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Attracting Danish tourists to Lithuania

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Executive summary

The main purpose of this project was to find out why Danes do not travel to Lithuania and what can be done about it. The researcher chose to analyse the problem from the Danish intermediaries' stand point and how they can stimulate the Danish outbound demand to Lithuania.

The project is based on Leiper's systematic approach of tourism. The researcher analyses the whole tourism system between Denmark (TGR) and Lithuania (TDR). The analysis is divided into three main parts. First, the focus is on the internal factors of the destination supply. Second, the focus is on the intermediaries' role in relation to influencing outbound tourism demand. Third, the focus is on main factors affecting destination demand by Danish tourists. The reader is presented with the most significant findings in the analysis, where strengths, weaknesses, opportunities and threats of demand, supply and intermediation are examined. The PEST and other factors, like seasonality, are investigated to find the most important factors influencing the tourism demand in TGR and TDR. The analysis of the intermediation is based upon the ICTs and their influence on the intermediaries. Here, the importance of the Internet and social media are discussed. Gilbert's framework is used to analyse the complex behaviour of Danish tourists. Here, the discussion about motivation, information search, holiday image, preference of holiday, follows. Other theories, regarding destination branding, transportation, attractions, hospitality and others also are applied.

The researcher discovers that a lack of awareness about the destination in Denmark, the preference to travel south and Lithuania's similarity to Scandinavia, is the three main reasons that Danes travel somewhere else. Additionally, Danes perceive Lithuania negatively. The selected Danish intermediaries do not offer any tourism products to Lithuania. Therefore Danes do not even consider the destination as an option for holiday or a short break. Also, Lithuania, as a destination, does not have a strong brand to be recognized in Europe. The Danish intermediaries can stimulate the Danish outbound demand through marketing and communication. Here value for money, close distance to Denmark and different types of products (spa/ wellness) is the focus. The internet and social media sites, like Facebook, are applied by the Danish intermediaries quiet intensively to create the professional and effective space of interaction with consumers to provide high quality service, protect their brands and sell their products.

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1. Introduction

Tourism is a global activity and one of the most important forces in the world's economy (Cooper, Fletcher, Fyall, Gilbert, & Wanhill, 2008). Additionally governments have also recognized its importance to national economies (Page & Connell, 2006). The development of tourism provides additional employment places, business opportunities to invest and increases the awareness of a country. There are countries in the world, where tourism is highly developed and these countries are known for it. However there are countries, which need the same experience in order to grow within the tourism industry. Lithuania is one of them. The main problem is the lack of international tourists. According to the Lithuanian statistics there was a 16,8 % decrease in the number of overnight trips by foreigners from 2008 to 2009 (Lithuania Statistics, 2010). Certainly the global economical crisis was one of the reasons for the negative development. However other countries had experienced the same type of development. According to the UNWTO Barometer (2010), 2009 was the roughest year for the tourism sector, followed by a 4,2 % decrease in international tourist arrivals. Europe is one of the continents, where the growth is the slowest (2%), compared to other continents, like Africa (7%), America (7%) and the Middle East (20%). This development was also caused by the eruption of the Island's volcano Eyjafjallajokull in April in 2009. The closure of the European air space led to demand reduction. The highest performance was received from the Western (5%) and Southern/ Mediterranean Europe (3%), but the Central and Eastern Europe had not documented any development (0%). The Northern part of Europe has performed negatively (-3%). However, trends in global tourism are showing a recovery. 2010 begins with a promising growth in international tourist arrivals of 7 % in the first part of the year (UNWTO, 2010). 2011 looks like an even more promising year for global tourism. According to the UNWTO forecasts, international tourist arrivals should grow from 4% to 5% (UNWTO, 2011).

Lithuania has a lot of potential as a destination. The main products that Lithuania is offering are: health spas, nature tourism, special interest travel, active holidays and cultural tourism (Lithuania, 2008). Various travel organizations offer different routes and tours, regarding all sort of travel purpose (active, cultural, and historic) (Visit Lithuania, 2011). Additionally the Lithuanian government has invested resources in improving the economical image of Lithuania (Nation Branding, 2011). The future seems also positive for Lithuania as a destination. In 2015 Lithuania will become northeast hub (Business Lithuania, 2011). Furthermore there are many business opportunities for development in the tourism sector.

The biggest international markets, visiting Lithuania, are Belarus (18%), Russia (14%), Latvia (11%), Poland (11%) and Germany (10%) (Lithuania Statistics, 2010). Yet Lithuania wishes to attract the Scandinavian market. Even though Scandinavian countries are opportunistic markets; the demand is simply too low. The president of *The Lithuanian Incoming Tourism Association* (LATA)[1] [Lietuvos Atvykstamojo Turizmo Asociacija], Aurelijus Kinas, states that Lithuania has the required products for the Scandinavian markets, like cultural, active or nature tourism. But lack of collaboration among businesses in the tourism sector, governmental institutions and foreign intermediaries is an obstacle. This holds back many tourism organizations in becoming better at increasing the demand for the Scandinavian market and for other international markets (ATN, 2010). For instance; Danes could be one of the opportunities that Lithuania puts its focus on, because the potential market is situated close to Lithuania and they are statistically one of the best holiday spenders (Eurostat, 2010) (Standby, 2011). Although Danes primarily prefer travelling to warmer destinations like Spain, Greece, or Italy; the neighbouring countries like Norway or Sweden are also favourite (Danmarks Statistik, 2010). In comparison to Norway and Sweden, Lithuania is a competitive destination. Value for money for high standard services is one of the advantages that Danes could benefit from.

The Danish market has important intermediaries, like Spies, Bravo Tours, Apollorejser, Falk Lauritsen and Star tours. They play an important role in partially influencing the Danes choices for holidays. Interestingly these intermediaries do not provide any offers to Lithuania. Lack of awareness about Lithuania, among the Danish population, leads to choosing other destinations. Lithuania is not even considered as a holiday option. Therefore these intermediaries can play an important role in the process of establishing awareness of this destination.

As it is mentioned above there is a big opening for improvements in Lithuania’s tourism industry; both in attracting international tourists and further developing the sector. However Lithuania as a tourist destination faces five main problems:

1. Low level of awareness of the destination (DELFI, 2010)
2. Poor accessibility (DELFI, 2010)

[1] The names of strategy documents, representatives of different industries and Lithuanian governmental authorities have been translated from Lithuanian by the author

3. Lack of collaboration among the internal tourism industry actors and foreign intermediaries (DELFI, 2010)
4. The increase of value added tax to 21% for many hotels, restaurants and other tourism related organizations
5. Visa problems

According to Aurelijus Kinas (ATN, 2010) one of the main issues, why Lithuania lacks international tourists, is the shortage of information about the destination. According to the director of the Lithuanian State Department of Tourism, Raimonda Balniene (DELFI, 2010), there is enormous shortage of flights adapted to tourists. 58% of scheduled flights do not fit the tourists needs (DELFI, 2010). Various actors within the tourism industry do not cooperate with each other, which is an obstacle for planning different events, festivals or other type of projects. This is a major internal industry problem, because these events need to be ready at least one year before in order to start working on awareness campaigns. This, according to director of LATA, is impossible today. LATA is working strongly on uniting the tourism industry; that is organizations from travel, accommodation, transportation and cultural sectors. They also focus on both establishing new relations with tour operators and travel agencies abroad and making current business relations stronger (LATA, 2011). Nonetheless the increase of value added tax (VAT) to 21% for many hotels, restaurants and other tourism related organizations, cost business to shut down. Visa problems, regarding the markets, like Russia, Byelorussia, and Ukraine forces tourists to choose other destinations, due to the shorter waiting time for visa. If they would like to visit Lithuania, waiting time is between 3 to 8 days, whereas if they choose for example Turkey, tourists receive visa at the passport control (DELFI, 2010).

1.1 Problem formulation

In the introduction it was mentioned that Lithuania as a tourist destination lacks international tourists - especially Scandinavians. In Denmark, intermediaries are not offering any tourist products to Lithuania. This is a relevant phenomenon to investigate if Lithuania wishes to increase tourism for the Danish travellers. Additionally, better tourism in Lithuania will contribute to positive economical growth and also helps to increase its image among other EU countries. Therefore in this project the following will be analysed:

1.1.1 Research question

How can Danish tourism intermediaries stimulate Danish outbound tourism demand to Lithuania?

Sub-questions

1. What are the internal factors of destination supply?
2. What is the role of intermediaries in relation to influencing (outbound) tourism demand?
3. What are the main factors affecting destination demand by Danish tourists?

1.1.2 Problem owners

This project could be relevant for the Danish intermediaries, like Spies, Star tours, Apollorejser, Falk Lauritsen and Bravo tours. Additionally Lithuanian intermediaries like Visit Lithuania, Top travel, Novoturas, Judek.lt and Keliones.lt can benefit too. Lithuanian Tourism Association, Lithuanian State Department of Tourism, Lithuanian Incoming Tourism Association and Lithuanian Tourism Directory can find the project relevant in regards to adopting different strategies, regarding the Danish outbound tourism. Also managers of various Lithuanian service organizations, like for example hotels, attractions or others can benefit from the research of this project.

1.1.3 Limitations of the problem

Regarding the project, only the Danish outbound tourism market is taken into consideration. Sweden, Norway, Finland and Iceland are excluded from the scope of this project. The reason for taking Denmark is that the author of the project lives in this country and therefore finds interesting to investigate this problem. The scope in this project is Lithuania as a destination choice. City travels and various brands at organizational level will not be taken into consideration of this project.

2. Theoretical background

2.1 Tourism system theories

In this section overall discussion about the definition of tourism is presented. Issues, regarding terminology of tourism are also debated. First, the reader is introduced to the technical definition of a tourist and secondly to Leiper's systematic approach of tourism, which is the basic tourism system model (Cooper, Fletcher, Gilbert, & Wanhill, 1993). Additionally the presentation of the main elements of the model is established. The importance of the destination also is revealed.

2.1.1 The definition of tourism

Tourism is an important socio-cultural activity for a country's economy and well being. Therefore to study this activity is vital so the country is able to benefit from it. There are many problems regarding the study of tourism. The biggest issue is the conceptualization of the subject. It is agreed by many academics that tourism is a multidisciplinary subject, where different disciplines analyse tourism from their own perspective. Some of these disciplines are geography, marketing, hotel and restaurant administration, transportation, business and management science, urban and regional planning etc. Terminology is also a vital issue when it comes to tourism (Page & Connell, 2006). The best perception of tourism is gained from the understanding the terminology "tourist". There are three categories of meanings for "tourist". Those being:

- popular
- technical
- holistic

The importance is the context in which the classification is made rather than considerations of variables. In this project the technical definition of tourist-visitor will be used due to the scope of the project (covers two international markets). Many governmental and tourism organizations use this type of definition for creating their statistics, which will be used in the project for analysing tourist flows, their spending and other important aspects. This definition will help to avoid misinterpretations in the analysis, especially when it will be referred to international tourists. The clearest way of explaining the idea and reasons behind the creation of the technical definition is through popular meanings.

In everyday language a tourist is defined as some kind of role. When someone uses the word tourist, it automatically describes a person in a certain role. This type of context is too broad and imprecise, due to different meanings and connotations (Leiper, 2004). Since the 1930s governments and other tourism organizations started to monitor activities and the size of tourism markets. For this purpose they needed a unified definition, which helps them to distinguish a tourist from other travellers, so they could collect various statistics. This type of definition requires certain conditions, before the activity can be called tourism. These conditions are the minimum length of stay, which is one night, maximum length of stay, being one year, purpose of visit and a distance consideration. UNWTO suggests 160 km (Cooper et al., 2008). In the 1960s the separation between a tourist and a visitor was accomplished, mainly for statistical purposes. In this technical definition "visitor" covers the terminology of "tourist" and "excursionist". The main difference between the two is the duration of visit time. The tourist must visit the destination longer than 24 hours, whereas excursionist must visit the destination less than 24 hours (Leiper, 1979). This definition was created by organizations, which were mostly concerned with economical consequences of tourist-visitor's behaviour. This included how much money visitors spend, on what and trends in expenditure. In order to be able to analyse these patterns, different countries needed the unified-official definition. Therefore this definition, with a broad spectrum, was created. The drawback of this technical definition is misinterpretation by many readers. For example when a tourism organization reports that there were 1.000.000 tourist arrivals in a country; this number must be interpreted with a precaution, because the technical definition covers many kinds of visitors. As it was mentioned above this definition was created by organizations and governmental bodies who are mostly interested in the economical part of the tourism activity. Therefore by using the technical definition more numbers of tourists can be counted in, which might lead to misinterpretation of the real economical value of tourism (Leiper, 2004).

Leiper in his book "Tourism Management" (2004) discusses the difficulty in defining the word "tourism". The term first appeared 200 years ago from the practice and theory of being a tourist; engaging in a depraved style of travel. Later on tourism was defined in several ways: as theory and practice of being a tourist, as an inferior class of trips, as an inferior standards and lower prices, as a sector of regional and national economies, as a complex of environmental impacts, as an industry, as a market and as a system (Leiper, 2004). In this project the systematic approach of tourism is used, because this approach combines all "interrelated set of elements, such as tourists, tourism industries and destinations" (Leiper, 2004, s. 43). These set of elements had to be defined more clearly so not to cause confusion.

Therefore the best way to understand the concept of tourism as a system, the author uses Bertalanffy's and Jordan's conceptualizations (Leiper, 2004).

The development since the 1930s helped to arrive at the creation of the model, which represents tourism as a basic system. The reasons for choosing the model are presented below. The core of this definition of tourism started in the 1930s where systems theory came up as an endeavour to formalise and develop systems. Bertalanffy was a leading contributor to the development of systems theory (Leiper, 2004). He realized that he needed to go beyond the biology and integrate ideas from other disciplines in order to understand more about living organisms. Bertalanffy formulated theories of general systems and introduced the concept of open (interacts with environment) and closed (no interaction with environment) systems (Leiper, 2004). In order to understand the whole concept of tourism as a system; first the meaning of the word system must be clear. Jordan conceptualizes the word from everyday language, simply as set of connected elements by one unique component (Leiper, 2004). Bertalanffy defines a system as set of elements, which are interconnected among each other and their environments (Leiper, 2004). This shows that tourism takes place in an open system, where environmental factors contour tourism and tourism affects environments. Furthermore it is vital to understand what these set of elements are to better interpret the concept of tourism as a system (Leiper, 2004). There are three main elements in the model, being:

1) Tourists
2) Geographical elements (Traveller-generating region (TGR), tourist destination region (TDR) and transit rout region (TR))
3) Tourism industry

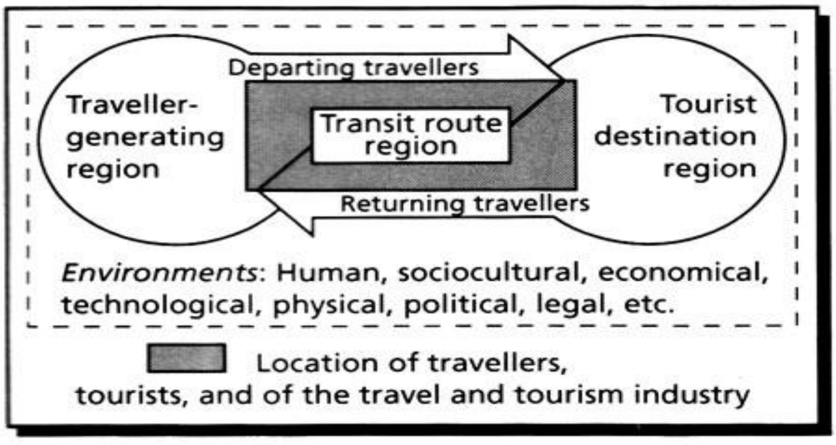

Figure 1 Basic Tourism System (Cooper et al., 1993, s. 3)

The tourist is the most important part that is the human element in the system. Without the tourist there will be no tourism. The TGR or country is another element in the system, where the tourist produces the trip. This is a place where tourist searches for the information, makes booking and departure. It is the place where "push" factors are created to stimulate and motivate the tourist. In order for the tourist to reach the place of visit, and be able to return home, the transit route is necessary. Without the transit route, tourism system is unimaginable. This is a gap which tourist must travel through in order to perform the activity. The choice or place of visit is a TDR or country. In the system there could be more than one place of visit. The destination is the reason that tourism exists. It is a place where the most vital consequences of the system appear. The "pull" factors boost the demand for travel in the generating region and uplift the whole tourism system (Cooper et al., 1993). Tourism industry is the fifth element in the tourism system. It supports and influences tourism activity. This could be various businesses and organisations, which provide the tourism products, like for example accommodation in a hotel. Additionally there are other factors, which are extremely important in sequence to understand how tourism works. These are political, economical, social/ cultural, technological, and physical. These factors interact and influence the five elements of tourism system and vice versa. Getz was the first who used the expression "whole tourism system" (Getz, 1986). It was useful for planning. In general the model is simple and easy applicable to understand tourism. Nevertheless the same model provides an overview of the whole picture of tourism. The knowledge of the five elements and their interaction among each other and their environments is vital to understand the dynamics of tourism. This model is also used to study issues of tourism. One of the main problems with this model is that it does not describe multidisciplinary approach that Jafari's and Ritchie's model suggests. On the contrary Leiper's model provides an interdisciplinary approach, meaning it helps to develop the unified knowledge about tourism (Cooper et al., 1993). This is because, through the model, the researcher has the ability to systematically blend a range of disciples into one unit. The background for this approach was based on tourism education and research in the 1970s. Two schools of thought were dominating. One focused on encouraging development, businesses and economical benefits. The other focused on monitoring spillover effects, presumably damage to the environment. This model can act as a bridge between the two schools of thought (Leiper, 1979). Additionally the model can be used at any level of generalization, meaning from a small resort to the international industry. This model helps to understand the importance of the tourist, the whole tourist experience, the effect of transportation problems on the tourist's perception, traveller's requirements for safe and fast transportation, service provision and also the destination (Page & Connell, 2006).

In regards to destination, it is important to notice that in this report destination is looked at as a product. The tourist area lifecycle (TALC) framework (Cooper et al., 1993) is useful in this regard, because it helps the investigator analyse the destination's development. Additionally this framework illustrates different stages that destinations go through. These stages are: exploration, involvement, development, consolidation, stagnation, decline and rejuvenation. The development depends on many factors, like rate of development, market trends, governmental policies and competing destinations. These elements will either speed up or slow down the progress through various stages. Tourism developments, with its substantial financial returns, are able to carry the destinations through different stages (Cooper et al., 1993). It is a useful framework to place Lithuania as a tourist destination, in regards to the Danish and the European markets and identify general information (strengths and weaknesses) about the country. This framework can also be used as guidance for strategic suggestions to improve the Lithuanian tourism sector and stimulate Danish outbound demand to this destination.

In summary the systematic approach will be a base for the analysis in this project. To answer the main research problem, all these aspects, within the model, must be analysed to find issues and opportunities. This in return will help the investigator draw conclusions and produce suggestions on how Danish intermediaries can increase the Danish outbound demand to Lithuania.

2.2 Tourism demand theories

In this section the definition and types of tourism demand will be presented first. Second the role of intermediaries and ICTs will be examined. Here discussion about topics like; changes in distribution of tourism products, the importance of ICTs in regards to consumer communication and product sales will be evaluated. Mainly, the discussion examines how intermediaries use ICTs to promote tourism products and attract direct consumers. Tools, like web-based geographical information system (WebGIS) and social media websites, will be introduced. Arguments of their importance will also be presented. Additionally the travel agent's role as a counsellor in regards to influencing demand for a destination will be touched upon. And third, a discussion of external (PEST) and internal (personal) factors, influencing tourism demand will follow.

2.2.1 The definition of tourism demand

In Leiper's model TGR represents the push factors, or otherwise called motivation for travel (Cooper et al., 1993). It is the place where demand for travel is created. Today it is more difficult to manage tourism demand due to increased global travelling and increased number of destinations. Therefore it is important to understand the nature of it, in terms of definitions, indicators of demand and various components, in order to manage tourism demand effectively. It is also important for marketing and management in tourism to recognize that there are groups in society who do not travel. Recognizing the reasons for the phenomena is important in order to manage demand and supply successfully (Cooper et al., 2008).

When analysing the demand, the information can be used for policy making and forecasts, for balancing provisions of demand and supply at destinations and better understand the consumer, his behaviour and the tourism marketplace. All this information is vital for many companies within the tourism sector and governmental authorities around the world (Cooper et al., 2008).

According to Page and Connell (2006) to define "demand" is a difficult task. There are different perspectives on defining the word "demand". Geographers, psychologists and economists define and interpret demand differently. For example geographers focus particularly on spatial relationships. They are interested in the number of tourists, who travel, or wish to do so. Additionally geographers analyse external factors which have influence on international and domestic destinations. Psychologists focus on motivation when defining tourism demand. Economists focus on buying behaviour. They are interested in the propensity of purchasing tourist products or services at a certain price during the specific period of time (Page & Connell, 2006). In the sum of these perspectives it is useful to note that all of them are relevant and important when thinking of tourism as a whole. The economists introduce the idea of elasticity. Geographers note that there are factors influencing the travel in three areas, TGR, TDR, TR. Psychologists emphasize that knowledge about the tourist and his motivation is useful to stimulate the demand for travel. All these perspectives are vital for the successful management of tourism demand (Page & Connell, 2006).

In this project the analysis will be based upon the definition of Pearce, which concludes that tourism demand is a relationship between the tourist's motivation of wanting to travel and his ability to do so (Pearce, 1995). The reason for choosing this definition is that it connects the three approaches (economical, psychological and geographical) together, which are necessary for gaining the cohesive understanding about tourism. In addition it will help the investigator to accomplish detailed analysis, because it represents important aspects influencing tourism demand, like external environment, traveller's motivation and buying behaviour. Regarding the analysis Burkart's and Medlik's framework (Page & Connell, 2006) is chosen, because it clearly shows the division between the determinants (external factors) and motivations (personal factors), which have an effect on the tourism market. Determinants affect the general demand for tourism. For example any country's economical well-being will have positive or negative effect on outbound tourism. PEST analysis is used to analyse these elements in both TGR and TDR. Motivators affect an individual directly. A person or a traveller can be influenced by for example his perception (internally) and/ or culture or age (externally) (Page & Connell, 2006). The personal factors are discussed in greater detail in the section "Types of tourist's demand", later in this project.

