

THESIS

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**MARKETING RESEARCH AND ENTRY
MODE SUGGESTIONS,
CASE TURIJOBS TOURISM SERVICES S.L.**



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Thesis

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Commissioned by: Turijobs Tourism Services S.L.

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The thesis can be borrowed.

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The thesis was conducted for the Spanish company Turijobs Tourism Services S.L., which operates in the tourism employment sector. The interest in the subject has risen during the practical training period of one of the authors in the company.

The goal of this work was to investigate which factors are to be taken into consideration when planning the entry into the Russian market. The theoretical part consists of two different sets. The first one describes how a marketing research should be conducted, which technics should be used and what marketing research divisions exist. The second part contains the information about the international market entry strategies, the SWOT analysis and factors influencing the decision making process.

The practical part describes the application of the marketing research and the formulation of the entry mode strategy. During the research the main competitors as well as the potential customers have been identified. It has been discovered that there are no competitors focusing on the tourism labour market specifically, but on the labour market in general. The analysis has shown that the Russian tourism market is narrow nowadays. However, on the positive note it is slowly developing.

The environmental research has given an understanding of the Russian tourism sector in general. Based on the results of research suitable pricing, promotion and placement strategies have been chosen. After the research has been completed, the conclusion that the Russian market can be seen as a niche market for the tourism labour services has been made.

The final part of the thesis contains the information on the market entry mode. It has been decided that the franchising would be the most suitable way of entering. The further recommendations to the commissioner were given.

Key words: Marketing research, international entry, entry modes, tourism employment

CONTENTS

1 INTRODUCTION	1
2 MARKETING RESEARCH.....	3
2.1 MARKETING RESEARCH PROCESS	3
2.2 DIVISIONS OF MARKETING RESEARCH.....	5
2.3 MARKETING RESEARCH TECHNIQUES.....	6
2.3.1 Quantitative Research	7
2.3.2 Qualitative Research.....	7
2.3.3 Secondary Data Analysis.....	8
3 INTERNATIONAL MARKET ENTRY STRATEGIES	9
3.1 SWOT ANALYSIS	9
3.2 INTERNATIONAL MARKETING STRATEGY.....	10
3.3 ENTRY MODES	11
3.3.1 Exporting.....	12
3.3.2 Licensing	12
3.3.3 Franchising.....	13
3.3.4 Joint Ventures	13
3.3.5 Greenfield Venture.....	13
3.3.6 Manufacturing.....	14
3.3.7 Contract Management	14
3.4 FACTORS AFFECTING SELECTION OF ENTRY MODE	14
3.4.1 Firm-Specific Resource Advantages	14
3.4.2 Country-Specific or Location Advantages	15
3.4.3 Internal Coordination or Administrative Advantage.....	15
4 APPLIED MARKETING RESEARCH.....	16
4.1 COMPETITOR ANALYSIS	16
4.1.1 Direct Competitors.....	17
4.1.2 Indirect Competitors	20
4.2 DIVISIONS OF MARKETING RESEARCH.....	21
4.2.1 Customer Research	21
4.2.2 Advertising and Promotion Research.....	26
4.2.3 Product Research	29
4.2.4 Distribution Research.....	29
4.2.5 Sales Research	30
4.2.6 Market Environment Research	30
5 ENTRY STRATEGY.....	33
5.1 SWOT ANALYSIS	33
5.2 MARKETING MIX STRATEGIES	35
5.2.1 Product Strategy.....	35
5.2.2 Pricing Strategy.....	36
5.2.3 Place Strategy.....	37
5.2.4 Advertisement Strategy.....	37
5.3 ENTRY MODE.....	38
6 CONCLUSION	40
BIBLIOGRAPHY	44

1 INTRODUCTION

Turijobs Tourism Services S.L. is an Internet portal, specialized in the employment in the tourism sector. Turijobs Tourism Services has been operating on the Spanish market since the year 2001. The enterprise was established in order to fill in the market gap detected by the company owner.

Along the process of the development of the company the owner has been using various tools of business expansion. Thus, in 2004 Turijobs Tourism Services S.L. has acquired a customer database of a competitor. The commissioner has always paid a lot of attention to the technical point of the business. A lot of investments have been made into the technical innovation and improvement of usability of the company's webpage.

In 2008 Turijobs Portugal was launched. Next year the company opened an office in Mexico D.F. In 2010 Turijobs Latin America started to operate. Thus by the time the author started her training period, the company already had a vast experience in international market entry. The owner of the enterprise has always been interested in the Russian market; however, the conduction of marketing research was impossible due to the language barrier.

In June 2010 the other author of the thesis started her advanced practical training in Tourijobs Tourism Services S.L. Since the author is a native Russian speaker, the investigation of the Russian market became one of the main tasks for the practical training period.

It was agreed that prior the research a substantial amount of information about the company must be obtained. That is why the author got down to the marketing research only at the fourth week of the practical training period.

Initially the aim was to investigate the competition question. Along the research process it was agreed to make a detailed research on the Russian tourism sector.

In the project tree main goals are pursued. First of all, to do a research on the Russian tourism employment sector and to find out information on the main

competitors, potential customers and the general market environment. The second aim is to develop an appropriate market entry strategy rest upon the gained information. Finally the most suitable entry mode for Turijobs Tourism Services S.L. should be suggested.

2 MARKETING RESEARCH

Marketing research is defined by the American Marketing Association as the function which links the consumer, customer and public to the marketer through information. This information is used to identify and define marketing opportunities and problems, generate, refine and evaluate marketing actions, monitor marketing performance and improve the understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data-collection process, analyses the results, and communicates the findings and their implications. (Proctor 2005, 3.)

2.1 Marketing Research Process

David Jobber defines five steps of the marketing research process. First of all the researcher should carry out a research planning. The start of the planning process is usually the identification of the marketing problem and outlining the research objectives. Then the description of the research decision must be made, including the survey methods, the type of sample, the sample size and how the fieldwork will be controlled. The timetable must be set, explaining if and when the report will be produced. Decisions made at the research planning stage will fundamentally affect what is done later. (Jobber 2004, 180-195.)

After the research planning stage the exploratory research should be conducted. This involves the preliminary exploration of a research area prior to the main quantitative data collection stage. The exploratory research helps the researcher to understand the market that is being researched and the people who are to be interviewed during the main data collection. Thus the researcher will design the main survey stage employing the knowledge gained rather than basing the design of survey on the prejudices and guesswork. A major purpose of the exploratory research is to guard against the sins of omission and admission. The sin of omission refers to failing to research the problem in enough detail. The sin of admission is collecting data that are irrelevant to the marketing problem. (Jobber 2004, 180-195.)

The third stage of the marketing research is the main quantitative data collection. David Jobber describes two types of the main quantitative data collection – the descriptive research and the experimental research. The Descriptive research may be undertaken to identify customers' beliefs, attitudes, preferences, behavior etc. The goal of the experimental research is to establish cause and effect. This involves the setting up of control procedures to isolate the impact of a factor on a dependent variable. The key to successful design is the elimination of changes in the dependent variable. One of the most popular ways to realize the experimental research is to use the random sampling. Both the descriptive and experimental researches require the interviewing process. Before conducting the interview the researcher decides on the sampling process (who and how many people to interview), the survey method (how to interview them) and the questionnaire design (what questions to ask). (Jobber 2004, 180-195.)

The fourth stage of the marketing research process is data analysis and interpretation. The analysis of questionnaire data may be presented at the descriptive level (e.g. means, standard deviations and frequency tables) or on a comparative basis (e.g. cross tabulations and t-tests). Great care is needed when interpreting marketing research results. One common failing is to infer cause and effect when only association has been established. Special attention must be put to the interpretation of the means and percentages. Given that a sample has been taken, any mean or percentage is an estimate subject to sampling error, which is an error in an estimate due to taking a sample rather than interviewing the entire population. (Jobber 2004, 180-195.)

