of following factors will you consider? (Multiple-choice question)

	If you choose “Hostel” which factors will you consider? (Multiple choice question)
Location	65
Price	75
Quality	65
Other, what?	6

Open text answers: Other, what?

- Hostel has to be clean
- I choose hotel
- Wi-Fi and bikes
- services offered
- Reviews
- Safety, hygiene

12. What price level of hostel would be suitable if it is located in city center of Rovaniemi?

	What price level of hostel would be suitable if it is located in city center of Rovaniemi?
30-40 euro/ night / person	48
41-50 euro/ night/ person	39
51-60 euro/ night/ person	12
Maximum?	2

Open text answers: Maximum?

- 20
- 70

13. What is the highest price that you accept of staying Rovaniemi in the winter season/ hot season?

	What is the highest price that you accept of staying Rovaniemi in the Winter season/ Hot season
41-50 euro/ night/ person	24
51-60 euro/ night/ person	32
61-70 euro/ night/ person	36
Maximum?	9

Open text answers: Maximum?

- 90
- 30

- 100
- 80
- 120
- 120
- 110
- 100
- 200

14. How many persons could be in one room if you have chosen "Hostel"?

	How many persons could be in one room if you have chosen "Hostel"?
4	67
6	14
8	6
10	1
Maximum?	13

Open text answers: Maximum?

- 3
- 1
- 2
- 2
- 1-2
- 1
- 2
- 2
- 2
- 2
- 2
- 12
- 3

15. Select the services that you would like to use of staying Hostel. (Multiple choice of question)

	Select the services that you would like to use of staying Hostel. (multiple choice of question)
Breakfast	86
Finnish Sauna	41
Guiding service	23
Pick-up from Airport/ Railway Station	39
Other, which?	10

Open text answers: Other, which?

- Wi-Fi
- Wi-Fi
- Renting cars or bikes
- Just bed
- Gym
- free Wi-Fi
- clean and comfortable room and space
- Bikes
- Nothing
- baby stuffs

16. How important do you consider the following aspects at a Hostel in Rovaniemi? 1=Not important at all 2= Not very important 3= Do not know 4= fairly important 5= Very important

	1	2	3	4	5	Total	Average
A) Low-cost price	1	10	8	38	44	101	4.13
B) Located close to the city center	2	10	14	44	33	103	3.93
C) Located within 10km from the city center (transportation is available)	5	8	28	33	28	102	3.7
D) Breakfast (not include in price)	7	20	26	28	20	101	3.34
E) Relaxed atmosphere	2	6	16	43	34	101	4
F) Experience of new thing	5	15	22	34	25	101	3.58
G) Regional features/culture	5	12	33	36	15	101	3.44
H) Cleanliness of the rooms	0	1	5	21	74	101	4.66
I) Extra storage spaces	6	26	36	22	12	102	3.08
J) Cooking possibilities in a small-scale kitchen	6	14	28	33	21	102	3.48
K) Transportation to attractions	7	9	37	34	15	102	3.4
L) Mixed male and female in a room	37	19	27	8	12	103	2.41
M) Laundry facilities	13	22	26	29	11	101	3.03
Total	96	172	306	403	344	1321	3.55

17. What is your evaluation about previous experience that stayed at Hostel in Finland or other countries or any questions or suggestions of my questionnaire?

- I disagree that mixed male and female in a room
 - a bit untidy rooms in Helsinki area
 - not a safe place to leave your luggage
 - some of the too far from city center
 - good
 - Send your questionnaire to your language teacher for a language check before you send it out, there are quite a number of spelling mistakes/unclear formulations. Also, when compiling a questionnaire, make sure your questions are clear and easy to answer (content/structure). It is difficult to answer how much I am willing to pay per night, if I do not know how many people will be staying in the room. African is not a nationality.
 - I think I have stayed in a hostel only in Spain. It is okay, if you only stay a night and move on =)
 - I never been in hostel in Rovaniemi or Finland. Last experience is from Poland and there was very nice, simple room with a king sized bed. That was all I needed.
-
- Hostels around the world are usually very cheap, as they should be. In Finland, they are expensive. That is why it is good to check also hotels etc. while staying in Finland, because the price might be almost the same in a hotel as in a hostel.
 - I have never stayed in hostel, (always in hotel)
 - Parking place is very important in a hostel/hotel service.
 - I have never stayed in a hostel in Finland, but in UK and Ireland. Usually there breakfast (usually toast, cereals and tea/coffee etc.) is included to the price which is one of the most important reasons why I choose to use specific hostels. Because what is the use of cheap accommodation if you have to go and buy breakfast somewhere else?
-
- In addition, cleanliness and friendly staff are important matters
- My experience whiling staying in a hostel in Copenhagen and Hamburg is that they were located in the city center, very close to tourism attractions and offered competitive prices.
 - No previous hostel experience (usually B&B or small hotel).
Your questionnaire was easy to follow.
Good luck with your studies!
 - Moderately satisfied
 - I did not choose hostel, I chose hotel. Always.
 - No idea about hostel
 - ok
 - Always respect the culture of the country you are visiting.
 - I do not have any experience of staying at Hostel and I do not really want to experience that, but if I would, I would accept that only with all aspects,

which I chose in this questionnaire.

- Expensive
 - Not been in Hostel.
 - WC area should be clean anyway
 - I have stayed in a hostel during my visit in Helsinki and the hostel was okay considering its price; room for two, common kitchen area, shower room & a possibility to have breakfast. It was also within a walking distance to the desired attraction.
-
- Mainly positive experiences
 - I do not have previous experience about hostels.
 - So far, the hostels have been well accommodative. They can improve on more advertising online.
 - Good success in your work :)
News If you want to read
<http://www.theepochtimes.com/>
 - I have never stayed hostel or hotel in Finland but i did stay when I was Sweden, a hostel in the center of Stockholm. It was a very good moment when they have kitchen and bathroom for tourist.
 - I stayed in a hostel in Uppsala. It was a same-sex kind of room for four. It was okay. We had a fully equipped kitchen, very clean-shared bathroom, and easy access to main city attractions.
-
- The best hotel I have ever seen in Australia is Soul service apartment near by surfer paradise in Gold Coast, which location is the best one here, only take 1 minutes to the beach, and they do have a nice sea-view swimming pool, this is really important for leisure! I think location, service is the most important when I choose the hotel, I will look about others' evaluation online and then to make a decision!
 - How to be security if the travelers choose to stay in the hostel or Airbnb, which is sharing the room with somebody?