Earlier it was mentioned that there are groups in the society, who are not travelling for certain reasons. In tourism literature it is seen that demand varies in terms of different elements. The aggregate demand shows the actual tourist number (Cooper et al., 2008). This number is calculated using the main indicator, called travel propensity, which shows how good or bad a country is at generating trips (Page & Connell, 2006). The suppressed demand shows the travellers who wish to travel, but there are certain reasons that act as an obstacle for it. The example of this could be a low income, or lack of capacity in accommodation (Cooper et al., 2008). And there are the ones, who will never travel. The reasons for this could be that they spend their money on something else (Cooper et al., 2008). There are other ways to influence the tourism demand, being redirecting, substituting and generating new demand (Cooper et al., 1993). For example, opening of a new water park attraction can influence tourism demand in these three ways. The traveller can either choose that town, where the new attraction is located, instead of the other one (redirection), or can simply use the new attraction as a substitution for a similar product like Tivoli. Finally it can simply act as a motivator to choose to visit the city (generation) (Cooper et al., 1993). This is useful, when looking at Lithuania as a destination, to see whether it has elements for redirection or generation, and how those aspects could be applied by Danish intermediaries in order to stimulate Danish outbound demand to the destination.

It was mentioned earlier that the tourism industry is the fifth element in Leiper's tourism system model. Intermediaries are a part of that industry. Their role in the system is vital, because they connect TGR and TDR by selling products for the industry and at the same time influencing demand and supply (Page & Connell, 2006). The discussion of the role of intermediaries follows below.

2.2.2 Intermediation in tourism

The task of intermediaries is to create demand for goods and services, which before were not required or desired by consumers (Cooper et al., 2008). Commonly intermediaries are:

- Tour operators (TO)
- Travel agencies (inbound and outbound)
- Online tour operators and travel agencies (Buhalis & Licata, 2002)

Traditionally travel distribution has been performed by outbound travel agencies, tour operators (TO), inbound travel agencies or handling agencies. These intermediaries were supported by reservation systems, global distribution systems (GDS) and TO's videotext systems. These traditional electronic intermediaries (eMediaries) have been dominating travel markets. However the Internet has created new conditions for the appearance of new eMediaries, based on three ePlatforms:

- The Internet,
- Interactive digital television and
- Mobile devices (Buhalis & Licata, 2002).

Those new eMediaries include different organizations and suppliers, which sell direct on the Internet by allowing consumers open access their reservation systems.

Below two tables are seen:

- Table 1 presents the shift from traditional eMediaries to new eMediaries (Buhalis & Licata, 2002). The change is illustrated taking Leiper's tourism system model.
- Table 2 presents examples of traditional eMediaries and new eMediaries.

TABLE 1 – Changes in tourism distribution

<table>
<tr><th>Traditional eMediaires</th><th>New eMediaires</th></tr>
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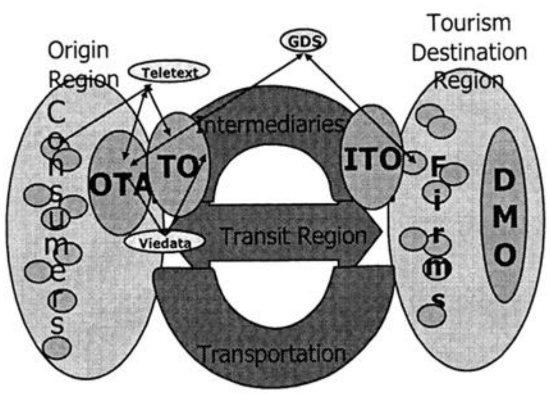
FIGURE 1



Travel is distributed through number of tourism firms, located in TGR and TDR, offering its services. In TR there are transportation companies and traditional intermediaries, which are supported by GDS, Teletext and Viewdata.

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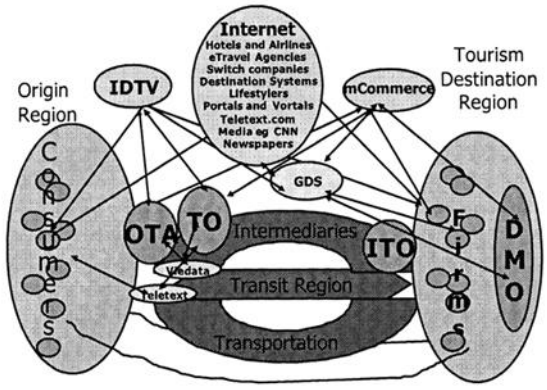
FIGURE 2



This framework shows new eMediaires emerging.

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TABLE 2 – Examples of traditional eMediaries and new eMediaries

Traditional eMediaires	**New eMediaires**
GDSs: • Sabre • Amadeus • Galileo • Worldspan Viewdata Teletext	Principals: • **Airlines** (http://www.sas.dk) • **Hotels** (http://www.marriott.dk) • **Destinations** (http://www.denmark.dk) • **Travel agencies** (http://www.expedia.dk) • **Portals** (http://www.google.com) • **Lastminute Bookings** (http://www.lastminute.com) • **Auction sites** (http://www.ebay.com) • **News Media, newspapers and others.**

Because of this progress, travellers can buy tourist products in various ways; directly from a supplier through website or through travel agent and his website. Tourists can also buy a packaged tour through a travel agent, who sells on behalf of wholesaler or directly through wholesaler (Cooper et al., 2008).

Information Communication Technologies (ICTs) and Intermediation

Traditional distribution channels are considerably influenced by the development of ICTs and the Internet. Adoption of ICTs strategically and tactically will affect destinations competitiveness and it's positioning (Cooper et al., 2008). Therefore businesses in the tourism sector, which are fast at adapting ICTs gain a competitive advantage in comparison to those, which are slower at this process (Buhalis & Licata, 2002). The adaption of ICTs provides the companies with ability to deliver the right products, at the right time and at the right price for the right customer. Consequentially change is vital. According to Buhalis and Licata (2002) traditional eMediaries need reintermediation. Use of innovative interfaces provides new opportunities for traditional eMediaries to deliver their products to a wider audience and to enhance their position. This adaptation is vital, especially in the market where focus towards direct marketing and cost/commission cuttings is strong. Additionally new eMediaries are competing to maximize market share by adding value and benefits for both businesses and leisure end-users (Buhalis &Licata, 2002).

Multidimensional framework for strategic management and marketing is useful in this regards, because it helps to structure the understanding of ICTs in business and illustrates all strategic implications for organizations (Buhalis, 2003). It basically shows the necessary reasons for change. Within the multidimensional framework space of interaction develops, with three principal dimensions and technological enablers: The Internet, intranet and extranet (Buhalis, 2003, s. 69-70). Because the main focus of the project is intermediaries and how they can stimulate Danish outbound demand to Lithuania, the hub will be the Internet and its effect on consumer and stakeholder interaction. This framework is useful when analysing the Danish and Lithuanian intermediaries' ability to use the Internet in regards to consumer communication and sales of various tourism offers.

In regards to the above, the use of the Internet as an electronic distribution introduces the concept of market space rather than market place. The ICDT model helps to discuss necessary components (information, communication, distribution and transaction) in attracting direct customers and promoting tourism products. (Buhalis & Laws, 2002, s. 322) Here certain tools will be introduced, like WebGIS and social media websites. These tools have double usage. On one hand new eMediaries can use them as a source for communication and on the other hand travellers can use them for finding information about destinations. Regarding the travellers' search for information, a more detailed explanation is found under section Information search further in the project.

The discussion of these concepts is important for various reasons. One of them is, that research shows that the Internet is the most used information searching source (Cooper et al., 2008) .The second reason is that WebGIS illustrates a new generation of interfaces and new ways in accessing travel information. This source is characterized by featuring high interactivity and end-user participation. Especially playfulness and usefulness are the determinants for the usage and interaction with WebGIS (Chang & Caneday, 2011). The third reason is that social media websites assist consumers in posting and sharing travel related comments, experiences and opinions. These factors act as an information source for other travellers. Additionally social media websites hand more power to consumers, because they decide which information to post and share. Therefore to fully understand the composition of on-line related information available to tourists, can help companies create successful marketing programs and better information systems (Xiang & Gretzel, 2010). These concepts are useful when analysing the Danish and Lithuanian intermediaries' capability to use them for consumer communication and marketing campaigns to stimulate demand for travel.

From an economical perspective the role of intermediaries is to improve distribution channels and make markets where sellers and buyers meet (Cooper et al., 2008). Taking into consideration both the risks and nature of demand and attainment of product knowledge, travel agent can influence the demand by acting as a counsellor. A conceptual model of process and factors influencing agent's destination recommendations suggests main aspects that agent should set focus on when recommending destination (Page & Connell, 2006, s. 144). Those aspects are: agent's knowledge variables about destination (destination awareness), destination variables (destination perception/ evaluation), and destination recommendation intensions (which are affected by trip and traveller's variables) (Page & Connell, 2006, s. 144). This framework provides guidelines, which can be applied by Danish intermediaries to recommend Lithuania as a destination to stimulate Danish outbound demand.

Overall tourism system and intermediation, is affected by external factors (PEST) and internal (motivational/ demand factors).

2.2.3 PEST analysis

Leiper's model illustrates the tourist flows from TGR to TDR. The understanding of these flows is the key factor in gaining a solid knowledge about tourism demand. There are two ways to understand tourism flows, one being through analysing the external factors and the other through the calculations of travel propensity (Cooper et al., 2008). In this project the PEST model is used to illustrate external or macro forces that effect tourism demand in both TGR and TDR. This framework helps to find out which of these macro factors are mostly influencing the tourist demand.

Political factors

The degree of the government's involvement/ support of tourism activities, tax policies, and governmental restrictions on travel are all important aspects that have influence on tourism demand. For example high taxes on commercial tourism products might affect outbound tourism in a negative way. Strict visa regulations also might affect outbound tourism negatively. Unstable political situation might also affect demand to travel negatively. The same political factors counts for TDR.

Economical factors

Aspects, such as disposable income, distributions of income, value of currency and exchange rates, influence tourism demand (Page & Connell, 2006). As societies are closer to a high mass consumption stage, discretionary income increases, which could be argued that demand for tourism increases. Tourism is considered a "demand elastic" (Page & Connell, 2006, s. 46), meaning it is a price sensitive activity. If the price of tourism product increases, the demand will normally decrease. But if the income increases and the price stays the same, then the demand will increase. This is an important economical activity for the destinations to keep in mind, when pricing its services and products in order to stay competitive destination. At the same time the increase in the demand for tourism goods and services leads to higher number of suppliers within the market. This, in result, leads to more intense competition. Furthermore, higher levels of employment and better education possibilities in TGR will affect demand for travel positively - people have more time and money for tourism. The fluctuations in exchange rate can affect the cost of travelling and in return tourism demand.

Social factors

Mainly demographic aspects and holiday entitlements affect travel propensity. For example the age of tourists will influence the choice on destination, tourism products and services. Traveller's education choice and income has also affect on the choices of destination and other related experiences of tourism (Page & Connell, 2006). A TGR with a strong economic well-being indicates that people have enough money to spend on leisure, but also more time for leisure. For example paid public holiday can stimulate demand for travel. School holidays in a country create seasonal patterns of demand. The length of these types of holiday raises the demand for shorter travel (Page & Connell, 2006).

Technological factors
The development in aircraft technology and information technology increased the demand for travel. The Internet provides enormous opportunities to both gain knowledge about destinations and book the trips online (Cooper et al., 2008).

Other factors
Additionally there are important determinants that influence demand in both TGR and TDR. These factors are seasonal variations, promotional effects of the destination, health and safety issues, time and cost considerations (Page & Connell, 2006).

2.3 Types of tourist's demand

2.3.1 Consumer decision-making framework
The theories and models regarding a tourist, his motivations and buying decision process are discussed below. An individual consumer and his buying decision influences tourism demand. Therefore to understand the consumer, his motivation, perception, attitudes is vital. The consumption process can be looked at as the demand for tourism at the individual level. It is a progression of various stages, like need arousal and recognition, level of involvement (for example information search), identification and evaluation of alternatives, decision choice making, purchase action and post-purchase behaviour. Needs, desires, time, money, images, perceptions and attitudes are the factors that have influence on the consumption or tourism demand (Cooper et al., 2008). Gilbert's framework is used best to explain the theories related to the consumer, his motivation and buying decision (Cooper et al., 2008). The reasons for choosing this exact framework are that it combines the three disciplines, being economical, psychological and sociological into one unit. It also provides a good structure/ sequence for the reader to understand the consumer, his motivation and decision making behaviour (Cooper et al., 2008). This framework will be used in analysing Danes, as tourists, their motivations for travel and factors which influence their buying decision to most popular destinations. Additionally this framework will help raise some questions of what can be done to stimulate their demand to travel to Lithuania.

Gilbert's framework illustrates consumer decision process as a system, which is combined of four parts: energisers and effectors of the demand, roles and types of tourists and determinants of the demand (Cooper et al., 2008). All these elements influence the consumer decision process. Theoretically energisers simply mean the motivation to go on holiday. After a tourist developed a motivation for a vacation, he will collect information about destination and at the same time develop certain ideas of a destination. It will also affect the consumer's image and knowledge about tourism product, which either will stimulate various energizers to purchase the trip or not. The decision of when, where and how the tourism product is purchased; can be influenced by somebody in the family. Additionally the demand might be influenced by economical (income), psychological (personality, attitudes) and sociological (reference groups) determinants (Cooper et al., 2008, s. 43-68).

Energisers and effectors of the demand

Motivation

When discussing motivation, the main concern is what energizes human behaviour, what directs such behaviour and how this behaviour is sustained (Porter, Bigley, & Steers, 2009). These components present main factors to understand human behaviour. It demonstrates energetic (from within an individual) and environmental (outside the individual) forces that act as triggers for behaviour (Porter et al., 2009). Additionally it provides a goal orientation, meaning that the behaviour is directed towards something. Finally, it provides system orientation, meaning that the individual and environmental forces feed back to the consumer either by intensifying or diminishing the drive and the energy (Porter et al., 2009). In tourism, concept of motivation is broadly used to understand tourists' consumer behaviour. Maslow's hierarchy of needs (Cooper et al., 2008) is probably the most known theory of motivation. According to Maslow, individuals are motivated by five different needs, which can be categorized into deficiency needs (physiological, safety, belongingness) and growth needs (esteem, self-actualization) (Porter et al., 2009). The theory tells us that after satisfying physiological needs, an individual will no longer be motivated by it. Other needs in the hierarchy would motivate him instead. This circle will continue until the individual is at the highest level - being self-actualization. The weak point of this theory is that it does not explain why Maslow has chosen neither these particular needs nor the particular order (Porter et al., 2009). This model is also static and general. It does not take into account that these needs can be chosen randomly by individuals to reach the full satisfaction. Different ages, cultures and other factors motivate people differently at diverse times in their lives. Also individuals do not move up the hierarchy after the principal that satisfied need does not motivate anymore (Thomas, 2008). Due to these reasons it is more applicable to use the inverse Maslow's pyramid of needs, because it mirrors more individuality among people (Adair, 2006). According to the newer version of the model, the self actualization need takes most space in our thinking. And that is the place where individuality comes in. This is useful to analyse and discuss the Danish tourists' behaviour, information search and decision making to purchase the trip.

Information search

WebGIS and social media websites can act as information search about destinations. Earlier it was mentioned that there is certain risk involved in purchasing a trip. This is because tourism, as a product, is dynamic phenomena, where prices rise and fall all the time. Therefore search for information about destinations is an important process. Fast, effective exchange of information is critical for efficient distribution, sales and customer service (Buhalis & Laws, 2002). Accurate and timely information, relevant to the consumers' needs is often a key to successful satisfaction of tourism demand. Additionally family as a purchasing unit with normally two different generations involved is an interesting subject to study in regards to information search. Diverse generations embrace varied characteristics, which influence tourism demand. For example generation Y prefers Internet and involvement in product building. Whereas generation X prioritize authentic experiences, seek value for money and use Internet for searching information and booking travels (Cooper et al., 2008). These tools will be applied when analysing the Danish travellers' motivation and information search in regards to the decision buying process.

Destination image

In regards to consumer decision making process, it is vital to discuss the importance of destination image, the one in the consumer's mind. Its value is critical for the destination's competitiveness, for choosing the destination over the others, and is a pull factor (Cooper et al., 2008). In this project the word "image" means ideas and conceptions held by individual or a group about the destination (Cooper et al., 2008, s. 53). To explain image as a concept, Gunn's typology (Cooper et al., 2008) will be used. He divided image into two parts, being organic and induced. Organic image reflects all information from books, television programmes, the Internet and other sources, which are not directed purposely by the destination's advertisement (Cooper et al., 2008). The cognition-affect-behaviour framework best illustrates this type of image (Page & Connell, 2006, s.301). The induced image is deliberately directed towards the consumer by various tourist organizations. Induced image is controllable whereas organic is not. Information plays a critical role, because it shapes the perception of its value (Cooper et al., 2008). According to the Gunn's theory of image the Danish intermediaries can control the induced image. This theory will be used when analysing the ways in which the Danish intermediaries can control the induced image regarding Lithuania, to boost the destination's awareness among Danes.

2.3.2 Roles and decision making process

Cohen's classification of tourists

The knowledge about tourists' roles can add to the understanding about motivation. This is also important for understanding tourism demand. Roles can be chosen in relation to goals or holiday activities. This also provides data about destination choices of different consumer segments. Cohen (Cooper et al., 2008) presented four types of tourists: the organized mass tourists, the individual mass tourists, the explorers and the drifters. His typology is build upon Plog's approach (Cooper et al., 2008), based on curiosity for new experiences with some sort of familiarity. Plog suggested two interrelated psychographic types, which range from two extremes, being "psychocentrics" (repeaters, safe type) and "allocentrics" (wanderers, explorer type). "Mid-centrics" fall in between, which illustrates most of the population, choosing known destinations. This approach is closely related to types of destinations (Page & Connell, 2006, s. 70). Cohen argued that tourists prefer to explore destination from a well-known environment. Therefore the four roles are identified having in mind a degree of familiarity. The organized and individual mass tourists belong under institutionalized tourism, in other words, the safe tourism. The explorer and drifter belong under non-institutionalized tourism, being more dangerous type, where familiarity is quiet low (Cooper et al., 2008). In this report the Cohen's typology will be used when discussing Danes as tourists in general. Furthermore it will be discussed whether indentified tourist type suits Lithuania as the destination.

2.3.3 Determinants of demand

Each traveller's choice and nature of the trip is influenced by many interrelated factors, which are divided into two broad groups, such as lifestyle and life-cycle. The lifestyle determinants of demand for tourism are income and employment, paid holiday entitlement, education, mobility, race and gender. The life-cycle determinants of demand relate to domestic age and the stage in the family cycle (Cooper et al., 2008). The discussion of the most relevant determinants of the Danish outbound demand is presented later in the project.

2.4 Determinants of supply

TDR in Leiper's systematic model represents supply or in other words "pull" elements of tourism demand. Tourism supply is all activities, which are involved in providing goods and services to meet the demand (Sessa, 1983). It is a complex phenomenon, because of the nature of the tourism product and the process of delivery. Tourism products are perishable and cannot be stored; they are intangible and require participation in order to be consumed. This means that the traveller cannot examine it prior to purchase. It necessitates natural and human-made resources and the number of components, which may be purchased separately or together and in sequence. The main aspects of tourism supply are intermediaries, attractions and activities, accommodation, transportation and other tourist facilities and services, like e.g. entertainment (Page & Connell, 2006). These main components are vital in the sense that they represent a destination. If these aspects are highly developed, then they will act as an advantage for stimulating tourism demand for that particular destination. If they are in the developing stage then the process will be opposite. The detailed analysis of the destination supply is presented later in the project.

3. Methodology

This project is a case study. Furthermore there are four main groups of empirical data and information that need to be analyzed to answer the research question:

- one on external factors affecting the demand of the destination (Pest analysis)
- one on internal factors of the destination supply
- one on intermediaries and
- one on Danish tourists

First, the case study is explained and then the different empirical data is presented.

3.1 The Case study method

In this project an instrumental case study is used (Silverman, 2005). The main idea with an instrumental case study is to show insight into an issue, which in this project is increasing Danish outbound demand to Lithuania. The case is multiple holistic, because it covers one phenomena and two separate subunits (Yin, 2003). In this case the phenomenon is tourism demand and subunits are Lithuanian international tourism and Danish outbound tourism. Lithuania wishes to attract more international tourists, including Danes. However, Danes choose other destinations to spend their holidays. The case presents facts of this pattern, which will later on be used for drawing a conclusion. The idea of choosing a multiple case is to follow replication logic (Yin, 2003). This means finding interesting phenomena in one case study and immediately replicating findings to another experiment. This way the researcher establishes more robust evidence of the phenomena investigated (Yin, 2003).

3.2 Empirical data and information according to 4 parts

These four parts are:

- External factors affecting destination demand
- Internal factors, affecting destination supply
- Intermediaries
- Danish tourists

The table, below, illustrates required empirical evidence for each of the four parts.

TABLE 3 – Required empirical evidence for separate parts

Groups	Empirical data	Type of data
External factors affecting destination demand and internal factors, affecting destination supply	Tourism organizations, Official organization reports, Statistical databases	Secondary quantitative and qualitative data
	Interview	Primary qualitative data
Intermediaries: eMediaries /New eMediaries	Analysis of websites, Catalogues regarding product offerings	Secondary qualitative data
Danish tourists' demand	Focus group	Primary qualitative data
	Statistical databases	Secondary quantitative and qualitative data

3.2.1 External factors affecting destination demand and internal factors affecting destination supply

When analysing external factors influencing destination demand and presenting the case secondary qualitative and quantitative sources are used. When analysing internal factors of the destination supply, both secondary qualitative and quantitative and primary qualitative sources are used. Examples are seen below:

TABLE 4 – Examples of different sources

Tourism organizations	**LATA, Lithuanian Tourism Association (LTA), Lithuanian State Department of Tourism, Lithuanian tourism gates, Wonderful Copenhagen**
Statistical databases	UNWTO, Statistics Lithuania, Statistics Denmark, Ministry of Foreign Affairs of Denmark
Official organization reports	UNWTO World Tourism Barometer (Interim Updates 2010, Advance Release 2011) Statistics Lithuania (Inbound Tourism) Eusostat: Statistics in focus (Tourism Satellite Accounts (TSA) in Europe) Eurostat: Data in focus (Tourism in Europe 2009 & Summer Season Tourism Trends in 2009) Eurostat: News release 2011 (Tourism in EU 27)
Interview	Wolf Born, Priority Area Coordinator for Tourism (Task Force EU-Strategy for the Baltic Sea Region (BSR) State Chancellery Mecklenburg-Vorpommern)

The Interview

The best way to describe the sequence of the interview is using seven stages of an interview investigation. It is a linear progression, which provides researcher with a systematic approach. These stages are thematizing, designing, interviewing, transcribing, analysing, verifying and reporting (Kvale & Brinkmann, 2009).

