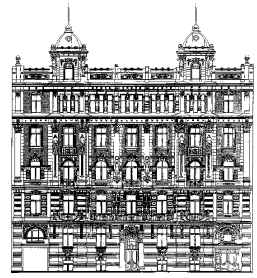




**STOCKHOLM SCHOOL OF
ECONOMICS IN RIGA**

RĪGAS EKONOMIKAS AUGSTSKOLA



**Identifying Customer Needs:
Competitiveness of Liepaja in
the Tourism Market**

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Identifying Customer Needs: Competitiveness of Liepaja in Tourism Market

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Abstract

This paper identifies types of tourists from Riga and checks what groups could be attracted to spend their vacations in Liepaja. For the analysis several market research and marketing theories done by foreign and Latvian researchers were used. The research was carried out in two major steps: interviews with travel agencies and a survey on the needs of tourists. As a result three main types of tourists were identified: eco-tourists, active sport lovers, and people interested in history and culture. Liepaja being a town with rich historical and cultural traditions, as well as natural resources has shown to be attractive for identified types of tourists from Riga. During comparative analysis with Palanga Liepaja has proven to be competitive in the tourism market. Still there are several factors that slow down the development of Liepaja as a tourism product; as a result of this work the authors tried to suggest actions to be undertaken to attract tourists to the region and to encourage development.

Key words: tourism, types of tourists from Riga, competitiveness of Liepaja

Table of content

Introduction	3
Brief Background.....	3
Research Question	3
1. Review of Literature	4
1.1. Statistics on Tourism in Latvia	4
1.2. International Research on Types of Tourists.....	5
1.3. Types of Tourists in Latvia.....	6
1.4. Possibilities for Tourism in Latvia. Liepaja Development.....	7
1.5. Marketing Services.....	9
2. Methodology.....	11
2.1. Two-step approach.....	11
2.2. Model.....	13
3. Research results	15
3.1. Company.....	15
3.2. Competition	16
3.3. Customers – General Trends.....	19
4. Analysis.....	24
4.1. Segmentation and Targeting – Types of Tourists.....	24
4.2. Differentiation and Positioning.....	30
Conclusions and suggestions.....	32
Works Cited	36
Appendices	38
Appendix 1. Interviews with tourism agencies	38
Appendix 2. Questionnaire in Latvian	39
Appendix 3. Questionnaire in English.....	43

List of figures

Fig. 1. Tourists distribution by age groups	4
Fig. 2. Trips distribution by quarters	5
Fig. 3. Characteristics of tourism industry	10
Fig. 4. Marketing Strategy Planning Process model	13
Fig. 5. Travelling during vacations and holidays	19
Fig. 6. Preferred direction	19
Fig. 7. Sources of information	20
Fig. 8. Ranking of activities	21
Fig. 9. Whom people travel with	21
Fig. 10. Length of the journey	21
Fig. 11. Travel route	22
Fig. 12. Transport	22
Fig. 13. Affordable price for accommodation	23
Fig. 14. Preferences in activities	23
Fig. 15. Special services for children	24
Fig. 16. Town to visit	24
Fig. 17. Types of tourists	25
Fig. 18. Age distribution in eco-tourists' group	26
Fig. 19. Activities preferred by eco-tourists' group	26
Fig. 20. Age distribution in active sport lovers' group	27
Fig. 21. Activities preferred by active sport lovers' group	28
Fig. 22. Age distribution in history and culture-oriented group	28
Fig. 23. Activities preferred by history and culture-oriented group	29

List of tables

Number of trips by destination (thousands)	4
The resources for tourism in Liepaja: advantages and problems	9
Activities in two competing regions	30
Summary of the results	32

Introduction

Brief Background

The number of tourists in Latvia, both foreign and local, is increasing every year, thus resulting in active tourism industry development. To encourage this development to happen and prepare Latvia for tourists, the Latvian government and local municipalities have created several new policies. As a result of these, towns are being restored and renewed, new routes for tourists are being designed, and supporting services, such as accommodation, means of transport, recreation centres, and tourist information centres are being developed.

Nevertheless, there is still a strong preference for the local population to travel abroad. For many people short trips to neighbouring countries, namely Lithuania and Estonia, seem to be more appealing, than travelling in their home-country.

The purpose of this thesis is to explore ways of changing the current situation and promoting in-country tourism. The research will focus on people from Riga, who leave the capital for weekends and vacations. To get practical results, Liepaja and its surrounding area were chosen to be assessed for the ability to attract and satisfy groups of tourists. It is believed that this region has the potential to become an alternative to the existing well-known resorts, and there is an opportunity for local companies connected with recreational activities to encourage local people to switch from travelling to Lithuania and Estonia to in-country tours.

Research Question

The primary goal of this thesis is to find out if people from Riga are interested in travelling inside Latvia and whether Liepaja offers enough activities to satisfy the needs of these people. In order to answer these questions the research was divided into several parts:

- to identify the types of tourists living in Riga based on socio-economical and personal characteristics, as well as on preferences for tourism activities
- to find out what activities are currently offered to tourists in Liepaja and its surrounding area, and how these activities compete in the tourism market
- to assess whether the identified types of potential Riga tourists can be satisfied currently in Liepaja and give some suggestions for further improvement

1. Review of Literature

1.1. Statistics on Tourism in Latvia

According to the Latvian Statistical Bureau, 51.5% of all Latvian residents participated in domestic trips during 2002 (Tourism in Latvia 2002, 2003, 66).

Figure 1 represents distribution of domestic tourists by age groups (Tourism in Latvia 2002, 2003, 66). Almost 65% of all Latvian residents who travel domestically are in the age from 15 till 44 years old. These are mainly young people who choose active ways of resting.

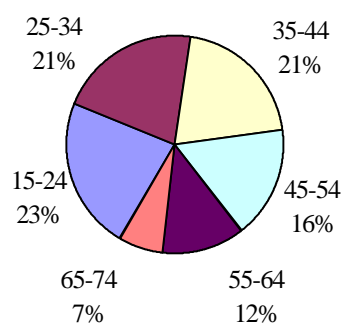


Fig. 1. Tourists distribution by age groups

Source: Statistical Bulletin. “Tourism in Latvia 2002”. Riga: Latvian Statistical Bureau, 2003, 66

The most visited towns, except from Riga and Jurmala, are presented in the Table 1. It can be seen, that already now Liepaja is one of the most visited by tourists towns in Latvia. What concerns the whole Liepaja district it is also very often chosen as a destination place for in-country tourism. According to the Latvian Statistical Bureau (2002), Liepaja district is on the 10th place among other districts of Latvia by number of tourists visiting it during same-day trips, it is on the 4th place for short trips, and on the 6th place by number of people staying for more than 4 nights.

Table 1
Number of trips by destination (thousands)

	Same-day trips	Short trips (1-3 nights)	Long trips (more than 4 nights)
Daugavpils	62.7	29.2	4.5
Jelgava	107.9	31.5	0.7
Liepaja	107.6	30.3	1.3
Rezekne	88.3	17.8	2.0
Ventspils	114.1	46.5	3.9

Source: Statistical Bulletin. “Tourism in Latvia 2002”. Riga: Latvian Statistical Bureau, 2003, 69

Tourism is very dependent on the season. As presented in the Figure 2 the most active are second and third quarters of the year, representing 30% and 35% of all trips respectively. If

seasonal effect is analysed for different types of trips, it is seen that long trips (more than 4 nights) are very popular during third quarter, they are chosen in more than 50% of cases.

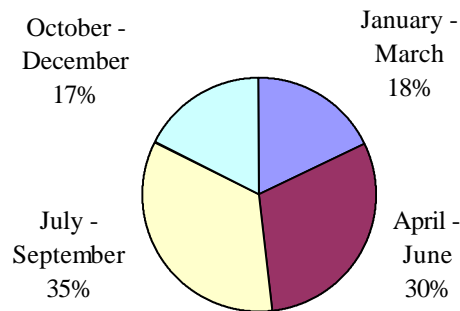


Fig. 2. Trips distribution by quarters
Source: Statistical Bulletin. Tourism in Latvia 2002

Data from the statistical bureau was used to create a first overview of tourism industry and its development stages. It is seen that in-country tourism is becoming popular, and people often choose to go out for a weekend from places where they live and work.

1.2. International Research on Types of Tourists

There were several studies done worldwide that aimed at identifying connection between lifestyle and tourist recreative behaviour. The most relevant for this paper are considered to be studies done by Perreault (1977) and Westvlaams Economisch Studiebureau (1986) thoroughly described by Johnson and Thomas (1994).

Perreault (Johnson et al, 1994, 19) in his research analysed the influence of different factors on trip choice making. Socio-economical characteristics, vacation behaviour, and vacation information sources were chosen as the main factors. During this research 800 people in UK were interviewed, based on the survey results typologies of tourists were formed. These were budget travellers (28%), adventurers (24%), homebodies (20%), vacationers (7%), and moderates (21%). The main emphasis during this research was put on financial situation of every respondent, as well as on social status, level of education, and type of occupation. As socio-economic situation in the UK in 1977 and in Latvia nowadays differ a lot, the whole research of Perreault can not be used, even if types identified seem to be reliable.

Another similar research was done by Westvlaams Economisch Studiebureau (Johnson et al, 1994, 21) in Belgium. This organisation had interviewed 3000 Belgian adults, and 75% of them were identified as potential holiday-makers. Research viewed such aspects as socio-economic characteristics, behaviour, and expenditure during holidays. As a result of this research seven clusters were formed. The biggest cluster, family-oriented sun and sea lovers

(27.2%), shared several common traits; in particular, visiting beautiful scenery, ‘making time for each other’; aspects like kind reception, good food, and ‘child-friendly’ activities were appreciated by people belonging to this cluster. 25.8% of people were considered to belong to rest-seekers. For these people seeking rest, regaining strength, and walking were the most important motives for travelling. The next group was nature viewers (12%) who preferred visiting beautiful landscapes; followed by discoverers (10.1%) who liked to make contacts with people, and adored cultural holidays and adventures. Traditionalists represented by 9.9% of respondents paid attention to safety and security, they tried to avoid surprises and liked to be in the familiar surroundings. Group of almost the same size, namely 9.5%, attached great importance to a hospitable reception, to ‘making time for each other’, and ‘making contacts with new people’, and these were contact-minded holiday-makers. The smallest group was active sea lovers (5.5%). The most important factor for these people was presence of sea and beach; these people were also interested in active and sport activities.

This research as compared to the one of Perreault is less based on the socio-economic characteristics of respondents, thus it gives more transparent for Latvia results. The authors decided to use this research as a reference when identifying tourist types of Riga inhabitants. There were several reasons for conducting new survey and not using the results of research by Westvlaams Economisch Studiebureau (1986). One of them was that Belgium and Latvia have different geographic location and tourism objects, which have an influence on the type of activities tourists choose during their vacations. Secondly, the research conducted in Belgium might have outdated results. Still the typologies identified seemed to be reasonable and were used as a benchmark for Riga tourist types.

1.3. Types of Tourists in Latvia

There were also studies on types of tourists done in Latvia, one of them was a work of Chlaidze (Proceedings from International Conference “Integration of practice, education and research in tourism: experience and analysis”, 2000, 75-79). His article *Research of the Recreational Needs and Socio-Psychological Characteristics of the Users on the Tourism Services Market of Latvia* determined the influence of socio-demographic and personal characteristics of Latvian inhabitants on their choice of recreational activities. The research sample included 403 tourists from Latvia. Before the research author had identified potential factors that could be crucial for making the choice in recreation, these were socio-demographic (gender, age, education, type of occupation), socio-psychological (hobbies,

fashion, traditions of family/community, habits), and personal (character and temperament) characteristics.

