

Saimaa University of Applied Sciences  
Business Administration Lappeenranta  
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Marketing

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## **Russian consumer behavior and factors influencing the purchase decision**

Thesis 2014

## **Abstract**

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The purpose of the research was to examine the behaviour of Russian consumers and find out what different factors influence the final purchase decision. The study investigated these factors from the view point of leisure related tourism and our target group was those Russians who travel to the area of Lappeenranta and use local hospitality services for at least one night. The main goal was to help improve the knowledge about Russian customers through theory, as well as to understand the expectations and needs a Russian tourist has on local services in the area of Lappeenranta.

The empirical part of the study focused on examining the target group from the point of view of local service providers and experts of Russian marketing and culture. The goal was to analyze the material that was gathered by interviewing these different respondents and, based on the findings, form comprehensive profiles of different types of travelers and how they are likely to act. The interviews were examined through fact view, meaning that the observation concentrated purely on the facts and information rendered in the interviews, and all interpretation of the respondent's motives and dictions was left out. Case study research was chosen as the method to analyze the information gathered from the interviews. Case study research means an in-depth investigation and analysis of a social target.

Data for this study were gathered from hospitality related literature, recent newspaper articles and internet sites and by interviewing local experts in the field of Russian marketing, culture and hospitality related businesses. The results showed that the subjects handled in the theory of the research clearly influence the purchasing decisions of Russian consumers in real-life experiences. It was also noticeable that people who come from different social backgrounds behave differently when making purchases. Because of the small sampling in the empirical study, the findings cannot be examined as a precise and comprehensive description of the target group, but rather as a directional survey of the subject.

Keywords: Russian consumer, influencing factors, profiles

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## **2 Introduction**

The subject of this research is Russian consumers and factors influencing their shopping decisions. This study investigates these influencing factors from the point of view of leisure related tourism in the area of Lappeenranta. The intent is to gain more knowledge about purchase decision making processes from the viewpoint of Russian tourists and evaluate how the different factors influence their purchase decisions in real life. The research group consists of those Russian consumers who travel to the city of Lappeenranta and use the local accommodation services for at least one night. One goal of the study is to also find out that are there some services or activities missing from the area of Lappeenranta and to profile the passengers who are staying for just one night and those enjoying longer vacations.

First, we shall investigate the decision making process as a whole; how the process starts and the different steps a consumer takes until the purchase process is over. After this, we shall concentrate on all the different factors that influence purchase decisions in theory. The Russian culture differs from the Finnish and understanding its specific features will help serve customers better and furthermore ensure customer satisfaction. The subject is personally interesting to the author as she has worked several years in a Holiday Resort located in Southern Finland and has therefore transacted with Russian tourists daily while working. The information gathered will later on also help Forenom Oy target their marketing and refine their services on the Russian clientele. Hospitality and tourism related literature, internet sites and newspaper articles as well as interviews with local experts who have knowledge about the residential culture of the Russian clientele shall be used as the research method.

### **3 Consumer's decision making process**

In this study we observe consumer behavior particularly from the view point of tourists and what influences their choices. These choices include for example different destinations, holiday types and accommodation. Some services are purchased more frequently than others, much due to financial issues and the availability of free time in today's busy world. For example, longer vacations are purchased less frequently than short weekend trips and if the consumer has a very demanding position at work and a busy social life, he is more likely to use hospitality related services and restaurants in his area. Factors intervening consumer behavior consist of cultural and economical factors, but also industry related factors; what the destination has to offer. (Lomine & Edmunds 32-33; McCabe 101)

Decision making is based on a cognitive process where a final choice is made by comparing and considering different alternatives. In tourism it is crucial to understand what factors have an influence on consumers' decisions. These decisions are not only based on facts and knowledge, but also feelings, attitudes, social status, age, budget and previous experiences. (Lomine & Edmunds 43-44)

In consumer behavior, decision making is an important and central part of the process. The way people choose products and services varies a lot, depending on how risky the decision is. These basic psychological processes have an important role in understanding how customers actually make their final decision. The buying process usually starts when the buyer recognizes a problem or a need in his current state. The next phase is to gather information from different sources and learn about competing brands and their features. From this set of brands, the consumer gets to know a few. This is called the awareness set. A few of these brands may have features that will fill the customers' criteria and needs and become the contenders in the consideration set. From these considerable brands the customer gathers more information and comes up with the choice set. These are the brands the customer is most interested in and also

the final group from which the customer shall make the final choice. (Kotler 1997, 192)

The different stages in consumer decision making can be divided as follows:

1. Problem recognition
2. Information search
3. Evaluation of alternatives
4. Product choice
5. Outcomes

### **3.1 Problem recognition**

Problem recognition starts with a person either noticing a decline in his or hers current state, or craving for something newer and better. Consumers' actual state can decline if they notice that a recently purchased product cannot fully satisfy their needs, or if they run out of products that they need (Solomon 2013, 325-326) Problem recognition can be divided into two different types of situations between consumers; the first is called the actual state type, where the consumers' notice their old purchases are not functioning in the way they hope and need to find something new to replace the old. The second is called a desired state type, which means the consumers' make a purchase because they start craving for something new. (Schiffman 2012, 70.)

