



PHENOMENA OF
ARCTIC NATURE
2019-2022

Introduction to Concept Planning

Mervi Angeria, Katri Hangas,
Milla Hirvaskari & Outi Kähkönen

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Introduction

Arctic nature offers a unique operating environment and diverse opportunities for activities and experiences throughout the year. We are known for winter, snow, northern lights and Santa Claus as well as related high-quality tourism services. However, more and more tourist attractions such as sauna, taste experiences, hiking, fishing and various water activities, cycling and animal watching are not dependent on snow and winter. Our goal is to develop snow-free tourism into another strong season alongside winter.

The year-round nature of tourism is important for the vitality of the tourism industry also. In the spring of 2020, the tourist season in Lapland came to a sudden halt due to the coronavirus pandemic and the outlook for the coming winter season is uncertain. In a changed situation, tourism is not to be taken for granted. However, a crisis is always an opportunity for change.

In the future, we need a wide and diverse range of high-quality services for both tour operators and individual travellers. Tourists must be offered services that provide good customer experiences. We must take into account tourism trends and changes in consumer behaviour, customer needs and wishes, and the opportunities of the operating environment. We need to think over the content of the services and the customer journey map. We need to market and sell. Above all, we need to consider what we are and what we want to offer our customers. These can be developed through service concept planning.

This material describes the basics of service concept planning. We discuss how a service concept is formed, and briefly present the elements of the service concept. With the help of examples and source material, you can learn more about the topic and how concept planning has been implemented in practice.

What is concept planning?

The service itself is an intangible product, for which the concept creates a concrete feel. A successful service consists of carefully considered details. Once these details have been honed to work as a cohesive service entity, one can speak of a concept (Figure 1). The details contained in the service concept do not stand out for the customer as separate parts, but merge seamlessly together.

A good basis for the concept is the company's identity, the opportunities of the operating environment and the customer's need for the service. The created concept defines the content of the service, the required measures and the rules for the provision of the service. With the help of a working concept, it is possible to reproduce the service with the same and uniform quality.

Once the content of the concept has been carefully honed, it appears to the customer as a clear, concrete and risk-free purchase. In addition to delimiting the service content, the concept defines from the customer's viewpoint, how significant, memorable and impactful the service is.

Concept planning creates a good framework for the service and enables creativity. The concept also engages employees to implementing a themed service. When the company believes in the spirit it has created, it is also easy to engage the customer.

Concept planning elements

The service concept includes

- the identity of the company as reflected in the service and its operating environments
- the customer's needs which the service promises to meet
- the market potential on which the business idea is based
- physical features, which are the continuum of the story on the company's identity and service
- people, without whom there is no service
- defining the scope and content of the service which creates a clear and coherent product
- continuous development and evaluation to ensure a functioning and high-quality service