To make results more structured, possible recreational activities for this research were divided into six sub groups. Three of these groups, namely risky and dangerous activities aimed at testing ones physical abilities in extreme situations, physically active recreation not connected with professional sport, and sport activities, were very similar to each other. Other three groups constituted from quite and comfortable recreation near the seaside; sightseeing where big attention was paid to cultural, historical and art places; and far from home trips with many new experiences, “society, pleasure, new impressions”.

Results of the research showed that the older were people the more quiet and cognitive recreation types they had chosen. Young people (till 30) preferred entertainment, risk, sport, and flirt. Another important conclusion made during this research was the fact that the level of income had not any sufficient influence on trip choice. What concerned family status, the research proved that singles preferred entertainment and flirt, as well as intellectual activities; on the other hand, the majority of married people often chose passive recreation.

As the research question of the current paper was delimited to in-country tourism, several types of recreational activities discussed in research by Chlaidze (2000) were considered by the authors to be irrelevant. First of all, such activities as ‘far from home trips’, were excluded from further analysis as they assumed travelling abroad. Secondly, activities like as risky and dangerous, physically active recreation, and sport activities were combined in one group as they overlap in many cases.

Combining the results of the above mentioned studies it can be concluded that there are two main broad categories of tourists: those who choose active activities and those who are more interested in passive ways of resting. These two categories can be divided into several subgroups, but it is hard to make final division on tourist types that are present in Riga right away. Thus, the research was held to identify the predominant types of tourists that exist in Riga nowadays.

1.4. Possibilities for Tourism in Latvia. Liepaja Development

Latvia with its rich natural and cultural resources consisting of its natural environment, historical and cultural heritage has a great potential for tourism development, to this conclusion came the participants of the International Conference “Integration of practice, education and research in tourism: experience and analysis” held in March 2000 in Riga (Proceedings from the Conference, 2000, 60). Nevertheless, the development is very slow.

According to Bērziņa and Karnīte (2001, 93), there are several problems that cause the delay of tourism development in Latvia. One of the most important of them is the fact that information available is not full, and sometimes misleading. The research has shown that there is a lack of tourism marketing in local and international markets that slows down the development of tourism industry. Because of the low quality of offered services, Latvia as a tourism product creates very low competition to other vacation places. There were identified problems with countryside tourism, which also result from a low quality of services. Bērziņa and Karnīte (2001, 93) also argue that there are several problems with infrastructure at different levels. First of all, roads, railroads, bus, and sea connections are of very poor quality. Secondly, infrastructure for ecotourism and active tourism is underdeveloped. The reason for this is destruction of many health resorts during last 10 years. The last point is quality of tourism infrastructure; many cultural monuments, museums, and landscapes outside Riga are in very bad conditions, and no attention is paid to their protection and reconstruction.

This last point is very crucial for the present research, as many tourism places in Latvia are undeveloped in comparison to Riga. Further development depends mainly on the policy imposed by municipality in a particular region. Grospina in her work *Tourism Management and the Development Opportunities for Liepaja* (2000), presented during the International Conference in March 2000 (Proceedings from International Conference “Integration of practice, education and research in tourism: experience and analysis”, 2000, 106–109), stated that in order to promote development of tourism in Liepaja the City Council had adopted a resolution which stated that tourism is one of the main priorities of the region. The Council supports private sector, making improvements in business sphere, creates favourable atmosphere for investments in the industry of tourism. Table 2 presents the analysis of available resources for tourists in Liepaja designed by Grospina (Proceedings from International Conference “Integration of practice, education and research in tourism: experience and analysis”, 2000, 108).

Table 2
The resources for tourism in Liepaja: advantages and problems

Resources	Advantages (Strengths)	Problems (Weaknesses)
Geographical location	Non-freezing port Situated on the cross point of different transport routes (air, water, railroad, roads)	No organised airport and ferry connection Strong competition from the regions situated close, e.g. Palanga; other Latvian places (Riga, Jurmala, Sigulda, Kuldiga, etc.)
Rich natural resources <i>Mineral water, mud</i>	High-quality mineral water, long health resort traditions	Sanatorium has been liquidated
Climate	Different activities for different seasons	Very much dependent on season, thus recreation activities are demanded only from May till September
Hydro resources <i>Located between Liepaja lake and Baltic sea</i>	8km-long sand beach, Blue Flag Beach certificate, Liepaja lake is the place of birds nesting Possible to create yacht port	Water pollution
Forest resources	Liepaja region is a green area with many beautiful natural landscapes	Owners of the land cut down forests, dune zone is destroyed
Possibilities for active recreation	Several sport complexes for horseback riding, modern ice hall, two swimming pools, tennis courts	Cycle track is destroyed
Cultural events and traditions	Concerts and theatre performances, symphonic music festivals, rock music festivals	Museums work could be more active; symphonic orchestra does not have appropriate premises
History and architecture	Cultural objects of the Naval port: cathedral, castle, military prison, underground paths Old city of Liepaja (architecture of XVII – XIX centuries). Beginning stage of art nouveau	No money for reconstruction, buildings are destroyed
Historical connections	Old settlement of Vikings Liepaja – one of the biggest ports in the Russian Empire	Routes for tourists are not yet developed, lack of advertisement and tourist information
Services	225 objects in total (accommodation places, travel agencies, information centres, restaurants, cafes, shops)	Not very high level of service

Source: Proceedings from International Conference “Integration of practice, education and research in tourism: experience and analysis”, Riga, 2000, 108 (adapted by the authors)

1.5. Marketing Services

Modern marketing involves much more than just selling and advertising. It requires information about people, especially about those who might be interested in a particular product or service. It is crucial to know what these people like, where they usually buy it, and how they spend money.

According to Mahoney and Warnell (1987) recreation and tourism businesses often make a mistake of attempting to be all things to all people. It is difficult, and risky, to develop marketing strategies for the mass market. Strategies designed for an "average" customer often result in unappealing products, prices, and promotional messages. Therefore, it was decided

first to find to what preliminary types could be divided people from Riga interested in in-country tourism, and then to see which segments might be interested in trips to Liepaja.

Since tourism is primarily a service-based industry, principal products provided by tourism and recreation businesses are recreational experiences and hospitality (Mahoney and Warnell, 1987). These are intangible products and it is more difficult to market them than tangible ones. There are also some other characteristics that make services marketing process different from tangible goods, they are presented in the Figure 3; the model was adjusted by the authors so that it corresponds specifically to tourism industry. In this process some characteristics mentioned in the original model were adjusted specially to tourism industry, some were added, and some very general ones were excluded.

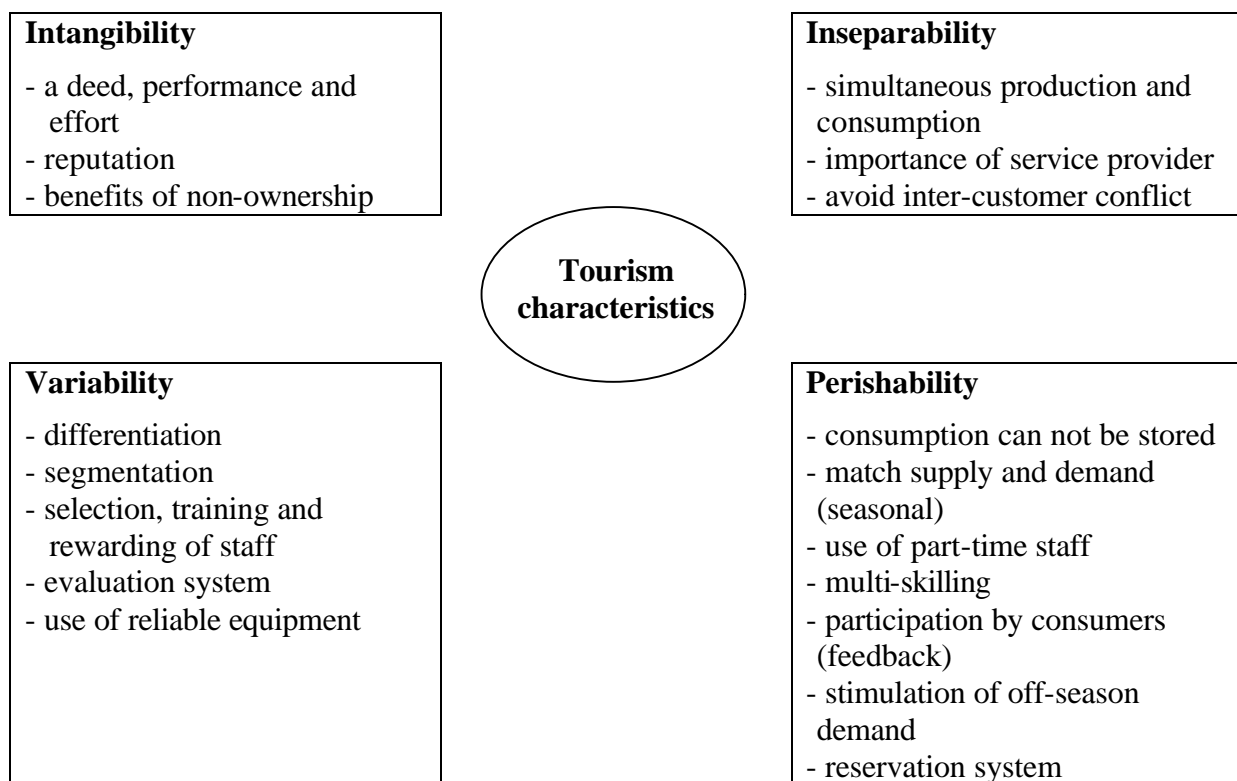


Fig. 3. Characteristics of tourism industry

Source: Jobber, David. Principles and Practice of Marketing.

Madrid: McGraw-Hill Publishing Company, 2001 (adapted by the authors)

Tourism industry is highly dependent on long-term relations with customers, because it has very high substitution effect. Therefore, it is important to control the level of services not only in one particular company but also in supporting companies. Koth and Kreag state in their work *Community Travel and Tourism Marketing* that to gain the attention of potential tourists it is required to develop marketing strategy for the whole community, not a selling approach for each individual company.

2. Methodology

2.1. Two-step approach

The research was carried out in two major steps; first, interviews with travel agencies were conducted to get an insight of the tourism industry and to understand the main trends, and second a survey on the needs of the customers was conducted.

The interviews with travel agencies represented the qualitative part of the research; they were semi-structured with open-response questions. This method is usually used when it is necessary to collect information and thoughts of people on the particular topic (Perreault, 2002, 230). As claimed by Svend Hollensen (2001, 633), the objective of qualitative research is to give a holistic view to the research problem. Therefore it should cover a large number of variables, while the number of respondents is small; usually these are people with considerable knowledge of the problem. In this research it was assumed that the representatives of the travel agencies were experts in the field of tourism and were able to give reliable information on the preferences of Riga people choosing to travel in Latvia. The information collected on tourists was later cross-checked with a larger sample.

Qualitative data collected from the travel agencies, and other sources of information were used as an input to design a questionnaire for the quantitative data collection, so that by the end, results were summarised in numbers and then generalised to the whole population of interest (for questionnaire see Appendices 2 and 3). The required information concerned resting habits, attitude to travelling, preference for journey length, attitude to different types of activities, etc. The method of combining qualitative research with quantitative is termed triangulation (Hollensen, 2001, 634).

Additional information on travel agencies as well as on the research on customer needs is presented further in the text.

2.1.1. Travel agencies

From the many companies operating in this sphere five were chosen and interviews with their representatives were arranged; these were Lauku Celotajs, Kolumbs, Latvia Tours, Putnik, and the official representative of Palanga in Latvia (see Appendix 1 for the list of interviewees and questions). All of the chosen companies are located in Riga; the strongest point behind this is that these agencies understand people living in Riga better than those that are located in other towns. They communicate with these people and learn their preferences

and needs. Moreover, they are independent institutions, as they do not have to promote their own town. As a result they have information on the various holiday opportunities in Latvia.