The final stage is report writing and presentation. The researcher must make sure that the final report contains the following points: preface (outline of agreed brief, statement of objectives, scope and methods of research), summary of conclusions and recommendations, previous related research (how a previous related research has had a bearing on this research), research methods and research findings, conclusions. (Jobber 2004, 194-195.)

2.2 Divisions of Marketing Research

Marketing research has developed a number of broad divisions covering the range of problems and decisions which the researcher is ought to handle. Proctor has specified the following issues to think about when conducting a marketing research: customer or market research, advertising and promotion research, product research, distribution research, sales research and marketing environment research. (Proctor 2005, 9.)

Customer and market research can produce quantitative facts about particular market segments, for example the size of the market in terms of both unit sales and value. It can also provide information on where customers are located, their spending patterns, their earnings and their creditworthiness. It can also explain why customers prefer one brand to another and what price they are willing to pay. Market research can also provide information about market share of all the firms opening in a market or market segment. (Proctor 2005, 9.)

Advertising and promotion research measures the success of advertising campaigns in relationship to their objectives. Advertising research can provide information on which medium is most likely to reach the target audience for the specific campaign. It also provides information about what messages are most likely to appeal to the target audience. (Proctor 2005, 10.)

Product research helps to find additional uses for existing and potential products or services. It also helps in case of new product ideas, to test out the product concept with potential users and purchases before the expensive process of product development. Product research helps to provide an effective assessment to the strengths and weaknesses of a product or services in comparison with competitors` products or services. (Proctor 2005, 11.)

Distribution research helps to find the best channels of distribution for the product and helps in the selection of appropriate distribution channel members. With regard to physical distribution, the research indicates the best sites for warehouse and retail locations. (Proctor 2005, 12.)

Sales research helps to assess and measure the effectiveness of different methods and techniques of selling. It provides information on the suitability of remuneration methods and levels for motivating the sales force. Research is also concerned with sales training and can provide extensive feedback on the quality of sales presentation made by the sales staff. (Proctor 2005, 12.)

Marketing environment research examines the political, economic, social and technological influences that may impact on a firm's marketing operations. In case of the political aspect of the environment, changes in government can affect trading conditions and these need to be anticipated on a worldwide basis. The economic climate within which a business operates can have temporary or more permanent effect on the business activities of the enterprise. Attention must be paid to such influences when planning, and research helps to assess the impact of political and economic factors. Social factors can also have an impact on some businesses. Population explosions or declines directly influence the demand for certain goods. The research provides information on which factors are relevant and how they impinge on the organization's activities. Technological influences can have a sudden and dramatic impact on the fortunes of a business. A technological breakthrough can make currently successful products and processes obsolete in a very short space of time. Due to the research it is possible to monitor the technological progress and provide advance notice of new developments. (Proctor 2005, 13.)

2.3 Marketing Research Techniques

After defining the aims of the research process, the marketing research can use different types of research techniques and methodologies to capture the required data. The choice of methods depends on the suitability of the method for addressing the problem set and the research strategy. All the existing methodologies either collect quantitative or qualitative information.

2.3.1 Quantitative Research

This method is numerically oriented, requires significant attention to the measurement of market phenomena and often involves statistical analysis. For example, a bank might ask its customers to rate its overall service as excellent, good, poor or very poor. This will provide quantitative information that can be analyzed statistically. The main rule with the quantitative research is that every respondent is asked the same series of questions. The approach is very structured and normally involves large numbers of interviews/questionnaires.

Perhaps the most common quantitative technique is the 'market research survey'. These are basically projects that involve the collection of data from multiple cases – such as consumers or a set of products. Quantitative surveys can be conducted by using post (self-completion), face-to-face (in-street or in-home), telephone, email or web techniques. The questionnaire is one of the more common tools for collecting data from a survey, but it is only one of a wide ranging set of data collection aids (DJS Research Ltd. 2010. Online).

2.3.2 Qualitative Research

This type of research provides an understanding of how or why things are as they are. For example, a market researcher may stop a consumer who has purchased a particular type of bread and ask him or her why that type of bread was chosen. Unlike quantitative research there are no fixed sets of questions but, instead, a topic guide (or discussion guide) is used to explore various issues in-depth. The discussion between the interviewer (or moderator) and the respondent is largely determined by the respondent's own thoughts and feelings.

As with quantitative techniques, there are also various types of qualitative methodologies. Research of this sort is mostly done face-to-face. One of the best-known techniques is market research group discussions (or focus groups). These are usually made up of 6 to 8 targeted respondents, a research moderator whose role is to ask the required questions, draw out answers, and encourage

discussion, and an observation area usually behind one way mirrors, and video and/or audio taping facilities” (DJS Research Ltd. 2010).

2.3.3 Secondary Data Analysis

When a researcher is collecting new information – for example, by interviewing respondents – he is realizing a primary research. When the researcher is using data, compiled by other people, he is making a secondary research. (Jobber 2004, 181.) The authors decided not to conduct any survey in their research, but use the secondary data analysis. The main reason for this decision is that the Russian official statistic databases already contain the required information. The data needed for the research will be gathered from the Russian national census reports and other official statistic databases.

3 INTERNATIONAL MARKET ENTRY STRATEGIES

After compiling the marketing research and detailed analysis of the acquired information the appropriate entry mode can be chosen. Although, it is essential to employ the SWOT analysis of Turijobs Services S.L. and define its main competitors in order to apply the information on strengths and weaknesses during the development of the marketing strategy.

3.1 SWOT Analysis

The SWOT analysis is a marketing tool used in order to evaluate the company's strengths, weaknesses, opportunities and threats. Therefore, it monitors the internal and external marketing environments of the company. The information used in the SWOT analysis comes from the strategic audit: market analysis and the company analysis (interviews, statistics or meetings). This strategic audit contains different kind of data of various relevance and importance. The task of the SWOT analysis is to define the most important opportunities and threats for the company by matching them with the main strengths (taking advantage of them) and weaknesses (minimizing them). (Kotler – Keller 2009, 89; Kotler et al. 2008, 135.)

Strengths and weakness are the internal factors; they refer to the company and to its products/services. On the other hand, the opportunities and threats are the external factors outside the company but that have an influence on it. The goal of making the SWOT analysis is to exploit and take advantage of the company's strengths, overcome or minimize the weaknesses, to be always aware and to be able to grasp the opportunities and defend the company against the threats. To sum up all mentioned above, the SWOT analysis is a very significant part of the marketing planning. (Westwood 2006, 27.)

3.2 International Marketing Strategy

The Concise Oxford Dictionary defines strategy as the imposition upon an enemy of a place and time and conditions for fighting preferred by oneself. Business strategy may be similarly described. It means choosing a general direction for the firm, together with organization designs, policies, systems and a style of management best suited for beating the competition in the field. Adoption of correct strategies causes the firm to offer the right products to the right market at the right time with the right quality and the right price (Bennett – Blythe 2002, 13).

The effective cultivation of the international marketing strategy requires the development of the marketing mix. The decisions concerning issues of marketing segmentation, market entry, generic marketing strategy as well as other objectives and policies that the firm should pursue in different geographic locations, comprise the basis for the formulation of an appropriate international marketing mix (product, place, price and promotion), which is illustrated in Figure 1. (Marios – Katsioloudes – Hadjidakis 2006, 285.)