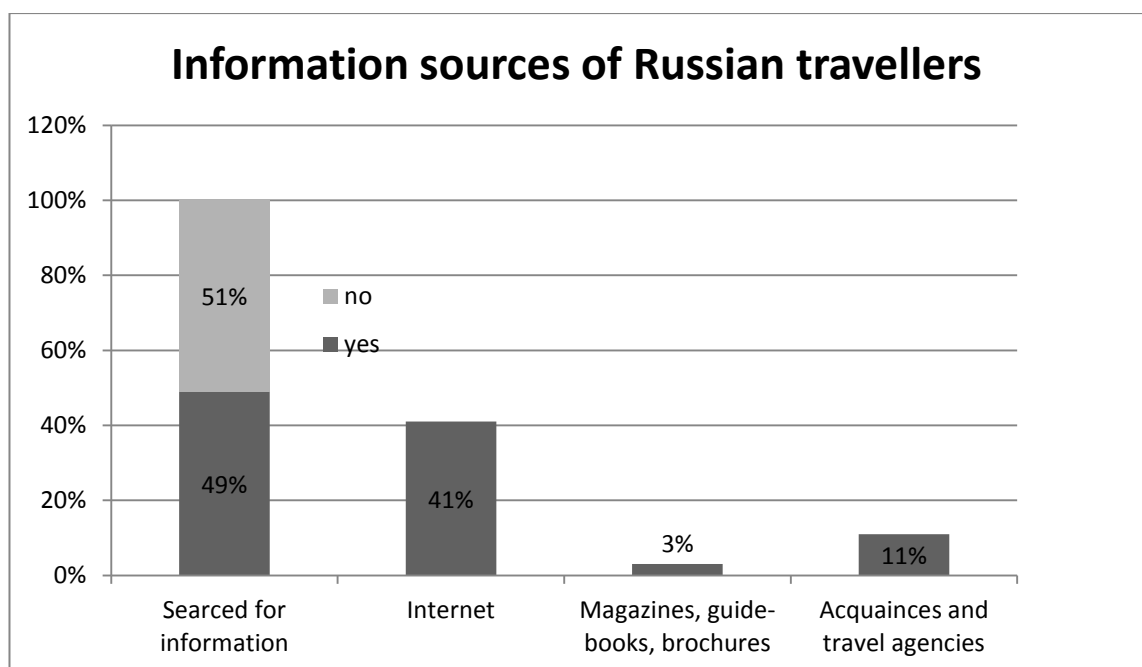
### **3.2 Information search**

After a problem is recognized the consumer is willing to search for more information: visiting stores, going online or phoning friends. These information sources can be divided into four groups:

1. Personal – family, friends, neighbors, acquaintances
2. Commercial – Advertising, web-sites, salesperson, dealers, packaging
3. Public – Mass-media, consumer rating organizations
4. Experimental – handling, examining, using the product.

Defining these different information sources will help understand how Russian travelers gain knowledge of different alternatives and what sources are relevant.

The picture number 1 below shows the main information sources Russian travelers use when travelling abroad. Approximately half (49%) of the participants who took part in the survey organized by Tutkimus- ja Analysointikeskus TAK Oy in 2012 told that they search information about their travel destination beforehand. The main source was the internet, which was used in 41% of the cases. The second most used source was acquaintances and travel agencies (11%).



Picture 1. Information sources of Russian travelers. tak.fi

Usually some basic information exists simply in normal life: purchases are made and different kinds of products and services being used. While making a purchase decision, consumers use memories and previous experiences from similar purchases to the new one. Nevertheless, consumers often need to find some new information either from friends, commercials or simply by observing other people. The existing information can be based on previous purchases or alternatively perceived passively from advertising, packages or through different kinds of promotional methods. This is also called unintended information obtaining. On the other hand, passively collected information is seldom used. In some

cases, certain products or services are so well known that no outside information is needed. (Solomon 2002, 241.)

In expensive purchases, such as a family vacation abroad, there is a higher economic risk and therefore consumers tend to use more complex processes in their information search and evaluating different alternatives compared to smaller low-risk purchases. These processes may contain searching several different information sources before the final decision is made. For example when choosing the right hotel for a holiday, the customer might visit different travel-sites on the internet comparing prices and locations, read feedback from previous customers, visit travel stores and ask recommendations from friends. Other factors that are likely to increase more complex information search are for example the high price of the purchase, frequent price changes, a first-time purchase or no previous experience and differences in received information. (Schiffman 2012, 70-71, 73.)

### **3.3 Evaluation of alternatives**

All consumers process differently information about brands and the final purchase situation. There are several different processes, but the most current models see the process as cognitively oriented. This means that the customer makes choices mainly on a conscious and rational basis. The main thing to understand is that the consumer is trying to satisfy a need. (Kotler 1997, 193.)

When a consumer gets to the point that they are comparing alternatives, they already have enough information about the different options. Different alternatives can represent different things: Usually it means a choice between competing brands, but not always. After comparing choices the customer usually ends up with a rank order or with no satisfying solution. The choice criteria consist of those factors a consumer finds important in a product. Criteria can be the price, quality, color, safety, status, durability, guarantee, a nice salesperson etc. The significance of the criteria differs between different customers and situations. (Bergström, Leppänen 1999, 98.)



### **3.4 Product choice**

When making the final decision, the process may vary from complicated strategies to quick and easy decisions. It has been studied that consumers are more eager to choose products with many different features, but on the other hand people are more satisfied with simplicity in the end. The purchase processes where the consumer spends a great deal of time and effort are a part of complicated decision making. Such purchases are for example vacations and choosing the correct accommodation for a trip. These purchases are related to the consumer's values, beliefs and attitudes and contain bigger and more risks than ordinary routine shopping. There are several different risks that consumers take into account when making the product choice. One of these risks is called social risk. It means that the consumer avoids certain products or services that are not considered appropriate by their acquaintances. In other words the social pressure pushes towards similar behavior. Also when the purchases are more expensive than usually, they are considered more carefully as they can also contain an economic risk. For example, when searching for proper accommodation for a holiday or business trip, consumers spend more time and effort on studying the different alternatives. Customers do not want to waste their vacation on something unsatisfying and therefore pay attention to making the right choice for their trip. (Solomon 2013, 341.)

Consumers make decisions roughly with two classified rules; compensatory and non-compensatory decision rules. In compensatory decision making, the consumer makes the final choice by simply comparing relevant attributes, such as the price of the hotel and star rating. The assumption in this rule is that the hotel with the best attributes wins. In real life, of course, the meaningfulness of different attributes may vary between different people. One might consider the price of the hotel most significant factor whilst another is most interested in the star rating. The final choice in real life will be made by summarizing the scores given to the different influencing attributes and by choosing the winning option.