The agencies were chosen based on two criteria; the first one was that the agency offers excursions in Latvia and to neighbouring countries, namely Lithuania and Estonia.

Information concerning Lithuania and Estonia was planned to be used in assessing the competition in a related part of the research. The second criterion was the presence of advertisements in the press and special tourism brochures, where it was mentioned that this agency offers tours in the Baltic States.

2.1.2. Research on customer needs

One of the research questions of the thesis was to identify types of Riga people concerning their preferences for in-country tourism. The sample included both Latvians and foreigners who permanently live in the capital; in this case a minimum of two months was considered to be “permanent”.

There were several reasons behind focusing on this group and examining only in-country tourism. Firstly, tourists from abroad were excluded from the research as it would be hard to get direct access to them. Moreover, Latvia is a small country, and only Riga, being the capital, is known abroad, other towns are not recognized internationally. Usually foreign tourists visit the capital of such small countries without going to other places, and only after seeing the capital a few times will they pay attention to the smaller towns. Furthermore, choosing only people living in Riga was a delimitation of the research.

The questionnaire was distributed via the Internet, and Perreault maintains that this type of survey, where a questionnaire is distributed by e-mail, is common and convenient (2002, 232). An advantage of this method is that respondents can answer questions at their convenience, and can be more willing to provide personal information than during interviews. The questions were designed to be simple and easy to follow, so that they were easily self-administered.

During research, representatives from 100 Latvian companies were contacted. First, 80 companies were chosen from a list of the 500 most profitable organisations in Latvia, designed by company register Lursoft. Companies were selected from different sectors; there were manufacturers and service providers. Then, another 20 companies were chosen to represent additional segments of the market. This included several companies from the public sector and companies connected with media, as well as to different associations (trade,

professional, youth, etc.). These companies were sent the questionnaires included in Appendices 2 and 3.

To identify preferences of young people, several students of the Stockholm School of Economics in Riga and University of Latvia were also asked to fill in a questionnaire.

As a result from the 100 companies contacted, 36 companies agreed to participate in the survey, a response rate of 36 %. In total 140 answers were received, with each company sending back from 1 to 5 questionnaires.

In addition to the direct contact, the questionnaire was put on the Internet, where anyone could fill it in interactively. These results were screened thoroughly, so that they could be used for analysis. Using this method another 60 questionnaires were collected, and as a final result 200 questionnaires in total were received and used for further analysis.

2.2. Model

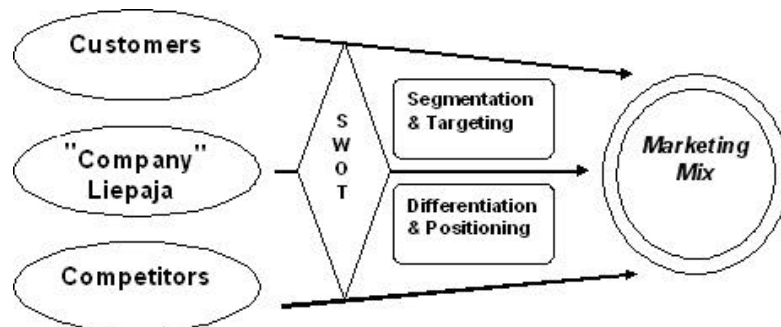


Fig. 4. Marketing Strategy Planning Process model

Source: Perreault, W.D. and McCarthy, E.J. *Basic Marketing. A global-managerial approach*. New York: McGraw-Hill, 2002, 64 (adapted by the authors)

To structure the research, a model for Marketing Strategy Planning Process was used (Fig. 4). The first three parts, namely company, competitors, and customers, are addressed in the Results part of the paper, followed by segmentation and targeting as well as differentiation and positioning in the Analysis part. This model is described in more detail in Methodology.

"Company" Liepaja

This part of the work presents the objectives and resources of Liepaja as a tourist destination, which is considered a "company" in this model. Liepaja was chosen to focus the effort more efficiently, so that one specific place is examined thoroughly. This work examines in-country tourism as a whole, and the "company" could be any place in Latvia interesting for visitors, as well as any travel agency, hotel or travel information centre.

Information about resources in the town for tourism was collected; including the opportunities and activities for tourism. Several sources were used to collect the information,

including interviews with representatives of the travel agencies mentioned above, the Internet, tourism brochures, and advertisements of tours in the newspapers and magazines.

As for the SWOT analysis it is advised to look through a previous study made by Grospina (2000), which underlines strengths and weaknesses of the region. The summary on the study is presented in Review of Literature part (page 9) of the paper.

Competitors

This part describes the competitive situation in tourism industry. First, there is a summary of the travelling trends in Latvia, i.e. most popular routes and excursions chosen by the customers in the travel agencies surveyed. The next part presents the information on the most popular travel routes in Estonia and Lithuania.

Finally, one district is chosen to be compared with Liepaja, using the selection criteria of proximity to the sea, the infrastructure, and the recreation services and activities offered. Based on the opinion of the travel agents and other information collected, Palanga was chosen to be compared with Liepaja. This part describes the activities available in Palanga, as well as Klaipeda and Neringa, because these places are usually visited together.

The fact that other Latvian towns are not examined as competitors to Liepaja is a delimitation of this paper.

Customers

This part contains the survey results of the general customer needs and preferences and is based on the information obtained from questionnaires, which were analysed and quantified. For each question the number of people who had chosen any of offered alternatives was calculated, then the most popular answers were shown as a percentage. The summary of the results on all issues covered is presented as graphs to make the analysis easier to follow.

The aim of this part is to present a holistic picture of the customer market, so that afterwards several types of customers could be identified. These results are used as a basis for further segmentation and targeting.

Segmentation and Targeting

Understanding that respondents are different and cannot all be satisfied in the same way leads to a segmentation of the whole market into several groups of like minded customers. These groups are based on various criteria; the main one being preferences for the activities offered. In this research demographic factors such as age, gender, income, and occupation are not

considered to be the most influential. This is in line with the results of previous studies that are presented in the Review of Literature part.

The characteristics of each of three groups are identified and a summary is presented, showing preferences for accommodation type and price, recreational activities, tourist packages, etc. Based on the main characteristics of each type several conclusions are made on whether these people can be attracted to Liepaja; in addition the authors provide their own suggestions on possible development activities that could be undertaken in the town in the Conclusions and Suggestions part.

Differentiation and Positioning

In this part the competitiveness of Liepaja is assessed, using the information on available services and activities in the area. This analysis covers two tasks: firstly, comparison of two competing regions in terms of activities is presented and secondly, the results of the survey are used to find out whether the services offered in both regions are those demanded by Riga tourists.

In Conclusions and Suggestions part the authors present their ideas and guidelines for further marketing mix development.

3. Research results

3.1. Company

First of all, Liepaja is a town with more than four-century history. It has a unique cultural heritage of Swedish kings, German barons, Russian Tsars, and Finnish Jeezers. Liepaja is the town with long cultural traditions, which it managed to save till now. Nowadays, many people from Riga go to Liepaja to visit Liepaja theatre that is the oldest professional theatre in Latvia; it is the only town in Latvia that has its own Symphony Orchestra. Liepaja is also famous for its organ, which is located in the Holy Trinity Church. It is the biggest, historically unchanged, mechanic organ in the world.

Several music festivals (The Pianissimo Stars, We are from Liepaja, Liepaja Amber, Organ Music Festival) are organised in Liepaja every year. For those who are more interested in modern music and want to rest on the beach, Liepaja offers beach music festival “Caines Beach Party”; last year the event has proven to be very popular. Interested in rock music can visit Latvia First Rock Café situated in the centre of the town.

Except of cultural, Liepaja offers a wide variety of active leisure activities sometimes still combined with historical routes. One of the most visited places in Liepaja is “Karosta” (the

Naval port), that was built at the end of 19th and the beginning of 20th century, and was the first submarine base for the Russian Empire. Now it is the largest historic military territory in the Baltic States and the only preserved military prison of the Russian Empire in Latvia. During the Soviet time this object and its surrounding area were prohibited for visiting, but now “Karosta” with its underground paths is opened for tourist visits.

There is an opportunity to visit castles of European kings and barons that are situated in the surrounding area of Liepaja, where beautiful nature is combined with historical sights. Liepaja is situated along the seaside, therefore one of its main sights is Jurmala (Seaside) Park and the Blue Flag Beach with the whitest sand in the Baltic States.

Craftsmen’s house in the centre of Liepaja is a place where it is possible not only to buy crafts, but also to see them being made.

Liepaja offers a lot of opportunities for those who are interested in active recreation. There are special routes in Liepaja surrounding, which include visiting parks, lakes, rivers, and forests. It is also possible to participate in cycling tours around the region. In summer, water-tourism is very popular; in addition a windsurfing club has been opened recently. In raining days, tourists are invited to the ice hall in the centre of Liepaja that operates all year long.

Liepaja as a place for tourists has also its disadvantages. According to Grospina (2000) the region still lacks promotion of tourism industry. As Liepaja is situated relatively far from Riga, promotion is very important to make people to visit this place. Infrastructure, being one of the most important factors to increase number of tourists, is underdeveloped. Many historical places are in inappropriate condition for tourist attending (for more critics resulted from Grospina’s research see page 9).

3.2. Competition

Trends of Travelling in Latvia

From usual excursions that are offered by travel agencies, the most popular are excursion to Ventspils and excursion to the palaces of Zemgale (the region of Latvia). It is also possible to go to towns like Kuldiga, Cesis; to districts, like Liepaja or Daugavpils districts; or regions, like Latgale or Vidzeme. These excursions usually last for one or two days. It should be added that the hot season for such excursions starts in May and ends in September.

As the interest to countryside tourism is increasing, more and more companies offer trip to nature where it is possible to stay in a farmhouse and enjoy countryside. According to Agnese Jakovièa (PC on November 11, 2003) usually such places are visited by couples. In

summer an average length of such vacations is a week, in other seasons it is 2-3 days, mainly on weekends.

The next type of offered services is connected with active sport. There are special packages that include doing sport, accommodation, sauna, etc. The most popular packages are skiing in winter, when people come to a certain place like Ergli, for example, and stay at a skiing complex for a weekend; in summer the most popular sport is cycling. These tours are usually 2-3 day long, and are chosen by active people mainly from 20 to 45 years old.

Trends of Travelling in Lithuania and Estonia

Tours to Lithuania and Estonia are organised by many travel agencies. When visiting Estonia the most attention is paid to Saaremaa, such excursions are offered mainly in summer.

Another possibility to spend time in summer is to go to aqua park "Aura" in Tartu, but during other seasons of the year this town is visited together with Tallinn. Trips to the Estonian capital are usually done individually or in a small group, so that people go there on their own. In winter time agencies offer to ski in Otepe, there is even a tour when people are accommodated in Valka (town in Latvia), but ski both in Latvia and Estonia, where they are brought by bus.

The most popular places in Lithuania are Palanga and Klaipeda. People go on short trips arranged by agencies, that last for two or three days with planned excursions, as well as on longer vacations, when tourists just reserve accommodation place through an agency, or go there without any reservation. Other places often visited by Riga tourists are Vilnius, Kaunas, and Trakai. It is also possible to visit Lithuanian country homes, but many people from Riga in this case prefer the same trips in Latvia.

For this specific paper it was decided that tours to Estonia would not be seen as a close substitutes to Liepaja, as for summer tours still the largest competition for Liepaja is resulting from Lithuanian towns that are located very close to Liepaja, namely Palanga and Klaipeda.

It was decided that not only activities provided by a specific town will be compared, but also activities available in the region. This was done because the distance between several towns in Latvia and Lithuania is small, thus it makes movement from one town to another very fast.