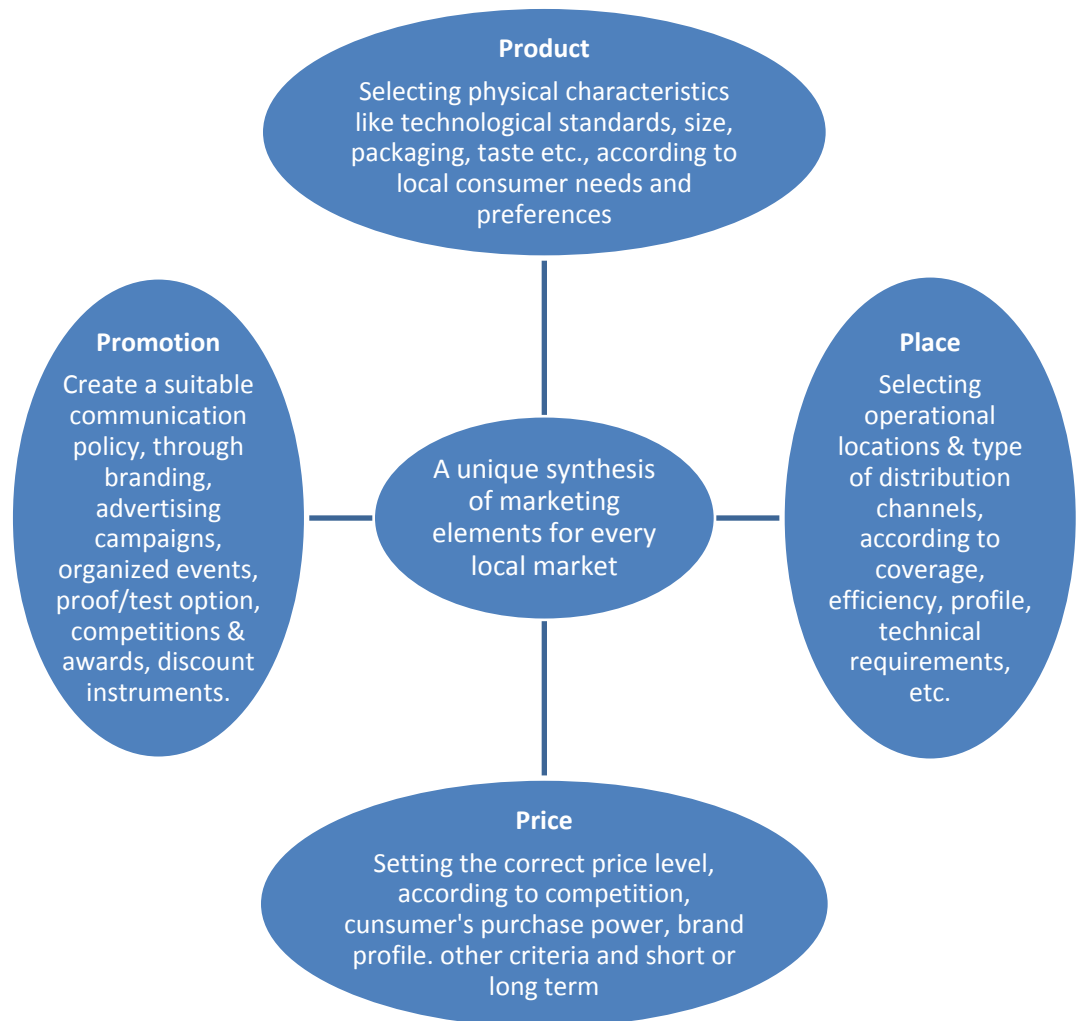


Figure 1. The International Marketing Mix. (Marios – Katsiolouides – Hadjidakis 2007, 285.)

3.3 Entry Modes

After a firm decides to pursue an international strategy, it must choose a mode of entry. Factors affecting the choice of an entry mode are presented in Figure 2. These factors include firm-specific resource advantages, country-specific or location advantages, internal-coordination or administrative advantages, need for control and resource availability. (Ireland – Hoskisson – Hitt 2006, 200).

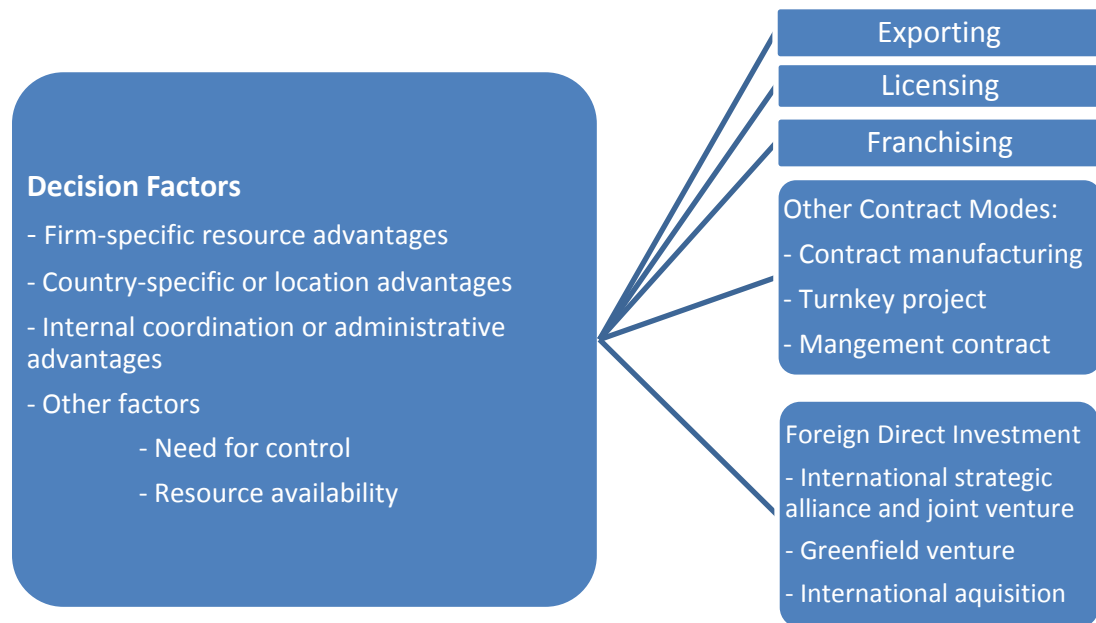


Figure 2. International Modes of Entry and Decision Factors. (Ireland et al. 2006.)

3.3.1 Exporting

Perhaps the simplest and most common form of mode of entry is exporting domestic products to a foreign country. Exporting is the process of sending goods and services from one country to another for distribution, sale and service. The advantage of exporting is that the firm can gradually enter an international market without taking too many risks. Exporting also has the advantage of helping the firm to acquire knowledge about a local market before making large investments (Ireland et al. 2006, 201). Even though this method of market entry sounds quite simple and attractive, it has its disadvantages, such as vulnerability to tariffs, high logistics costs or differences in opinions with distributors.

3.3.2 Licensing

Licensing is the process of entering an international market by leasing the right to use the firm's intellectual property – technology, work methods, patents, copyrights, brand names, or trademarks – to a firm doing business in the desired international market (Ireland et al. 2006, 201). The benefits of this mode are little

direct costs and risks for the licensor. On the other hand, the licensee may adopt the technological process and in the end become the competitor of the licensor.

3.3.3 Franchising

Franchising is the licensing of a good or a service and business model to partners for the specified fees. The franchisor provides trademarks, operating systems and well-known products as well as service support such as advertising, specialized training and quality-assurance programs. (Ireland et al. 2006, 201.)

3.3.4 Joint Ventures

When a company does not have the capacity to analyse and handle a market, it enters into joint ventures. The main reason is to protect itself against political and economical risks. Joint ventures are becoming more and more common in the international markets. There are certain reasons for choosing a joint venture when entering an international market. First of all, due to the joint venture the logistics costs for the parties involved are minimized and the control over supply chain is strengthened. Second, the governmental control over the foreign ownerships is ensured. Last but not the least is the facilitation with personnel in a foreign market. (Srinivasan 2008, 6.)

3.3.5 Greenfield Venture

In a Greenfield venture, a firm buys or leases land, constructs a new facility and hires or transfers managers and employees, and then independently launches a new operation without involvement of a partner. The firm maintains full control of its operations with a Greenfield venture (Ireland et al. 2006, 202-203). Such entry mode is advisable for companies with close contacts with customers, high level of professional expertise of the employees, innovative/ exclusive services, etc. The main disadvantage of the Greenfield venture is high risk and costs at the foreign market and, of course, lack of knowledge.