The non-compensatory decision rule can be divided into three classes. The first is called a conjunctive decision rule, which can be used to quickly reduce the number of different alternatives and then make the choice. In conjunctive deci-

sion rule, the consumer gives a minimum acceptable level for different attributes. In hospitality related businesses this could be for example that the maximum price per night of the accommodation must be 70 euros and the minimum star rating must be 3 stars. If one of these attributes is not fulfilled, the alternative will be instantly dropped out. The next non-compensatory rule is called the disjunctive rule. In this rule the consumer gives again minimum acceptable levels for different attributes, but this time all alternatives will be taken into consideration, if even one demanding is fulfilled. After this the consumer can choose the first satisfactory alternative or use a different rule to make the final decision.

The third and final rule is called a lexicographic decision rule. In this rule the consumer ranks the attributes by their importance to him personally and first compares different alternatives by the highest ranked attribute. To a economy-minded consumer this might be the price of the accommodation and to a status-oriented consumer the star rating of the hotel. After the consumer has come up with alternatives that meet the most important attribute, he or she moves on to the second highest attribute and continues on until the best choice has been found. (Schiffman 2012, 77-78.)

### **3.5 Outcomes**

After making a purchase, the consumer tends to compare the final outcome of the purchase to the expectations he had beforehand. For example, after a vacation, the consumer usually comes up with an outcome how the hotel choice matched his expectations. This is also called post-purchase evaluation. There are three possibilities how the consumer feels about the purchase. Firstly, the hotel choice might have been just what the traveler had thought, leaving him with a neutral feeling about the purchase. The second possibility is that the hotel was far greater than the traveler had expected, leaving him extremely satisfied with the choice he made. The third possible outcome is that the hotel choice did not match at all with the customer's expectations, making them feel negative about the purchase.

When the purchase has met expectations, it is likely that the consumer will make the same purchase again. Then again, consumers also try to reduce all

uncertainty they have about the choice and reassure themselves that it was a wise purchase. Consumers might try to confirm themselves by seeking for information and advertisements that contribute only positively with the choice made, or by persuading friends to buy the same brand. Also when the purchase has not met expectations, instead of giving up, consumers start to find more suitable solutions. Thus the outcome of the purchase can be seen as an experience that influences all future consuming. (Schiffman 2012, 84-85.)

## **4 Influencing factors**

There are several different things affecting people's consumption habits. In this study we will familiarize ourselves with the different factors that influence decision making in hospitality and travel related consumption and try to understand the backgrounds of the choices Russian tourists make.

Kotler divides the factors influencing the consumers' decision making process roughly into four classes:

1. Cultural factors

- culture, subcultures and social class

2. Social factors

- Family, roles and status

3. Personal factors

- Age and life situation, career, economic situation, lifestyle, personality and self image

4. Psychological factors

- Motivation

Familiarizing with these different influencing factors will help understand the backgrounds behind all the bigger consumption choices Russian travelers make. In this research we will investigate closely all these factors from the viewpoint of Russian culture to gain a solid and complete picture of our target group.

## **4.1 Cultural factors**

### **4.1.1 Culture**

The cultural background has a significant influence on the way a person acts. It has impact on the way a person thinks, as well as on the structure of the brain. Cultural background affects naturally and also indirectly through family background.

Culture is defined in communities from long followed values and norms and it demands that certain habits and rituals typical of a community are being obeyed. Culture is inherited through social contact with other members of the society, rather than by biological inheritance. It is therefore learned from social interaction and also capable for changing when influenced by social or other pressure. For example in the Russian culture people believe very strongly that the truth can depend on different situations and time and on the whole their society is very adaptable for changes. (Hofstede 1984.)

Other traditional Russian values include patriotism, pride, importance of friendship, love for children and high respect of the elderly. A marketer must accept the norms set by culture, or otherwise his or her product shall not be purchased. (Kotler 1999, 62.) In Russia there are certain habits that may confuse people who come from different cultures, but these habits originate from the country's history. For example, it is rare to smile at strangers in Russia, which is due to the Soviet history, which taught to trust no one. Modest and formal behavior among strangers is considered as a sign of respect. A very dominant behavior is only accepted from a person with a high social status. When having negotiations with Russians it is important to build strong relationships that form the base to doing business. Russians also prefer to have a lot of background information and context in presentations. (Hofstede 1984, Moscow expat site.)

A customer can also be seen as a part of their own culture and therefore being a cultural actor. This point of view brings out that a product, service or purchase includes also symbols and meanings. Products have also a communicational meaning, as they behold also messages from values, personalities or social status. This is more strongly shown with brands, as a brand signals that a prod-

uct or service represents both tangible and intangible meanings. The messages that a brand signals are not coincidental as they are strongly influenced by marketing and advertising. Foreign brands have a strong influence in Russia. The reputation of a company or its services lies strongly on its brand and it is important for Russian consumers that they find enough information about products and services they are interested in. Also word-of-mouth and the experiences of other people are important in the Russian culture. (Toimelias.fi.)

#### **4.1.2 Subcultures**

Subcultures are smaller groups inside the main culture. A subculture shares similar consuming methods, as well as behaviors and attitudes. These smaller subcultures can be based for example on religion, region or residence. Examples of different subcultures can also be for example health enthusiasts and motorcycle groups. A subculture can be very strong and differing from the main stream can be even impossible in some cases. Subcultures are mainly focused around one particular factor which can later on form into a way of life. If a marketer gets a foot between the door among a stable subculture, the group usually does the marketing themselves and selling can get easier. Advertising to a certain subculture has to be well planned and it should express to relevant values and lifestyles inside the target group.