The main goal for conducting the interview was to find several reasons for Lithuania to become more attractive for tourists. During the interview, various questions were asked in order to get the knowledge/opinion about new destinations - their challenges and aspects for becoming more acceptable within the international travel market. Therefore the interview was semi-structured; meaning that the interview was combining open and closed questions. The interview started with introductory/ open questions, like for example “Can you please tell.....”, which provided an opportunity for the interviewee to tell his experiences and opinions regarding the issue. Specific questions were also a part of the interview to receive a direct answer to the problem (Kvale & Brinkmann, 2009).

At first the e-mail was sent to Wolf Born, Priority Area Coordinator for Tourism (Task Force EU-Strategy for the Baltic Sea Region (BSR) State Chancellery Mecklenburg-Vorpommern) for the interview request. The selection was made according to the person’s position and title. Later the agreement for the actual interview, the time and date, was made. The interview was conducted on the 8th of July 2011 between 15:00 - 15:22. In the appendix 1 the reader is able to see the summary of the interview.

Interviews’ knowledge was conducted through the telephone, interviewees’ narratives and simply through conversations, which took more than 20 minutes (Kvale & Brinkmann, 2009). The idea was to gather facts for analysis in order to establish what is true and make conclusions accordingly. This meant that the postmodern approach was chosen. Here the focus lied upon interpretation and negotiation of meanings of social world. Knowledge was in the relationship, which connected the person and the world. This position was useful when looking at the interview as a production of knowledge (Kvale & Brinkmann, 2009). Moreover the researcher made notes, while interviewing, for later reference. The interview started with a conversation about the general idea of the BSR strategy and its aim. Later direct questions were asked regarding Lithuania as a tourist destination.

Regarding the analysis of the interview, Ad Hoc technique was applied (Kvale & Brinkmann, 2009, s. 234). This meant that the investigator read through interview to get an overall impression whether it was any repeating patterns, themes or plausibility about the phenomena investigated (Kvale & Brinkmann, 2009).

3.2.2 Intermediation

To analyse intermediaries, documentary and website analysis was made. More detailed description of the following method is presented below.

Documentary and website analysis

The purposive sampling (Silverman, 2005, s. 129): For the purpose of the analysis, the investigator has chosen seven travel agencies in Denmark in order to cover a broader spectrum of quiet different intermediaries and provide the reader more in-depth analysis. Websites and their catalogues were analyzed in regards to product offerings, prices and destinations. These seven intermediaries are diverse in:

- concepts, what they provide for the tourists,
- segments, that they target and also in
- size.

The researcher prioritized the five biggest intermediaries in Denmark, being Star Tours, Apollo Rejser, Spies, Bravo Tours and Falk Lauritsen (Hansen, 2011). Those travel agencies are very good at creating charter trips, with “all-inclusive” concepts to the South Europe. They target the largest part of the Danish population, being couples, families with kids and the elderly. The main focus of the concept is relaxation for modest money. Additionally Kilroy.dk offers more exotic destinations, like Australia, New Zealand, Thailand and others, where adventure/ exploration are the core of the concept. They focus on younger Danes and students too. Furthermore Riis Rejser was selected for the analysis, because this travel agency concentrates mostly on city breaks, wellness, bear trips, opera and other cultural activities. Popular destinations are Berlin, Hamburg, Prague, Amsterdam and others. Poland is the country for wellness and shopping. Additionally this is the only travel agency in the country, which offers “all a round trip” to the Baltic States. These concepts, like city break, spa/ wellness, adventure/exploration show diversity in the market. It also illustrates that travel agencies create new products simply to grow bigger and stronger. Either financially or simply gain more of the market share (Robins & Coulter, 2003).

Lithuanian intermediaries were chosen in regards to their product packages for international tourists and prices. Few of those intermediaries are: VisitLithuania.net, Travel-Lithuania.com and others. By comparing the data, found on many different websites, the investigator wished to find out, if there was any pattern of why Danes choose other destinations than Lithuania.

And at the same time compare tourism products, offered by Lithuanian intermediaries, with products, offered by Danish intermediaries.

3.2.3 Danish Tourists' demand

To gain more in-depth knowledge about Danes, as tourists, a focus group was used (see appendix 2 for the summary).

Focus group

In regards to this project the researcher used one focus group to investigate opinions, attitudes and experiences about travelling. The goal was to get real data, concerning the following issues: motivation, destination preference, information search, trip purchase and attitudes towards Lithuania as a potential tourism destination (Halkier, 2008).

Following Halkier's (2008) standards, the focus group was carried out in the following way. The investigator had chosen people, who enjoy spa treatments and sports or other activities while being on holidays. Reason for this was, that there is a growing trend among Danish tourists to experience spa and other types of health treatments while being on holidays (PressWire, 2011). Additionally active holiday is also a growing phenomenon among Danish tourists. Fitness, bicycling, golf and other types of activities are popular (Apollo Rejser, 2011) (Bencke, 2011). The researcher's network was used to find relevant participants for the group. The investigator had screening questions and short introduction about the procedure ready. There were three people in the group to avoid inequality among participants when the discussion started. The investigator's home was the place for carrying out the focus group's discussion. The procedure was accomplished in a semi-structured way, meaning it started more in an open structure by giving few broad and open questions about the phenomena-travel experience - to freely discuss. And at the end closed questions about Lithuania were asked. The researcher wished to check whether participants knew this destination. Secure precautions were taken into consideration in case interviewees had no or minimal knowledge about Lithuania. The researcher has prepared a presentation with various pictures of the most famous places in Lithuania (see appendix 3). The idea here was to tell them a bit about the destination, while showing them pictures, and after that ask participants to take a stand - meaning to evaluate Lithuania as a destination. The researcher's goal was to gather data about their opinions regarding Lithuania and whether they would choose this destination for holiday. They were also asked to evaluate possibilities which could influence their choice, like e.g. organized trips by Danish intermediaries.

The investigator acted as a facilitator, whose goal was to enhance social interaction, without controlling it. The researcher's objective was also to make sure that all important aspects of the chosen topic were covered. The focus group's interview was carried out in an informal environment. The facilitator made a short introduction of the interview's purpose, provided guidelines and expectations from the participants. After the discussion was finished, debriefing was carried out, to get an idea of participants' experiences (Halkier, 2008).

The interview was piloted before the real trial to make sure that questions were understood and well structured to provide discussion.

3.3 SWOT

The SWOT method is applied in the project to examine strengths, weaknesses, opportunities and threats (SWOT) of both demand, supply and intermediation (Page & Connell, 2006, s. 314). Additionally this method provides an opportunity for the investigator to find the improvements necessary for the destination to pull in visitors, and to suggest several ideas for the Danish intermediaries to stimulate Danish outbound demand to the destination.

3.4 Validity and reliability of sources

The validity refers to the strength of a statement. It reflects whether the method investigates what it supposes to investigate. This means that the researcher simply asks relevant questions in order to gain answers about the phenomena investigated (Kvale & Brinkmann, 2009). Additionally, it is important to discuss whether the findings can be generalized beyond the case. The purpose for the investigator is to see if findings can be generalized to some broader theory. In regards to the project the researcher wishes to collect data and compare it to the tourism demand theories.

By definition reliability means how consistent and trustworthy research findings are and whether these findings can be reproduced at other times by other researchers (Kvale & Brinkmann, 2009).

3.4.1 The Interview

The main advantage of conducting the interview is that the collected information is for this project only. Therefore following the definition of validity it is reasonable to say that the interview is valid, because the researcher asks relevant questions, regarding Lithuania as a destination. The whole idea of interviewing is simply to get answers regarding what Lithuania needs in order to be more recognized among other European countries. The reliability of the interview can be discussed. It is allowed to say that the interviewee's answers are trustworthy. However, if another investigator will need to carry out the same study at another time, then the reliability is discussable. There is a small chance that the other researcher will select the same answers. Time span is important in this discussion. Reliability will be higher if the other investigator conducts the same study after for example three months instead of three years. This might be due to changes happening in the travel industry or new developments in the Eastern European travel market, which can reveal totally different answers.

Apart from the discussion about validity and reliability, the interviewer faces major disadvantage, which is full dependability on the participant's willingness to answer the questions (Ghauri & Grønhaug, 2002).

3.4.2 Focus group

Focus group is a useful method for gathering data, because it allows participants to talk freely about the topic, which interviewer has chosen. Therefore focus group is a valuable method when the investigator wishes to collect concentrated data about the phenomena; find real social spotless data about individuals' life values; and social groups' interpretations, opinions and experiences about the topic. The discussion, in the focus group, provides differences in these opinions, experiences and understandings, which produces useful data about the complexities of meanings and social practices. Therefore it is vital that the investigator avoids tendencies towards conformity and polarization, because they might act as an obstacle for the ability to express the differences in opinions and experiences within the group (Halkier, 2008). The main idea of the focus group was to get data on their motivations for travel, destination preference, search and purchase of holidays and their attitudes towards Lithuania. All these aspects were relevant for the analysis of the project. Therefore it is permissible to say that the study is valid. Regarding reliability, it is noticeable that the answers of the participants are trustworthy, having this project in mind. Yet if another investigator carries out similar study with focus group; it is possible that reliability will diminish. This is due to the fact that the other researcher might conduct the focus group after selecting participants based on different categories. This means that people in the focus group can provide totally different answers. Therefore the chance is small that the other investigator will arrive at the same answers as this researcher, having the current project in mind.

3.4.3 Triangulation of data

As it was mentioned earlier, the case study method is multiple, which helps the investigator to get the whole reality about the phenomena investigated. Validity increases when data is collected through different methods or angles. The main advantage of triangulation is, that it produces more complete, holistic and contextual picture of the phenomena investigated. It also provides the researcher with robust findings, because the investigator checks and validates information, collected through multiple sources (Ghauri & Grønhaug, 2002). For example the investigator checks the focus group's answers, regarding Danish tourists, with UNWTO reports about Danish tourist, to see whether those two multiple sources provide similar information about the phenomena investigated (Ghauri & Grønhaug, 2002).

3.4.4 Various statistics and publications

The positive aspect of using secondary data is that the researcher saves time and financial resources. Also, secondary data is useful when comparing it to primary data in the project. Main disadvantages of secondary data are that the validity and reliability of this data might be weakened, since it is gathered having other research or project in mind (Ghauri & Grønhaug, 2002).

4. The subunits of the case

4.1 Lithuanian international and Danish outbound tourism

This case is constructed from two parts; the first element is the presentation of Lithuania as a destination and the second part is the illustration of the Danish outbound tourism.

4.1.1 Lithuania as a destination

Lithuania is situated on the eastern part of the Baltic Sea. It is a relatively small country with 3 million inhabitants. The main neighbours are Latvia, Belarus, Poland and Russia. The flag is three coloured (figure 2) and the national symbol is Coat of Arms (figure 3).

Figure 2

Figure 3

Lithuania restored its independence in 1990 from the USSR and later on in 2004 it joined NATO and became a member of the European Union (EU) (Lithuania, 2011). Lithuanian culture is known for its lively oral tradition, consisting of folksongs, folktales, legends and traditions (Countriesquest, 2011). Cepelinai (potato and meat dish), vedarai (intestines stuffed with potatoes) or potato pancakes are most traditional dishes in the country. The Lithuanian beer is popular and a beverage of high quality (Insentive Travel, 2006).

The best way to illustrate Lithuania as a tourist destination is through the use of the basic elements of the tourism destination. These components are attractions, available packages, public and private amenities, accessibility, human resources, image and prices (WTO, 2007).

Below each of the components are analysed with a short discussion, which continues throughout the project in greater detail.

Attractions

In tourism literature, attractions are related to the main reason why leisure tourism to a destination happens (Cooper et al., 2008). Furthermore attractions are an integral part of the tourism product, which is used for destination marketing (Page & Connell, 2006). The important thing for the destination is to have "flagship" attractions, because these can pull in visitors and in general provide the initial motivation for visiting a particular destination

(Cooper et al., 2008, s. 309). In tourism literature there are many ways to classify attractions. In this project the classification is based on WTO's classification, because it applies a more practical approach. In this report, attractions are divided into built, natural and cultural/ historical (WTO, 2007). Looking through various websites, it is clear that the main attractions, promoted on various internet pages in Lithuania are:

Categories of attractions	Examples
Built	TV-Tower in Vilnius Three crosses in Vilnius old town Vilnius old town The cathedral The church "Ausros Vartai" in Vilnius old town "The Hill of Crosses" in Siauliai Sports arenas Aqua park
Natural	Nida Peninsula in the western Lithuania White sand beaches in the western Lithuania Lakes National parks "Nemuno delta" (national park)
Historical	The museum/ castle "Vilniaus Gedimino Pilis" The National Opera and Theatre The jewish museum"Devintas fortas" Gruto park The Traku Castle with historical museum

Looking at the table above, it is seen that most of the attractions are similar to other countries, except one, being "The Hill of Crosses". This type of attraction is the one that can be related to a "flagship" attraction, because of its authenticity. This place was created by the Lithuanian people over time and it is presented authentically without trying to stage the experience and manipulate the advertising. It is a positive thing for Lithuania, as a tourist destination, to have that type of attraction, because as Cooper says, it can pull in visitors (Cooper et al., 2008). Additionally this attraction is a great opportunity for the Lithuanian destination marketing organisation (DMO) to use for the destination marketing, in order to increase the motivation to visit the destination.

Available packages

Lithuanian intermediaries offer many different packages and tours to foreign tourists. Packages are related to the Lithuanian experience, sport breaks, spa treatments, and various nature and cultural activities. Few examples of those are: Lithuanian National Opera Tour, Lithuanian Experience Tour, Jewish Heritage Trail Tour, Euro Basket Tournament Packages, Golf Break in Lithuania and many more. Additionally Lithuanian intermediaries offer free/open packages, where a tourist can design his/ her own holiday (Visit Lithuania, 2011).

From the Danish intermediaries' side, there are only basic packages (accommodation together with airplane ticket) available to Lithuania. Scandinavian airlines (SAS) and Kilroy.dk offer that type of package. SAS offers an airplane tickets to Vilnius and Palanga on the company's website. A tourist is able to order accommodation together with an airplane ticket only to Vilnius (SAS, 2011). Kilroy also offers the basic package - but to fewer places in Lithuania, being Vilnius, Kaunas, Klaipeda, Palanga and others (Kilroy, 2011). However it is difficult to find this type of offer. The travel agency has a section of experience tours, where Lithuania is not found (Kilroy, 2011). Other big travel agencies, like Star tours, Spies, Apollorejser, Bravo tours and Falk Lauritsen do not offer any packages to Lithuania for the Danish tourists. There are few small travel agencies, which offer spa holidays (B&P Travel, 2011) or trips (riis rejser, 2011) to Latvia and Estonia. Only Riis Rejser offers one type of all around trip to the three Baltic States.

The focus of this project is the Danish outbound demand to Lithuania. This short presentation shows that the Danish intermediaries have poor focus on Lithuania. This observation can be interpreted as a threat to the destination.

Public and Private Amenities

According to the WTO (2007) amenities are services and facilities, supporting visitor's stay. These are infrastructure, public transport, visitor information, guides, catering and shopping facilities (WTO, 2007). Among amenities, hospitality is the most important, because tourism accommodation and hospitality services are crucial for the tourism experience. The concept of hospitality itself emphasizes very much what the tourist experiences as traveller, being consumption of food, beverage and accommodation from home environment (Page & Connell, 2006). In regards to this conceptualization Lashley indicates that hospitality is the place, where different relationships occur; either in commercial, social and/ or private settings (Page & Connell, 2006, s. 201). The accommodation, discussed here, occurs in the commercial setting, being that guests pay for the products/ services consumed to the host.

According to Medlik and Ingram, the standards of the hospitality sector are very important, since they are vital for tourist's experience (Page & Connell, 2006). Therefore, the investments in developing standards and quality of accommodation infrastructure are vital, because the quality and range of accommodation reflects and influences the range of visitors to the destination (Cooper et al., 2008). Additionally, to ensure the quality, the grading systems are created, to place hotels in a category, which mirrors the hotel's services and facilities (Cooper et al., 2008). In Lithuania there are various types of accommodation, starting from hostels and finishing with five star hotels (The Lithuanian State Department of Tourism, 1998). In tourism literature, it is stated, that the accommodation sector experiences internationalization, which according to Page & Connell (2006) is referred to the concept of Macdonalization of the tourism product line. This means that tourism products and services are becoming the same; no matter where in the world the accommodation is located. This type of standardization is positive in the way, that it creates a guarantee for the quality for the individual guest anywhere in the world. Additionally, tour operators still have ability to control prices and operational costs (Page & Connell, 2006). International hotel chains, like Choice, Scandic, Accor, Radisson Blu, Best Western and others are found in Lithuania.

The broad range of accommodation classification and the existence of various international hotel chains in the Lithuanian hospitality industry show, that Lithuania, as a tourist destination, offers high standard accommodation products and services for reasonable prices. This observation is regarded as strength of the destination. Additionally the researcher sees opportunities within this industry for further international investments, because Lithuania is still a young destination, which recently started to focus on increasing the international tourism.

Furthermore, tourists are able to find different types of restaurants, where plenty of choices for exceptional value cuisine are offered. Personnel are very professional, hospitable and welcoming. Additionally, pizzas, burgers and sushi are found in restaurants. Self-service bars and bistros are becoming popular too. Lithuania offers various shopping possibilities. Here tourists can visit Pilies street in Vilnius, where traditional art and crafts, like items made from amber, paintings and wood carvings are sold. Street markets offer a unique cultural experience for tourists and also a bargain price. Moreover, department stores are located in Lithuania with typical stores throughout Europe (Hotel Travel, 2011). Regarding public transportation, busses, trolleybuses, trains, cycling and taxi services are available at reasonable prices. Public transportation offer extensive coverage. Roads are of high quality, which makes driving a pleasant experience. Busses run frequently and tickets can be purchased at any newspaper store at a lower cost than purchasing while boarding (Hotel Travel, 2011). For example; 1 ticket price is 2.5 Danish Kroner (DKK), when boarding it is 3 DKK. Tourists are able to purchase 1 day (28 DKK), 3 day (50 DKK) and 10 day (100 DKK) tickets (Vilnius Transport, 2011). Tourists can rent a car as well. International names, like Avis, Europcar, Hertz, Sixt and Budget are found in all Lithuania airports.

From the short description of various public and private amenities, it is seen that the destination hosts many international companies (hotels and car rentals) with quality standards that are known around the world. This way the tourists are guaranteed a positive travel experience. Additionally, a broad range of restaurants and shopping facilities provide experiences in itself, where value for money is guaranteed. This is strength of the destination.

Accessibility

In tourism literature transport is an important element of the tourism product, because it helps tourists reach the destination, move at the destination and/ or is an attraction in itself (Cooper et al, 2008). Tourists can reach Lithuania by plane, car/ bus, cruise ships and train. According to Cooper et al (2008, s.405) transport as transit accounts for 90% of tourist use of transportation. Lumsdon and Page conceptualise this type of mean as "transport for tourism" (Page & Connell, 2006, s.150). This means that transportation for tourism is a utility and provides low intrinsic value to the overall tourism experience. In this project the airline transportation is looked at as "transportation for tourism". Even though the destination has three airports; one in Vilnius, a second in Kaunas and a third in Palanga; Lithuania faces accessibility problem. According to Raimonda Balniene, the director of the Lithuanian State Department of Tourism, there are 18 routes to Lithuania; whereas neighbouring countries, Latvia and Estonia, offer many more. Latvia provides 107 routes and Estonia 34. This simply means that the two neighbouring countries are better at targeting potential international tourists. 42% of flights to Lithuania are suitable for weekend breaks, whereas 58% are not. The flights are either too early or too late, which increases inconvenience for tourists (Delfi, 2010). This information shows that Lithuania as a tourist destination has a significant weakness. The inconvenience and lack of flexibility within the airline transportation force tourists to choose other places to visit. For example, as Cooper et al (2008) mentions, in Denmark there is a preference to travel on Saturdays or short breaks on Fridays. This means that if there are only flights to Lithuania early Friday morning or late in the evening, then it is no surprise why Danes travel somewhere else, where flight times are more suitable to their working hours. In regards to this, there are also opportunities to minimize the accessibility problem, regarding airline transportation, by finding additional non-national airlines, which will be willing to open more routes, with suitable times for leisure travellers and weekend breaks. Nonetheless, expansion and renovation of existing airports must continue with help from the EU structural funds.

Also Lumsdon and Page conceptualise transportation as “transport as tourism”, like for example cruise or car/ coach trips (Page & Connell, 2006, s. 150). This concept is an essential part of an overall experience and provides high intrinsic value. Tourists can also reach Lithuania by cruise ships. Cruise Baltic stops in the western part of Lithuania - in the city of Klaipeda (Cruise Baltic, 2011). This is an opportunity for the destination to invite tourists to get familiar with the place and hopefully provide enough of motivation for it to become a possible choice for a holiday. Tourists can access Lithuania by car and/ or coach too. Lithuania is a part of the EU and a member of Schengen zone (AXA Schengen, 2011); therefore Danes do not require a visa for entry. This in return provides free movement. Furthermore, Lithuania has the best developed roads in the Baltic States (Enterprise Lithuania, 2011). The biggest motorway is build through the whole country. This means that tourists can experience a nice and secure vacation on the move.