Activities in Palanga, Klaipeda, Curonian Spit

These are places that surprise people by their nature. The most beautiful is Curonian Spit that has all rights to be called natural miracle. The spit is almost 100 kilometres long and its width varies from 380 to 3800 meters. The sands of its hills glitter like gold between the blue sea

and the turquoise lagoon and amidst the dark green woods and mountain pines (Official webpage of Kursiu Nerija National Park). Since 2000 Curonian Spit has been included in the UNESCO World Heritage List. Except of just sightseeing there are several other activities available for people visiting Curonian Spit. There is the Lithuanian Maritime Museum where are presented collections of fauna of the world oceans and the Baltic Sea. Built in an old fort, the aquarium of the museum houses penguins, seals and sea lions. In the dolphinarium live eight Black Sea dolphins that participate in the show.

Next place that should be visited on the Curonian Spit is Raganu (Witch) Hill, which is an open-air exhibition of wooden sculptures based on the motifs of local legends. There are several fishing villages on the Curonian Spit, the largest one is Nida. It is possible to rent a bicycle to go for a sightseeing tour around the region, as well as to see the spit from the sea side when taking a tour with a yacht.

If coming back to the coastal part of the analysed region, it is worth to mention Klaipeda that is called jazz city. The reason for this is Jazz Festival that is organised there every year in the beginning of June. Klaipeda old town with a beautiful architecture is worth visiting during a guided tour.

Palanga is considered to be a summer resort place of Lithuania. It is a town where all activities are thought for recreation. For this reason in summer there are a lot of people coming both from Lithuania and neighbouring countries. Many people spend their time in Palanga on the beach, where it also is possible to participate in sport activities, such as volleyball, football, water bikes, tennis, and windsurfing.

As a more cultural and historical activity Palanga invites its visitors to the Palanga Botanic park, where they can not only see about 250 imported and 370 native plant species, but also to visit the Amber Museum that has the world biggest collection of amber inclusions.

For art lovers, Palanga offers several special events. One of them is Classical music festival “Night serenades” in the Botanic Park, where music is combined with light effects. This event is organised every year in the end of July since 1970. There are also other festivals and concerts, such as Folk Music Festival in the end of April, Choir Festival and Children’s Choir Festival, Summer Feast in the end of June, Amateur Theatre Festival “Saules Takas”, Healthy Food Festival at the end of September.

Palanga also entertains its guests during nights, thus in the summer this town is full of young people. Small restaurants and cafes are situated in almost every house in the centre of Palanga; moreover, nightclubs, disco-bars and casinos make this town alive twenty-four hours a day.

Comparative analysis of two competing regions is presented in the Differentiation and Positioning part presented further in the paper.

3.3. Customers – General Trends

This part aims at presenting general trends, which were found during the survey that consisted of 200 questionnaires in total. First part of the questionnaire contained general questions about respondents' attitude and preferences in tourism. It was found that 84% of all respondents travel during their vacations and weekends (Fig. 5)¹.

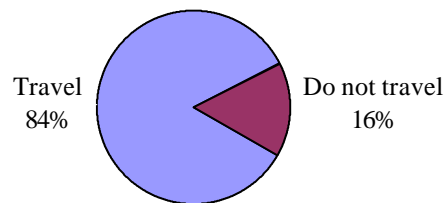


Fig. 5. Travelling during vacations and holidays

The next step was to identify preferred directions of people in travelling; there were three possible answers: to travel in Latvia, travel to neighbouring countries, and travel to other countries. Majority of respondents prefer to travel to other countries; these are 57.5% of respondents (Fig. 6). Nonetheless, 46.5% of respondents when making a decision concerning travelling prefer to travel in Latvia, more than half of them, that is 51 respondent, chose only Latvia as a preferred direction, others mentioned more than one alternative. Travelling to neighbouring countries like Lithuania, Estonia, Russia or Byelorussia is mentioned by 25.5% of respondents. It should be added that tourists who like going to other countries sometimes do not have free time to do it, and therefore they also travel around Latvia, but this is not perceived by them as “tourism” in their usual terms.

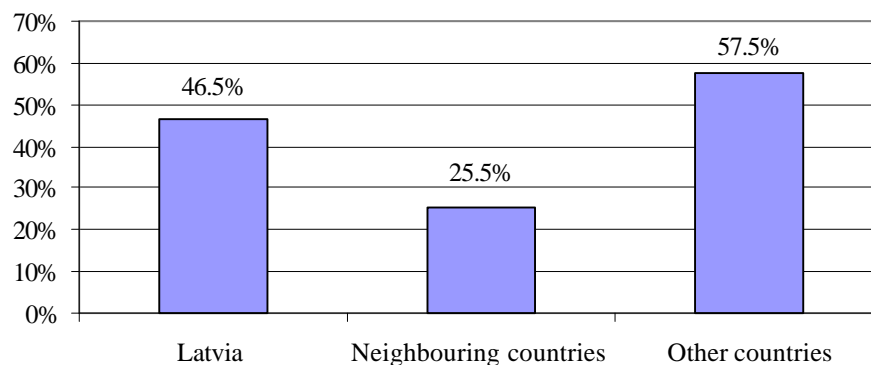


Fig. 6. Preferred direction

¹ In the following analysis pies are used when answers in the questionnaire exclude each other; bars are used when answers can be combined, i.e. several alternatives can be chosen.

Then, respondents were asked to mention their last travelling experience in the Baltic States. In the majority of cases people travelled to Estonia that is mentioned in 64 questionnaires. On the second place is Lithuania, it is mentioned in 57 cases. Trips around Latvia are mentioned only in 49 questionnaires. This could be explained by the same reason as in the previous question, i.e. people do not consider trips around Latvia as “tourism”. Some respondents that visited Estonia specified places. Tallinn is mentioned in 24 questionnaires, Saaremaa and other islands in 8 cases. In Lithuania the most popular places are Klaipeda, Palanga, Curonian Spit, and Vilnius. Tourism around Latvia is also popular, some respondents had trips along seaside in Kurzeme and visited towns like Kolka, Ventspils, Jurkalne, and Liepaja. Other people also mentioned Bauska, Cesis, Sigulda, Ligatne, and Madona.

The next question aimed at identifying sources, which are usually used to get information about travelling opportunities; these channels should be used for promotion. Friends and colleagues are mentioned as the most popular source of information, it is checked by 68% of respondents, meaning that people share their travelling experiences and rely on information they receive from people they know. Finding information on the Internet is also very popular, as 56.5% pointed out this source of information. Results for other sources are presented in the Figure 7.

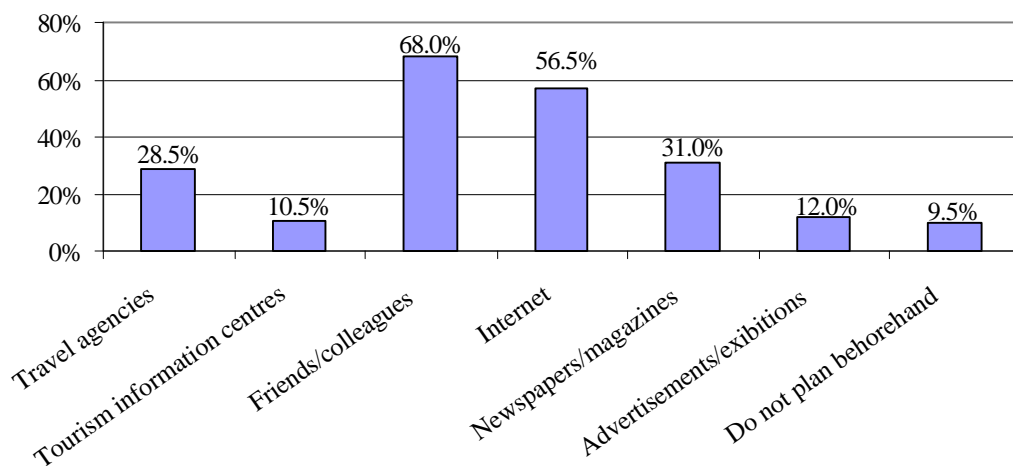


Fig. 7. Sources of information

The next question addressed the attitude towards different types of activities, like historical, entertainment, ecotourism, and active, i.e. connected with sport. According to all questionnaires the highest average ranking is given to entertainment, namely 5.36 on the 7-point scale, then following ecotourism that is ranked 5.16 (Fig. 8). Historical activities and activities connected with sport have close average score, namely 4.59 and 4.44.

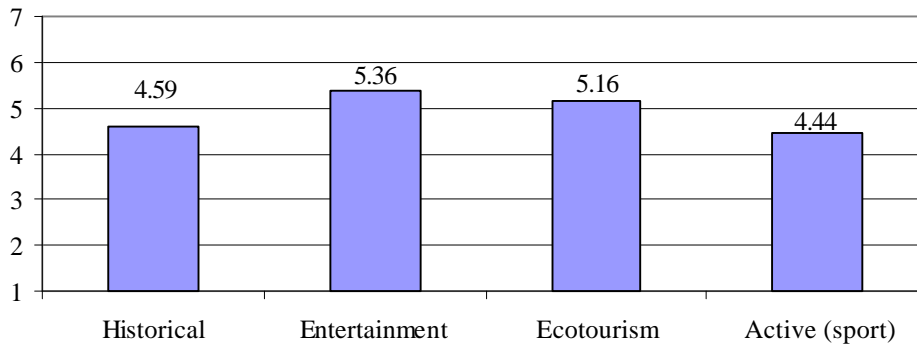


Fig. 8. Ranking of activities

The next part of the questionnaire addressed a hypothetical situation for people travelling in Latvia, and they were asked to give their preferences for different aspects. In the first question people were asked with whom they would like to travel. The most popular answer is to travel with friends; this alternative is mentioned by 78.5 % of respondents (Figure 9). The second most popular answer is to travel with a spouse, 43.5 % of respondents chose this option, while 32 % chose travelling with the family. It was possible to select more than one alternative, as it is possible to travel with a spouse in a group, or with family and friends.

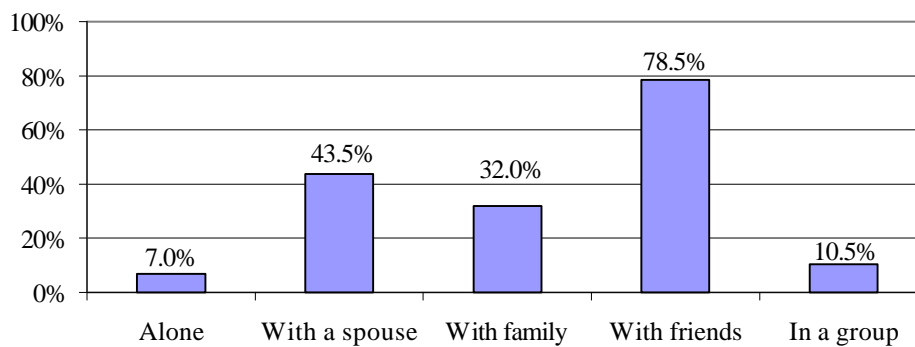


Fig. 9. Whom people travel with

In the next question the preferred length of the trip was identified. 72.5% of respondents chose short trips, i.e. when they stay overnight for 1 to 3 nights (Fig. 10). Same-day trips are chosen by 11.5%, and long trips, i.e. staying for 4 to 7 nights, are preferred by 12.5% of respondents. Other 3.5% chose to travel for more than 7 nights.