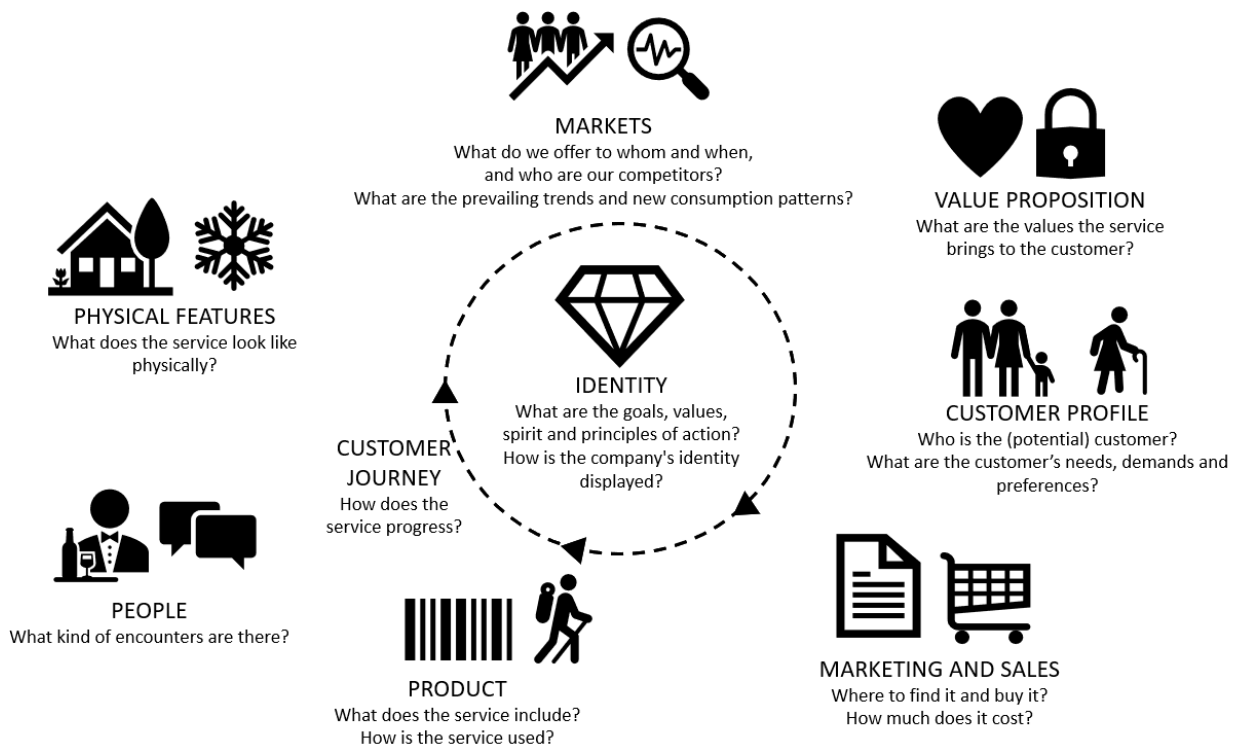


Figure 1. Principles of concept planning (adapted from Sammallahti 2009).

Company's identity

The concept is based on the company's identity in particular; the spirit, principles of action, style, values and goals that are also to be communicated to the outside world. In addition, one needs to see the company's operations as part of something bigger and what added value the service offers to its customers. Part of a company's identity is also its customers and how they appear to be. The Identity Prism tool can be used to aid these reflections.