Human Resources

According to Baum and Kokkranikel, tourism has a people-intensive nature, which has enormous impact on service delivery and the visitor’s experience (Page & Connell, 2006, s. 243). For that reason the destination, which has high skilled employees, gains a competitive advantage. In order to develop a highly skilled workforce, the investments into human resource management (HRM) are necessary. The positive thing is that Lithuania, as a tourist destination, already has many global hotel chains, which are known for their strong incentives in HRM. Additionally, government bodies have a responsibility in developing a highly skilled workforce, especially when tourism expands globally (Page & Connell, 2006). This is seen from creating *The Lithuanian Tourism Development Strategy* [Lietuvos pletotes strategija]. The strategy emphasizes the importance of developing modern, unique and of high standard tourism sector, which helps to provide high quality tourism products/ services for international and domestic travellers (Ministry of Economy of the Republic of Lithuania, 2011). Since 1991 the Lithuanian Tourism Association (LTA) is working towards this goal. This association unites the biggest and most advanced tour operators, travel agencies and education institutions to raise a qualified workforce. It also represents its members’ interests in governmental institutions, tourism trade fairs and organises tours to broaden knowledge about Lithuanian tourism resources (The Lithuanian Tourism Association, 2011). Additionally, the Lithuanian working force is known as high quality staff and very loyal employees. Almost 40% of Lithuanians speak English, 20% know German language and 90% can communicate in Russian (Invest Lithuania, 2011). Lithuania is among the top 5 EU countries with the best multilingual skills, which is an advantage when having international tourism in mind (Invest Lithuania, 2011). If Lithuania works continuously towards this strategy then it should achieve an income of more than 17 billion Lithuanian Litas (LTL) from international tourism by 2015 and a growth of GDP of 8% (Ministry of Economy of the Republic of Lithuania, 2011).

Highly skilled the Lithuanian workforce is a strong side of the destination, because as theory states, highly skilled employees are crucial in providing a memorable experience for visitors. Additionally, any company appreciates a highly skilled workforce. Therefore this observation is an opportunity for companies to open their businesses at the destination, which in return Lithuania can benefit from them. Nonetheless, the advantage of a highly skilled workforce at the destination provides a positive aspect for the Danish intermediaries, which could be used to stimulate the Danish outbound demand to Lithuania.

Image and Brand

Image is one of the important aspects in attracting tourists to the destination. As Cooper et al (2008) suggests, the image is critically vital for an individual's preferences, motivation and behaviour towards tourist destinations. This image provides a "pull" effect, followed by different demand agenda (Cooper et al. 2008). The biggest issue is that the attitudes and behaviours of different individuals can be created from a derived image, which in theory can be difficult to change, unless new information or experience are presented (Cooper et al 2008). Furthermore, the brand is extremely important when thinking of recognition and awareness. In tourism literature the brand can be a name, slogan, symbol or a combination for promoting a product or a destination (Cooper et al 2008). There are several advantages of developing a strong brand, such as it adds value, signals a strong position in the marketplace or provides a solid base to build an international presence (Cooper et al 2008). According to Aaker, people buy familiar brand, because they are comfortable with familiar (Aaker, 1991, s. 19). This means that there is a bigger possibility that a known destination will be selected more often than an unknown (Cooper et al 2008).

The Lithuanian State Department of Tourism sets out the strategy for the creation of a positive Lithuanian image in their *The Lithuania's Tourism Marketing and Communication Strategy 2009-2013* [Lietuvos turizmo komunikacijos ir rinkodaros strategija 2009-2013]. At the moment Lithuania has a negative image internationally. Therefore the national organisation wishes to promote Lithuania as a place, where tourists can refresh, recharge and relax to increase positive aspects of the destination. For this the national tourism organization (NTO) has several brands to suit different markets. In regards to the Danish market, the brand (slogan) is "Lithuania – the warmest in the North". Regarding Danish tourists the focus is on spa, active, cultural, eco, historical and city tourism (The Lithuanian State Department of Tourism, 2008, s. 135).

From this it is seen that the strategy is new, considering that the independence was gained only 20 years ago. This shows that only now the government starts to really consider the importance of tourism and willingness to make Lithuania more known to the world. This is a positive trend. However this fact also shows that Lithuania has no established brand, no recognition and a bad image internationally. This is a considerable weakness for the destination, but also a challenge for the Danish intermediaries, when it comes to the ability to stimulate outbound demand.

Price

In tourism price is a very important aspect of a destination's competitiveness towards other destinations. Price includes aspects like cost of transportation to and from the destination, cost of accommodation, attractions, food, beverages and tour services. Currency exchange rates are also important, because tourists can base their decisions purely on this economical factor (WTO, 2007). In tourism literature it is stated that leisure travel is price elastic, meaning that a slight increase in price of tourism products/ services creates a large drop in demand (Cooper et al 2008, s. 586). Additionally, pricing of tourism products/ services is extremely difficult, because of high seasonality of demand and perishability of products.

The current rate of 1 LTL is 2,1598 DKK (Valutaomregneren.dk, 2011). Price levels for most tourism attractions, restaurants, museums, public/ private transportation and accommodation are lower than for example in Denmark. Danish tourists, visiting Lithuania, can benefit from these lower prices. For example; visiting museums and other cultural attractions at the destination, varies in prices from 5 DKK (Lithuanian Museums, 2011) to 45 DKK (Vilnius Tourist Information Centre, 2011). Restaurants and cafes offer a main course from 5.5 DKK to 30 DKK in Vilnius and Kaunas (Restoranai.lt, 2011) (see appendix 4). Accommodation rates vary from 213 DKK up to 1666 DKK (Hotels.com, 2011).

When thinking of international tourists, the competitive pricing is absolutely Lithuania's strength. This is because tourists have the ability to save money compared to similar services in other countries. The competitive pricing is an opportunity, which could be used in marketing and promotion of Lithuania as a destination to stimulate the international tourism demand.

Regarding the elements above, it is important to note that Lithuania as a tourist destination has two different positions - when having the development of the tourism area lifecycle (TALC) in mind (Cooper et al 1993, s 90). From the European point of view it is possible to see that Lithuania, as a destination, is at the beginning of the consolidation stage. This is because the main focus lies upon the recognition importance of the tourism to national economy and finding investments for various tourism projects for facilities' upgrading. Lithuania welcomes more and more international tourists. As it is shown by the European Statistics (Eurostat), the flows of tourists to Lithuania have grown by 67% from 2004 to 2008 (see appendix 5) (Eurostat, 2011). This resulted in the increase of tourism expenditure as well (see appendix 6) (Eurostat, 2011). However an economical crisis in 2009 influenced tourism negatively. From the statistics it is seen that tourism flows to Lithuania felt by 19% (see appendix 5) (Eurostat, 2011), which resulted in the fall of tourist expenditure by 64% (see appendix 6) (Eurostat, 2011).

From the Danish market perspective it is possible to say that Lithuania as a tourist destination is only at very beginning, being at the exploration stage. This is mainly due to the fact that the Danish intermediaries do not offer any products to Lithuania. The destination faces accessibility issues as well and a low number of Danes is visiting the destination.

4.1.2 The Danish outbound tourism

Danes prefer travelling to warmer destinations, being Spain, Italy, France, Greece and Turkey. According to the Danish statistics, in 2009 16% of all holiday trips with minimum 4 nights were spend in Spain; 10% were spend in Italy; 7% in France; 5% in Greece and 4% in Turkey (Danmarks Statistik, 2010). In 2011 certain changes of preference, regarding holiday destinations, have shifted. According to the research made by Kompas Kommunikation for the travel agency, Apollo, Greece became one of the most popular holiday destinations for Danes. Islands, like Skiathos and Santorini are desirable as well. Spain, including Mallorca and the Canary islands are popular too. Turkey, Bulgaria and Egypt are also preferable holiday destination among Danes (Apollo Rejser, 2011).

Danes prefer buying package trips to warm destinations (31%), city breaks are also popular (21%) (Apollo Rejser, 2011). The plane is the most popular way of travelling. According to the Danish statistics, 62% of Danes travelled by airplane in 2009 (Danmarks Statistik, 2010).

According to Carlson Wagonlit Travel, 7 out of 10 Danes prefer combining their own holiday and order accommodation and airplane tickets online (Carlson Wagonlit Travel, 2010). Nonetheless, Danes buy package trips on-line too. Expedia, the online travel agency, is popular among Danish people. 23% of them bought a package travel on Expedia's website (Ekstra Bladet, 2010).

Danish tourists are great spenders, while being on holidays. 42% of Danes are planning to spend more money during holiday this year in comparison to 2010 (Standby, 2011). Additionally they prefer active holidays, spa, yoga, relaxation and luxury at the same time (Bencke, 2011) (Politiken, 2011). More detailed analysis, regarding the Danish tourists is presented later in the project.

5. Analysis

The analysis is divided into three parts:

- first being internal factors of destination supply
- second being intermediaries and
- third being factors affecting destination demand of the Danish tourists.

Each of the sections is presented with the most significant findings related to the individual part. Below a more detailed analysis is presented. Throughout the different sections, this study examines strengths, weaknesses, opportunities and threats (SWOT) of both demand, supply and intermediation (Page & Connell, 2006, s. 314).

5.1 Internal factors of destination supply

According to Sessa, the destination supply is all activities, which are involved in providing goods and services to meet the demand (Sessa, 1983, s. 59). Those activities are accommodation and hospitality, transportation, attractions, intermediaries and others. Additionally, tourism impacts destinations economically, environmentally and socio-culturally in a positive and/ or negative way. Lithuania is a young destination, therefore social and environmental impacts are less significant than economical. The analysis of economical influences from tourism is crucial for the Lithuanian government, because it goes hand in hand with tourism sector development (Page & Connell, 2006).

Finding 1 – Recognition of tourism as a contributor to national economy by the Lithuanian government, including the relevant initiatives

The contribution of tourism to the balance of payments of the Lithuanian economy is evident. According to the theory, balance of payments is a significant record of imports and exports during a period of time between the residence of the country and the rest of the world (Page & Connell, 2006 s. 347). It is an important validation for national governments to promote tourism. Therefore positive balance of payments is crucial. In order to gain surplus on the tourism account, tourism development is vital for the country, because it helps to improve balance of payments by bringing foreign spending to national economy (Page & Connell, 2006). According to the Eurostat statistics Lithuania is experiencing net surplus in balance of payments (Eurostat, 2011) (Appendix 7). This means that foreign tourists spent more money in Lithuania, compared to Lithuanians abroad. This statistical fact shows that Lithuania, as a destination, benefits from international tourism. It also provides an opportunity for the national government to concentrate on the tourism sector's development in order to attract foreign spending to the destination. In regards to that, the Lithuanian governmental bodies have created the following initiatives.

Initiative # 1

The Lithuanian State Department of Tourism presented *"The 2010 action plan for Lithuania's positive image formation and marketing communication strategy* [Lietuvos turizmo ivaizdzio formavimo ir rinkodaros komunikacijos priemoniu 2010 metu planas] in order to promote Lithuania as a destination abroad and to increase the international tourism to the country. According to this plan the governmental authorities has chosen specific markets, being Germany, Russia, Poland, Finland, Sweden, Spain, UK, France and Italy. The idea is to broaden collaboration with the tourism and governmental authorities within these countries. Each market has a separate action plan (The Lithuanian State Department of Toursim, 2010). Denmark is not included though.

Regarding this action plan, certain communication tools are applied. The most important of them is social media. Here the discussion of the impact of the "Web 2.0" phenomena, on today's tourism destination development is important. Web 2.0 is a tool, which lets tourists share information about their tourism experience and get information about destinations (Munar, 2011). This digital content influences destination awareness and image creation. The virtual social communication is based on Content Management System software (Stillman & McGrath, 2008), which includes tools, like blogs, podcasts, messaging applications and others. For example the DMO, Visit Lithuania, has created a blog, where the latest events and news about the destination are posted. The organization also invites foreigners, who have been in Lithuania to share their experiences and provide travel tips to others. Web 2.0 allows user generated content (UGC), especially tourist created content (TCC) to share the information (Munar, 2011). Facebook.com, Youtube.com, Twitter.com and Tripadvisor.com are only few examples of TCC. The TCC relates to active and creative contributions of tourists on the web, where the digital information is uploaded and made available for others on the web. Facebook, You Tube and My space are the three choices, where the profile of Lithuania is presented. Furthermore new eMediaries, like Lastminute.com and Tripadvisor.com, are picked for promoting attractive packages to Lithuania (The Lithuanian State Department of Toursim, 2010).

The use of Web 2.0 application illustrates a positive trend that the Lithuanian governmental authorities and the DMO apply to promote the destination. Unfortunately there are certain issues, regarding this phenomenon. A further discussion concerning the "Web 2.0" phenomena is discussed in finding 5, in regards to destination branding and in finding 9, in relation to Danish tourists.

Initiative # 2

The Lithuania's Tourism Marketing and Communication Strategy 2009-2013 has also been prepared to increase awareness about Lithuania in the world and provide accurate information about the country. Those tools are: various media channels, word of mouth (WOM), the Internet and initiatives of the Lithuanian government representatives in each of the countries. The strategy is presented later in the project in finding 4.

Initiative # 3 – The European Union

Additionally the European Commission presented a communication on the macro-strategy for the Baltic Sea Region (BSR), along with an action plan, which Lithuania is a part of. The four main objectives of this strategy are to make the region more environmentally sustainable, secure, attractive, accessible and prosperous (EU-strategy for the Baltic Sea Region, 2011). According to Wolf Born, Priority Area Coordinator for Tourism (Task Force EU-Strategy for the BSR State Chancellery Mecklenburg-Vorpommern), the BSR strategy works mainly on the attractiveness and accessibility of the region with the strong focus on various projects, regarding cruise ships, rural (costal) areas, cultural heritage and the sustainability of the region (Born, 2011) (see appendix 1). He also mentioned in the interview that the BSR strategy works on unifying various actors in cruise, air and cultural heritage areas, which Lithuania, as a destination, could benefit from. However, he admits that there is no unification yet and each actor is interested in working on separate projects according to the grant agreements for their own country's benefit (Born, 2011) (see appendix 1). Wolf Born said, if Lithuania wishes to be recognized more in the world in regards to tourism; the state "needs to invest and develop high standard tourism infrastructure, high quality tourism services and products, which must be supported by economical and tourism policies" (Born, 2011) (see appendix 1).

Looking at these initiatives it is seen that the Lithuanian government and the DMO understand the significance of tourism to the national economy, which is a positive thing for the destination. Application of Web 2.0 tools is strength for the destination in terms of positive image formation and marketing communication. However, the published information about the destination provides many opportunities for improvements in tourism product development, marketing communication strategies and recreation of the brand. The participation within the BSR strategy provides new chances for the Lithuanian politicians to find business partners for exploring the potential for the tourism sector.

Finding 2 – Lithuanian hotels face instability of value added tax (VAT)

According to Page and Connell (2006), hospitality is the most important of all the amenities, because its services are crucial for the tourism experience. Additionally, according to Medlik and Ingram, hospitality is the most capital intensive area of tourism industry, thinking of the real estate value of accommodation settings (Medlik & Ingram, 2000).

In 2010 VAT was increased from 5% to 21% for hotels and restaurants in Lithuania (MarketNews.lt, 2011). This development had a negative effect on the tourism industry. The president of *The Lithuanian Hotel and Restaurant Association LVRA* [Lietuvos Viesbuciu ir Restoranu Asociacija] Evalda Siskauskiene states, that Lithuanian hotels were not able to compete with other European countries for international tourists. The VAT of 21% was changed to 9% at the beginning of 2011 (The Lithuanian Hotel and Restaurant Association, 2011). This resulted in the price drop of 14% for accommodation and other services (MarketNews.lt, 2011). According to Page & Connell (2006) tax policies on tourism products can have a positive or negative effect on tourism demand. This fluctuation supports the theory. The president of LVRA states that after 1.5 months the positive development is seen among Lithuanian hotels. Furthermore the competition increased with other European countries, more employment places were created, salaries were raised for hotel personnel and additional income was used for renovations (MarketNews.lt, 2011).

However, the decrease of VAT of 9% is only for one year. 2012 is unknown for the hotel industry. The instability of VAT within the hospitality industry shows the major weakness for the destination. Many tour operators and travel agencies are asking for accommodation prices and other services in order to plan tourism products for international tourists. This is a very important aspect for tour operators, because, as Page and Connell (2006) state, tour operators have the ability to buy tourism products/ services form other actors/ suppliers within the industry at significant discounts by purchasing in bulk. This means that tour operators allow other suppliers to sell their capacity in advance, at least a year before tourists start using accommodation or services. From the observations above, it is seen that these measures make it impossible for tour operators to predict the market. Also, many hotel managers do not know how to price their products/ services, because they have no knowledge about VAT development in the coming year. This is a negative trend, because hospitality is capital intensive area. According to the president of LVRA Evalda Siskauskiene, this instability stops many hotels from investing in new projects (The Lithuanian Hotel and Restaurant Association, 2011).

Finding 3 – Lithuania faces accessibility problem

In the case it was mentioned that Lithuania faces accessibility problem regarding airline transportation. This shows that the destination has a significant weakness. Lithuania is one of the few countries, which depend on non-national airlines and low cost carriers. According to the expert Marc Bonduelle, who is the member of Air and Space Academy in France, Lithuania needs higher quality infrastructure in the current three airports and national carrier. This way the destination will be able to contribute more to the national GDP and join the European airspace (Valstietis.lt, 2011). The similar opinion, regarding accessibility issue, is shared by the director of the Lithuanian State Department of Tourism, Raimonda Balniene. According to her, 58% of all flights are not suitable for tourism (Delfi, 2010). This is a huge problem, because neighbouring countries, Latvia and Estonia offer many more routes and therefore are better at targeting many tourists (Delfi, 2010).

The technological development within the transportation sector has created new opportunities for travel, especially when the creation of low cost carriers happened. The low cost carriers had realized latent demand, meaning that they have created a demand where it did not exist before - for budget conscious consumer (Page & Connell, 2006). Additionally, Henderson adds that these low cost carriers opened new possibilities for peripheral areas, which are served by smaller airports (Henderson, 2009). This is a great opportunity for Lithuania, as a young destination, to mark itself on the European map, because low cost carriers are good at "putting the new destinations forward" for tourists. At the moment, Lithuania has 15 diverse carriers, where 14 of them fly to 19 different routes and others operate on chattered basis (Valstietis.lt, 2011). They also make accessibility more suitable for tourists. "Ryanair" and "Wiz air" are the few examples of operating low cost carriers at the destination.

The positive development might show that Lithuania focuses on improving the current infrastructure of the three airports. In general, to have a high standard infrastructure means an advantage for the destination and active destination development (Henderson, 2009). It also shows safety and care for the customer satisfaction. All three airports are involved in different projects, funded by EU structural funds and co- funding. The construction of new terminals, airport investments in passenger security and track renovations are a few examples of making the infrastructure better (Vilnius Airport, 2011).This is a strength for the destination, because tour operators and travel agencies have certain requirements on safe transportation too, so they can guarantee customer satisfaction (Henderson, 2009). The improvements in the tourism infrastructure can be used by the Danish travel agencies as a sales aspect to stimulate Danish outbound demand. However the EU structural funding is an enormous threat for the destination, because once the funding stops coming in, the development might slow down or end totally.

Thompson and Schofield propose that the perception on availability and quality of transport affects destination choice (Thompson & Schofield, 2007). When thinking about airline transportation to Lithuania, the statement is partially true. The quality of airline transportation has nothing to do with the destination choice. Many known airlines, like Scandinavian airlines (SAS), Air Baltic, Raynair fly to the destination and they are known for their professionalism and safety. But when looking at the availability of flights from Copenhagen to Vilnius and Palanga and from Copenhagen to Berlin (Tegel) the statement is true. The researcher has made a comparison study just to see whether the availability of flights differs between the two destinations. The search was made on flybillet.dk (an online travel agent) for a weekend trip from Friday (23rd of September 2011) to Sunday (25th of September 2011) at any time a day. The results of this small exploratory study show, that Danes can choose at least 7 different times to travel to Berlin and at least 4 different times to travel back to Copenhagen. Times are spread through all day. Prices vary from DKK 2569 up to DKK 5468. Many different airlines provide trips to Berlin, such as SAS, Air Berlin, Lufthansa and others (Flybillet.dk, 2011)(see appendix 8). When Danes wish to fly to Vilnius there are 3 different times for flying to the destination and only one time or flying back. The three different times are equally divided through the whole day, but the flight to Copenhagen is very early in the morning. Only SAS provides the trip and the prices range between DKK 5767 to DKK 6247 (Flybillet.dk, 2011) (see appendix 8). If a Dane wishes to fly to Palanga, there is only one option to and from the destination. Both trips are in the early afternoon and at the price of DKK 5586 with SAS (Flybillet.dk, 2011) (see appendix 8). The example shows that availability and flexibility of flights to Lithuania are lower, and at much higher cost, than to Berlin. Those factors can be looked as a vital threat for the destination and a significant challenge for the Danish intermediaries to create attractive packages to stimulate Danish outbound demand to Lithuania.

Nonetheless other modes of transport to Lithuania provide both business possibilities for the Danish intermediaries; a chance for the destination to be exposed for the Danish traveller, and an opportunity for the Danish tourists to be introduced to the new destination. The Baltic Cruise can be used to accomplish these chances.

Finding 4 – Lithuania's National Tourism Organisation (NTO) has poor focus on Denmark

The reader is presented with the comparison of the *Lithuania's Tourism Marketing and Communication Strategy 2009-2013* between Denmark and Germany in order to emphasize Lithuanian NTO's poor focus on the Danish market. The two countries were chosen for comparison due to different positions within the priority groups and them being neighbouring countries. The researcher presents the difference in branding (see the table 5) and frequency in using different promotional channels in the two countries.

According to the *Lithuania's Tourism Marketing and Communication Strategy 2009-2013*; there are three priority segments, including many countries, where Lithuania is promoted. The three priorities are:

I. Belarus, Germany, UK, Poland, Russia and Latvia
II. Estonia, Finland, Norway, Sweden, ***Denmark***, Italy, France, Spain and Netherlands
III. Ukraine, USA, Israel, Japan, China and India

The classification of the countries was made according to:

- An average number of nights spend in accommodation per one trip
- An average expenditure per one stay
- Number of trips made

TABLE 5 – The illustration of the strategies for Denmark and Germany

	Slogan	**Target groups**	**Potential tourism products**	**Promotion**
Germany (1st priority)	1.Lithuania – the freshest country (three key words: ecology, activity and nature) 2.Lithuania – the bravest Baltic state (with unique historical and cultural heritage) 3.Lithuania – the best to relax at (three key words: spa, health and sports)	45-64	Cultural tourism (Klaipeda and its surroundings, Vilnius) Eco tourism (country side) Active tourism (golf and bicycling) Health tourism (spa)	Focus is on history and culture, related with Germany, ecology and relaxation. CHANNELS*: Various travel agencies, conservative press, radio and internet
		65 +	Cultural tourism (Klaipeda and its surroundings, Vilnius) Health tourism (spa)	
Denmark (2nd priority)	1.Lithuania – the warmest in the North	25-44	Cultural, eco, health, active and conference tourism	Focus is on cultural/ historical heritage, nature and active holidays, ecology and spa CHANNELS*: Internet, national press, media targeting young audience and business related media
		45-64	Cultural, health and active tourism	

*See description below

Media – In Germany two biggest newspapers are used, being “Die Zeit” and “Frankfurter Allgemeine Zeitung”. Lithuania is mostly mentioned in “Frankfurter Allgemeine Zeitung”, that is 95 times in 2007 and 121 times in 2008. “Die Zeit” wrote about Lithuania 50 times in 2007 and 45 times in 2008. Lithuania is mentioned in regards to politics, sports, economy, culture and other (The Lithuanian State Department of Tourism, 2008, s. 80).