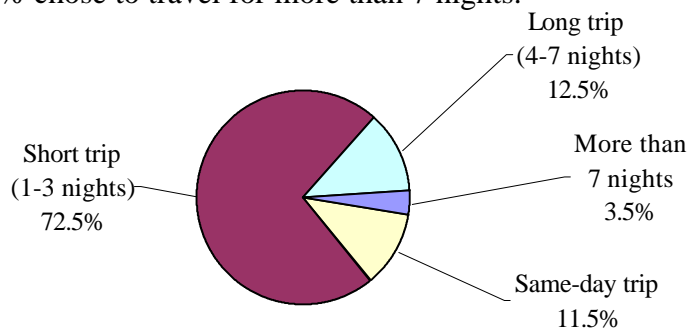


Fig. 10. Length of the journey

After identifying with whom and for how long time respondents would be willing to travel, they were asked to choose a travel route. The highest interest is expressed to visiting several places, it is mentioned by 65.5% of respondents; then 26.5% checked that they would like to visit town and its surrounding area (Fig. 11). In 19.5% of questionnaires respondents expressed willingness to go to specific place, like any palace or national park.

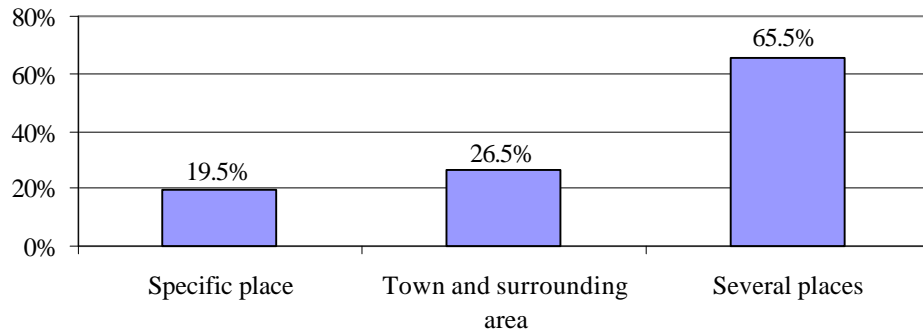


Fig. 11. Travel route

In the next question respondents were asked to choose means of transportation. Nearly all respondent chose to travel by car, these answer is mentioned in 69.5% of all questionnaires (Fig. 12). The second group, that is considerably smaller, chose to travel by tourist bus, these are 17% of respondents.

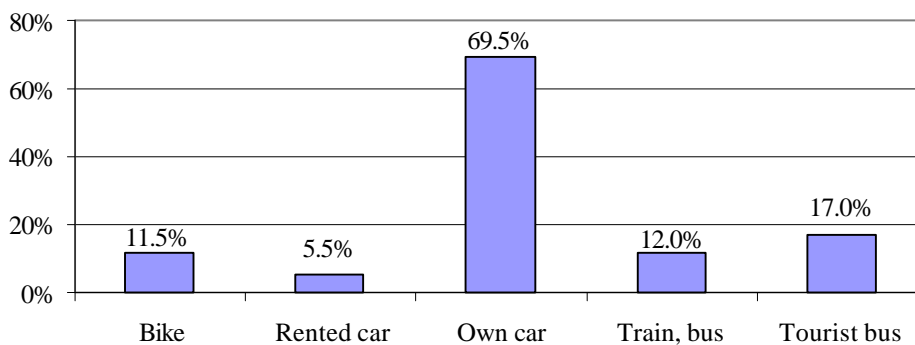


Fig. 12. Transport

The next two questions were connected with preferences in accommodation. Respondents were asked about their preferences in accommodation type and affordable prices for accommodation per one adult person. The majority of respondents are ready to pay in a range from LVL 5 to LVL 20, where 36.5% of all respondents would pay from LVL 5 to LVL 10 per person, and 33% are able to pay from LVL 10 to LVL 20; for other results see Figure 13. It should be added that respondents could choose several alternatives, but for final calculations of general results the maximum affordable range was used.

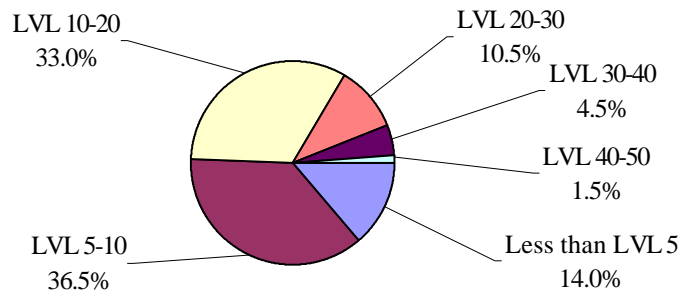


Fig. 13. Affordable price for accommodation

In the following question preferences in choosing activities were identified; the offered list included activities that were different on purpose, some were connected with culture, some connected with history, some were associated with ecotourism, and some related to active sport. There were also some supplementing activities that depending on the context could be associated with any of these groups, or formed in a new one. The most popular answer is trip to wild nature that scores 54% of all answers (Fig. 14), then following water-tourism that is mentioned in 47% of cases. Other activities that also have high ranking are spending time on the beach in 44.5% of questionnaires, and skiing and skating in 37% of cases. The next popular activity is night life that is chosen by 36% of respondents. Other activities are mentioned in less than 20% of questionnaires, these are diving, parachuting, excursions to local companies to view production processes, fishing, attending sport complex, and visiting summer beach festival.

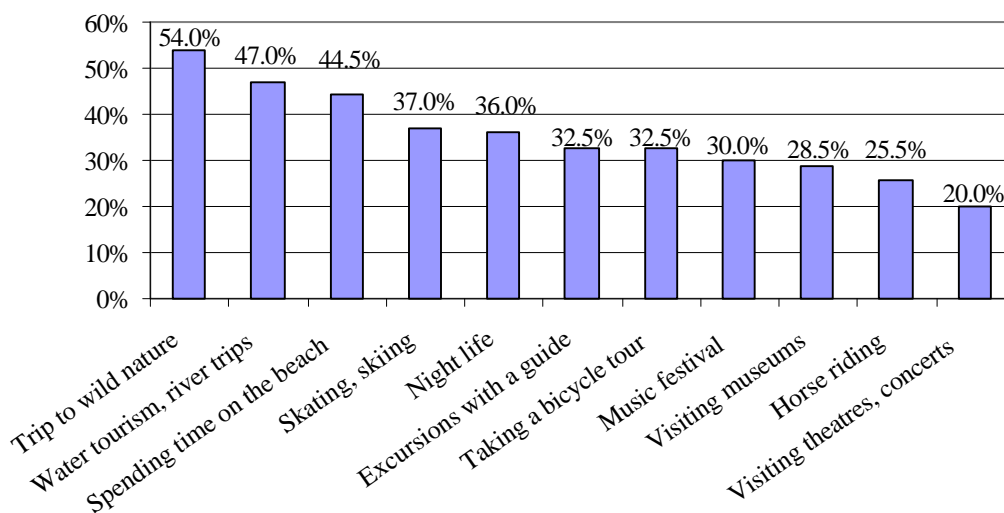


Fig. 14. Preferences in activities

The next question aimed at identifying whether people were interested to get some special services for their children. Only 62 respondents out of 200 mentioned that they have children, and 29% of them are not interested in these services (Fig. 15). Special excursions and events

are chosen by 40.3% of respondents, playground where tourists can leave their child supervised are checked by 45.2% of people. In addition, 27.4% of people expressed interest to have a special menu for children at their accommodation place.

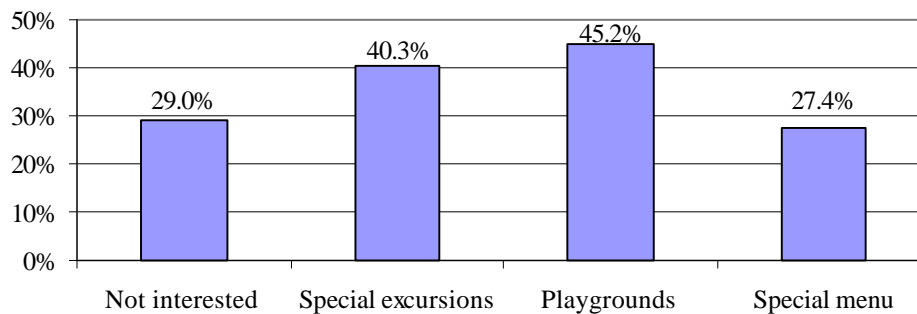


Fig. 15. Special services for children

In the last question respondents were asked to choose towns that they would be willing to visit. From the offered list the most popular are Ventspils which is mentioned by 54% of respondents, then Kolka which is mentioned by 47.5% of people, then following Liepaja which is chosen by 36% of respondents. For other results see Figure 16.

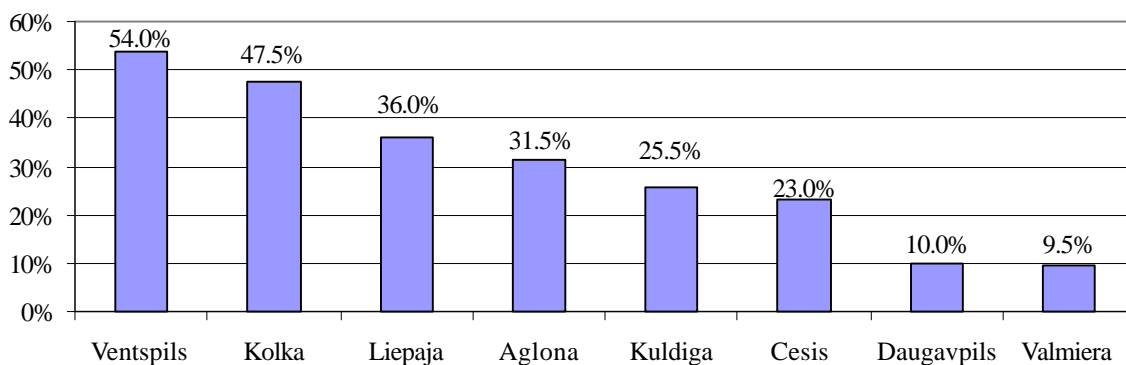


Fig. 16. Town to visit

Results from the survey are used for tourist typologies identification and are thoroughly discussed in the Segmentation and Targeting part.

4. Analysis

4.1. Segmentation and Targeting – Types of Tourists

In order to avoid mass marketing, it was decided to divide respondents into several groups based on their interests and preferences. As a starting point the research of Chlaidze and Westvlaams Economisch Studiebureau was used (results are presented on pages 5-7).

Combining the results received from the survey of Riga people with the types of tourists identified in Belgium, several dissimilarities can be seen. The two biggest clusters from the Belgian research, family-oriented sun and sea lovers, and rest-seekers, have not proven to be so important for Riga people. The reason for this might be the different geographic situation,

the close proximity to the seaside, as discussed above. Still the third cluster discussed by Westvlaams Economisch Studiebureau, nature viewers, has proven to be very important for tourists coming from Riga, as more than 50% of all respondents showed their interest in the activities connected with nature trips.

Based on the survey and results from previous research three main groups of tourists are identified, these are eco-tourists, active sport lovers, and history and culture-oriented people (Fig. 17). 36.5% of all respondents could not be considered to belong to solely one of the above-mentioned types. According to their preferences they have characteristics of different types at the same time. It was assumed that these people would change their type for different trips. Thus, they will be influenced by promotional activities designed for any of identified tourist types.

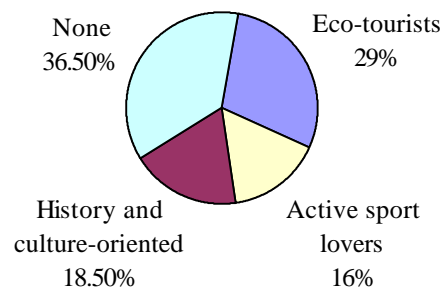


Fig. 17. Types of tourists

The following analysis represents a description of every identified type of tourists; it includes general characteristics of the type, tourists' preferences in accommodation, as well as the tourist package activities chosen by this category of tourists. For this analysis, activities for the tourist package are considered to be important only if more than 50% of the respondents have mentioned it in their answers.