3.3.6 Manufacturing

The company moves to this direction when it develops an international orientation. This can happen when it has recorded substantial growth in its life cycle with respect to international business. This can motivate the company to invest in the foreign markets and develop its own manufacturing and marketing system (Srinivasan 2008, 6). One of the main advantages of manufacturing is cost saving, by, for instance, maintaining a manufacture in the countries with cheaper labour, moreover, the company can also obtain significant tax deductions.

3.3.7 Contract Management

When the company does not have the requisite managerial and technical talent to exploit its imported assets, a management contract can be signed by the company with another company or the government. Due to this procedure the assets will be managed while the company is developing the required competence (Srinivasan 2008, 6). This mode of entry is not very popular and is used mainly by large companies.

3.4 Factors Affecting Selection of Entry Mode

3.4.1 Firm-Specific Resource Advantages

These advantages are the core competencies that provide a competitive advantage over a firm's rivals. When the success of a firm's entry into an international market relies on transferring core competencies, an entry mode should be used that involves an equity stake. Therefore, a joint venture, an acquisition, and a Greenfield venture represent the best entry mode choices in the cases, because the firm retains more ownership of its competences (Ireland et al. 2006, 203). On the other hand, if the company's competitive advantage depends on its brand name, trademark etc., than franchising or licensing would be a better choice in such a case.

3.4.2 Country-Specific or Location Advantages

This concerns the desirability of producing in the home country versus locating production and distribution assets in the host country. If country-specific advantages for production are stronger in the home country, it is likely that exporting is the best choice for entering an international market. Such location advantages can be influenced by costs of production and transportation requirements as well as the needs of the intended customers. Government policies can also influence the mode entry. For example, high tariffs discourage exporting and encourage local production through direct investments (Ireland et al. 2006, 204). There are other factors that influence the decision making of the entry mode choice, such as cultural differences and economical conditions of the host country, which play a significant role when the costs are being calculated.

3.4.3 Internal Coordination or Administrative Advantage

When a firm outsources the manufacture and distribution of a product, it experiences transaction costs, or the costs of negotiating, monitoring, and enforcing the contract. If these costs are high, a firm may rely on some form of foreign direct investment (FDI) rather than using exporting or contracting as an entry mode (Ireland et al. 2006, 204).

4 APPLIED MARKETING RESEARCH

4.1 Competitor Analysis

Realization of the competitor analysis is an essential element of corporate strategy. Casual knowledge about competitors is often insufficient and an enterprise should collect the information about competitors systematically in order to keep the services and products provided up to the general market level. At the same time, conducting the competitor analysis the company manager must make sure that the perception of the information about the competitors is not influenced by informal impressions and personal attitudes.

The competitor analysis is a very important part of each marketing plan. Before going international a company needs to discover the strengths and weaknesses of current and potential competitors in order to see what is still missing and can be used as a competitive advantage. There are two main stages of competitive analysis. First stage is obtaining the information, second is an attempt to predict competitor behavior with the help of information gained. The goal of the competitor analysis is to understand which enterprises the company is to compete with and what are their strategies and future actions. It is important to realize how the competitors can react to the actions company's actions. The ideal will be to find the way to influence the competitor's behavior to the advantage of own enterprise.

The commissioner of this thesis was especially interested in the competitor analysis. This interest was determined by the fact that the market which the company was planning to enter is completely different from the common firm's market. Russian culture in general and traditions of job seeking are very distinctive. Another problem for the commissioner was a language barrier which did not let the company manager collect any information about the competitors. Therefore, the authors conducted a thorough research of all the types of competitors.

There are two main types of competitors – direct competitors and indirect competitors. Direct competitors target similar customers by offering similar benefits

and values with similar products, technology, and/or business models. Indirect competitors target the same customers and offer similar benefits and values, but have different product, technology, and/or business models. These competitors are an alternative available to the consumers. It is essential to remember that potential consumers have several different options in front of them. Many businesses believe that they only need to be better than their direct competitors and forget about their indirect competitors. However the business is competing against any alternative the consumers can offer. (Capon 2007, 124.)

In order to search for the competitors, the authors decided to look for the jobs in the tourism sector as people normally do in Russia. During the search all the possible choices and options of sources were used, even though the specificity of the commissioner is based on the usage of the Internet.

4.1.1 Direct Competitors

It is settled that all the direct competitors of Turijobs Tourism Services S.L. are the companies which specialize in offering the job seeking/offering facility online, due to specifics of Turijobs business.

Normally, the individuals who are looking for a job and are the active users of the Internet start with one of the following searching portals: www.yandex.ru, www.rambler.ru or www.mail.ru. Google is not very commonly used among Russian citizens. Each of the above mentioned searching navigators has its own jobs' database, where employers place their job offers and the potential employees are posting their curriculum vitae. Furthermore, there are specific websites devoted to the employment seeking in general. Below there is a list of various websites which are considered to be the main competitors in the market field.

www.hh.ru The Head Hunter group also owns some other job searching websites: www.joblist.ru and www.career.ru. The Head Hunter group possesses professional, high quality web pages, which are easy to navigate and use. These portals are the most expensive ones among all the pages found. The simple offer

costs 600 rubles, highlighted within 7 days offer costs 4,500 rubles (120 Euros), and the blind offer costs 3,000 rubles (80 Euros). Moreover, Head Hunters offer various service packages to meet their customers' needs as well as the training for the employees block.

www.rabota.mail.ru The website withholds about 1,549,193 CVs and 56,125 companies offering jobs in different cities of Russia. The site is a bit tricky to navigate and the searching is organized by fields of work alone without division into regions, where the jobs are offered. The number of free offers publishing is unlimited with payments for additional services only.

www.superjob.ru According to the statistics of this page, it contains about 3.5 million CVs and 200,000 registered companies. It is easy to register on the web site, but the page navigation is quite complicated due to variety of search types, which takes time to understand. The information on the prices is rather complicated and variable.

www.rabota.ru holds over 150,000 CVs. This website is very easy to navigate and has a training facility as well as a forum for employees and employers, where they can discuss various matters regarding the employment process and all the other related questions.

www.zarplata.ru contains about 38,934 resumés, easy to navigate. Once a person registers, he/ she can view the contact details of the registered companies and candidates.

www.vacansia.ru The page is very easy to navigate. There is a possibility to place the resumé for a week without registration for the employees. Besides, individuals can also view the job offers. The companies need to register in order to see the contact details of the private profiles. The website offers various services at the additional price, such as highlighting of the offer or profile, etc.

www.job.ru The site contains around 170,000 CVs. The website is quite simple for navigation. Individual candidates do not need to register in order to search for the companies' offers and see their contact details. Companies, on the other hand,

have to be registered users to be able to view personal details of potential candidates. After a registration, the company is allowed to place up to five free orders for a month. After that it needs to choose one of the available service packages, for example, any amount of offers within 14 days costs 2,065 rubles (55 Euros).

www.rosrabota.ru Easy to navigate. Companies have a possibility to submit up to five free offers for three days' time. A simple package of 20 days costs 50 rubles (1.4 Euros) per offer, which is rather cheap compared to other websites. Furthermore, companies and individuals can find training facilities as well as other payment services on this webpage.

www.jobsmarket.ru In order to navigate through this website, one needs to use the key-words in the search bar. Publishing of offers is free of charge. The services related to the actual process of finding a potential employee, such as contacting via email or candidates' data bases, require the additional payment.

www.job-mo.ru holds about 97,175 CVs. The navigation process is also made by key-word and cities. All services are free of charge.

www.turizm.ru/job/ This webpage is dedicated to tourism in general and is not specifically oriented in employment. Easy navigation and without a need to register for individuals to view the contact data of businesses makes it appealing for customers. The registration is free of charge if one wants to register.

www.votpusk.ru/job/ As well as the website mentioned above, this one is not specified in employment either. Navigation on this site is processed by key words and sphere of work. The companies need to register before placing the bids on candidates. Individuals, on the other hand, do not have to have a profile in order to view the contact details of the companies.

www.tourprom.ru/job/ Another tourism-related web source with the job related advertisements. The main features of this website are similar to the ones already mentioned above, but unlike those companies are able to view the candidates' information without registration.

www.turzona.ru/job.php This web page meets the descriptions of the other websites, which the authors described earlier.

www.tourdom.ru is a tourism related portal with a possibility of placing a job offer by the companies and finding work by the individuals. No registration makes it easy to navigate through the pages and find the information needed.