In Denmark one of the most read newspapers “Ekstra Bladet” is chosen. In 2007 Lithuania was mentioned 65 times, whereas in 2008 only 61 times. The name Lithuania was mentioned in various contexts, such as in sports 68%, in news/ politics 17,5%, in culture 6% and in other 9,5% (The Lithuanian State Department of Tourism, 2008, s. 92).

WOM – In Germany there are around 40000 Lithuanians and many more with Lithuanian roots. In Denmark there are around 3000 Lithuanians living (The Lithuanian State Department of Tourism, 2008). They can be counted as possible WOM ambassadors both in Germany and Denmark. Germans with Lithuanian roots can be related to visiting friends and relatives (VFR) tourism. VFR is, as Cooper et al (2008) states, the most important tourist motivation and a major element within the tourism industry. They can increase awareness about Lithuania in a positive way, because recommendations from family and friends are more valuable sources of information (Cooper et al., 2008).

Internet –The NTO has carried out an explorative analysis to compare the frequency of the word "Litauen" (in German and in Danish) searched in Google. The conclusion of this explorative research shows, that Germans searched the word "Litauen" app. 200000 times a month; whereas Danes searched the word "Litauen" only 5400 times a month (The Lithuanian State Department of Tourism, 2008). This difference indicates that Danes have much lower interest in Lithuania, but the investigator does not believe that this is a valid measurement. Partly because the study does not explain, whether the difference in population size is taken into consideration.

Diplomatic and foreign affairs representation – There are many different representatives from The Embassy of Lithuania in Germany, the Ministry of Culture of the Republic of Lithuania, the Lithuanian groups and unions in Germany. They create different cultural and musical activities to increase awareness of Lithuania among the German people. They organize app 7 to 15 various activities during the month, such as photo and art exhibitions, music concerts, public announcements, speeches and discussions.

The Embassy of Lithuania in Denmark is one of the most important representatives of Lithuania. As it is stated in their website, they hold different events, regarding national celebrations and make different projects or business events where Lithuania is promoted (The Lithuanian State Department of Toursim, 2008). The problem is that it is difficult to find the detailed information, regarding the various events and projects - which obviously is a negative thing.

The strategy lacks focus. There are too many countries, too many brands, too much information. It also shows that the strategy is weak in defining concrete steps on how to increase the positive image of the destination with the help of a strong brand. Promotional channels and contexts where Lithuania is mentioned does not suit selected tourism products, being culture, health and eco tourism. Lithuania is mainly mentioned in regards to politics and sports. The presentation of the strategy illustrates that the Lithuania's NTO has a poor focus on Denmark. Additionally, Denmark is in the second priority, forgetting the potential of the market and the Danish spending power. This shows that the Lithuania's NTO has little or no knowledge about Danes' interest in active holidays, city breaks and relaxation. Those are simply missed business opportunities.

Because the nature of the project is to focus on Danish outbound demand, the discussion about the slogan for this market, in the table 5, is relevant. Below the reader is presented with several weaknesses of the Lithuanian brand and how Danish intermediaries should go about it, in order to stimulate Danish outbound demand.

Finding 5 – Lithuania as a destination has a negative image and little awareness

According to Page and Connell (2006), the understanding of the destination image is crucial for any country's marketing plan. It provides an idea of how much tourists value the intrinsic value of the destination image, and also how the perceived image of the destination can be used to position the destination to gain a competitive advantage. Furthermore Cooper et al (2008) suggests that the destination image is a combination of knowledge (perceptive) and feeling (affective appraisals). The combination of these two determines how an individual talks about the destination to others or makes the decision to visit. According to the *Lithuania's Tourism Marketing and Communication Strategy 2009-2013* perceptions about Lithuania are mostly negative. Most countries in the EU perceive Lithuania negatively. Those countries include Denmark, Sweden, Finland, France, UK, Spain, Italy and Germany. Only Latvia, Russia, Poland, Estonia and Belarus look at Lithuania positively (The Lithuanian State Department of Toursim, 2008).

Danes' negative perceptions about Lithuania can be caused by a negative coverage in the Danish media. Therefore, a quick research was made to see whether the biggest Danish national newspapers write about Lithuania positively or negatively. "Infomedia", the leading Danish provider of "media intelligence" was used for this mini research (Infomedia, 2011). The selection of the national newspapers included: BT, Berlinske Tidende, Ekstra Bladet, Information, Jyllands-Posten, Kristeligt Dagblad and Politiken. The subject specific newspapers, like for example Børsen, were not selected. The reason for choosing those newspapers was, because they represent different political views and they aim at various target groups in the country. The researcher looked at all type of articles, including debates, interviews and travel descriptions. Articles were looked one year back, meaning from 17th of June 2010 to 17th of June 2011. The search provided 37 articles, where Lithuania was mentioned during that period (Infomedia, 2011) (see appendix 9). Unfortunately Lithuania was mentioned negatively 13 times out of 37, which is 35%. The contexts, where Lithuania was mentioned negatively, were crime, immigration, working conditions/ low industry salaries, outsourcing and homophobia.

In order to accomplish a positive destination image, the development of a strong brand is vital (Cooper et al., 2008). One of the reasons for this is that the strong brand is familiar and people relate to familiar (Aaker, 1991). Otherwise the weak destination brand is bound to failure and will have little chance of entering any assessment (Cooper et al., 2008). Additionally, Chernatony and McDonald suggest, that the successful brand is the product or place, which provides unique added value to the buyer or user and meets his needs closest (Chernatony & McDonald, 1992). From table 5, it is seen that the brand for the Danish market is "Lithuania- the warmest in the north". Morgan and Pritchard imply that a strong brand needs to have a core value, so that consumers will believe it (Morgan & Pritchard, 2000). These values must be deliverable, authentic, reasonable and drivable. However, looking at the slogan, it is very difficult to understand the core meaning of it. The question is, what perceptions the Lithuania's NTO wishes to create in the Danish tourist's mind? When the slogan states "... warmest in the North", does it mean its people or weather?! This observation of doubtfulness and confusion indicates that the brand for the Danish market is in conflict with theories of what a strong brand is. This in return is a weakness to Lithuania as a destination, because when the brand is not believable and not drivable; the success will hardly be achieved. This means that this brand will not put the destination forward, will not help in achieving a competitive advantage and will hardly help to attract Danish tourists. Looking from the whole EU perspective, 42% of EU's citizens have no knowledge about Lithuania. 31% of citizens in the North Europe have no knowledge about the country. Danes, however, know Lithuania quiet well (The Lithuanian State Department of Toursim, 2010, s. 66-93). Simply said Lithuania, as a tourism destination, is unknown to the world.

Lithuania's NTO and the DMO miss opportunities to look at the TCC available on the Internet. Due to the free flow of information, the TCC encourages the electronic word-of-mouth, which is very influential in shaping destination demand. The difficult aspect of this development is that businesses, DMOs and NTOs loose locus of control of communication, which makes destination branding more transparent. Therefore the country's DMOs or NTOs must rethink the destination branding. In tourism literature, there are three different strategies on how DMOs challenge TCC, being mimetic, advertising and analytic. Because Lithuania is still a young destination, mimetic and advertising strategies are used by Visit Lithuania and the Lithuanian State department of Tourism. Theoretically this means that DMOs create their own official website to TCC and encourages tourists to create, upload and download their contents. It is a conservative strategy, because the organization keeps the control in its own hands by managing the content of the webpage, including advertisement of new campaigns. The priority with that type of website is the official promotion of the destination, rather than active user-to-user communication (Munar, 2011). Because of the control, the webpage illustrates a fake social network and very narrow contribution from users. Additionally, this type of website shows poor scalability, because of the control by the organization in comparison to other social network sites, like Youtube, Facebook and others. From this it is seen that Lithuania's NTO and Visit Lithuania still lacks experience on how to adapt, sort and use the relevant information online to create a strong brand.

However, as Gunn proposes, travel agencies have this ability to create the induced image of the destination, by deliberately promoting the information about the destination, which is a significant influence on consumer's perceptions of its value (Gunn, 1972). The Danish intermediaries have experience and knowledge on how best to create an induced image of different destinations and which tools to apply in order to get the best responds from consumers. This is definitely a strength that Danish travel agencies have. Below the reader is presented with a detailed analysis of the Danish intermediaries.

5.2 Intermediaries

According to Cooper et al (2008) the main task of intermediaries is to redevelop the unwanted products/ services into the desirable ones. Because the focus of this project is the stimulation of the Danish outbound demand to Lithuania by the Danish intermediaries; this section presents the reader with an analysis of the Danish travel agencies and their ability to use market opportunities to stimulate the Danish outbound demand to Lithuania.

Finding 6 – There is no presentation of Lithuania as a destination in the main websites of travel agencies in Denmark

According to the analysis of the Danish intermediaries' websites, it is seen that focus is on sunny destinations, when having the summer season in mind. The most common destinations are: Spain, Greece, Italy, South of France and Egypt. Regarding city breaks, most of intermediaries promote common big cites, like Paris, London, Madrid, Barcelona, Berlin, Prague and New York. The table below illustrates examples of the destinations and the images, promoted on their websites' front pages:

TABLE 6 – Examples of the destinations and websites' cover pages

Travel Agency	**Destinations = popular this summer**	**City Breaks**	**Promotion on the cover page**
Start Tours	Greece, Mallorca, Gran Canaria, Turkey, Cyprus, Italy, Egypt, Tunisia and Thailand	Rom, Lissabon	Sun, sand and beach (Appendix 10, picture 1)
Apollo Rejser	Greece: Crete, Rhodes, Skiathos Spain: Mallorca Turkey: Alanya	Most typical: Paris, Rom, Madrid, Barcelona, London, Berlin and others. Least typical: Warszawa, Riga, Tallinn and Prague.	Sun, sand and beach (Appendix 10, picture2)
Spies	Spain: Mallorca, Gran Canaria Greece: Crete, Kos, Rhodos Turkey Portugal: Madeira Thailand USA	Paris, Palma, Barcelona, Rome, London, Prague and New York	Sun, sand and beach (Appendix 10, picture 3)
Bravo Tours	Greece: Crete Spain: Mallorca Portugal: Azorerne Turkey: Alanya Thailand Dubai Africa	No offerings	Sun, sand and beach (Appendix 10, picture 4)
Falk Lauritsen	Spain: Mallorca Bulgaria Greece: Samos Turkey: Alanya Egypt: Sharm el Sheikh	No offerings	Sun, sand and beach (Appendix 10, picture 5)
Kilroy	Destinations all over the world. Focus is on the concept "Be explodinary"; therefore focus is on adventure and experience	Focus is on experience and adventure anywhere in the world. They offer most of the biggest cities in many countries	(Appendix 10, picture 6)
Riis Rejser	Trips to Norway, Sweden, Germany, Poland, the Baltic states (1 Trip* through Lithuania, Latvia and Estonia), Italy and others	Biggest cities, like: Oslo, Stockholm, Goteborg, Berlin, Prague, Warszawa, Krakow, Toscana	Promoting cultural activities, like for example opera singers (Appendix 10, picture 7)

*this trip is 12 days at a price of 10499 DKK. Riis Rejser provides extremely detailed travel description, including the route, accommodation, cultural and other activities.

The focus on sunny destinations is supported by different facts. First, there were sold 1,1 million package trips in 2010, where 800000 of them were sold through the five biggest travel agencies, being Spies, Star Tours, Apollo, Bravo Tours and Falk Lauritsen. It shows that 63000 package trips were purchased additionally in 2010 comparing to 2009. According to the travel editor Mogens Hansen, Danes choose package travels, because travel agencies are consistent with the promises, guarantee refund or a new trip if something does not work out. It is also an inexpensive type of travel (Hansen, 2011). More often the package travel is cheaper than an individual one. Additionally, this type of travel is very relaxing, because a tourist does not need to think much. A travel agency takes all responsibility after a tourist showed up at the airport. As Morgens Hansen puts it, tourists can turn their brains off (Hansen, 2011). The biggest disadvantage of the package travel is a flock mentality, to a certain degree, because tourists live in hotels, situated very close to each other and travel in aircrafts with little space. The concept “All inclusive” was the most popular among Danes in the past five years. This type of purchase grew from 2% to 35%. Today this type of travel makes up for 30% of sales, because Danes started to be more interested in better quality hotel apartments, villas and a la carte hotels since last year (Hansen, 2011).

Lithuania is a destination facing a significant threat, because the biggest travel agencies in Denmark have no presentation of this destination in their range of offers. Danes simply do not even consider Lithuania as an option to go on holiday. But diversification in new types of tourism, like spa/ wellness, adventure/ exploration, city breaks provides an opportunity for the Danish intermediaries to consider Lithuania as a potential destination, where Danes could be interested in travelling to. In this case, the researcher presented Lithuania, as a destination with its potential. The destination has many different attractions from visiting museums, attending opera performances, exploring nature and camping facilities to more relaxing activities like spa/ wellness, shopping and dining out. The Danish travel agencies can use this potential to create new packages, or an experience, advertise it and sell it to the Danish population (Page & Connell, 2006). Nevertheless, Lithuania has created very interesting packages for the international tourists. Here the Danish intermediaries have a business opportunity to establish the relations with the various intermediaries at the destination and the ability to adapt these packages to the Danish market without investing significant amount of money. Their knowledge about Danish travellers’ behaviour and experience with other new destinations can be used to create attractive packages for the Danish market.

Finding 7 – The use of the Internet provides opportunities for the Danish intermediaries to stimulate the Danish outbound demand to Lithuania more effectively

A small field research was carried out to see how the Danish and the Lithuanian intermediaries use the Internet to communicate and promote their products to customers. The investigator analysed their "space of interaction" (Buhalis, 2003, s. 69), that is the way travel agencies use the Internet for information, communication, distribution and transaction to attract direct customers and promote tourism products (Buhalis & Law, 2002, s. 322).

The field research was made from analysing the websites of the chosen intermediaries from table 6. From this research, it is seen that the main intermediaries in Denmark are very good at interacting with customers through the Internet. In general all the chosen intermediaries have extremely well designed websites with great amounts of accurate information for the customer. Here the user is able to find pictures and detailed descriptions of destinations, hotels, attractions and different guide tours. The websites also have detailed information on hotels and their secondary services. For example the users of Startours' website are able to use WebGIS to track any hotel's exact location via satellite for instance, to see the distance to the beach (Startour.dk , 2011). Additionally, all the intermediaries have posted practical information and traveller's tips. All of them have "Facebook" profiles, where tourists can chat with the agents from a travel agency, share a travel experience, provide tips and recommendations to others, complain about services and participate in competitions. Albrecht and Zemke observed that before the Internet there were only 5% of customers, who had actually complained (Albrecht & Zemke, 1985). Even though the Internet provides many possibilities for customers to share negative WOM online; travel agencies still have the ability to prevent negative spread of electronic WOM simply by being online on any social media site, like for example Facebook, and chat directly with the unsatisfied customer. This is an opportunity for many tour operators and travel agencies to prevent damage for their brand and still maintain customer loyalty (Buhalis & Law, 2008). They can also use the virtual travel communities (VTC) to analyse the content in order to better understand customer satisfaction and behaviour, so that they can create most suitable offerings, which helps to increase brand awareness or strengthen the brand through the assistance of VTCs (Buhalis & Law, 2008).

The customers are also able to find the best deals on last minute offers and other relevant discounts (Facebook, 2011). Apollorejser offers two Apps for smart phones for free download. One of them is with various hotels' discounts and the other is with last minute offers (Apollo Rejser, 2011). Kilroy has created a TV section, where the user is able to see short films about various experiences in order to book the trip (Kilroy, 2011). Moreover these intermediaries provide; newsletters with the best offers, catalogues for download and purchasing online trips.

Furthermore, the Internet is used to recommend many destinations by Danish travel agents. They spread the awareness of different destinations, including its natural and artificial factors, like location, landscape/ scenery, industrial/ commercial development, transportation, accommodation amenities and others. There is free room for personal choice in terms of individual customer's variables, like type and length of trips, time of the year, budget considerations and others. It is noticeable, as well, that travel agents create induced holiday images with the posted information on their websites. This in turn has a significant influence on the customers' perceptions (Page & Connell, 2006).

All the additional services, provided by travel agencies through the social media websites and their own internet web pages, show that the Danish intermediaries have developed a strong space of interaction with the customers to keep them satisfied. Because, as Buhalis and Law state, "Customer satisfaction depends highly on the accuracy and comprehensiveness of specific tourism information and ability of organizations to react instantly to consumer requests" (Buhalis & Law, 2008, s. 614). The well developed space of interaction can be definitely used to promote Lithuania as a new destination to stimulate the Danish outbound demand. Here the Danish travel agencies have an opportunity to advertise the destination's flagship, cultural and other types of attractions, different shopping experiences and relaxation treatments at economical prices.

The same type of research was made among the Lithuanian intermediaries, like novaturas.lt, judek.lt, keliones.lt and toptravel.lt. Here travel agencies are very similar to one another. Their concepts are alike. The results illustrated similar tendencies as the Danish intermediaries have. The research showed that the Lithuanian intermediaries have well design and developed websites. The user is able to see detailed information about destinations, hotels, last minute offers and other services. The customer is also able to chat with the travel agents. Online purchase is available as well. However there are still opportunities for the improvement in the sense of using social media websites, like for instance Facebook. This also shows that the Lithuanian intermediaries still lack a developed space of interaction with customers.

In general, the ICTs have created many new opportunities for tour operators and travel agencies to market themselves differently and distribute their products to a broader audience. The social media websites, like Facebook and VTCs, provide a great amount of information, which can be used for creating new tourism products/ experiences or redesign the old ones, in order to promote their products and attract direct customers. The Danish travel agencies are better at adapting the ICTs than the Lithuanian ones. This is a weakness for Lithuania, as a destination, because the lack and speed of adapting ICTs show that those travel agencies loose a chance to keep a position in the competitive international market and find better ways to create attractive tourism products and services by using the information on Facebook and various VTCs.

The mobile technology brings new opportunities for eTourism (TravelDailyNews.com, 2011). Here the destination has a great opportunity to create the App "Visit Lithuania", which could work together with smart phone's GPS. It would be a great promotional mechanism for the destination. In the app the user should be able to find the best offers on various types of accommodations, restaurants, attractions, events and other activities. Additionally, the user should be able to make reservations and / or contact the tourism facilities. This would be a great opportunity, especially for the Danish intermediaries, to have a link to this free App on their websites in order to stimulate the Danish outbound demand to Lithuania.

5.3 Factors affecting destination demand of the Danish Tourists

First the researcher analysis the determinants of the Danish outbound demand and second the analysis of motivators follows.

Finding 8 – The Danish outbound demand is influenced by several main factors

According to Pearce, tourism demand is the relationship between the tourist's motivation of wanting to travel and his ability to do so (Pearce, 1995). The definition illustrates that tourism demand is influenced by external factors (political, economical, social and technological), traveller's motivation and buying behaviour (Page & Connell, 2006).

The positive development in the Danish economy, the long tradition of travelling to the South Europe, the creation of the Internet and the seasonal variations are the main factors that mostly influence the Danish outbound demand. Additionally the recovery in international tourism is not an isolated phenomenon, but a general demand trend at the international level. Furthermore the price of tourism products/ services at the destination is a strong “pull” factor for influencing the Danish outbound demand to Lithuania.

Looking at the Danish population it is seen that disposable income increases in Denmark. According to the Danish statistics, disposable income has increased by 1.8 % from 2008 to 2009 (Danmarks Statistik, 2010) (see appendix 11). This is positive development. According to the theory it is stated that when disposable income increases, people usually travel more. Moreover, theory states that high level of employment affects tourism demand positively (Page & Connell, 2006). According to the Danish statistics unemployment is falling in Denmark. This trend is seen in 2011; in January and February unemployment was 6.5 %; in March it fell to 6.4 % and in April unemployment fell to 5.9% (Danmarks Statistik, 2011) (see appendix 12). In regards to this, there were 2 % more travellers in the first quarter of 2011 comparing to the same quarter in 2010. In the Danish airports there were 1 million passengers more, which indicates an increase of 3 % since the year 2010 (Danmarks Statistik, 2011).

Additionally Danes have a long tradition of travelling south. This determinant is discussed in finding 10. The use of the Internet for gaining knowledge and booking trips online is discussed later in the project. Seasonality patterns in Denmark happen mostly because of institutionally driven holiday periods, such as school holidays or two weeks of closed time in day care institutions and calendar related events, like Christmas or Easter (Køge Kommune, 2011). According to Page & Connell (2006), those types of holiday raise demand for shorter travel, which provides an opportunity for the Danish intermediaries to promote Lithuania for city breaks.

The beginning of 2011 shows a positive growth in international tourism. This is not an isolated phenomenon, but a general demand trend at the international level. International tourism arrivals grew close to 5 % in the first months of the year (UNWTO, 2011). According to Eurostat, the summer season (from June to September) of 2010 looked more positive than in 2009. Statistically, the number of nights spent in hotels and similar establishments, increased by 3 % in 2010. This is a positive trend internationally considering the financial crisis that Europe is still in. Many euro countries have a high level of indebtedness, which according to David Cameron, the prime minister of England, brings threat to the stability of the global economy (The Guardian, 2011).

Lithuania experienced one of the highest increases in EU (14.7%) (European Union, 2011). This shows that people started travelling again - which indicates that they might have more disposable income. This is a great opportunity for Lithuania, because the destination is price competitive. In the case, the prices on attractions, accommodation, food & beverage and other, were provided to show the economical value that the tourists can gain. Additionally the positive development in the Danish economy is an opportunity for the Danish intermediaries to further focus on price in order to stimulate the Danish outbound demand to Lithuania. Also the destination could be presented during off-peak times for short break in order to reduce patterns of seasonality.