#### **4.1.3 Social class and status**

Social class is an important factor when examining the most relevant influencing factors in consumer behavior. It has a big impact on the individuals consuming habits. Social class means a structure of society by which the place of an individual or a whole family is developed. Social classes are based on economic criteria, such as wealth and source of income. People can also be distinguished to different social classes by their level of education and income. These classes form natural market segments and by defining their characteristic differences in education, income and geographic location, advertisers can design effective marketing strategies by choosing the correct spokesmen, language and cultural symbols. Social class is defined through income, education profession and place of living, meaning that it is based on demographic factors. Many people

make purchase decisions as they assume their social class would make. Still, there are people who want to be associated with a higher social status, and in this case purchases might be overestimated and too high in price.

Consumers can also be observed from the point of social status. By social status we refer to the prestige a person gets from a certain social position. Social status does not always coincide with income and wealth, it can also be based on past behavior, wealth, manners or power. Many brands serve as status symbols and purchasing services or products from these brands may increase status or symbolize current status to others. (Foxall 1994, 208 – 209.)

When observing the Russian clientele the importance of high class service and luxury is the key factor. Russians are ready to pay high prices for excellent service and luxury goods often serve as status symbols. (Solomon 2013, 487) According to Hofstede, big class differences in a country generate the need to associate oneself with a higher social status and thus increase ones position in the society. In Russia, power and wealth are focused on a scarce number of the population, making it important to reflect ones power and status in all business matters. (Hofstede 1984.)

## **4.2 Social Factors**

Family is one of the most important influencing factors. Many consumer decisions are made inside a small group, a family or a household. The behavior of a single family member may affect the purchase decisions of the rest of the family members. The advertisers have also marked the influence children have on a household's consuming habits. Children also represent a large target market in themselves as they have their own money to spend and influence strongly to their parents selection of products and services. The range of products where children have the actual power to make purchase decisions is limited, but young people can already have an influence on decisions concerning for example cars, holidays and other bigger purchases. (Foxall 1994, 203 -204.) In the Russian culture family is an important factor in shopping behavior. More than half (53%) of Russians make regular purchases for the entire family, whilst only one third shop only for themselves (Nielsen 2013).

The influence of family can be perceived from two point of views when examining customer behavior: the impact parents have on their children and the impact the family has on the customer. The influence parents have on the way their children think is significant. Children adopt attitudes, habits and consuming habits that will reflect later on to their own future families. Although family has a stronger influence on consumption than peer groups, the influence of parents declines when a child gets older. When examining the way a consumers' own family affects their shopping behavior, the role of spouses and children is an important factor. It is noticeable that traditional roles in the family structure have changed and continue changing. The roles have mixed up and nowadays purchases are been made by whoever it suits the best at that particular moment.

On the affect of family background, researchers have noticed two things: a rejected and a submerged family background. A submerged family background means that a child adopts the parents values and sees them righteous and functional for his or her purposes. Rejected family background is most common amongst rebelling teenagers who do not want to be associated with the values of the older generation. In this case, it is not relevant what new values and beliefs the younger people adopt. The main issue is that something new is wanted instead of the way of thinking of the older generation. (Foxall 1994, 204-205.)

### **4.3 Personal factors**

#### **4.3.1 Self-image**

Consumers tend to make purchases from companies and retailers that they feel they can relate to and have a similar self-image. An individual's self-image is developed through interaction with other people. Therefore it can also be said that a single person can have several self-images, depending on the social situation they are in. In real life this can be seen when people tend to behave differently at work or with their family or friends. Each consumer has a unique self-image, a picture of himself with certain habits, skills and ways of behaving. Also brands have different values and meanings and consumers compare their personal picture with the brand image. In marketing it is important to understand that people select brands that they feel they can relate to and that are congru-

ent with their personal picture. Studies show that the importance of brand choice matching with the personal picture is more important to women than men. (Solomon 2013, 67-68.)

Closely linked to the self-image is also altering the self. Consumers might find the need to change or improve themselves by using grooming aids or accessories or services that associate them to a certain type of person. This kind of self altering can be seen in Russian society where luxury products are used as status symbols and it is important to associate oneself in the upper class. (Schiffman 2012, 147-150; Hofstede 1984.)

### **4.3.2 Lifestyle**

In marketing the term lifestyle refers to differences in interests and activities between consumers. From the point of view of tourism and hospitality related businesses, lifestyle determines how much time a person has to spend on a vacation and how they tend to spend it. Lifestyle tells who we are in our society and therefore it may give a hint of a person's consumption habits. People who have similar economic backgrounds and social status usually also have consumption habits that are alike. (Solomon 2013, 494.) Studies show that similarities can be found within each social class. These characteristic patterns can work as guidelines to marketers when defining target markets and convenient advertisement methods. Identifying the lifestyle of the target group will also give more elaborate information about the consumer's thoughts, motives and feelings than just basic demographic data. (Foxall 1994, 163-165.)

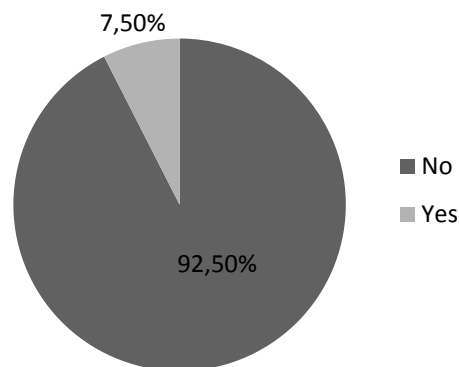
In Russia the lifestyle of people is strongly related to the size of their income. The middle class has been growing since the 1990's and today it consists of 35% of the population. In the rising young middle class, the signs of individualization and a positive feeling towards a European lifestyle with high technology and luxury products can be seen. Still, it is noticeable that lifestyle-based brand orientation is just beginning to emerge in Russia and most consumers there still consider brands as pure status symbols. Travelling is common amongst the upper middle class and it is also very consuming-oriented. The wealthier tend to do longer work and vacation trips than the others and are more sure to stay



overnight. They are also more ready to do expensive purchases. The security and close-to-nature atmosphere appeal in Finland, but wealthier people are not completely satisfied with the range of services offered. (tak.fi, Ullrich 2007.)