All things considered, most of the above mentioned sources are not aimed at tourism employment services, but have a section related to it. Turijobs Tourism Services S.L., on the contrary is a web source entirely maintained for those who are interested in finding jobs in the tourism sector and/ or looking for employees.

There are quite strong competitors such as Head Hunters Group, which have a huge database of companies and individual profiles, and are rather popular among the job seekers and employers. The Head Hunters provide services at a high cost for the companies – one of the most expensive ones among all of the direct competitors. Turijobs Tourism Services S.L. with its decent pricing could thus become a rival to Head Hunters.

The Russian internet is full of free of charge services, as it can be seen from the list above. On the other hand those websites have a lower level of registered companies and individual resumés, which is a distinct indicator of the lack of quality in their services. This brings more potential for Turijobs Tourism Services S.L. for going on the Russian markets.

4.1.2 Indirect Competitors

As has been previously stated, indirect competitors are those, who target the same customer groups, but offer different products. In the case of Turijobs Tourism Services S.L. the indirect competitors are various human resource consultancy companies, Federal Labour and Employment Offices and many offline agencies aimed at employment services.

Human resource companies offer various employment related services along with helping candidates to find suitable training courses. These companies usually offer quite pricy services which are not in demand on the tourism sector in Russia.

Federal Labour and Employment Offices are not oriented to specific business areas and offer jobs that are in most need at the moment. Tourism companies would rarely use their services due to bureaucracy and a time consuming processing of the employment offers.

4.2 Divisions of Marketing Research

As it has been mentioned above, Proctor defines the following issues to be taken into account when realizing a marketing research: the customer or market research, advertising and promotion research, product research, distribution research, sales research and a marketing environment research. (Proctor 2005, 9.) The authors concerned the specified issues reasonable and helpful when putting the gathered information together into a structural report.

4.2.1 Customer Research

Starting the research, the authors decided to analyze the general situation in Russian tourism sector. Table 1 represents the result of research, held by Russian Federal Tourism Agency in 2007, 2008 and 2009, and contains the forecasts for 2010, 2011 and 2012. The figures indicate that the tourism field in Russia is feebly undeveloped. Thus the sector contribution to GDP in 2009 was only 2.8%. The low number of foreign tourists coming to Russia indicates that neither Russia as the tourism destination is popular nor there are strong barriers preventing the tourism flow. The investors` interest in the tourism sector is also very low, which means that the field does not have enough financial support for the development.

On the other hand, the figures show tendency of a slow but stable growth and positive expectations of the experts. The export of tourism services has grown by almost 30% from the year 2007 till 2009. The contribution of the tourism sector to GDP has increased by 0.6% in the years 2008 and 2009, which indicates the

overall growth in financial operations in the tourism sphere. The rapid growth of the accommodation services sales confirms that fact as well (32,849 Billiards of Rubles within two years).

Table 1. General Figures of Situation in Tourism Sector in Russia

Indicators	Measure	2007	2008	2009	2010	2011	2012
The export of tourism services	Milliards rubles	679.6	796.3	913.0	1,029	1,146	1,250
The sales volume of accommodation services (hotels and other accommodation types)	Milliards rubles	74,711	92,622	107,560	130,140	157,460	190,520
The tourism share in GDP	%	2.2	2.7	2.8	2.9	3.0	3.2
Number of Russian citizens going abroad with the objective of tourism	Millones of people	9.3	11.3	9.5	—	—	—
Number of foreign citizens, coming to Russia with the objective of tourism.	Millions of people	2.2	2.3	2.4	2.5	2.8	3.0
National tourism flow	Millions of people	28.7	30.3	31.8	32.5	34.0	35.0
The capital investment in tourism	Milliards of rubles	709.7	983.3	1,257	1,531	1,804,6	2,100

The number of the Russian citizens going abroad with tourism objective is still quite low, but the national tourism traffic is stable and will be slowly growing according to the experts' prognosis. Though the capital investment in tourism is generally low, there is a positive tendency of a slow growth. The figures indicate the growth of the tourism sector investments of 548 Billiards of Rubles in 2009 compared to the year 2007. What is more, the Federal Travel Agency forecasts further increase in the capital invested by the year 2012. The growing interest of investors secures the development of the Russian tourism sector. (Russian Federal Tourism Agency 2010.)

Turijobs Tourism Services S.L. is targeting a few customer groups. The first group is compiled from enterprises operating in the tourism related field. These are individual hotels and large hotel chains, tourism agencies and professional tourism guide companies, bars and restaurants etc. The main company profit comes from selling to these customers. The enterprises purchase the possibility of posting the advertisement about an open job position on the commissioner's website. Moreover, Turijobs Tourism Services S.L. offers a number of additional payable options to the companies, for example, a search of resumé in a database, a colour highlighting of the advertisement etc.

In order to analyze the customer potential of the Russian market, the detailed information on the amount of companies, operating in the tourism sector was gained. The Federal Tourism Agency of Russia conducted a research in years 2008 and 2009 and due to the research results in year 2008 there were only 5,917 hotels (and other accommodation types) operating in Russia. However, there was a positive tendency of a slow growth in a hotel sector, and in year 2009 6,100 hotels (and other accommodation types) were numbered. The Agency forecasts a further slow growth, expecting that the number of hotels (and other accommodation types) will be 9,200 till the year 2012. The Federal Tourism Agency also reports that the number of travel agencies operating in Russia was 4,535 in 2008. However, it dropped down to 4,248 in 2009. The authors believe that the drop in figures is caused by the international economic crisis which

influenced a lot of Russian companies. Although, this theory cannot be confirmed or refuted since the report for the year 2010 has not been published yet. (Russian Federal Tourism Agency 2010.)

The second target group of Turijobs Tourism Services S.L. is the schools and educational institutions which provide tourism related studies. The Universities place the advertisements about the courses of the degree programmes on the company's website. The advertisements can be placed free of charge, but each of them contains only the very basic information about the education programme only. In order to get more information, a potential student has to fulfill the form on the website. The educational institution pays a fixed price to Turijobs Tourism Services S.L. for every single form fulfilled. It is important to notice that the advertisements of only well known tourism schools with good reputation can be published. According to the Federal Tourism Agency of Russia in 2008 the number of the professional educational institutions dedicated to training in tourism and hospitality was 387. The next year research showed that in 2009 this number grew up till 400. The prognosis of The Federal Tourism Agency of Russia is positive and affirms that there will be at least 404 professional educational institutions dedicated to training in the tourism and hospitality sphere. This draws to a conclusion that young people develop an interest in the tourism sphere more and more. (The Federal Tourism Agency 2010.)

The third target group is compiled of the jobseekers that place their resumé on the website. This group almost does not bring any financial profit to the company (putting the resume is free of charge and there are very few services to purchase), but without the jobseekers the whole business would not have worked out. According to the Russian Federal Service of Government Statistics the economically active population of 15 to 72 years old (both employed and unemployed) in April 2010 was 75 million people. This is about 53% of the total country population. Among the economically active population 68.9 million were classified as employed, and 6.1 million as unemployed. The unemployment level was 8.2% in April 2010. The highest level of the unemployment was fixed in the Northern Caucasus (16.8%), Siberian (10.3%) and Far East Federal Districts

(9.1%). The lowest level of unemployment was registered in the Central District (5.2%). (Russian Federal Service of Governmental Statistics 2010.)

Turijobs Tourism Services S.L. services are mainly meant for the professionals, looking for the jobs in the tourism related sector. Thus, the number of people working in this particular field was of the special interest for the authors. According to the research of the Federal Tourism Agency, there were 1,033,000 people working in the tourism sphere in 2008, which equals to 1.3% of the economically active population. Nevertheless, according to the research conducted by the Federal Tourism Agency in 2009, the number of the employees in the tourism field grew up to 1,078,000. The Federal Tourism Agency has given the positive prognosis, that by the year 2012 at least 1.6% of the economically active population will be working in tourism.