Finding 9 – Danish tourists focus on price, the Internet and recommendations

Price

In the case it was mentioned that price is an important factor in the destination's competitiveness and can be a significant aspect in choosing a destination for holiday (WTO, 2007). Additionally, Cooper et al (2008) mentions that leisure travel is price elastic. This happens, because there are many alternative tourism products and services among destinations that tourists can choose from. If prices of tourism products and services do not mirror the overall value that the consumer finds acceptable; then the tourist will simply choose another destination. Also, the consumer is competent in judging the substitutes among different brands and products in order to switch to cheaper alternative - for example the star rating or brand of accommodation (Cooper et al 2008). The theoretical perspective is also supported by the findings from the focus group and secondary sources.

The price was the biggest motivational factor to travel for the participants in the focus group. The respondents admitted choosing inexpensive places. As one of them said:"it has to be the place where it is cheap" 03:36 (see appendix 2). Additionally, the participants expressed the need for price to mirror the standards of the tourism products at the destination in order to make the final purchase decision (see appendix 2). This is a great opportunity for the Danish intermediaries to focus on promoting the destination where competitive prices, for many tourism products and services, are offered. In addition to this, the destination has many tourism products and services with international brand names and broad coverage in standards. This fact shows that Lithuania as a destination has an opportunity to become an option for many Danes to spend their holidays.

The research carried out for Hotels.com shows that 42% of Danes are planning to use more money this year while being on holiday. Especially the younger generation of Danes (under 30 years old) plan to use more money in 2011. They make up around 52% of the group. 62% of Danes with children plan to use less or the same amount of money while being on vacation compare to the last year 2010. 37% of them plan to increase the expenditure when being on holiday (Standby, 2011). Lithuania is a suitable destination for Danes, especially those, who are planning to use less money on vacation, because value for money is guaranteed.

<u>The Internet (for search of info and purchase)</u>

Information search is regarded a vital part in buying decision process and was revolutionized as a result of the Internet (Buhalis & Law, 2008). According to Buhalis, today's consumer is much more sophisticated in using a broad range of tools to combine their trips, such as search engines (such as Google), travel agencies (like Expedia), price comparison sites (like Kelkoo), web 2.0 sites (such Facebook) and various intermediaries sites (Buhalis, 1998). Furthermore, the TCC provides the ability for active and creative contributions of tourists on the web, like sharing digital information on for example Facebook.com, Youtube.com, Twitter.com, or Tripadvisor.com (Munar, 2011). The results of the focus group show similar tendencies.

All the participants of the focus group use the Internet when searching for information about destinations. They are looking at the pictures of various places, finding the prices of airline tickets and checking out different offers from many travel intermediaries. Additionally, the respondents use the Internet for purchasing the trips. Furthermore, searching engines, like Momondo, Rejsefeber are used. As one of the members said: "...for me it is only the Internet" 07:57 – 08:00 (see appendix 2).

According to Danish Statistics, more than 51% of the population buy travel related products, like for example airline tickets, on the Internet. Danes between 40 to 59 years old buy travel related products on the Internet the most. In 2009 there were 59% of the people in this age group and in 2010 there were 61%. In 2011 the percentage is reaching 60%. People in the age group of 20 to 39 years old also shop on the Internet. From 2009 to 2011 the increase was by almost 12% in shopping online (in 2009 there were 51%, whereas in 2011 there are 57%). The last age group, between 60 to 74 years old, buy tourism related products the least. It is seen that from 2010 to 2011 there was a decrease of 9% in buying online (Danmarks Statistik, 2011) (see appendix 13). This observation supports Wolfe, Hsu and Kang's study, where they found out that lack of experience, is one of the reasons for consumers to not purchase trips online (Wolfe, Hsu, & Kang, 2004). The difference in age can be related to the degree of experience being online. Therefore there could be a correlation between the two variables. Additionally, Professor Jens Møller Jensen from the Institute of Marketing and Management at the University of Southern Denmark has researched habits of the Danish consumers when purchasing holidays online. The main conclusion of the research was that Danes feel safer with the use of the Internet, because people prefer making their own research about travel, instead of contacting travel agency. A very similar examination was accomplished by Morrison, Jing, O'Leary and Lipping, where it was stated that customers rely mostly on their own ability to find travel-related information, ordering online air-tickets and online rooms, instead of relying on travel agencies (Morrison, Jing, O'Leary, & Lipping, 2001). The cause of this trend is that Danes practice new social experience when spending time on the Internet. According to the professor this new trend makes family members spend time at the computer finding different information, regarding destinations (Jyllands-Posten, 2009). To a certain degree this trend provides an opportunity for Lithuania to be discovered by an individual consumer. Therefore the intermediaries at the destination must focus on developing better online communication to attract direct customers, especially the social media websites. Statistically more than half of the Danish population feel comfortable with purchasing travel related products online. The trend provides opportunities for the Danish intermediaries to develop a space of interaction for communication and marketing of their products for further purchase.

Recommendations

The authors of the book "Services Marketing" suggest that a positive recommendation from a friend or a relative can promise a positive service experience, because normally people feel more comfortable getting a recommendation from someone, who experienced the service (Wilson, Zeithaml, Bitner, & Gremler, 2008). This is also supported by participants in the focus group. The respondents of the focus group use recommendations from friends and relatives to plan holidays. One of the members admitted that if someone, they know, tells them the positive experiences, this definitely plays an important role in making a final decision about the destination choice (appendix 2). The problem is that Danes have a negative perception regarding Lithuania. This might be due to the negative coverage in the Danish media considering the crimes, committed by Lithuanians in the country. Another observation is that statistically Danes are one of the small groups, who visit Lithuania.

Therefore the destination might lack the positive responds. However, perceptions can be changed with new information provided for the consumer about the destination (Gunn, 1972). The discussion, regarding this aspect, is in finding 11.

Findings 10 – The main obstacles to get Danish tourists to Lithuania are 1, 2 and 3

There are three main obstacles to get Danes to travel to Lithuania. First being no offerings to Lithuania by the biggest intermediaries in Denmark (lack of awareness about Lithuania as the destination). Second being that Danes have a long tradition of travelling south and third being that Lithuania reminds of Scandinavia. Below the investigator discusses all three obstacles in detail.

1. No offerings to travel to Lithuania by the biggest intermediaries in Denmark

The analysis of the biggest intermediaries in Denmark (see the finding 6) shows that Lithuania, as a tourist destination, is not included in the broad list of offered destinations. This might be a problem, because Danes do not even consider the country as an option to spend their holidays. All members of the focus group agreed that commercials about the destination would increase awareness. Yet the right things must be promoted to draw the attention. The suggestion for the unique selling points is presented in finding 11.

2. Danes hold a long tradition of travelling to the South Europe

Danes have a long tradition of travelling south. Since the 1950's the development for travelling south was born in Denmark. It happened when the priest Eigil Krogager had created "Tjærborg Rejser", which offered a first bus trip to Spain. In the 1980's sales of package trips (charterrejser) in Denmark had increased - especially to destinations, such as Gran Canaria, Costa del Sol, Tenerife, Mallorca, Paris, London and Rom (Den Store Danske, 2011). In 1988 sales of package trips were reaching 1.5 million. In 1993 the sales of these types of trips, increased even higher. This was due to opportunity for Danes to fly from Kastrup, Billund and other smaller airports. The development for choosing the South Europe as a holiday destination kept continuing. In 2001, 1 million package trips were sold - mostly to the South Spain and the Canary Islands (Den Store Danske, 2011). Looking at today's situation in the travel market, it is seen that the focus is still on warm destinations, like Spain, Italy, France, Malta and others. One of the respondents in the focus group stated that the destination with warm climate is more preferable when choosing a place for holidays, because the participant comes from up north, where is quiet cold. Therefore the destination would be a place where is warm 06:10 – 06:30 (see appendix 2).

This trend is also supported by Danish statistics and the biggest Danish travel agencies. According to Danish statistics, Danes travel mostly to Spain. The table below illustrates the three most preferable destinations for holidays abroad during the last six years.

Table 7 – The development of the most preferable destinations among Danes

The year	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
The destinations	Spain Sweden Germany (Danmarks Statistik, 2011)	Spain Italy Sweden (Danmarks Statistik, 2010)	Spain France Italy (Danmarks Statistik, 2009)	Spain Italy France (Danmarks Statistik, 2008)	Spain France Italy (Danmarks Statistik, 2007)	Spain France Italy (Danmarks Statistik, 2006)

Looking at the biggest intermediaries in Denmark, a similar trend is seen. Spain, Greece and Turkey are the most popular destinations for package travel this year.

Table 8 – The most preferable destinations by the Danish intermediaries

	Star Tours	**Apollo Rejser**	**Spies**	**Bravo Tours**	**Falk Lauritsen**
The destinations	Greece Spain Turkey (Startour.dk, 2011)	Greece Spain Turkey (Apollorejser.dk, 2011)	Spain Turkey Greece (Spies.dk, 2011)	Greece Spain Turkey (Bravotours.dk, 2011)	Spain Greece Turkey (Falklauritsen.dk, 2011)

This type of development for destinations show that Danes fit between the organized mass tourist or the individual mass tourist categorizations, which include people who buy a ready-made package tour and has no real experience/ contact with the locals (Cohen, 1972). It also tells us that Danes are not as willing to experience something different (Cooper et al, 2008). Therefore, on one hand this type of development indicates that it might be difficult to change travelling patterns for Danes. But on the other hand the development of other types of tourism, like city breaks, spa and others provide new chances for Lithuania to be branded to stimulate the Danish outbound demand.

3. Lithuania reminds of Scandinavia

All participants in the focus group agreed that Lithuania is a nice place, however not so different from Scandinavia. One of the respondents honestly expressed that Lithuania "reminds me of Scandinavia a lot" 24:28 – 24:49 (see appendix 2). Therefore Lithuania would not be the primary consideration for holiday (see appendix 2). Another respondent admitted that there are many similar things that can be experienced in Denmark. Additionally, the participant stated that Lithuania has nothing unique comparing to Denmark (see appendix 2). The results show that Lithuania, as a destination has little chance to be a first choice for consideration. However, the researcher still believes that if the Danish intermediaries focus on the right aspects to promote the destination, then Lithuania can become an interesting option for holiday. The potential features for the promotion are presented in finding 11.

Finding 11 – There are three unique selling propositions (USP) for possible stimulation of the Danish outbound demand to Lithuania by the Danish TRs

It was mentioned earlier that Lithuania, as a destination, does not have a strong brand. This is a significant weakness for the destination, because as Aaker suggests the brand must be familiar to be selected in preference of the unknown (Aaker, 1991).It was also mentioned that Lithuania, as a destination, has a negative image internationally. In order for the Danish intermediaries be able to stimulate the Danish outbound demand to Lithuania, the need for finding USPs to promote the destination's attractive features and create an emotional link between the consumer and the destination, is necessary. In other words, Danish travel agencies need to increase awareness of the destination through advertisement. It is an effective tool, because as Cooper et al (2008) and Gunn (1972) suggest, it reaches a lot of people and can manipulate consumer's perception and personal communication among consumers. Manipulation of the consumer's perception happens with the creation of an induced image about the destination (Gunn, 1972) and manipulation of personal communication happens either through individuals, whose attitudes, opinions and preferences affect others or simply through WOM (Cooper et al., 2008). In order to create an induced image, Danish intermediaries can apply two promotional techniques in a combination to present Lithuania to the Danish market and get peoples' attention. The first approach is "Above the line approach" and the second is the "Below the line approach" (WTO, 2007, s. 60). The "Above the line approach" provides an opportunity to show Lithuania visibly with strong and colourful images. Additionally the “Below the line approach” makes the advertisement memorable, where personalized elements are the core of the advertisement. That type of advertisement can be used on the Danish intermediaries’ web-pages, social media websites, other than national newspapers, like Metroexpress, Urban and 24 Timer and magazine “Scanorama”.

This is positive sign for the Danish intermediaries, because they are good at creating induced image of destinations and have experience in advertising destinations. Based on the results from the focus group, there are three USPs to consider Lithuania as a choice for holiday. These USPs are the value for money, nature experience and culture. It is important to notice that these USPs are based only on the three people’s opinions and ideas; therefore it does not provide a valid substance for generalization.

The focus group participants talked about price as one of the main factors for considering Lithuania as a place for visiting. One of the participants was very interested in hearing the price difference from the DKK to the LTL. After hearing how much value for money the respondent can get, the consideration for two to five days trip began to look as an option 26:42 (see appendix 2). At the same time the analysis of the focus group shows that participants responded warmly about the idea of package travel to Lithuania. For example an option for prolonged weekend for a low price was a possibility. As two of the subjects claimed “an offer for a longer weekend for low price 27:55 – 27:59 ... quit agree, especially, because it is close... promoted as quite cheap, then maybe I would consider” 28:04 – 28:17 (see appendix 2). The participants agreed that the focus must be on easy, close and cheap - meaning the place where one can travel with friends for longer weekend in no time (see appendix 2).

Additionally, nature and Lithuania’s history were two aspects, which increased participant’s interests for considering Lithuania as a choice for holiday. One of the respondents found nature experiences, like camping interesting 24:49-25:31 (see appendix 2). The expression of “more of that” could be as a trigger to pay attention to this particular destination choice. Another participant expressed heavier interest in visiting museums, where things from the World War 2 can be seen - like concentration camp museum. Additionally the positive excitement about Lithuania’s nature was also mentioned (see appendix 2).

Those USPs can be a starting point for the Danish travel agencies to find the best USPs to promote the destination, to increase its awareness among Danes and hopefully stimulate the Danish outbound demand to Lithuania.

6. Conclusion

6.1 Summary of the main findings

The answer to the research question *"How can Danish tourism intermediaries stimulate Danish outbound tourism demand to Lithuania?"* is through marketing and communication. The researcher has found out that Danes do not travel to Lithuania, because there is a lack of awareness about the destination in Denmark, Danes travel south and Lithuania is similar to Scandinavia. The selected Danish intermediaries do not offer any tourism products to Lithuania, except basic packages (accommodation together with airplane ticket). Therefore, Danes do not even consider Lithuania as an option for holiday or a short break. This is a significant threat for the destination. On the contrary, the Danish travel agencies offer trips to sunny destinations. "All inclusive" concept was the most popular among Danes in the past 5 years. This shows Danes' preference for value-for-money. The price is one the most important indicators for choosing the destination among Danish tourists. Furthermore the price also has to suit the standards of tourism products and services.

Danish intermediaries are very fast at adapting ICTs and quick at applying the strategies of using web 2.0. They also use their own internet sites for establishing a strong space of interaction with the customers to keep them satisfied and promoting destinations. The Danish travel agencies use social media websites, like Facebook, to communicate with a tourist directly and advertise their products and best offers. This is a big opportunity for the Danish intermediaries to reach the Danish tourists, because they are the nation which prefers the Internet. More than half of the Danish population purchase tourism related products online. Danish tourists search for pictures of different places, airline ticket prices or offers from various travel agencies. Additionally, Danes feel quite comfortable in purchasing trips online.

Information about the many different active and relaxing attractions/ experiences, at a competitive pricing, can be used to increase the awareness about the destination. This is a positive sign for the Danish intermediaries, because they are good at creating induced image of destinations and have experience in advertising new destinations. The Danish intermediaries could also adapt interesting packages, created by Lithuanian travel agencies, by adding elements that suit the Danish market. Danish travel agents have required knowledge about the Danish travellers' behaviour and experience with other new destinations, which can be used for this process. Value for money is one of the three possible USPs for having Danes consider Lithuania as a choice for holiday. Apart from the competitive pricing, Lithuania has other important strengths, like high standard and a broad range of hospitality and dinning possibilities, close distance to Denmark, cultural heritage and a beautiful nature. Furthermore, high skilled labour is an assurance for international guests to experience high standards of service. By 2015 Lithuania will become the northeast hub, which provides many business opportunities for global companies to invest in - especially in the tourism sector. The Lithuanian politicians have noticed the positive contribution of tourism to the national economy and therefore began several initiatives to develop the tourism sector in order to increase the international tourism demand. In addition, the Lithuanian government focuses on improving the current infrastructure of the three airports, to signal to various tour operators that they care about travellers and their positive experience. Even though Lithuania is significantly similar to other Scandinavian countries, diversification in the tourism market creates new opportunities for destinations to attract tourists. The creation of new types of tourism, like spa/ wellness, adventure/ exploration and city breaks, provides opportunities for Lithuania to expose these types of tourism products at a competitive price. Additionally, the Danish intermediaries have an opportunity to promote the destination as an attractive place to experience these types of tourism products and gain value for money.

Recommendations from friends and relatives are valued by Danes, when choosing the destination. The problem is that Danish people have a negative perception regarding Lithuania. This might be due to the negative coverage in the Danish media and lack of positive responds from Danes, who have been at the destination. Statistically Danes are one of the small groups, who visit Lithuania. In general, the destination has little awareness and a negative image internationally, misses a strong brand for the Danish market, faces accessibility issues regarding airline transportation and a lack of available flights from Denmark. Additionally, Lithuanian hotels experience instability of VAT, which makes the situation for tour operators quiet challenging, because it is impossible for them to predict the market and buy tourism products/ services in bulk. This simply shows that there is too much risk involved and Lithuania as the destination looses a significant opportunity for business, because tour operators have the ability to create packages, advertise and sell them using third party agents. Apart from all the weaknesses that the destination has, the mobile technology brings new opportunities for eTourism. Therefore, the researcher believes that Lithuania's NTO must focus on this type of development and consider the possible benefits of creating the App "Visit Lithuania". This programme would fit Danes very well, and therefore the

Danish intermediaries could use this program to stimulate the Danish outbound demand to Lithuania.

6.2 Recommendations

Regarding this project, three recommendations are suggested to make Lithuania more desirable among Danes and Danish intermediaries and hopefully encourage them to visit the country in the coming years. These recommendations are:

1. Create strong brand
2. Create a balanced marketing mix
3. Accomplish stronger B2B relations with the Danish travel industry

Lithuania as a tourist destination needs a strong brand to be recognized in Denmark and in Europe. The current slogan”... the warmest in the North” is vague and difficult to understand. The new brand must be: directed towards Danes only and not to other seven countries in the group; be strong enough to convince lookers to bookers and be a cornerstone for the competitive strategy and communications. Effectively use the Internet and social media websites.

Balanced marketing mix is necessary to present Lithuania in the right way to the Danish market. Regarding the product, there is a need to develop an economical package for either a short break or an experience of pure nature. In order to create an induced image, Danish intermediaries can apply two combined promotional techniques to present Lithuania to the Danish market and get peoples’ attention. The “Above the line approach” provides an opportunity to show Lithuania visibly with strong and colourful images. Additionally the “Below the line approach” makes the advertisement memorable, where personalized elements are the core of the advertisement. That type of advertisement can be used on the Danish intermediaries’ web-pages, social media websites, other than national newspapers, like Metroexpress, Urban and 24 Timer and magazine “Scanorama”. The tendencies in purchasing “All inclusive” type of holiday illustrates that low price is appealing for the Danish market. Therefore special offers must focus on this element. For example: special offers, like “Long weekend break for modest money” or “Gain value, relax in luxury and be back in no time”.

The stronger B2B relations with the biggest Danish intermediaries might provide chances for representatives of Lithuania to sell the destination and make it attractive. But it takes time for Lithuania’s tourism industry to become unified and collaborative enough to start getting involved with foreign tour operators and travel agencies. The tour operators and travel agencies have the base to sell Lithuania, as a tourist destination. Therefore the benefit of the strong B2B relation might be beneficial for both parts. Other suppliers, like hotels.com, booking.com, sas.dk and others are also important actors in presenting Lithuania as a potential choice for a unique holiday.

6.3 Further Research

Further research for this project can be carried out in two different ways. The researcher can choose whether to investigate:

- ✓ The potential of the two selling points "value for money" or "nature experiences"
- ✓ B2B markets (establishing closer cooperation between Lithuanian and Danish tour operators, travel agencies and other actors).

From the focus group it was seen that value for money and nature experiences were the best selling points. Those aspects can be investigated further. A questionnaire can be used to explore those elements further to find out whether it is applicable to broader audience. The use of open-ended questions provides an opportunity for the respondent to express his opinion in more than two words. Additional focus groups could be used to investigate why elements like value for money and nature are important. In the focus group respondents have an opportunity to freely express their opinions, ideas, motivations and emotional factors, when they choose destination. The information can be used to create unique emotional propositions directed towards Danes only. Most importantly it can help to create the best suitable tourism product. It might also help to create the best suitable advertisement to convince Danes not just to look - but also book.

The investigation can be directed towards the Lithuanian State Department of Tourism to explore pricing and the importance of Lithuania's nature towards the Danish market. Here an interview with the department's director Raimonda Balniene should be carried out to find out whether they have any plans to focus on these elements in the future.

In order to make Lithuania more known in the Danish travel market, the investigator can also focus on researching B2B collaboration between the two countries. Here the focus could be on travel agencies and airlines. Investigation of accessibility problem, which Lithuania faces, could be relevant. Here the opportunity of exploring potential new partners to provide routes to Lithuania is possible. Other modes of transport should be included as well, in order to find the best ways to minimize the accessibility problem to Lithuania. Regarding the travel agencies in Denmark, a possible investigation can be carried out to see whether they have any plans to direct their focus towards the Eastern European market, including Lithuania, in the near future.