Keywords: identity, brand, image, identity prism

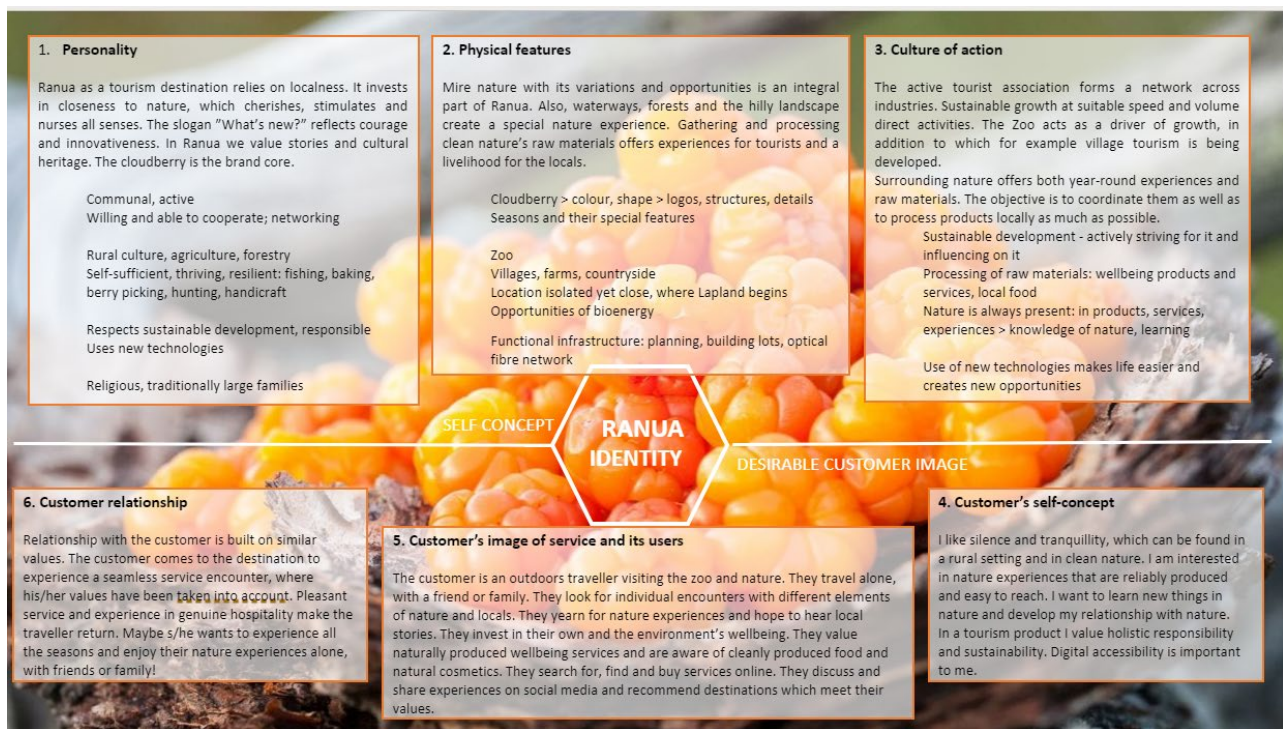


Figure 2. Example of the destination's identity (Hanni-Vaara & Kähkönen 2020)

Customer-oriented service and customer segmentation

Customer orientation means that the service is specifically created to meet the customer's needs. The service solves the customer's problem and offers an answer to their wishes.

The service is never fully completed, one can always develop and hone details or create new variations. Involving customers in the development of the service creates good conditions for a functioning product. It is worth testing the service concept in different ways and asking for feedback. By observing the actions of customers, one can also notice features in the service that need to be repaired.

Customer segmentation means grouping potential customers. It brings together target groups that are internally similar. By researching what kind of needs, demands and preferences as well as travel motivations customers have, the service can be targeted at these target groups. With the help of consumer behaviour studies, the service can be made particularly attractive. Once the target groups are known, the distribution and marketing channels of the services can also be better planned.

Keywords: customer orientation, customer segmentation, customer profile, target group



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Value proposition

The value proposition tells you what value the service brings to the customer. It is something that the company promises to implement with its service. The promise can also include some goal or position that the company is pursuing.

When creating a new service, it is worth noting what opportunities and needs there are for the product in question in the area. If there are many competing providers of a similar service, it is important to find a differentiating, attractive factor. The customer proposition of a service is an easy way to differentiate among providers and shows the reason for choosing a particular service. The redeemed promise makes the customer return and recommend a service which exceeded expectations to a friend, as well.

Keywords: customer proposition, added value, benchmarking

Markets

When developing and evaluating a business idea, the potential of the market should be taken into account, the prevailing demand should be defined, as well as the customer's need for the service and the benefits experienced from it. Guidelines to the business idea can be obtained from the regional tourism strategy. The market is affected by, among other things, prevailing trends and new consumption patterns. It is also good to think about where the company is positioned in the market: what do we offer to whom and when, and who are our competitors.

Keywords: differentiation, positioning, megatrends, weak signals

Demand



Supply

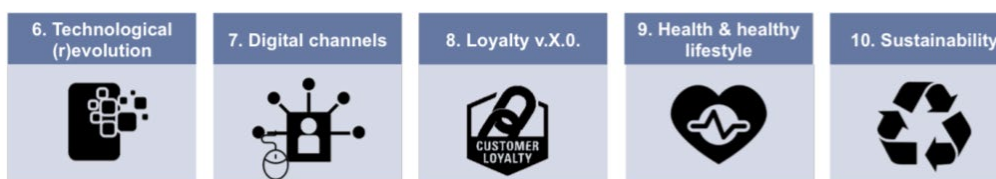


Figure 3. Tourism trends (Horwath HTL 2015)

Physical features

The service itself is an intangible product, so it is a good idea to think about the physical features of its environment to support the service and concept as well as possible. The selected elements replicate the identity of the company, the chosen themes, values and goals, and thus act as a logical part of the created service concept.

A descriptive, yet attractive name already makes a service into a more concrete product to sell. The consistent visual look of the service, continuous in all areas, strengthens the brand identity; for example, the colour scheme and images serve as elements that emphasize the spirit of the company.

It is also important to think about the operating environment in which the service is used. Websites and premises can be identified as environments of the same service when the same elements can be detected in them. The physical dimension of the service also includes all materials, tools and equipment used to provide it. Also, signs and travel to the service's operating environment affect the customer's perceptions.