4.2.2 Advertising and Promotion Research

Conducting the advertisement research the authors were mainly answering the question, which promotional means were more likely to reach the target audience. It is important to notice that the different means of the advertisement should be used when reaching the jobseekers, and when reaching the enterprises and the educational universities.

The easiest way to reach the jobseekers is to use the internet advertisement. According to the Fund "Public Opinion" the majority of the Internet users searches information through the Russian internet navigators - mail.ru (36%) and rambler.ru (31%). Google is utilized by only 11% of the Internet users. (Fund "Public Opinion" 2010.) Due to the facts mentioned above, it is not reasonable for the commissioner to use Google tags, but it is better to purchase mail or rambler tags. Thus, when a jobseeker is searching for the "job in tourism" on mail.ru he/she will see the Turijobs tag on the first page of the search results. Another way to reach the jobseekers is to place an advertisement on the social net work web pages. The Fund "Public Opinion" has conducted a research of the most popular social net works in Russia in 2010. The results of the report are presented in Table 2.

Table 2. The Popularity of Social Networks in Russia.

Results of the questionnaire of the frequency of social networks' usage among the Internet users (The question asked: "How often do you use the following social networks)							
	Every day	Few times a week	Few times a month	Less than one time a month	I used to use it but I do not use it anymore	I do not use this social network	It is difficult for me to answer
Vkontakte.ru	31	23	8	3	4	29	3
Odnoklassniki.ru	21	28	17	6	5	19	4
Moi Mir / Blogi@Mail.Ru	9	6	5	2	3	67	8
Livejournal	1	2	2	2	2	83	10
LiveInternet	1	2	1	1	1	84	11
Facebook	1	1	2	1	0	85	10
Mamba	1	2	3	1	2	83	11
Twitter	0	0	2	0	1	87	10
MySpase	0	1	2	1	1	85	10
Blog.ru	0	1	1	1	1	86	10

As it can be seen from Table 2, the social networks which are popular in Europe, such as Facebook, Twitter and Myspace, are not used in Russia. At the same time Vkontakte and Odnoklassniki, which are semblances of Facebook, are used every day by at least 21-31% of the respondents. Hence, it is reasonable to create an official group of Turijobs Tourism Services S.L. on vkontakte.ru and odnoklassniki.ru and invest in the advertisement on these social networks.

The promotion of the company among jobseekers can be organized through educational institutions. The advertisement of the company's website can be posted on the information desks so that students, interested in employment possibilities, can register on turijobs.ru. The distribution of the advertisement at the professional educational institutions will also provide a word of mouth effect, since students and teachers will be sharing the information with acquaintances.

In order to negotiate the posture of the company's advertisement at the educational institutions, the Turijobs Tourism Services S.L. representative has to establish a personal contact with the institutions. At the personal meeting the Turijobs representative can also explain the potential client what kind of services the company provides for the educational institutions.

When organizing promotion among enterprises operating in the tourism sector, the direct mailing and emailing methods can be used. However, there is a risk that a letter or an email will be considered as a spam and deleted without reading. Hence, it is reasonable to give a telephone call to a potential client and inform them about the services, provided by the company. Each company registering on the Turijobs web page for the first time receives a possibility to publish two free advertisements for the open positions as a welcoming offer. This can be used as a promotional tool to encourage the registration.

Another way to attract potential customers is the participation in the tourism forums and exhibitions held. Purchasing an exhibition place on such events will give a Turijobs Tourism Services representative an opportunity to meet potential clients and establish business relationships.

The Internet is an effective mean of promotion for Turijobs Tourism Services S.L. The above mentioned rambler and mail tags will increase the possibility that the potential customer will open the Turijobs webpage instead of the competitor's one. The company's advertisement can also be placed on the web pages of numerous professional unions, such as the Association of Tour Operators of Russia, and the Federation of Restaurateurs and Hoteliers of Russia.

4.2.3 Product Research

The main aim of the product research is to study the types of services that are offered by our competitors and what the strengths and weaknesses of their products in comparison with Turijobs Tourism Services S.L are. When analyzing the competitors' web pages it was discovered that the strongest competitors, such as the Head Hunter Group, Superjob and Rabota.mail.ru provide almost identical services. Every company registering for the first time receives a welcoming offer. There are the following additional services for the companies to purchase: a colour differentiation of the job advertisement, advancement of a job advertisement position on the advertisement list, the questionnaire, a blind advertisement (when a company's name is not seen), search in a resume database, pack purchase and services for educational institutions. The high cost of the services can be seen as the main weakness. The main strength is that the services are easy to buy and use, due to the high quality of the web pages. Other competitors like job.ru, vacancies.ru do not have such a wide range of services. However, the prices are much lower. On the other hand, the web page quality is not always on a high level – the page can get stuck or some options do not work. According to the product analysis the competitive advantage of Turijobs can be a reasonable price, a high quality web page and the specialization in the tourism sector.

4.2.4 Distribution Research

The identification detection of an appropriate distribution channel for the company's product should become the result of the distribution research. Though in the case of Turijobs Tourism Services S.L. the distribution channel is predetermined by the company's operation manner. All the sales are carried out through the Internet. The client either makes an online purchase using a credit card or sends a quotation to the company through the Internet and then realizes the payment according to the invoice received.

4.2.5 Sales Research

The distance selling method is used by Turijobs Tourism Services S.L. Company does not have any physical office, where a customer can come and receive a consultation or make a payment. Turijobs Tourism Services S.L. representatives do not meet the customers face to face. All the customer service related operations are held via email, fax or phone. If a customer meets any difficulties using the company services, he calls the company office and receives all the guidelines via phone. Jobseekers usually are being attended via email.

4.2.6 Market Environment Research

Conduction of a market environment research helps to reveal the probable political, economic, socio-cultural and technological impacts on the company's activity. Analyzing the market environment there were no political issues which can influence the company's business operations detected. As for the socio-cultural aspect, the authors were mainly interested in finding out how do people usually look for the jobs. According to the Fund "Public Opinion", when searching for a job 53.1% of people turn to their relatives and friends for help, 40.9% address to the Federal Labor and Employment Office, 24.6% send the resumés directly to the potential employer, and 20.9% respond to the advertisement about an open job position. (Fund "Public Opinion" 2010.) The percentage of the jobseekers that turn to the Internet and newspapers in their search for job is quite low. A strong effort must be put in promotion of the company among the jobseekers.

According to the article, published by the Institute of Economical Politics of E.T. Gaidar, the economical situation of Russian Federation has faced a lot of difficulties during the first decade of the year 2010. Among the negative outcomes are the growth of the inflation rate during August due to critical climate conditions and political misfortunes. Furthermore, the currency fluctuations have been very vast and the stability of Russian Ruble was very weak. The economical development of the country is slowing down, which causes the deceleration of the production and the business temps. This leads to the growth of the employment contracts' termination and, consequently, unemployment rate is increasing. On

one hand, this means that there will be more job seekers on the market, but, on the other hand, since companies are cutting down their activities, they are not interested in the replenishment of their personnel departments. These factors project a negative influence on the situation on the market.

When analyzing the technological issues the authors were generally concentrating on the question of the Internet use in Russia. As the Fund "Public Opinion" reports, 46% of the population of Russia have a computer at home, 38% have the Internet connection at home (whereas in 2002 only 4% of the population had the Internet connection). Among these 38% only 23% connect to the Internet every day, 11% - a few times a week, 4% - a few times a month (Fund "Public Opinion" 2010.) The typical Internet user lives in Ural (48%), in Central Federal District (45%), and in Moscow or Saint-Petersburg (68%). This user is 18-24 years old (70%), has a high education level (57%) and is in a good financial situation (51%).