Tutkimus ja Analysointikeskus TAK Oy completed a survey in 2012 at the Finnish border. One question asked from the Russian travelers was if there are missing any services from the travel destination which they wished existed. From the respondents 7,50% said that there are missing some services from the area of Lappeenranta.

### Is there missing a service from your travel destination?



Picture 2. Is there missing a service from your travel destination. TAK.fi

When planning a vacation, Russian people tend to search for destinations, which can offer multiple activities and experiences. These experiences are eagerly shared with family and friends after the trip. If the services and activities in the travel destination do not meet the Russian consumers' expectations, they feel the trip has not succeeded. (MEK.fi.) The TAK Oy survey revealed that Russian tourists are not completely satisfied with the amount of tourist information available in Lappeenranta. They also were hoping for more possibilities for arranged fishing trips and a straight train connection from St. Petersburg to Lappeenranta. This survey was concluded in 2012 and to gain more resent information about Russian tourists' expectations especially from the viewpoint of accommodation service providers, new studies need to be concluded.

#### **4.4 Psychological factors**

Motivation can be seen as the reason why a person takes a particular course of action. In tourism motivation is observed from the point of view why a person wants to travel. Understanding the needs tourists have, for example specific activities or destinations, will help improve the services or even develop new products for tourism related businesses. (Lomine & Edmunds 2007, 125.)

Every person has needs. These needs can be sorted into innate needs and acquired needs. Innate needs consist of physiological factors such as hunger, thirst, need for shelter or clothing. Acquired needs are something a person learns from his culture and environment. These needs may include secondary needs such as self-esteem and affection. Secondary needs are basically psychological motives. Needs make a person more active, but motives are the ones that push behavior towards certain actions. In marketing we use the term shopping motive that explains why a customer wants to buy goods. Personality, different needs, income and marketing strategies used by companies all affect the shopping motive. Motives also affect the choices a customer makes between different products, services and brands. To ensure company growth, it is better to focus the marketing on what needs the company satisfies, rather than what products it sells. (Lomine & Edmunds 2007, 126-127.)

Consumer motivation is always goal-oriented. These goals can be generic goals or product-specific goals. In this study we are mainly interested in the product-specific goals as the thesis concentrates on specified brands and services that customers choose to fulfill their goals. These goals can be affected by cultural and social factors as well as persons' own values and experiences. An individuals' inner influence to their personal goal orientation can be examined from two different angles:

1. Promotion focus, where a person is interested in his personal development and growth and favors for positive outcomes
2. Prevention focus, where a person is interested in safety and security and favors for the absence of negative outcomes.

The main difference between these two types of people is that promotion focused consumers favor for action and prevention focused consumers for inaction and status quo. Therefore, motivation can be either positive or negative: a person can be driven towards some action or then again be obtained from some action. Positive drives can also be categorized as wants and desires and negative drives as fears. Although positive and negative motivation differ from each other in terms of activity, they can both be examined as driving forces towards a goal and are basically similar. Basically the process starts with a consumer setting a goal and then plans for actions on how to achieve it. (Schiffman 2012, 99 – 102.)

## **5 Research methodology**

In this research our aim is to gather more specific information on how the different features discussed in the theory affect the final purchase decision of Russian tourists in real life. This information will help tourism and hospitality related businesses define their services to meet the expectations of Russian customers. Our other aim in this research is to also find out if there are relevant services missing in the area of Lappeenranta, which would increase the number of tourists staying overnight. The cultural differences between Russian and Finnish clients raise up the question if the accommodation services offered in the area of Lappeenranta meet the expectations of the Russian clientele, or if there are some notable absences in the service providings of the area.

The target group of this research was those Russian consumers who are traveling to the area of Lappeenranta and who have already made the decision to stay overnight. The target group was using local hospitality services for at least one night and consisted of leisure related tourism. In this study we examined and categorized people travelling with families, couples and people travelling with a few friends, as we were interested in how the number of travelers and the presence of children affect the accommodation choices and length of the holiday. To get a comprehensive picture of all the different focus groups, the received information was used to make profiles of the different traveler types and to find out what expectations they were likely to have on their holiday. Also the

background of these Russian tourists was taken into consideration and it was also examined how social status and the level of income affected their behavior and choices.

Qualitative research was chosen as the method to gather data in this research. Qualitative research enables to get a wider picture of the individual experiences that Russian tourists face. As the aim of the research was to study Russian consumers using local hospitality services, the information sources that were used had to be able to provide reliable knowledge of the characteristics of these consumers. Therefore, it was decided to arrange face-to-face interviews with personnel providing local hospitality services, and experts on Russian marketing and culture who all interact with Russian tourist and customers on a daily basis. The interviews were decided to be arranged with different experts in the field of tourism and Russian culture because of the efficiency of getting a wide range of information in a short period of time available. These different specialists can provide information on differing situations and scenarios and have knowledge how people from different social and cultural backgrounds are likely to act. By interviewing also a professional working in a hospitality related business the viewpoint of hotels could be brought to the study. When working on a tourism research, interview is a commonly used method for gathering information. In a qualitative interview, questions concerning our different topics are asked and the answers are carefully listed and recorded. The interviews were arranged with three professionals working in different fields of businesses and the interviews lasted from 30 minutes to an hour.

To gather a wider range of information, questionnaires containing few questions were also sent by e-mail to two specialists of the Russian culture who work in different parts of Finland. These specialists were approached by e-mail because arranging face-to-face interviews with these experts would have been too difficult because of the distance. The responses gathered from the interviews were carefully examined and analyzed and according to the findings, profiles of different types of travelers were created. If several different sources gave similar information about similar types of travelers, it was used as a basis when creating the profiles. These profiles were then compared with the theory and ex-

amined if any correspondence could be found between these two different information sources, or if the research gave perhaps some new information about the behavior of Russian tourists.