Keywords: visual strategy, guidance, communication, appearance, accessibility

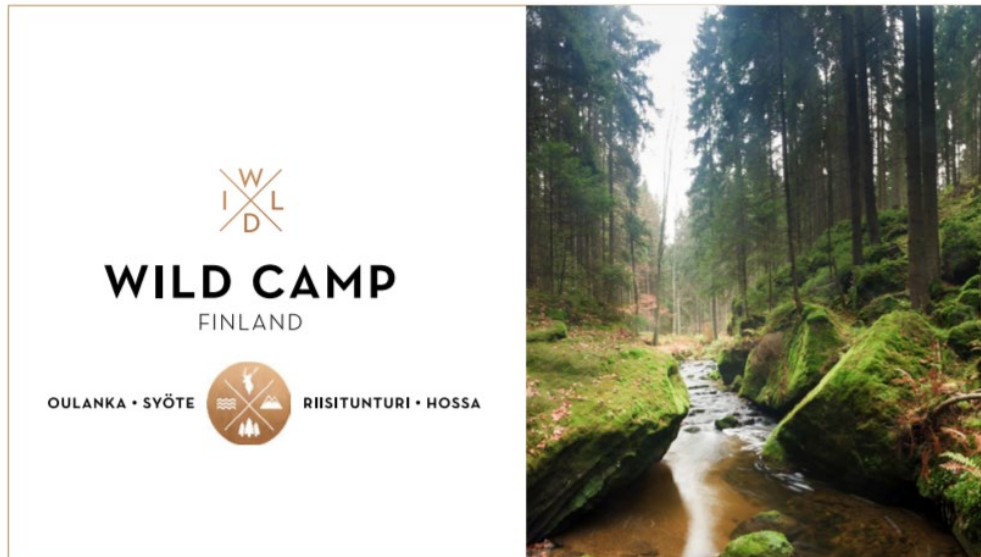


Figure 3. Example of the concept and the physical features (Creamentors)

People

Every service is customer service in some way, i.e., people inevitably interact with each other. The service concept can outline how customers are met and how they are guided to use the service. People, both company staff and customers, create the service.

Even if the service itself is not complicated, it is still good to guide customers on how to use it. This is very important, especially on first use, when the operating environment or service schedule and rhythm have not yet been clearly outlined.

Touchpoints between people can be refined in the desired direction in many ways. During the recruitment and orientation period, the staff can already be introduced and engaged to the service concepts created by the company, and to the company's spirit, values and goals in general. Mere job management leaves superficial relationships. It is also important to actively maintain a good sense of community, knowledge sharing and individual development.

The production of a good and high-quality service is facilitated by the support received by the staff for their work and the right kind of equipment. Working with customers provides excellent information on possible areas for service improvement, so involving the staff in development work is always worthwhile.

Keywords: guidance, communication, touchpoints, personnel orientation/education, employee experience

Customer journey

By examining the customer journey, it is possible to accurately specify all the recurring steps of the service. Once the steps have been detected, they can be handled separately and shaped to be more efficient. The customer journey defines where the service begins and where it ends, as well as everything that happens in between.

Once the journey taken by the customer has been mapped, the stages of the service that are in a central or critical part of the service emerge. Alongside the customer's actions, there are also touchpoints with the staff, stages of service production invisible to the customer and functions that support it.

The description of the customer journey helps to outline the whole service, the resources it requires, the scheduling, and how functional the service is. Once the actions before, during and after the service have been defined, the customer gets a sense of holistic consideration. The ease of finding and using the service, as well as after-sales marketing, are often the decisive factors based on which the customer makes decisions about their commitment to the company.

Keywords: service blueprint, customer journey, service process, service chain analysis

Experiences

The service experience is individual, but when designing the content, one can take into account what experiences it offers: the content of the service is interesting to the customer, it has perceptible elements, the customer has the opportunity to learn something. As a result, the customer can also be emotionally and mentally committed to the content they receive.

When the customer uses a service, they create images of its quality with all their senses and sensations. The elements of the experience can be the very factors that make the service memorable and stand out from the competition.