The majority of the users connect to the Internet at home (82%), 13% of those who connect have the connection at work, 3% visit a friend or a relative in order to surf the Internet, and 1% goes to an Internet café. The most popular hour of the connection is 19.00 to 23.00, at this time 60% of the users go online. The second popular time is 15.00 to 19.00, when 24% of the users surf the Internet. A lot less people connect to the Internet in the early afternoon, from 12.00 till 15.00 – only 16%, and only 13% use the Internet in the morning from 07.00 till 12.00. (Fund "Public Opinion" 2010.)

Table 3. The Purposes of Internet Usage

What do you need the Internet connection for? (A closed question, unlimited number of answers can be given)			
	2006	2008	2010
News and events in the world and the country	44	39	48
Work / studying	77	62	58
Email correspondence	44	42	51
Music, watching movies, read books, etc.	20	28	38
Playing games online	11	14	21
To view web sites with erotic content	3	6	5
To communicate with others in chat rooms, forums, etc.	20	29	39
For making new friends, meeting people with similar interests	9	16	28
For online shopping	—	—	12
To obtain the necessary information, expanding horizons	—	—	49
Other	1	4	1
It is difficult for me to answer the question	2	2	0

5 ENTRY STRATEGY

5.1 SWOT Analysis

After the marketing research is conducted and all the necessary information is gathered, it is time to choose an appropriate entry strategy. Yet before that it was decided to do the SWOT analysis in order to obtain all the available information which is needed to make an informed decision concerning the entry mode strategy. The SWOT analysis gives a distinct picture of what the company has and what it needs to overcome in order to maintain a suitable market strategy.

Table 4. SWOT Analysis, Turijobs Tourism Services S.L.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ✓ Close relationships with customers ✓ Regular feedback from the customers ✓ High technological quality of the webpage ✓ Low fixed costs (i.e. labour, rent, etc.) ✓ Good knowledge of the business field ✓ International expansion experience 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ✓ Language barrier ✓ No brand awareness in Russian market ✓ No networks on the desired market
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ✓ Niche market ✓ Development of tourism in Russia ✓ Current experience of Turijobs is helpful in invading a new market ✓ Easy distribution ✓ Currency fluctuations 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ✓ Currency fluctuations ✓ Competition ✓ Unattractive economical situation ✓ Low market development

Table 4 reflects the main points of each of the SWOT analysis components. The main strengths of the commissioner are related to the high quality service and the maintenance of the close connections with its clients. This creates additional advantage to the company and value for the customers. The current international expansion experience of Turijobs Tourism Services S.L. is also listed as a strength, as the company already has the idea of the process and would not face any unpleasant unexpectedness. Furthermore, the technological level of the company's webpage is considered as an advantage, since it is a crucial factor in the whole business operation. For instance, if the website has a poor structure and is hard to use, there would be a risk to lose customers. Besides everything should be working smoothly in order to guarantee high-quality service.

Turijobs has a certain experience in going international but it definitely has some weak points when going specifically to the Russian market. The language barrier can be a very significant factor in Russia, though the number of people speaking the English language is growing. The field Turijobs is operating in still requires a Russian webpage with support staff which is fluent in the Russian language in order to provide customers with high-quality service. Turijobs has a good brand reputation in Spain and in Latin America, it is absolutely unknown to the Russian market, which in its turn is a ponderable disadvantage. To top it up, there is no business network maintained by Turijobs in the Russian market, which is seen as a weakness. It could be quickly overcome once the company establishes itself in the market.

Among the opportunities the authors have mentioned a niche market, meaning that Turijobs Tourism Services S.L. is providing a unique service in the tourism labour sector. This was concluded after the competitors' analysis which showed that there were no work related websites aiming directly at the tourism field. Another opportunity related to the Russian market is the development of tourism in Russia. The increasing amount of the tourism companies creates the demand in personnel, hence more people would be looking for the tourism jobs and more companies would be interested in the services offered by Turijobs Tourism Services S.L. Not of the less importance is the experience of the commissioner in

the field of the tourism labour that can be used in order to invade the market with its innovative approach and visions. The distribution of the services is very easy in the sector and is considered as another advantage. Last but not least is the currency fluctuation. The variation is quite unstable in Russian economy and, although the currency rate of Euro is increasing these days, the situation might turn the other way round and it can affect the prices of Turijobs' services.

Finally, the most severe threats are connected to the economical situation in Russia. The currency fluctuations and predicted economical crisis are seen as very unfortunate and undesirable conditions for entering the market. In addition to that no matter that there are no companies offering exactly the same services, there are still quite a lot of players in the employment market, which is obviously a threat to Turijobs Tourism Services S.L.

5.2 Marketing Mix Strategies

The globalization of markets made it possible to have the businesses all over the world. Even though it is becoming easier to establish a business abroad the marketing point of view should not be forgotten. The marketing mix is the tool to describe the way we want to implement our strategy. It consists of four parts, which are: product, pricing, promotion and placement.

5.2.1 Product Strategy

When designing a product strategy the authors were mainly answering the question "Which characteristics the product must possess in order to be competitive in the Russian market?" The first step to be taken is the translation of all the information contained on the company's web page into the Russian language. It is reasonable to ask for the help of a professional translator. The information about the services available must be complete and understandable. After the translation is done, it would be wise to ask a few Russian native speakers if they can easily navigate through the web page.

Second, the product must be accessible, which means that it must be easy for the clients to make their purchase both online and by paying the invoice. The client

must face no difficulty when using the service while searching for the required option. The detailed users' instructions must be provided.

Another point to take care of is a strong security policy. Turijobs Tourism Services S.L. must secure its clients that the entrusted information will not be expanded to the third parties. Moreover, when purchasing with a bank card the customer must not suspect any possibility of fraud.

5.2.2 Pricing Strategy

This section moves on to analyze how organizations give strategic direction to pricing policy in order that organizational objectives can be met. The challenge here is to make pricing work as an effective element of the marketing mix, combining with the other mix elements to give a service provider a profitable market position. (Palmer 2005, 366).

After the careful consideration of the various possible types of pricing, a decision to choose the price matching type was made. This type of pricing is based on following the competitors on their price level, but having the advantage in other business services. When the company has relatively the same level of prices as its competitors but has excelled in the other fields of business, it puts the competitors in a minor position. They now have to try to catch up because the customers would most likely turn to the company the services of which are more vast and developed with the same or even a little bit lower price level.

Consequently, the pricing method for Turijobs Tourism Services S.L. would be the value-based pricing, since it is closely related to the chosen type and seems quite logical to be used. As it was mentioned in the SWOT analysis, Turijobs creates an additional value to their customers by maintaining the close relationships with them and by the specialization in the tourism labour niche. The companies registered on the Turijobs' webpage receive more adequate resumés from the candidates.

5.2.3 Place Strategy

While working on the place strategy, the authors have taken into consideration the fact that the company is using distance selling method. Since the entire customer service is provided by the phone and email, opening just one physical office of the company will be enough for taking care of all the national customer service operations. Turijobs Tourism Services S.L. office can be opened in any big city of Russia. However, the authors believe that the best option will be Moscow, since it is a financial and political center of Russia.

The telecommunication system in Russia is functioning in a way that the price of the phone calls differ significantly when making national calls between the cities. The existing and perspective customers situated outside of Moscow may find it illogical to pay their own money to make a phone call to the company. Hence, the authors believe that Turijobs Tourism Services S.L. is ought to provide a risk-free way for the customers to get in touch with the company. It is suggested that Turijobs should purchase a toll free 800 line in order to make all the calls free for the callers and increase the sales potential of the business.

5.2.4 Advertisement Strategy

The authors were developing the promotion strategy, based on the results of the advertisement marketing research. The main clue and the main challenge will be balancing the promotion among the individual jobseekers and among the companies. The point is that if there are no job offers placed on the web page, jobseekers will not be motivated in compiling the resumé. On the other hand, the companies will not be interested in placing the job offers if there will be no jobseekers, registered on the web page.