Eco-tourists

Ecotourism is becoming popular among people living and working in the capital. According to results of the final survey, 29% of all respondents are considered to belong to eco-tourists category. Moreover, bearing in mind the overall results, activities related to ecotourism have the highest ranking among Riga people in total (for the details see Customers – General Trends part).

In the following analysis questionnaires of 58 representatives of eco-tourists are analysed in more detail. The majority of them, that is 74%, are in the age from 18 to 34 years old. People in the age group from 35 to 44 years old represent 19% of the group (Fig. 18).

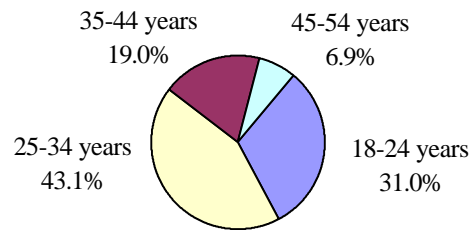


Fig. 18. Age distribution in eco-tourists' group

Activities directly associated with this type of tourist are trip to wild nature, taking a bicycle tour, and going along rivers. It is believed that the most typical activity for this group is trip to wild nature, and this is also proven by the results of the survey as 84.5% of respondents in this group expressed the interest towards this activity. The second popular activity is water-tourism which is chosen by 69%, and the third is bicycle tours, which is chosen by 51.7% of the group. Moreover, 17 people (29.3 %) chose all three activities that prove especially high interest in this type of tourism. Other popular activities can be seen in Figure 19.

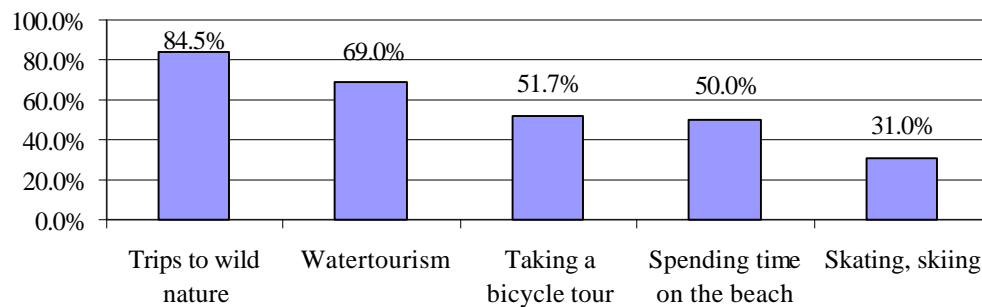


Fig. 19. Activities preferred by eco-tourists' group

The general attitude to different types of activities is the following, ecotourism is ranked 5.69 on the scale from one to seven, where 1 is not interested and 7 – very interested, entertainment is given 5.10, historical activities– 4.72, and active activities have the lowest score, equal to 4.45.

When analysing the accommodation preferences of the type, camping and guesthouses are the most popular. 59% of respondents checked guesthouses, it should be added that in ecotourism guesthouses could also be seen as country homes, village homes, and vacation cottages. Then, 45% of respondents chose camping. Moreover, only people from this group wrote that in addition to possible accommodation types they would like to stay in a tent, there are 6 such answers. The price range for accommodation is from LVL 5 to LVL 20 per night per one adult person, it is chosen by 76% of respondents; for 22% respondents the higher price is also affordable, and 6 people (10%) chose the price lower than LVL 5.

People of this type, if asked about the tourist package they would be interested in buying, gave priority to very general tourist activities, such as hotel reservation (83%), transportation (69%), and board² (62%). They do not show a high interest in pre-organised entertainment and cultural activities. Still 41% of respondents belonging to this type would be interested in having prearranged excursions and tours.

The interest in staying in rural areas is increasing, people go to countryside, to accommodation places situated in small towns, or isolated at all. There are companies that arrange staying in such country homes, village homes, and vacation cottages; still this sphere has the potential to develop. Such trips help people to switch from their everyday work and to rest being surrounded by nice nature. There is no strong need in pre-arranged programmes; visitors only need to be informed about possible activities in this particular home and region itself, like possibility to take part in different sports, bicycle rental, boat rental, horseback riding, presence of sauna, presence of farm animals, etc.

Active Sport Lovers

People of this type are interested in going out from the capital to do active sports. This group is not very large; it takes only 16% of all respondents. Still taking into account the speciality of their interests and preferences, these people should be divided into a separate group, which needs its own marketing activities.

This group is formed mainly by young people, as 62.5% of members of this group are in the age from 18 to 24 years old (Fig. 20). The second large age group represents approximately one third of all members, these are people from 25 to 34 years old.

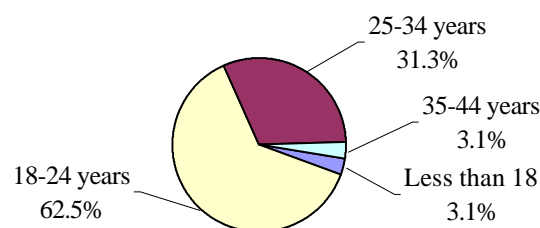


Fig. 20. Age distribution in active sport lovers' group

The majority of the group chose skiing and skating as a preferred way of spending their free time (62.5%); water-tourism is chosen by the same number of people (Fig. 21). More than a half of people in this group chose activities like diving and parachuting, 53.1% and 50% respectively. In relation to other activities, these people showed a very low interest in

² i.e. eating

cultural and historical tours. However, they are also not very much interested in trips to nature, thus they can not be identified as eco-tourists.

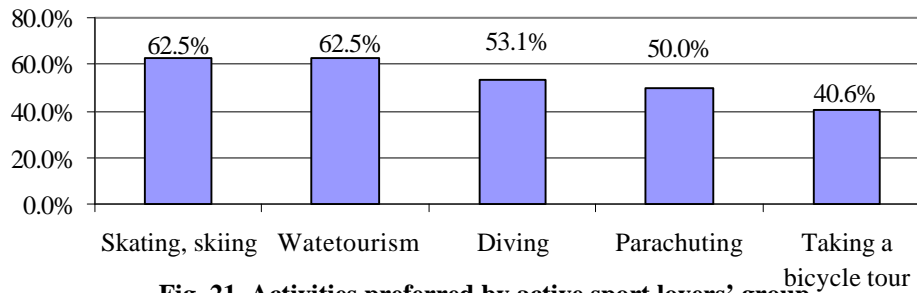


Fig. 21. Activities preferred by active sport lovers' group

Answers to the question about preferences also show that people of this type prefer active ways of resting. The average ranking for active (sport) and entertainment activities are 5.78 and 5.66 out of 7 respectively, ecotourism and historical activities, at their turn score only 4.97 and 4.13.

Almost 60% of these people chose camping as a place of accommodation. The rest of the respondents checked guesthouses. The price range varies from LVL 5 to LVL 20 per one person for one night. Although the price range is quite large, it is considered to be realistic as prices for the same type of accommodation differ much in different places.

People belonging to this type are also interested in general tourist package with prearranged hotel reservation (72%), transportation (66%), and board (78%). This type is less interested in excursions (only 7 people out of 32), still attending special events as theatres and concerts is chosen by 34% of respondents.

History and Culture-Oriented

The group of tourists who are interested in culture and history is represented by 18.5 % of all respondents. The largest number of tourists in this group (40.5%) is in the age from 25 to 34 years old. Activities connected with this group are also demanded by younger people who are from 18 to 24 years old. People in the age from 45 to 54 represent 16.2 % of the whole history and culture-oriented group. For more details see Figure 22.

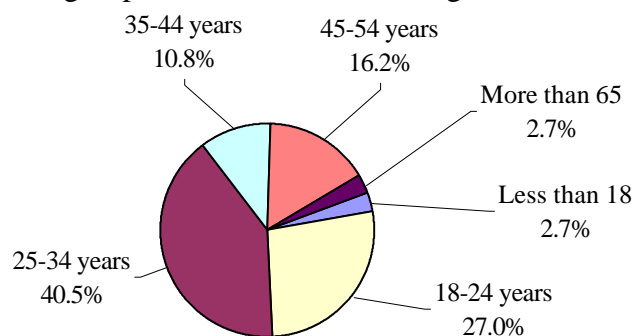


Fig. 22. Age distribution in history and culture-oriented group

This broad type of tourists can be divided into two smaller subtypes. First consists of people who visit cultural events (festivals, concerts) and who come to the region for this specific purpose. Second is formed by people who are interested in historical connections, they prefer excursions, tours with a guide, visiting museums. The attraction of the second group to the region is considered to be one of the most important because around 40% of all people interviewed answered that together with other activities they also would like to have the possibility to visit museums and have a guided tour around the town. These activities, namely visiting museums and excursions with a guide, are also the most popular activities in the whole history and culture-oriented group and are chosen by 75.7% and 70.3% of people respectively. For additional information see Figure 23.

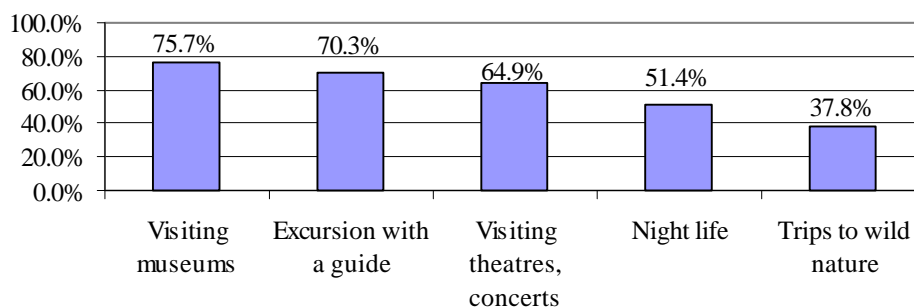


Fig. 23. Activities preferred by history and culture-oriented group

This group of people is different from others concerning preferences for length of trips. The percentage of people wanting to stay for one day only is 27%, which is higher than in other types. However, the most popular alternative still is to stay for 1 to 3 nights.

When asked about their preferences for activities, respondents showed a high score for historical activities, with an average of 5.11 out of 7. They also score high in entertainment and ecotourism, with an average of 5.03 and 4.78 respectively, while the ranking of active activities is low, namely 2.49 out of 7. The high score for ecotourism can be explained by the fact that many historical places are situated outside the town, for example castles and churches. People willing to visit these places might be considered to belong to both historical and eco-tourists types.

As an accommodation type respondents marked different places, from camping to three-star hotels. Camping is chosen by 11 respondents, guesthouses – 14, medium level hotels – 13, the remaining answers are split between youth hostels and high-level hotels. This difference could be explained by the same reason as before; there are different opportunities for those interested in history and culture; as tours differ, accommodation types might also

differ. According to the above-mentioned facts, prices that people are ready to pay range from LVL 5 to LVL 40.

Tourists of this category would be interested in buying a tourist package that has more activities in it than the previous two types. To the standard package (hotel reservation – 86%, transportation – 62%, and board – 78%) are added prearranged excursions (68%), visiting special events (51%), as well as discounts to cultural places (68%). People of this type want to have the whole range of activities that are planned ahead and organised by someone else, for example travel agency.

4.2. Differentiation and Positioning

At first sight, both analysed regions offer a wide variety of activities for different tourist types. Different age and social groups can find something interesting to see and to do in Liepaja, as well as in Palanga. Several differences can still be seen in these activities. To make the analysis more transparent it was decided to divide available activities in Liepaja and Palanga, Klaipeda and Curonian Spit into three identified tourist types (Table 3).