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8. Appendixes

Appendix 1 – The telephone interview with Wolf Born, Priority Area Coordinator for Tourism

Appendix 2 – Summary of the Focus group

Appendix 3 – Presenting Lithuania as a destination (for Focus Group)

Appendix 4 – An example of prices of the main dish in Lithuanian restaurants and cafes

Appendix 5 – The number of tourists to Lithuania

Appendix 6 – The tourist expenditure in Lithuania – Total annual data

Appendix 7 – International Transactions in Travel: exports, imports and balance: the country Lithuania

Appendix 8 – Examples of flights

Appendix 9 – Infomedia search

Appendix 10 – Cover pages of the Danish Intermediaries' websites

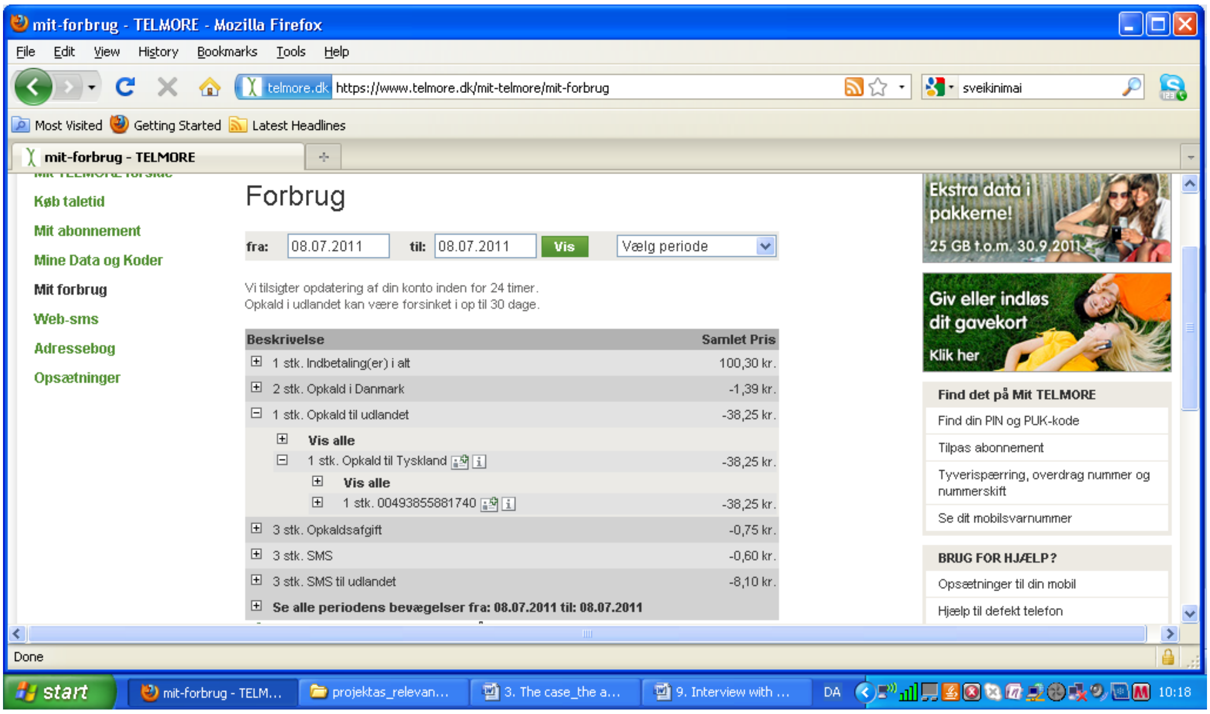
Appendix 11 – Disposable income Denmark

Appendix 12 – Unemployment in per cent of the labour force by time, Denmark

Appendix 13 – The Internet purchase of tourism products in the last years

Appendix 1 – The telephone interview with Wolf Born, Priority Area Coordinator for Tourism

The telephone interview with Wolf Born, Priority Area Coordinator for Tourism (Task Force EU-Strategy for the Baltic Sea Region (BSR) State Chancellery Mecklenburg-Vorpommern) took place on the 8th of July 2011 between 15:00 - 15:22.



Wolf Born has introduced the BSR strategy and how this strategy might affect the Baltic States, being Lithuania, Latvia and Estonia. According to him the BSR strategy works mainly on attractiveness and accessibility of the region. The main targets in the corporate strategy are sustainability and building clusters of networks. In order to accomplish this strategy flagship projects are created with strong focus on cruise ship projects, rural areas (cost), cultural heritage and sustainability of the region.

One of the main issues to achieve the BSR strategy is the lack of unification. This means that Scandinavian countries do not agree on reaching common targets within those flagship projects. This is because of two reasons:

1. Scandinavia has a strong brand and they are very successful on their own.
2. Money. As Wolf Born said, it is better to use the resources for your own good, rather for the common.

Another issue to accomplish the BSR strategy is the ability to activate tourism stakeholders to be together and work towards the BSR strategy. Interreg programs are dedicated for those, who are in cross-border programs. Interreg programs consist of:

A. Europeanean territorial cooperation - the objective 3
B. Transnational cooperation and
C. Interregional cooperation

The interview continued only about the objective 3 and how to activate the relevant projects to promote cross-border cooperation).

Wolf Born mentioned that Lithuania has cross-border cooperation with Russia, Poland and Latvia.

However Wolf Born stated that most actors work on their own and for their own country. There is no unification yet and it is difficult to change the point of view, which means that those actors are mostly interested in accomplishing the project according to the grant agreement.

The third issue to achieve the success of the BSR strategy is funding and time gap of 3 years. This means that the BSR strategy does not receive separate funding. Money was allocated at the end of 2011 and at the start of 2012. Only in 2014 there will be new funding, which means that new projects can be carried out at the end of 2014 or beginning of 2015. Wolf Born is working towards bridging that gap.

The answer to the question ***"If Lithuania, Latvia and Estonia would establish their own brand, like Scandinavia has, would that help those young countries to get more recognized in the world in regards to tourism ?"*** was that Lithuania, Latvia and Estonia had also created unified brand, but it did not work out. Therefore now they have their own separate brands and work separately.

The answer to the question ***"What in your opinion the young country, like Lithuania needs to be more recognized in terms of tourism?"*** was that Lithuania needs to invest and develop high standard tourism infrastructure, high quality tourism services and products, which must be supported by economical and tourism policies.

Wolf Born has mentioned that the BSR strategy works on uniting various actors in cruise, air and cultural heritage areas. Here Lithuania could benefit from those linkages.

Appendix 2 – Summary of the focus group

The focus group was carried out on the 19th of June 2011. The discussion took app. 25 minutes. The main idea holding focus group was to find out about peoples' travel experiences. The focus was on the following aspects:

1. Their motivation for travel (that is price, recommendations, climate, culture and others)
2. Searching for information
3. Buying the trip
4. Whether they would consider Lithuania as destination for holiday after seeing and hearing the compact presentation about Lithuania
5. What it needs for Lithuania to be even considered.

The results of focus group 1

1. *Motivation for travel*

The researcher found out five motivational factors, which stimulate subjects to travel. Those are:

- **Price**

Subject 1: "...det skal være et sted hvor er det billigt 03:36"; (= *"... it has to be the place, where it is cheap"*)

Subject 2: "Man vælger først et sted og efter kigger man på pris. Oh, ja, prisen er selvfølgelig et faktum10:23-10:27"; "...afbalanceret af alt er i orden og pris i orden 10:27- 10:34"; (= *"First you choose the place, then you look at price. Oh, yes, price is, of course, a factor"..." in balance and everything in places and the price too"*)

Subject 3: "Tilbud er over det hele 09:54"; (= *"Discounts are everywhere"*)

- **Relaxation**

Subject 2: "Jeg bruger rejse til at komme væk, fordi jeg er dårlige til at slappe derhjemme i ferien 13:12 – 13:18"; (= *"I travel to get away from home, because I cannot relax at home during the holiday"*)

Subject 3: “Jeg kommer fra Norden her, og det er rimmelig koldt, så er det klart at rejesemålet for mig vil være et sted hvor er det varmt 06:10 – 06:30”; (= *”I come from the North, where is quiet cold; therefore the destination for me would be a place where is warm, obviously*”)

- **Experience of other cultures**

Subject 1: “...et sted hvor jeg har en interresse i kultur... 03:55; ikke for anderledes... 04:04; ...Irland, jeg har altid interreseret mig i Irsk musik og den kultur syntes jeg er meget interessant, så er det ikke i tvivl, at jeg vil gerne besøg Irland 09:10 – 09:19”; (= *”... a place, with culture that I am interested in... not too different... Ireland, I was always interested in Irish music and their culture, therefore no doubt that I wanted to visit Ireland*”)

- **Language**

Subject 1: “... man kan snakke med folk uden at prøve at sælge noget... 04:22-04:28; ... Irland for eksempel... man kan sidde og snakke med folk... 04:54”; (= *”... you can talk to people, without them trying to sell to you something ... Ireland, for example, ... you can sit and talk to people...”*)

- **Recommendations from others**

Subject 1:” Jeg kender masser som rejser mere end jeg gøre, så det kan godt være... de fortæller .... overtaler mig 08:18 – 08:29; ... vi var i Egypten ... prøve at dykke ... det var fordi nogen, som vi kendt var der før ... de sagde at det var rigtig godt ... primært derfor... 08:32 – 08:49”; (= *”I know many, who travel more than me, which means there is a chance that ... they tell... convince me... we were in Egypt ... tried to dive... and it was because someone, we knew was there before ... they told that it was very good ... primarily that is why...”)*

Subject 3: “... hvis nogen siger – tag der hen – bliver rigtig godt, så er det klart ... 08:55 – 09:00”; (=*”... if someone tells – go there – it is very good, then it is clear that...”)*

2. *Searching for information*

- **The Internet**

All three subjects are mostly searching for information about destinations on the Internet. They are looking at the prices of airline tickets, pictures of the destination or various offers from the TO.

Subject 2: "... på internet ... for mig er det kun internet 07:57 - 08:00"; "... først og fremmest flybilletter 09:41; ... på pris 07:55; ... ja, ja, rejsebureauers hjemmesider 10:02"; (*="... on the internet ... for me it is only the Internet... first I look at airplane tickets ... price... yes, yes TO websites")*

Subject 3: "... søgemaskiner, momono, rejsefeber 10:02 – 10:10"; (*=" ... search engines, like Momondo, Rejsefeber")*

- **Recommendations**

Examples are seen in the section above - under recommendations.

- **Books**

Subject 2: "... bøger: Politikens rejseguide, Turen går til, Lonely planet 08:03 – 08:11"; (*="... books: Politikens rejseguide, Turen går til, Lonely Planet")*

3. *Buying the trip*

All subjects buy trips on the internet 10:53 – 11:02.

4. *Consideration for Lithuania as a choice for holidays*

After seeing and hearing the compact presentation of Lithuania and its famous tourist places (presentation is seen in the appendix 9), the researcher asked whether they would consider travelling to Lithuania.

The answers were as follows:

Subject 2: "Det kunne jeg godt ... ah det lyder spændende, men jeg skulle også svar ærligt ... det minder meget om skandinavien ... Denmark eller Sverige eller her i Norden, så det vil ikke blive noget primært, jeg skal sige åh wow der skal jeg tage hen ... det vil jeg ikke... 24:28 – 24:49"; (*=" It might be ... ah it sounds exiting, but I also have to be honest ... it reminds me of Scandinavia a lot.... Denmark or Sweden or the North, therefore it would not be a primary consideration oh wow I will travel there... it would not be..."*)

Subject 1: "Det er sjovt, fordi jeg tænkte det samme ... det ser hyggeligt ud, men der er mange de same ting, som man oplever i Denmark for at dække det samme behov .... natur oplevelse syntes jeg er interresent, så hvis der er mere af det, så måske godt nok ... vandretur elle lignede ... i sådanne tilfælde det kunne jeg måske godt ... umiddelbart så tror jeg ikke ...

det har noget specielt, som jeg ikke kan få i Denmark for eksempel 24:49 - 25:31”; (*=”It is funny, because I thought the same... it looks nice, but there are many similar things that you experience in Denmark to cover the need... nature tourism/ experience is interesting ... so if it would be more of that ... maybe... camping or similar...in this regard maybe I would... but in all I do not believe ... the country has anything unique, that I cannot get in Denmark, for example”*)

Subject 3: “Jeg er også meget naturinterreseret ... natur så spændende ud, men ikke meget anderledes. Jeg kan godt lide at se ting fra Anden Verdenskrig ... koncentrationslejre ... kunne være interresante at besøge ... 25:34 – 25:50 Jeg ved ikke om det er billigt at tage der til, men det er også en faktor.... pris på maden... så kunne jeg godt finde på 2-5 dage 26:42”; (*=”I am also interested in nature... nature looks exiting, but not so different. I like to see things from the 2nd world war ... concentration camps ... it could be interesting to visit ...I do not know how cheap it is to travel there, which is a factor... price for dining... I could consider 2-5 days”)*

5. *Subjects’ opinions on what Lithuania needs as a destination*

Regarding commercials and package travel available to Lithuania at the Danish TO

All respondents agreed that more commercials for Lithuania could influence their decision to consider the country as a possibility to spend their holidays at.

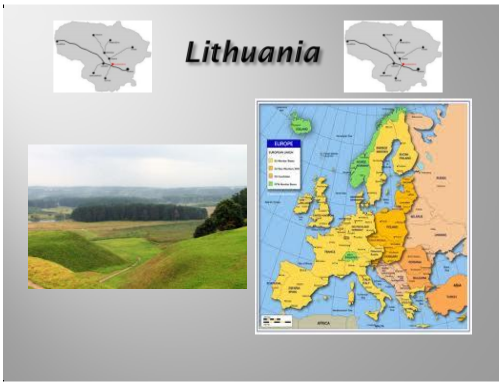
Subject 2 expresses that there are so many countries that he/she does not know about.

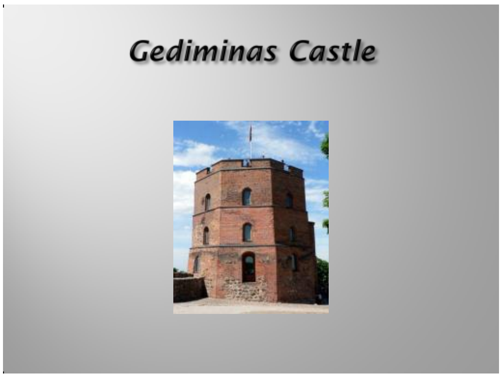
Subject 1: the participant claimed that the focus must be on “Nemt og billigt” 27:24 (*=”Easy and cheep”),* meaning a place to travel with his friends for a longer weekend “tilbud til forlænget weekend for billige penge” 27:55 – 27:59 (*=” an offer for a longer weekend for low price”).*

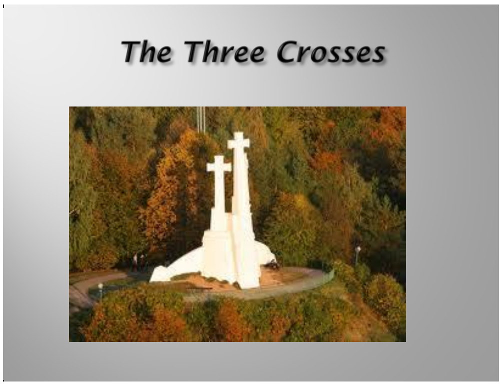
Subject 2: “...rimelig enig, især fordi det er tæt; hvis man kan reklamere at det er rimelig billigt, så kunne jeg også godt tænkt det same 28:04 – 28:17”; (*= ”quiet agree, especially because it is close; if it would be promotes as quiet cheap, than maybe I would consider”)*

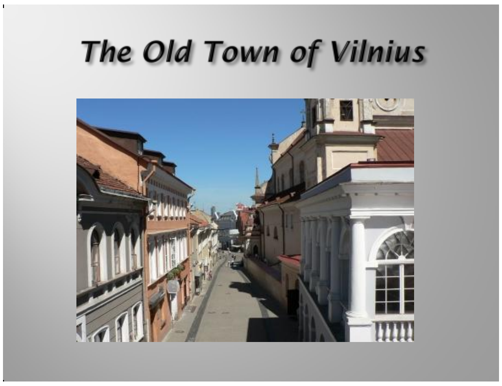
Subject 3: “...”Jeg ved ikke om det er billigt at tage der til, men det er også en faktor.... pris på maden... så kunne jeg godt finde på 2-5 dage 25:59 - 26:42”; (*...I do not know how cheap it is to travel there, which is a factor... price for dining... I could consider 2-5 days”)*

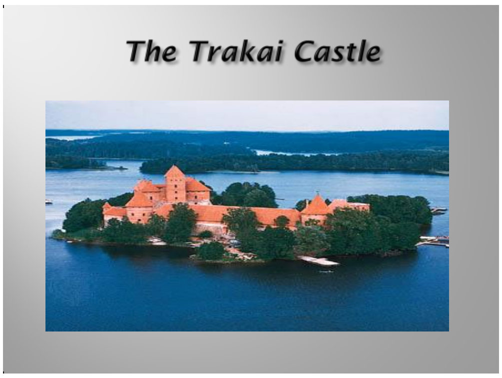
Appendix 3 – Presenting Lithuania as a destination (for Focus Group)












The museum "Devintas Fortas" –
the Jewish heritage


The Hill of Cross


Palanga- Lithuania's "IBIZA"


Klaipeda – the heart of west
Lithuania

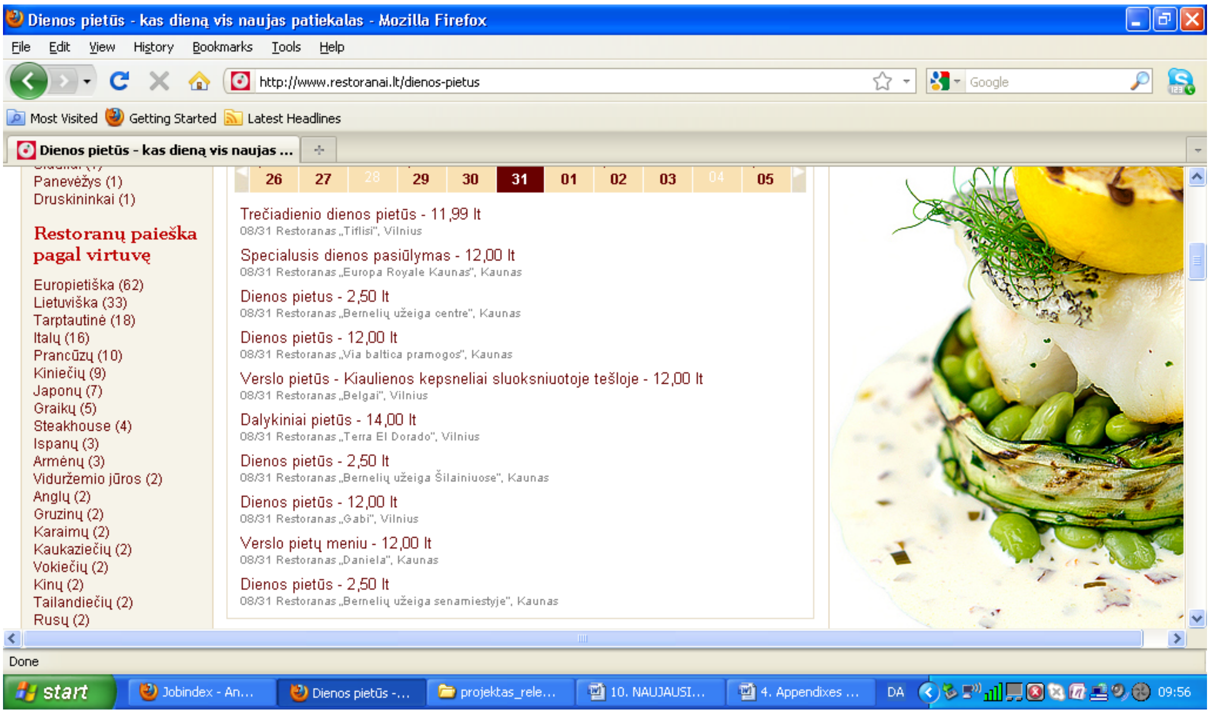

Nida Peninsula


White Sand Beaches – West
Lithuania

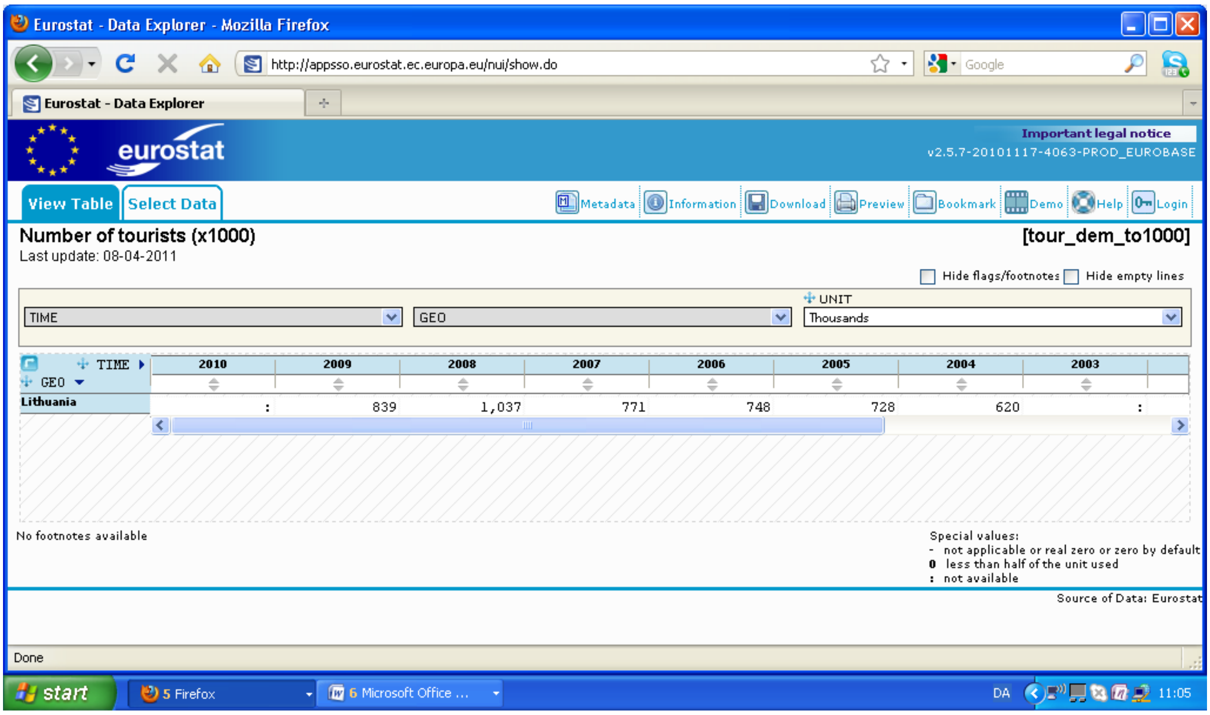

Gruto parkas – a musuem of Soviet
artifacts


The Nature of Lithuania

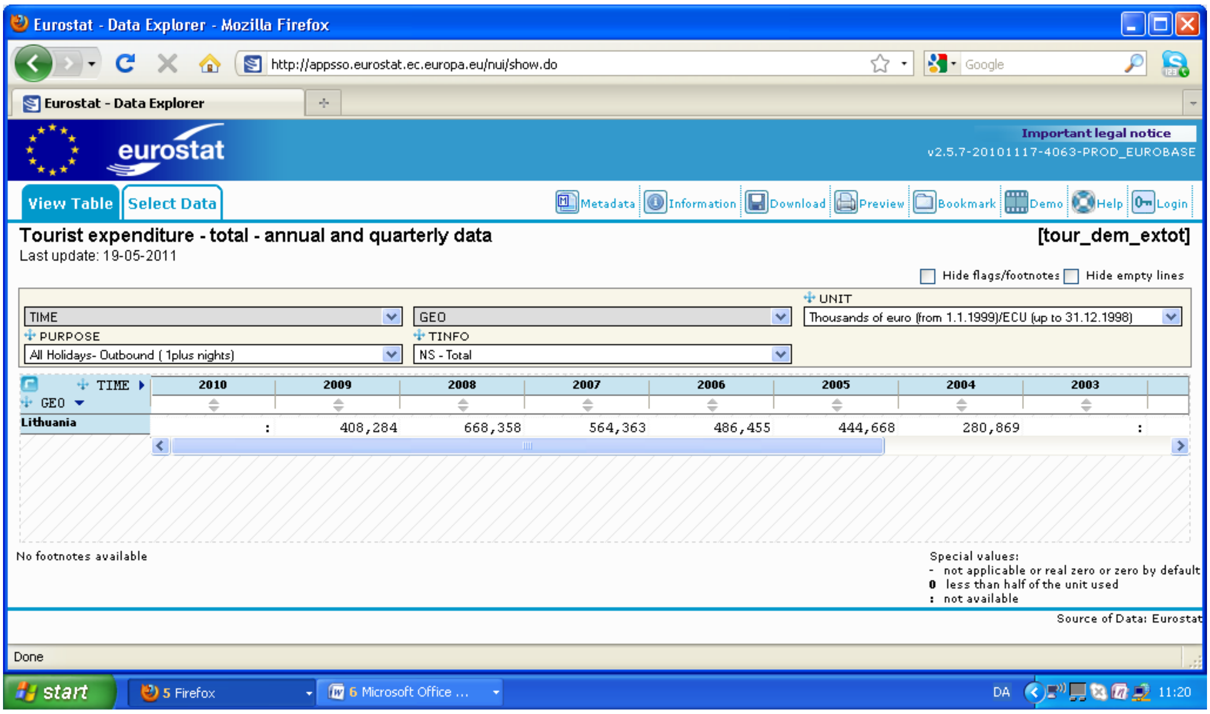
Appendix 4 – An example of prices of the main dish in Lithuanian restaurants and cafes