The jobseekers will register on the site if they see an interesting job offer. Thus the main aim for the first few months will be to encourage the companies to put their job offers on Turijobs site. Four free advertisements will be offered to every company which registers on the web site, in order to attract the enterprises. It is reasonable to give free trial of the additional services to the big companies, such

as hotels and restaurant chains, since they might be interested in purchasing these services later on. First personal contacts with potential clients will be established by calling and making personal appointments with representatives of the target enterprises.

The popularity among the jobseekers will be gained by placing the company's advertisement on the popular social net works, such as vkontakte.ru and odnoklassniki.ru. The company's promotion will be also placed on the web pages of the Association of Tour Operators of Russia, Federation of Restaurateurs and Hoteliers of Russia. What is more, mail.ru and rambler.ru tags will be purchased. The jobseekers can be reached by the advertisements at the Universities, providing education in the tourism field as well.

5.3 Entry Mode

The above mentioned SWOT analysis and marketing mix allow proceeding to the formulation of the company's entry mode. As it has been previously stated in the theoretical part, there are several options for a firm to choose from, when deciding entering an international market. The most popular entry modes include the exporting, franchising, joint venture, contract management, etc.

Although the exporting is thought to be one of the simplest means of going international, it is not very suitable in Turijobs Tourism Services S.L. case. The service provided by the company cannot be exported, per say, since it is intangible and does not exist in a physical form. Another popular entry mode is a joint venture, which could be suitable for a company that is more manufacture oriented and produces complicated services or products, and requires a sophisticated supply chain. In the case of Turijobs Tourism Services S.L. joint venture simply does not make any sense, as well as the contract management and the Greenfield venture, and the manufacturing.

After a careful consideration and weighing out the factors influencing the decision, it has been decided, that the entry through the franchising would be the best option for Turijobs Tourism Services S.L. to start with. Turijobs is already

successfully using the franchising in its operations with Mexico and Latin America. The owner is familiar with the procedure and knows all the advantages and disadvantages it incorporates. Turijobs Tourism Services S.L. relies on its brand name to a great extent and keeping it protected is very important. Besides the company possesses a good expertise in the field of business and could use it in order to establish a competitive company abroad. Moreover, the knowledge of the company employees will be very helpful in maintaining a high quality reliable Internet portal, a client database and a smooth work of the whole system.

One of the main advantages of the franchising as an entry mode is the minimized assessed contribution and further costs. The biggest weight of costs falls upon the establishment of the franchise, i.e. the maintenance of the website, promotion and advertising of the company, creating brand awareness. The rest costs are held by the franchisee, which is also obliged to pay a certain percentage of the profit to the franchisor. Aside from that, the main quarters do not need to participate in the life cycle of the franchisee and can focus on its own development.

Since it has been established that the franchising is a suitable entry mode for Turijobs Tourism Services S.L., the authors suggest the company to contact the Russian Chamber of Commerce in order to seek for the support and help in finding interested partners. There are also plenty of the Internet resources devoted to the franchising in Russia, such as the Russian Association of Franchise Development, Franchising Shop, The World of Franchising, etc. The companies place their offers of the franchising there. Thus, Turijobs Tourism Services S.L. should submit its profile on one of those sources and along with the expertise of the Russian Chamber of Commerce, it would obtain the necessary information about the potential partners.

6 CONCLUSION

When starting to work on this thesis project the authors have set three main objectives: to investigate the Russian tourism employment market, to develop the appropriate strategies for the market entry, and to suggest a suitable entry mode for Turijobs Tourism Services S.L.

The thesis presents a significant importance to the commissioner as it provides a complete research on the Russian tourism employment market. During the research a thorough competitor analysis was conducted. The results have shown that there is a potential for developing niche market – tourism employment service. On the other hand it has been detected, that tourism sector in Russia is rather small, although there are positive trends of its development.

During the competitors' analysis the direct and indirect competitors were identified. It has been decided to consider the websites providing the employment seeking and offering services to be the direct competitors. While the indirect ones are targeting the same customer group, but offering a slightly different service. Thus, the authors have defined the indirect competitors as those who operate mainly offline. After the information about the competitors was gathered it became clear that there are almost no websites offering the tourism related employment services. A lot of the competitors' analyzed had databases in random fields of the employment market, while Turijobs Tourism Services S.L. is entirely dedicated to the tourism sector.

In order to obtain an objective opinion about the Russian market the environmental research has been conducted. The research has indicated a slow growth of the tourism sector in Russian Federation and the growth in the Internet usage. Nevertheless, there is still a strong social habit of looking for the job through the acquaintances and relatives among the job seekers. Since the Internet is not as widely used in Russia as it is in most of the European countries, this could be seen as a challenge for Turijobs Tourism Services S.L. There is still a positive tendency of the increasing Internet usage among Russians, this along with the growth on the tourism market creates a positive feeling about entering the Russian market.

In addition to the environmental research the SWOT analysis was very helpful in identifying the most vital aspects of Turijobs Tourism Services S.L. when going international. One of the biggest advantages of the commissioner is his experience in the tourism labour market and close customer relationships. These points create a significant benefit for the company.

Among the weak features are the language barrier and the absence of the networks on the Russian market. Besides, there is a threat that the Russian tourism labour market will not develop as it has been expected and the economical situation is quite flexible not in a good way. On a positive note, the authors believe that the expertise of Turijobs Tourism Services S.L. will help it successfully penetrate the market.

One of the most important parts of the research had a lot to deal with the marketing mix strategies. According to the research, the webpage of Turijobs Tourism Services S.L. should be translated into the Russian language in order to adapt to the local customers. The website should contain the detailed instructions for the users to easily navigate through the portal.

As a pricing strategy it has been decided to choose matching pricing with the value-adding method. Turijobs Tourism Services S.L. would follow the competitors in their pricing policy along with creating additional value for its customers by maintaining close relationships with the clients and developing the niche of the tourism employment market.

As for the place strategy, the authors think that one physical office would be enough for dealing with the customer service issues and company related aspects. This office may be located in Moscow, since it generates all the financial and political events in the country. Furthermore, Turijobs Tourism Services S.L. should focus on actively promoting its services among the companies so that the individual jobseekers will be attracted by the job offers posted and will proceed in placing their resumes. Besides, the main advertising would be split in online ads and the offline ones. The online promotion should be accomplished through the

most popular social networks and tourism related associations, while the offline promotion is done through various educational institutions and presentations.

Apart from the examination of the market, the aim was to choose an appropriate entry mode for Turijobs Tourism Services S.L. The investigation of the possible international entry modes has shown that the penetration to the market should be done through franchising. This option presents some considerable advantages, such as costs elimination after initial investment in brand awareness, promotion and business establishment by receiving the franchise fee from the franchisee. One of the main reasons for choosing this penetration type is protection of the company's brand name, which is very important for the commissioner. Besides, Turijobs Tourism Services S.L. is already operating through franchising in Mexico and Latin America, thus it is familiar with the formalities and both advantages and disadvantages of this entry mode.

The suggestion of the authors for the commissioner is to contact the Russian Chamber of Commerce in order to acquire help and expertise in franchising in Russia along with the list of the potential partners. In addition to that, Turijobs Tourism Services S.L. should place its offer in franchising oriented companies and websites to broaden the chances in finding a partner. In order to overcome the language barrier challenge, it is advisable to hire a Russian speaking professional, who would deal with the paperwork related to the establishment of the company and the customer related services further on.

All things considered, the authors believe that all the goals set at the beginning of the thesis process were successfully accomplished. If the commissioner is interested in further investigation and penetration of the Russian tourism market, the authors offer their help. To start with, they could contact the Russian Chamber of Commerce on behalf of the Turijobs Tourism Services S.L. The next step could be the advertising campaign of the company on the franchising related portals. Besides, the authors would compose an official request for the Russian Association of Franchise Development in order to receive professional assistance with acquiring data about the potential business partners.

In case of the positive outcome in finding a potential business partner, the authors are willing to help the commissioner overcome the language barrier along the process of the establishment of the relationship with the partner.

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