Table 3
Activities in two competing regions

	Liepaja	Palanga, Klaipeda, Curonian Spit
History and culture-oriented	Theatre Symphony orchestra Organ Music festivals Old town “Karosta” Castles of European kings Craftsmen’s house	Maritime Museum Dolphinarium Jazz Festival Klaipeda old town Botanic Park Music festivals
Eco-tourists	Castles of European kings Jurmala (Seaside) Park Blue Flag Beach Tourist paths Bicycle tours Water-tourism	Curonian Spit Raganu Hill Palanga beach
Active sport lovers	Bicycle tours Water-tourism Ice hall Windsurfing	Windsurfing Bicycle and boat tours Sport complexes

Liepaja and its surrounding area have more places with historical connections, for example, Karosta or old castles of European barons. Liepaja has very strong cultural traditions that can be seen in such cultural activities as theatre, Symphony Orchestra and concerts of the biggest mechanistic organ in the world. All these activities attract people from different parts of Latvia. Although the research has shown that historical activities are not the most popular way to spend time among respondents, such activities as excursions, visiting

museums, theatres, and music festivals will always be demanded. Hence, historical and cultural roots are important for tourism brand development of the town.

Trips around Latvia connected with history and culture are usually so-called same-day excursions. People go to some specific place or town to see it or visit some festival or concert, and return home the same day. According to the Latvian Statistical Bureau (Tourism in Latvia 2002, 2003, 69), Liepaja is in third place among other towns of Latvia in terms of people visiting it for same-day excursions (see Table 1, page 4). This shows that the demand for historical and cultural activities in Liepaja might still be high, thus special attention should be paid to the attraction of history and culture-oriented people to the region.

The analysed region in Lithuania, instead, is more known for its entertainment services. Palanga, being the resort place, offers a wide range of activities oriented on people choosing more passive ways of resting and not very much interested in visiting historical places. There are mainly pre-arranged services that are offered to tourists coming to these places, so they do not have to find leisure activities by themselves. As it can be seen from the survey results, entertainment activities have received the highest ranking. Respondents have shown that the availability of entertainment activities is very important for them; therefore Liepaja in this situation stays behind Palanga in terms of pre-organised leisure.

In Liepaja tourists have to be more enthusiastic and find what to do and where to go by themselves. There are less pre-arranged activities in comparison to Palanga and Klaipeda. Liepaja still lacks in advertising and marketing activities that are available in the region. During the survey respondents were asked to provide their comments and suggestions concerning tourism in Latvia. More than 50% of all respondents mentioned the lack of information on travelling opportunities and accommodation places as being the major reason that slows down the development of tourism in Latvia. Also were mentioned such aspects as an absence of organised tourist information distribution system and lack of signs on the roads.

Liepaja region has a variety of possibilities for ecotourism. Tourists can choose bicycle tours or go on foot. This area is more developed in the Liepaja district than in the analysed region in Lithuania. It can be seen from survey results that ecotourism is the area of highest interest from Riga people. More than 50% of all respondents have chosen trips to the wild nature as a preferred activity for their vacations; this was the most popular answer. In second and third places were activities that also could be related to nature and ecotourism, these are trips along rivers and spending time on a beach. Liepaja region with its existing natural environment has the potential to satisfy the needs of Riga people in the sphere of ecotourism.

As can be seen from Table 3 almost all activities that correspond to sport category are in some way overlapping with eco-tourists, thus it can be concluded that there are no specially designed activities for this specific type in Liepaja, except of ice hall services. Still it should be mentioned that sport activities that are offered in both regions are mainly used by tourists as a supplementary service.

Conclusions and suggestions

The undertaken research helped to identify preferences of people living in Riga in terms of their travelling experience. One of the main questions of this work was to see which are the most preferred activities for people who choose to spend their vacations outside the capital. Based on the obtained results from several research methods, three main tourist categories were identified. In the Table 4 the results of the conducted research are presented.

Table 4
Summary of the results

	Eco-tourists	Active sport lovers	History and culture-oriented
Number of representatives	29 %	16 %	18.5 %
Activities associated with the type	Trip in wild nature Water-tourism Bicycle tours	Diving Sport complex Skiing and skating	Excursions Tours with a guide Visiting museums
Types of activities (<i>ranking of preferred types of activities</i>)	1. Ecotourism 2. Entertainment 3. Historical 4. Active (sport)	1. Active (sport) 2. Entertainment 3. Ecotourism 4. Historical	1. Historical 2. Entertainment 3. Ecotourism 4. Active (sport)
Accommodation (<i>ranking of preferred types of accommodation</i>)	1. Guesthouse 2. Camping 3. Hotels 4. Tents	1. Camping 2. Guesthouse 3. Hotels	1. Hotel 2. Guesthouse 3. Camping
Package (<i>services that were mentioned by more than 40% of respondents in the type</i>)	Hotel Transport Board Excursions	Hotel Transport Board	Hotel Transport Board Excursions Tickets to events Discounts to cultural places

The most attractive seemed to be trips to nature, people like visiting natural reserves, open-air museums, or just go to the seaside for several days. Liepaja being a town situated on the coast of the Baltic Sea and also having other rich natural resources has proven to be attractive for people interested in close-to-nature trips, or eco-tourists. In order to attract such people to Liepaja special routes have to be designed and promoted. People need to know that

there are places that are interesting to visit, and that the nature in these places is untouched by humans.

As one of the suggestions might be to design special maps where places would be marked that are worth seeing, these materials should also include maps of paths. There are already several similar materials designed, but these are mainly oriented on foreign tourists. These newly designed maps should target the local population (Latvians), and the routes should be easy accessible from any part of Latvia. As can be seen from the Table 4, the eco-tourists group is interested in buying standard tourist packages, which includes hotel reservation, transportation, and board. In relation to the advertisement campaign, it should be taken into account that people from this type are from all age groups (from 18 to 54), thus differentiation of activities for people with different age might be useful. Young people would prefer active leisure activities like rafting and bicycle tours, on the other hand older people might be more interested in a quiet trip to the seaside or a nature reserve.

Another identified type, those interested in historical and cultural activities, can also be satisfied with the available activities in Liepaja. For this type knowing cultural traditions of every place is important. As a suggestion for tourism development in Latvia several respondents mentioned that they would like to see cultural diversity, for example, to try dishes popular in a particular place as well as to see how these dishes are made. These interests should be taken into account when designing tours and programs. As well as the fact that people interested in historical and cultural trips are of different age, starting with teenagers and finishing with seniors. Therefore, activities offered should be attractive for all ages.

For further development of this group and in order to attract more people it is advised to present well-known activities in a modern way, like special shows based on the historical facts that are shown from another perspective. A successful example offered in Liepaja is an opportunity to stay for a night in the old museum-prison Karosta. In addition, visiting companies to watch the production process is also becoming very popular. The main idea behind this is that people want to do new things and see what they have never seen before, to obtain a completely new experience, which could also be connected with entertainment.

For people interested in history and culture pre-organised tours should be offered. As a tourist package, to the standard services (hotel reservation, transportation, and board arrangement) additional positions should be added, such as excursions, tickets to special events (concerts, music festivals, theatre performance, etc.), and discounts to cultural places.

To promote the town and the region as a brand, large events should be organized. It has already been proven that such events like music festivals, theatre performances, and concerts of the symphony orchestra help to attract attention to the town; they also help to create the image of the town as well as give economic benefits, which could be used for further development. These events should be widely advertised, and in order to make them successful the town should attract key people and institutions to attend these events.

There exist some problems with active people attraction, as this group is represented by a small number of tourists. Still Liepaja is working on the development of sport area in the town. New bicycle routes are designed, ice hall offers its services to every incoming tourist. Water-tourism, that is becoming more popular in the recent years, if specifically promoted for active lifestyle, can be seen as an activity for sport lovers. Attraction of active sport lovers' group could help the region to equalise seasonal effect. In order to be more attractive for Riga sport people Liepaja needs to offer special tours for those who have active lifestyle, for example special bicycle routes with different level of difficulty, or sailing tours. All these activities should be accompanied by rent services. One more solutions for these people attraction might be to organise several kinds of sport competition. For this purpose Liepaja could use its already existing resources, such as ice hall or close location to the sea.

Based on the conducted research, the authors have formed several overall suggestions in terms of new services for tourists to be created, and ways of promotion. Special attention should be paid to services for tourists with children. As can be seen from the survey results, 45.2% of the respondents who have children are interested in leaving their children at the playground where they are under supervision of professionals. It is advised to introduce such service in Liepaja in several accommodation places. Another popular activity that was chosen by parents was excursions that are special designed for children. This service might be included in the tourist package, which is pre-designed by a tourism agency.

As tourists prefer to visit several places during one trip around Latvia, Liepaja should collaborate with neighbouring towns and regions. One of suggestions is to design several promotional campaigns for trips along the seaside of Kurzeme, namely places like Ventspils, Jurkalne, Pabilosta, and Liepaja. Each campaign should address particular type of tourists, promotion activities especially designed for tourists belonging to each category. It is very important to work together with representatives from Ventspils, as this town is one of the most visited places by tourists from Riga. Therefore, cooperation with Ventspils might be very beneficial for Liepaja to increase number of visitors.

There are also several points that should be taken into account when working on the promotion. People usually plan their trips around Latvia themselves, thus they are interested in the easiest way of information obtaining. Respondents have shown very high interest in getting information through the Internet. Tourists do not have to think themselves where to spend the weekend, they just need to make a choice. Advertisements on the Internet should contain precise information on travelling, accommodation, and resting possibilities in Liepaja, putting special emphasis on culture and history, as well as natural resources. If making an advertisement campaign, it should be taken into account that respondents have shown a really high interest in travelling with friends. Therefore, the campaign should stress the possibility to relax together with friends.

Nevertheless, Liepaja tourism development is being slowed down by several aspects that can be solved only by the whole community; for example, the undeveloped infrastructure can not be improved by one single company. There are several service development and marketing actions to be taken by the whole Liepaja community in order to attract people to visit this town during their trips around Latvia.

The overall conclusion to the paper is that, applying right promotional activities for every identified type of tourists, Liepaja has enough resources to become a new resort place highly demanded by tourists coming from Riga.

As for further research it is suggested to look into regional competition among places in Latvia, to assess efficiency of promotion activities undertaken by local municipalities. The second suggestion is to find out the influence of three identified types on strategy development of companies operating in tourism industry; this research could be done in the form of case study or comparative analysis of several companies.

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Appendices

Appendix 1. Interviews with tourism agencies

All the interviews were held on November 11, 2003. In the following table you can find the names of travel agencies and interviewed people.

Travel agency	Interviewee
Lauku Celotajs	Agnese Jakovièa
Kolumbs	Juriis Sedlenieks
Latvia Tours	Lîga Hartpenga
Putnik	Irena Sobanina
Palanga official representative in Latvia	Aleksandrs Krupins

Questions for the in-depth interview in tourist agencies:

1. Which tours are offered by the travel agency (especially tours to the sea):
 - around Latvia
 - to Lithuania and Estonia
2. Which are the most visited places in the Baltic States?
3. How do these journeys depend on the season?
4. Do you organise both individual and group trips?
5. Could you characterise your potential customer from Riga willing to go to “sea resorts” inside Baltics
 - age
 - income
 - local/foreigner
6. Which activities are on a high demand (e.g. historical, cultural, entertainment, etc)?
7. How is the accommodation chosen? Who makes the reservation?
8. Do you consider Liepaja as being a potential resort place?

Appendix 2. Questionnaire in Latvian

Mēs esam divas Rīgas Ekonomikas Augstskolas studentes, kas raksta bakalaura darbu par tūrisma attīstību Latvijā. Mēs laipni lūdzam Jūs aizpildīt sekojošu anketu; tas neaizņems vairāk par 10 minūtēm.

Pētījuma rezultāti ir absolūti anonīmi un tiks izmantoti tikai apkopotā veidā.

Lūdzu, apzīmējiet izvēlēto atbildi ar **citu krāsu** (vai ar krustiņu).