The aim of this research was to get trustworthy information about Russian manners from different sources. Fact view was chosen as the research method of the study as it was considered to contribute best with the subject of the thesis. The main aim in fact view is to gather as trustworthy information as possible and focus only on the known facts. In it is also common that the researcher is genuinely interested in the factual behavior and opinions of the target groups. In fact view it is also important to take into consideration the truthfulness of the findings and pay attention to the fact that respondents might also offer misleading information. (Alasuutari, 204.)

Case study research was chosen as the method to analyze the information gathered from the interviews. Case study research means an in-depth investigation and analysis of a social target, for example an individual, group or communities, or as in our research a specified group of Russian travelers. The idea in case study research is to form as comprehensive and specific picture of the research subject as possible. This analyzing method was considered to suit best with this specific research as it helps to create an overall picture of the society examined and its different features. Case study can be divided into two categories: prospective case study and retrospective case study. In prospective case study certain criteria for the searched information is formed and all the cases that fit this criteria are included in the findings. In retrospective case study the selection criteria is formed to pick suitable cases from historical records. In this thesis it was decided to use the prospective case study, as it makes the analyzing more convenient by letting the researcher specify the criteria by which information shall be presented in the study. The first step in a case study analysis is to define the goals of the research and specify what the research subject is. A research plan helps to define what method shall be used to collect data and how to choose the research subjects. After this the findings are gathered and organized to a firm and integrated form that represents well the research subject. (2amk.fi.)

Interview was chosen as the tool to collect data as it enables to get more detailed and acute information. As the task was to build a profile of different types of customers and a frame how they are most likely to act in different situations, it was important that the respondents could freely tell about their experiences and different situations they have come across. An interview also makes it possible to ask more detailed and specific questions if a respondent reveals some new information the author had not guessed to ask. The interview was designed to be semi-structured as it is best used when it is possible to arrange only a single interview with each interviewee. A semi-structured interview consists of few questions listed up beforehand, which shall be used as a guideline to the interview. The questions are usually topics that need to be handled during the conversation. A semi-structured interview makes it also possible to stray from the predestinated topics when the interviewer finds it appropriate. This feature is important in this research as we are keen to find some new and relevant information that might be unexpected. (qualres.org.) The interviews used as database in this research were organized with three professionals working in different fields of expertise. The first interview was arranged with Ekaterina Popova, an apprentice working at Mediatalo Toimelias Oy. Toimelias Oy is a Finnish company that specializes in Russian social media and improving search engine visibility in Russian search engines (Toimelias.fi). The second interview was arranged with Irina Mineeva from the Guess Jeans store of Lappeenranta. The third interview was with Katja Pellinen, the Hotel manager of Sokos Hotel Lappee. To ensure that all received information was correctly understood, the interviews were first tape-recorded and then carefully listened and written down for analyzing.

The second tool used in this research was questionnaires. These questionnaires consisted of 6 questions and were sent via e-mail to two different professionals of the Russian culture. The first professional was Virve Obolhogiani who is the managing director of Mimino Oy, a company that has 20 years of experience in tourism and is specialized in the knowledge of Finnish and Russian society, culture and business (mimino.fi). The second facet that was approached by e-mail was the Suomi-Venäjä-Seura, an organization that engineers the collaboration between Finnish and Russian citizens and non-governmental organi-

zations. It also offers information about Russian culture, norms and manners to facets in need of this kind of knowledge. (venajaseura.com.)

The different responses were carefully listed and the findings compared to see if there is a correspondence between the theory and the responses of the different interviewees. To form comprehensive profiles of different types of travelers, the interviews were carefully listened from the tape recorder and written down each time the interviewee described a certain type of tourist, either from a certain background or travelling with a certain group, and how they were likely to act. After this the transcriptions were analyzed to see if there is correspondence between the findings of different interviews. If different sources give the same result without dependency on each other, the source data can be considered trustworthy. (Alasuutari, 207.) To get reliable and truthful information the interviews were conducted with professionals who work in the field of the Russian tourism and are familiar with the manners of the culture. It was decided to arrange the interviews with professionals as it was considered that they would provide a neutral and comprehensive picture of the subject. To minimize misunderstandings and to get as reliable information as possible the questions were designed to be short and simple. All the questions were sent to the interviewees beforehand so that they could familiarize with the subject and ponder their answers upfront. As the author has also experience of Russian tourism, it helped to trust the reliability of the findings.

The questions that form the structure of the interview were conducted from the different topics handled in the theory of the thesis. The questions handle all the subjects influencing decision making and the interviews were designed so that possible additional information could be found. All of the following questions were intended to help form a comprehensive picture of Russian travelers.

1. Are there differences between Finnish and Russian shopping behavior and making the shopping decision? Are there certain cultural norms that Russian tourists follow when searching for accommodation?

The first question relates to the cultural factors discussed in the theory. The main point was to find out what specific features Russian people value when

evaluating different alternatives and making the final shopping decision. Interest lays also in how cultural norms influence the behavior and choices Russian travelers make. It is important to understand how Russian customers differ from Finnish customers and what factors lead to the final purchase decision. The subject was examined especially from the viewpoint of hospitality related businesses. During the interview also more specific questions were asked about the importance of language and good customer service.

2. Where do Russian people search for information when planning a trip?

The second question relates to the information search, evaluating alternatives and how the decision making is processed. What are the most important information sources and how eagerly do Russian people share their experiences of holidays?

3. Do people who come from different social classes have different expectations when searching for accommodation?

The main interest in this question is to find out whether people in Russia who come from different social classes value different factors when they are planning a holiday trip. For example, do people who come from a higher social class have some specific expectations on their holiday, or are there factors that are important for all travelers regardless from which social class they come from.