Keywords: customer experience, storytelling, experience pyramid, individuality, authenticity, multisensory, contrast, interaction

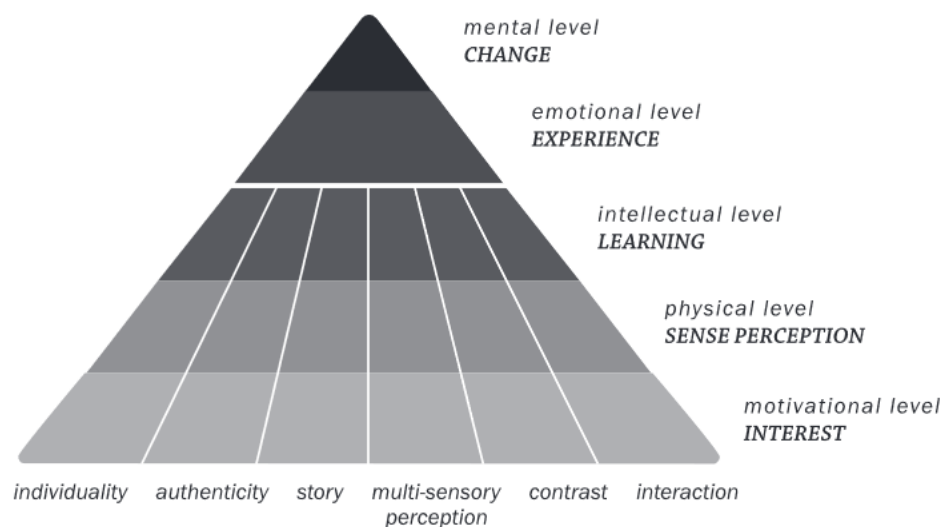


Figure 4. Experience pyramid (Tarssanen 2009)

Product card

The product card brings together all the information needed to implement the service. It serves as an internal handbook for the staff, stakeholders and partners, and as part of marketing information for customers.

The customer product card includes at least:

- Service provider information
- Product / service name
- Total duration of service
- Languages
- Place of performance (address)
- Implementation time
- Number of customers (min / max)
- Contact information
- Price information
- Sales texts and images

In addition to this information for resellers, the product card also includes any additional services and further information about the company to support sales. The company's internal product card contains the most comprehensive information about the service, in addition to basic information:

- Commissions
- Necessary resources with descriptions
- Schedules and description of operations (who does what, how, when)

The internal product card serves as a manual for the service, so that its structure is clearly described and can be repeated in the same way. Documenting the content of the concept enhances the service, its productivity and it is reproduced with uniform quality.

Marketing

Marketing means advertising, communication and all measures to bring a service product to the customer's awareness. Marketing content utilizes the company's identity and the created concept, and it must be truthful and authentic.

Marketing becomes more effective when it focuses on the carefully selected communication channels used by the target group of the service. Good marketing focuses on the needs, preferences and buying behaviour of the target group. It must be remembered that marketing is often most efficient in the long run and when implemented in moderation creates a solid awareness for the company.

Keywords: advertising, communication



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Video: Visit Arctic Europe Showcase (Visit Arctic Europe 2018)

Sales

Sales and marketing are conducted for the same target groups and should therefore be carried out in parallel, with the same goals. Sales channels and systems serve the customer's ways and moments to buy. From the beginning, consistent development and management of the company and the concept facilitate the rationalization of not only sales but also the maintenance of its support activities.

Sales are part of the service and must be easily accessible to the customer. In addition to online sales, it is also good to remember personal sales work. Face-to-face or channel sales should be natural, knowledgeable, and customer oriented.

The clarity and ease of the purchase transaction affects the customer's perceptions of the service product and the company. The clear categorization of a wide range of products makes it easier to find the right service for the customer's needs.

Keywords: channel sales

Price

A service that has gone through concept planning is a quality product that has been honed with great attention to detail, which should also be reflected in pricing. The customer accepts the price better when they feel they are getting quality service and something added that they would not get anywhere else.

Firstly, the price consists of a calculation of the cost of the service, which includes all the costs involved in producing it. It is used to find out the level of profitability of the service.

Secondly, it is worthwhile to find out what competitors and other providers of similar services ask for their products, what the differences in prices are based on and what factors may influence the customer's purchasing decision. This market analysis is used to determine average and ceiling prices.

Your own strategy, market entry, loyalty engagement, and other goals determine the rest of the price. When these are matched to the cost calculation and market analysis, the result is the price of the service.

Prices must also change and be flexible when situations change, but these changes must be done carefully.

Keywords: cost calculation, profitability, pricing

Summary and conclusion

Concept planning is comprehensive and systematic business development. Concept planning is always based on the company's goals, values and identity, i.e., each concept is unique. Concept planning can be conducted at different levels from strategic management to one single individual product or situation. Building a concept is a process. It is continuous and transparent service development, evaluation and communication.

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