Personāla informācija

1. Vecums

- Zem 18*
- 18 – 24*
- 25 – 34*
- 35 – 44*
- 45 – 54*
- 55-64*
- Virs 65*

2. Dzimums

- Vīriešu*
- Sieviešu*

3. Jūs esat

- Patstāvīgs Latvijas iedzīvotājs*
- Ārzemnieks, kas dzīvo Latvijā (vairāk nekā 2 mēnešus)*
- Ārzemnieks*

4. Ienākumi uz rokas (LVL / mēnesī)

- Zem 100*
- 100 – 200*
- 201 – 500*
- 501 – 800*
- 801 – 1500*
- 1501 – 2000*
- Virs 2000*

5. Nodarbošanās (varat izvēlēties vairākus variantus vienlaicīgi)

- Grāmatvedība/finases/konsultācijas*
 - Datoru un IT sfēra*
 - Pakalpojumu sfēra*
 - Izglītība/apmācība*
 - Augstākā un vidējā līmeņa vadītājs*
 - Valsts / militārais sektors*
 - Raž ošana*
 - Profesionālā karjera (medicīna, jurisprudences utml.)*
 - Zinātne un pētījumi*
 - Pārdošana / mārketinga / reklāma*
 - Kompānijas īpašnieks/ce / pašnodarbināts/a*
 - Pensionārs/e*
 - Students/e*
 - Mājsaimniecība*
 - Bezdarbnieks/ce*
 - Cits _____*
-

Ceļošanas pieredze

6. Vai Jūs brīvdienās ceļojat?

- Jā*
- Nē*

7. Plānojot ceļojumu Jūs izvēlaties

- Ceļot pa Latviju*
- Braukt uz kaimiņvalstīm (Lietuva, Igaunija, Krievija, Baltkrievija)*
- Braukt uz citām valstīm*

8. No kurienes Jūs parasti saņemat informāciju par ceļošanas iespējām? (Jūs varat izvēlēties vairāk par vienu)

- Tūrisma aģentūras*
- Tūrisma informācijas centri*
- Draugi / kolēži*
- Interneta*
- Avīzes / žurnāli*
- Reklāma / izstādes*
- Es neko iepriekš neplānoju (sāku ceļot un tad nolēmu ko darīt)*
- Cits _____*

9. Uz kuriem un kad Jūs pēdējo reizi braucāt pa Baltijas valstīm (neskaitot darba braucienus)?

10. Novērtējiet Jūsu interesi sekojošās aktivitātēs skalā no 1 līdz 7

<i>Vēstures pieminekļi</i>	<i>(neinteresē)</i>	1	2	3	4	5	6	7	<i>(īsti interesē)</i>
<i>Izklaide</i>	<i>(neinteresē)</i>	1	2	3	4	5	6	7	<i>(īsti interesē)</i>
<i>Ekotūrisms (daba)</i>	<i>(neinteresē)</i>	1	2	3	4	5	6	7	<i>(īsti interesē)</i>
<i>Aktīvā atpūta (sports)</i>	<i>(neinteresē)</i>	1	2	3	4	5	6	7	<i>(īsti interesē)</i>

11. Kādām daļām jābūt tūrisma paketē, kuru Jūs vēlētos iegādāties. Lūdzu, atzīmējiet Jums vispiemērotākās.

- Viesnīcas rezervācija*
- Transports*
- Ekskursijas*
- Būvetes uz pasākumiem (mūzikas festivāls, teātris, utt.)*
- Ķdināšana (brokastis, lēns)*
- Pusdienas restorānā*
- Ielūgumi uz izklaides vietām (diskotēkas, nakts klubi, kazino)*
- Atlaides kultūras vietās*
- Cits _____*

Iedomājaties ka Jūs ceļojat pa Latviju, kāda būs Jūsu izvēle sekojošos aspektos:

12. Individuālais brauciens vai ceļojums grupā (Jūs varat izvēlēties vairāk par vienu)

- Viens*
- Ar otro pusīti*
- Ar ģimeni (un bērniem)*
- Ar draugiem*
- Grupā*

13. Ceļojuma ilgums

- Vienas dienas brauciens*
- Īss brauciens (1-3 nakts)*
- Ilgs brauciens (4-7 nakts)*
- Vairāk par 7 naktīm*

14. Ceļošanas maršruts

- Apmeklējiet noteiktu vietu (piem, Rundāles pils, Gaujas Nacionālais parks)*
- Apmeklējiet noteiktu pilsētu un tās apkārtni*
- Apmeklējiet dažas vietas (piem, Sigulda – Līgatne – Cēsis – Limbaži – Saulkrasti)*
- Cits _____*

15. Transports

- Ar riteņiem*
- Ar nomātu mašīnu*
- Ar savu mašīnu*
- Ar vilcienu, autobusu*
- Ar tūristu autobusu*
- Cits _____*

16. Nakšņošanas vieta

- Kempings*
- Jauniešu viesnīca*
- Viesu nams*
- Vidējā līmeņa viesnīca (***)*
- Augstākā līmeņa viesnīca (****)*
- Deluxe viesnīca (*****)*
- Cits _____*

17. Cena par vienu nakts viesnīcā, kuru Jūs varat atļauties (LVL par vienu pieaugušo)

- Mazāk nekā 5*
- 5 – 10*
- 10 – 20*
- 20 – 30*
- 30 – 40*
- 40 – 50*
- Vairāk nekā 50*

18. Aktivitātes un pasākumi (Jūs varat izvēlēties vairāk nekā vienu, bet ne vairāk par pieciem)

- Vasaras pludmales festivāls*
- Mūzikas festivāls*
- Ekskursijas ar gidu*
- Teātru un koncertu apmeklējšana*
- Muzeju apmeklējšana*
- Ekskursijas uz vietējām kompānijām (ražošanas procesa novērošana)*
- Laika pavadīšana pludmalē*
- Slidošana, slēpošana*
- Jātas ar zirgu*
- Velobrauciens*

- Ceļojums atklātā dabā (nacionālie parki, brīvdabas muzeji)*
- Ādenstūrisms, braukšana ar plostu*
- Makšķeršana*
- Lēkt ar izpletņi*
- Niršana*
- Sporta komplekss*
- Nakts izklaide (klubi, bari)*
- Cits _____*

19. Ja Jums ir bērni, vai Jūs ieinteresētu sekojošā pakalpojumi? (Jūs varat izvēlēties vairāk nekā vienu)

- Man nav bērnu*
- Nē, mani tas neinteresē*
- Speciālas ekskursijas un pasākumi*
- Rotāilaukumi, kur Jūs varat atstāt savu bērnu*
- Speciāla ēdienkarte bērniem nakdošanas vietā*
- Cits _____*

20. Kādas pilsētas Jūs gribētu apmeklēt (Jūs varat izvēlēties vairāk nekā vienu, bet ne vairāk par trim)?

- Aglona*
- Cēsis*
- Daugavpils*
- Kolka*
- Kuldīga*
- Liepāja*
- Valmiera*
- Ventspils*
- Cits _____*

Jūsu komentāri un priekšlikumi sakarā ar tūrismu Latvijā

Paldies par sadarbību!

Appendix 3. Questionnaire in English

We are two students of the Stockholm School of Economics in Riga writing our bachelor thesis. Our work is connected with tourism development in Latvia. We kindly ask you to fill in the following questionnaire; it will take you about 10 minutes.

Survey results are absolutely anonymous and will only be used in summarised way.

Please mark the chosen answer with **different colour** (or check).

Personal information

1. Age

- Less than 18*
- 18 – 24*
- 25 – 34*
- 35 – 44*
- 45 – 54*
- 55-64*
- More than 65*

2. Gender

- Male*
- Female*

3. You are

- Local*
- Foreigner living in Latvia (more than 2 months)*
- Foreigner*

4. Income (LVL, net/month)

- Less than 100*
- 100 – 200*
- 201 – 500*
- 501 – 800*
- 801 – 1500*
- 1501 – 2000*
- More than 2000*

5. Type of occupation (if needed you can choose several):

- Accounting/finance/consulting*
- Computer related*
- Customer support/service*
- Education/training*
- Executive/senior management*
- Government/military*
- Manufacturing/production/operations/engineering*
- Professional (medical, legal, etc.)*
- Research and development*
- Sales/marketing/advertising*
- Self-employed/owner*
- Retired*
- Student*
- Homemaker/unemployed*
- Other _____*

Travelling experience

6. Do you travel during your vacations and weekends?

- Yes*
- No*

7. When making a decision concerning travelling, what is your preference?

- To travel in Latvia*
- Trips to neighbouring countries (Lithuania, Estonia, Russia, Byelorussia)*
- Tours to other countries*

8. Where do you normally get information about travelling opportunities? (you can choose more than 1)

- Travel agencies*
- Tourism information centres*
- Friends / colleagues*
- On the internet*
- Newspapers / magazines*
- Advertisements / exhibitions*
- I do not plan anything beforehand (I start travelling and then decide what to do)*
- Other* _____

9. Excluding Business trips, when and where was your last trip in the Baltic States (except for business trips)?

10. Mark on the scale from 1 to 7 your interest in the following activities

- | | | | | | | | | | |
|----------------------------|------------------|---|---|---|---|---|---|---|-------------------|
| <i>Historical</i> | (not interested) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | (very interested) |
| <i>Entertainment</i> | (not interested) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | (very interested) |
| <i>Ecotourism (nature)</i> | (not interested) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | (very interested) |
| <i>Active (sport)</i> | (not interested) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | (very interested) |

11. What should a tourist package include to encourage you to buy it? Please choose the most relevant for you.

- Hotel reservation*
- Transport*
- Excursions*
- Tickets to special events (music festival, theatre, etc.)*
- Eating (breakfast, lunch)*
- Dinner in the restaurant*
- Invitations to parting places*
- Discounts to cultural places*
- Other* _____

Imagine you were to travel in Latvia, what would be your preferences in relation to the following aspects:

12. Individual trips or in a group (you can choose more than 1)

- Alone*
- With a spouse*
- With family (with children)*
- With friends*
- In a group*

13. Length of trip

- Same day trip*
- Short trips (1-3 nights)*
- Long trips (4-7 nights)*
- More than 7 nights*

14. Travel route

- Go to specific place (e.g. Rundale palace, Gauja national park)*
- Visit town and its surrounding area*
- Visit several places (e.g. Sigulda – Ligatne – Cesis – Limbazi – Saulkrasti)*
- Other* _____

15. Transport

- By bike*
- By rented car*
- By own car*
- By train, bus*
- By tourist bus*
- Other* _____

16. Preferred accommodation type

- Camping*
- Youth hostel*
- Guest house*
- Middle-class hotel (***)*
- Upper-class hotel (****)*
- Deluxe hotel (*****)*
- Other* _____

17. Affordable prices for accommodation per night (LVL per one adult person)

- Less than 5*
- 5 – 10*
- 10 – 20*
- 20 – 30*
- 30 – 40*
- 40 – 50*
- More than 50*

18. Activities (you can choose more than 1, but no more than 5)

- Summer beach festival*
- Music festival*
- Excursion with a guide*
- Visiting theatres, concerts*
- Visiting museums*
- Excursions to local companies (to view production processes)*
- Spending time on the beach*
- Skating, skiing*
- Horse riding*
- Taking a bicycle tour*

- Trip to wild nature (national reserves, open-air museums)*
- Water- tourism, river trips*
- Fishing*
- Parachuting*
- Diving*
- Sport complex*
- Night life (clubs, bars)*
- Other* _____

19. If you have children, would you be interested in the following special services for your kids? (you can choose more than 1)

- I have no children*
- I am not interested in this*
- Special excursion and events*
- Playgrounds where you can leave your child supervised*
- Special menu for children at your accommodation*
- Other* _____

20. Which towns you would be interested in visiting (you can choose more than 1, but no more than 3)?

- Aglona*
- Cesis*
- Daugavpils*
- Kolka*
- Kuldiga*
- Liepaja*
- Valmiera*
- Ventspils*
- Other* _____

Any further comments and suggestions you may have concerning tourism in Latvia

Thank you very much for cooperation!