4. Does travelling with family or a bigger group of people raise up any specific needs?

To understand how the number of people affects the choice of accommodation and length of the trip, it was decided to ask also the needs and expectations of a family or a bigger group. This information would also help Forenom to find their potential target market.

5. What is the significance of lifestyle and self-image when purchasing accommodation? Can hospitality related purchases be seen as an indication to aspire for a certain lifestyle?



The main factor in this question was to find out whether it is important to Russian people or to some certain group of people to travel a lot. Also we were studying what travelling represents to the Russian consumer and what kind of lifestyle is admired in the Russian culture.

6. What importance does travelling and finding the right accommodation have in the daily lives of Russian people? What kinds of factors motivate people to travel?

## **6 Results**

From the cultural point of view the research gave much more insight to the genuine actions of Russian consumers and helped to create a more comprehensive picture of the cultural norms affecting the consuming habits. When examining the behavior of the Russian travelers, it is important to take into consideration the income levels of the people. When Russian people are planning for a holiday, first of all they design how much money they have to spend. The number of different extra services purchased on the holiday depends on the income level of the travelers and what they can afford. Russian people are very price sensitive and even if they have a high income, they will still try to search for better offers. Price is therefore one of the most important factors for Russian consumers when making the final shopping decision. A specific factor that rose up among the interviews was that Russian consumers are very keen on special offers and discounts, which is most likely related to their price sensitivity.

One of the biggest difficulties that was mentioned by the respondents and may intervene the purchase decision is the language barrier. Because spoken English skills are not so high among most of Russians, the opportunity to transact in their own language makes purchasing more pleasant and convenient. To make the Russian consumer feel more comfortable, offering service in their mother tongue, as well as brochures and information of the hotel and the nearby areas, will help keep or increase the customer satisfaction. When the customer is willing to make a purchase, but the language barrier is too high, the customer is likely to search for a different service provider next time. Also one big feature that is appreciated by Russian customers is the level of good service provided

in Finland. As discussed in the theory, smiling is not common or accepted in the Russian culture but when they are travelling they have learned to expect kind and caring service and appreciate it very much in general.

All the respondents agreed that internet was the most important information source for Russian consumers. Especially the importance of information available in their mother tongue cannot be overruled. To ensure that a company is reached by its potential customers it is important that one strategically positions ones website in these search engines so that it will be among the first noticed by the consumer. Also another important source of information that rose up in the interviews is the word-of-mouth and experience of other people. The recommendation of acquaintances is highly appreciated among Russian travelers and therefore the references of a hospitality related service provider will be taken into account before the final purchase decision is made. One part of consumers' risk management is that they do not choose accommodation of which they are not sure of. Then again, places and services that are proven good will be used frequently.

Three types of travelers could be distinguished from the respondents answers: people travelling with children, people travelling with a group of friends and people travelling as couples. The study revealed that the number of people travelling together has an influence on the type of accommodation they are likely to choose and how long they are likely to stay. A small group of people was more likely to stay for a shorter period of time and favor hotels near the city center as their accommodation. A bigger group of people, also likely to include children in the party, seemed to search for more spacious accommodation, like cottages, apartments or bigger hotel rooms that could be divided into two parts. They also tended to make longer vacations than couples. Because the interviews revealed that there are also differences among the different social classes it was decided to handle them as their own group.

### **6.1.1 People travelling as couples**

The most important motivational factor for Russian people to travel to Lappeenranta was shopping. The area of Lappeenranta attracts mostly shopping

tourists as it is located in a convenient distance from Saint Petersburg and the accessibility to the city is easy by train or car. Therefore, the biggest group of travelers that was identified from the interviews were shopping tourists staying in the area for one night. These travelers were most likely to travel with their spouse or a friend and their main intention was to do shopping in Lappeenranta and then return home. People staying just overnight are most likely to favor hotels as their accommodation type as they are convenient and easy in the city center area. Other groups of travelers that were most likely to stay just for one night were those passing through Lappeenranta towards other cities and those on a business trip, but they are not examined in this particular research.

Katja Pellinen from the Sokos Hotel Lappee pointed out that a major quantity of Russian customers stay overnight and leave back home the following day. The Sokos Hotel Lappee does not inquire the reason for stay when customers arrive, but Pellinen feels that a majority of the hotel's Russian guests are shopping tourists. These tourists normally arrive with their spouse or a friend and leave the next day. It is also common that a couple or a pair of friends arrive with their children and perhaps a grandmother who looks after the children while the rest do some shopping in the nearby area.

Most questions asked from the reception concern the location of stores selling children's clothing and electronics.

### **6.1.2 People travelling with bigger groups or with children**

These two groups of passengers were decided to handle together as they were noticed to share similar behavior habits. The research revealed that there can be found a correspondence between a larger group of passengers and longer vacations. In the choice of accommodation, larger groups seem to favor more spacious options, such as cottages, apartments and larger hotel rooms. Also when Russian people are travelling for example with their family or friends, the trips tend to be longer and the different services provided by the accommodation and nearby areas are more frequently used. The main reason for this might be that a larger party of people spends more time with each other and in their accommodation site. Also for a bigger group it is more convenient that eve-

rything can be found close by and additional services help with time use and reduce the amount of work that for example cooking dinner or washing the laundry would take. Of course the number of additional services purchased depends also on the budget that is set for the vacation.

When children are included in the party, parents hope that there are some activities especially for the children nearby, like playgrounds or pools. Also babysitter hours or playrooms nearby help the adults to organize their time on the holiday. As discussed earlier in the theory, Russian people are very family oriented and the needs of children are taken into account when searching for suitable accommodation. Therefore, it would be good to offer information about nearby areas and services suitable for families in the accommodation places.

### **6.1.3 Significance of social status and income level**

Because the interviews revealed also information about the differing behavior between people who come from different social classes and their likely consumption habits, it was decided to profile also the two social classes that are relevant from the viewpoint of this study. They are the ones that tend to do most of the trips, the middle class and the high class. In Finland the disparity in income level is mild, but in Russia it is only a small portion of the citizens that can afford to travel.

People who come from a higher social status and have a higher income level were connected to a certain behavior that was not so general among the middle class. The interviews revealed that a higher income level corresponded with longer vacations and an increased number of additional services used. In Russia people who come from the high class expect service of good quality and tend to enjoy all-inclusive vacation packages. They are eager to use services with exceptional service quality, although the products might be more expensive. Also the star ratings of the accommodation and luxury brands are craved for and seen as a sign of success. Although it is important for all Russian consumers to share experiences, in the high class this feature seems to affiliate with the need to feel appreciation and increase the personal status.

The main differences between the two social classes examined in this study are that people with a higher income tend to do longer trips, use more additional services and are more likely to use their vacation experiences as an indication of a certain lifestyle and status. Then again normal Russian people from the middle class might want to rent just a small cottage without any extra facilities and enjoy the calm peacefulness of their holiday. One of the respondents working in a hospitality-related business pointed out that now that the course of ruble has declined there has also been a noticeable increase in the demands of the middle class. Also their eagerness to give negative feedback has increased. This might be due to the harder times and the fact that less Russian people have the financial possibility to travel. It might also be that the number of customers who come from a higher class has increased and they are used to high class facilities. A factor that rose up among the respondents when services that attract tourist in the accommodation sites was asked was first of all the possibility to purchase additional services. If the accommodation provider has a list of additional services available, it will help the customers to design a holiday package that suits best their needs and budget. Other activities that intrigued Russian tourists were the possibility to enjoy a Sauna or a swimming pool, and in the nearby areas also fishing, ice skating and the services of Flowpark.

## **7 Conclusion**

The goal of this study was to gain more knowledge about decision making processes from the viewpoint of Russian tourists and the different motives that might influence the final purchase decision. These motives included cultural, social, personal and psychological factors and they were all examined in the theory of this thesis. In the empirical part of the research the goal was to evaluate and build profiles of different kinds of passengers, keeping also in mind the influencing factors discussed in the theory. The study investigated these factors from the view point of leisure related tourism and our target group was those Russian consumers who traveled to the area of Lappeenranta and used local hospitality services for at least one night.

The findings were approached from the point of fact view, which means that attention was paid to the interviewees' specific way of telling about their experiences only from the point of view that how it affects the truthfulness of the information provided. The fact view concentrates on gathering truthful information and it shows that the researcher has a genuine interest on how the target group acts. The case study analysis was used as the analyzing method to investigate the special features of Russian consumers. The case study analysis is an in-depth investigation and is commonly used to form a comprehensive picture of the research subject.

The findings of this research showed that the different factors discussed in the theory clearly have an influence on the choices Russian consumers make. Evidence could be found that people who come from different social classes tend to behave differently, such as people travelling with different number of co-travellers. Similarities could be found among the answers of the different interviewees. All of the interviewees agreed that one of the most important factors in information search and customer satisfaction was the ability to get service in one's mother tongue. To reach all the potential customers it would be good to ensure that the hospitality-related businesses in the area of Lappeenranta offered information about their services also in Russian. Also improving the websites visibility in the main search engines, for example Yandex in Russia would help to reach more of the potential customers. Altogether the interviews showed quite similar information as handled in the theory, but gave more specific answers to the different subjects discussed.

There are several different factors influencing the purchase decision of Russian tourists. The main factors are cultural, such as language barriers, and economic such as social status, level of income and price sensitivity. The area of Lappeenranta offers mainly a good shopping site and the shopping tourists are most likely to stay for the maximum time of one night. To attract tourists to stay longer in the area the city would have to offer more shops and free time activities. Also more happenings and events in the area would offer tourists something else to do besides just ordinary shopping. These events could be shared through the websites of different service providers of the area. From the point of

view of Forenom the best target market would most likely be families and people travelling with a bigger group of friends. A bigger group of people would appreciate the space and convenience of a fully furnished apartment and the possibility to cook meals for the entire group and enjoy a private sauna. To get more angle to the study it would have been good to get more interviews, even from people who come from different backgrounds because they might experience things differently.

It would be good that additional information, such as services available in the accommodation and nearby restaurants, playgrounds etc. would be provided in the websites and brochures of Forenom. When discussing the services provided in the area, all the interviewees mentioned that Lappeenranta is mainly a good shopping site, but does not offer enough free time activities to encourage people for longer vacations. People who want to stay for a longer holiday in Finland tend to search for peaceful cottages near a lake or the sea side where they can relax and enjoy time with their family and friends, but this kind of accommodation is usually searched from other cities than Lappeenranta. Tourists who plan to stay longer in Finland and relax and enjoy their time are tempted here because of the peacefulness and clean nature and excellent level of customer service.

Factors that would encourage people to stay longer were that there first of all should be more shops available, as the city is quite small from the viewpoint of Russian people. The 50kg export limitation might also have an effect on the shopping behavior of Russian consumers. Also during the New Year Russian tourists are likely to stay longer periods at a time and have been slightly disappointed that there are not enough events and happenings in the area at that time.

Altogether, the different respondents gave valuable information, but because of the time limitations of the researcher it was not possible to gather a larger number of respondents that would have provided more detailed knowledge of the behavior models of the profiled travelers. Interviewing people from a bigger variety of different backgrounds that were not now processed in this research could have provided a deeper review to the subject. Therefore, the findings in

this research can only be kept as directional surveys to the subject. In the future it would perhaps be good to investigate the different services that Russian people search for near their accommodation site and also what kinds of events and happenings the city could offer to the Russian tourists.

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## **Pictures**

Picture 1. Information sources of Russian travelers. p.7

Picture 2. Is there missing a service from your travel destination. p.17

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