Appendix 5 – The number of tourists to Lithuania

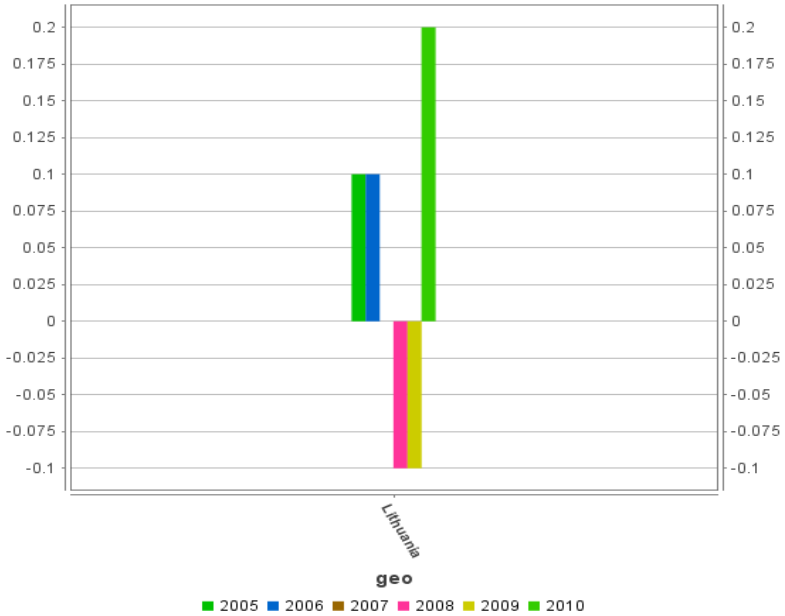


Appendix 6 – The tourist expenditure in Lithuania – Total annual data



Appendix 7 – International Transactions in Travel: exports, imports and balance: the country Lithuania

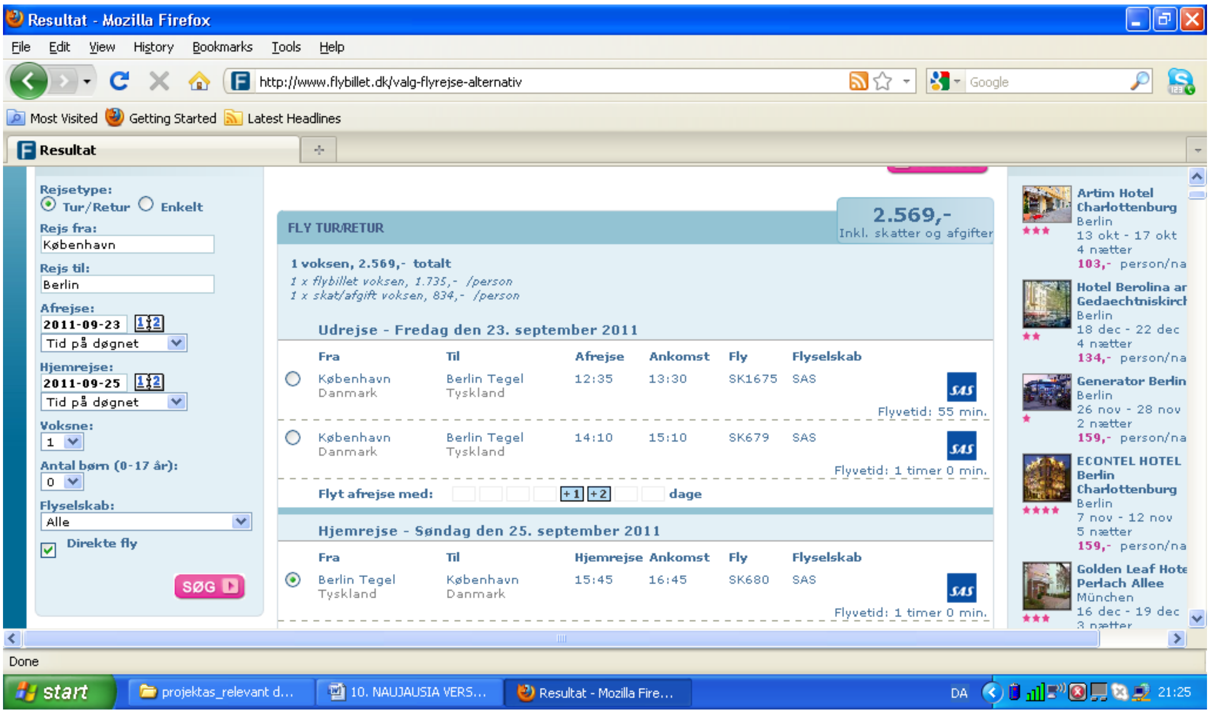
International transactions in travel: exports, imports and balance
(1 000 million ECU/EUR)
Net balance (in 1 000 million ECU/EUR)



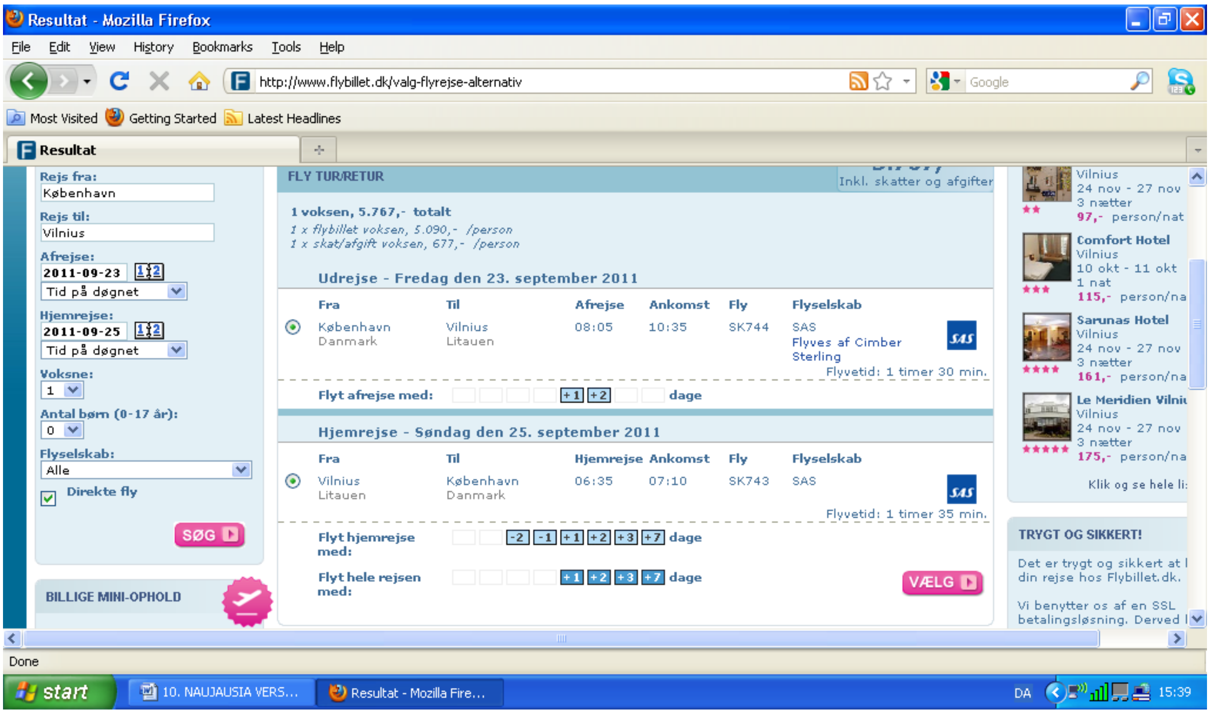
Source of Data:: Eurostat
Last update: 27.05.2011
Date of extraction: 06 Jun 2011 10:06:02 MEST
Hyperlink to the graph: http://epp.eurostat.ec.europa.eu/tgm./drawGraph.do&init=1&plugin=1&language=en&pcode=tec00062&toolbox=legend
Disclaimer: This graph has been created automatically by Eurostat software according to external user specifications for which Eurostat is not responsible.
General Disclaimer of the EC: http://europa.eu/geninfo/legal_notices_en.htm
Short Description: The balance of payments is composed of the current account and the capital and financial account. The current account is itself subdivided into goods, services, income and current transfers. "services" includes transportation, travel and "other services". The current account registers the value of exports (credits) and imports (debits). The difference between these two values is the "balance".
Code: tec00062

Appendix 8 – Examples of flight options for the Danish tourists

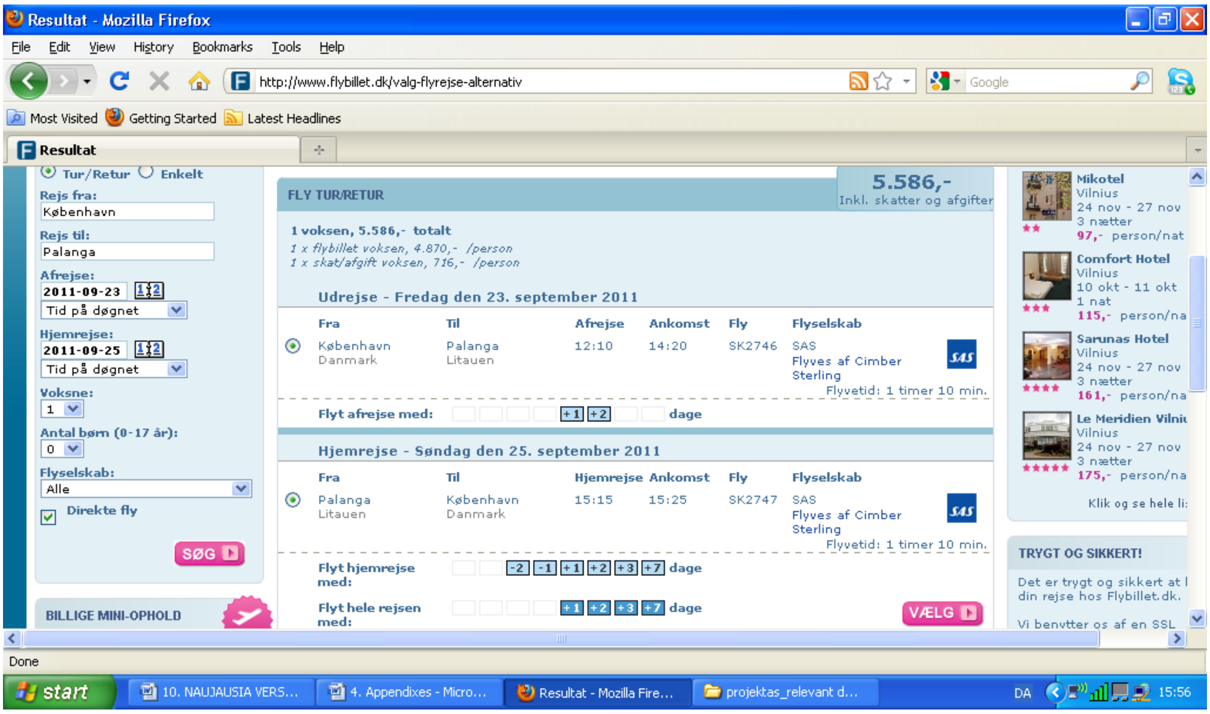
Copenhagen – Berlin (Many options)



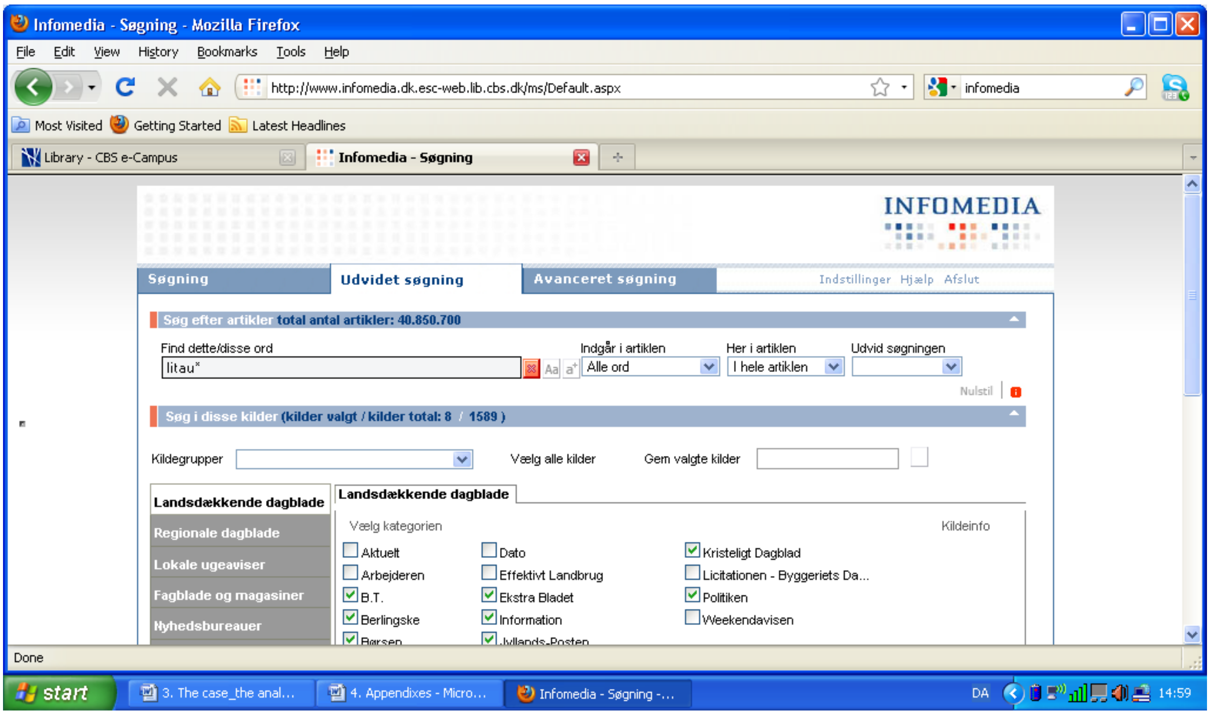
Copenhagen – Vilnius (3 options)

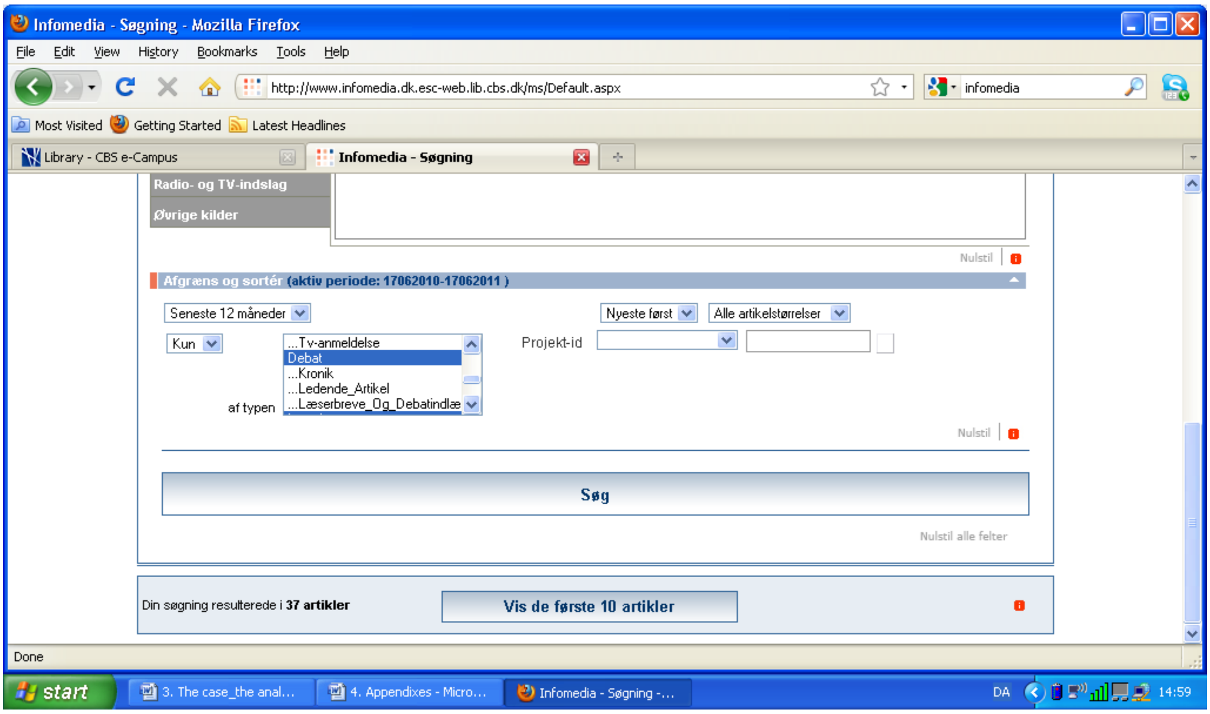


Copenhagen – Palanga (1 option)



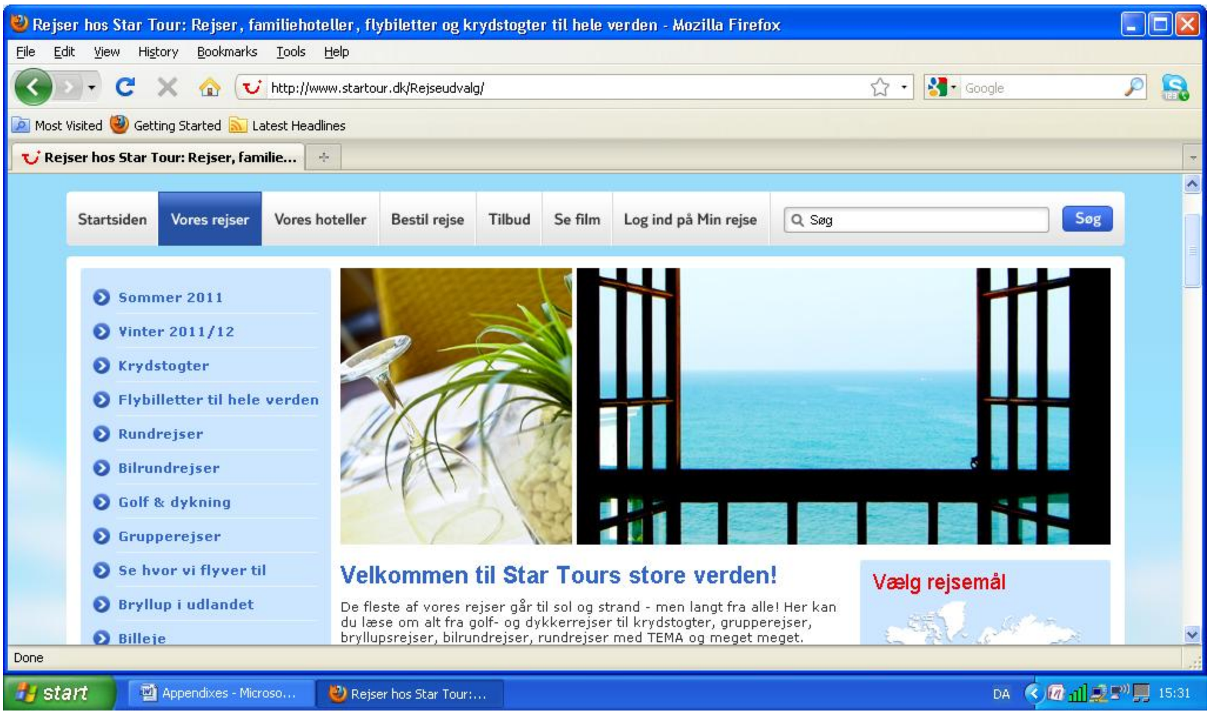
Appendix 9 – Infomedia search



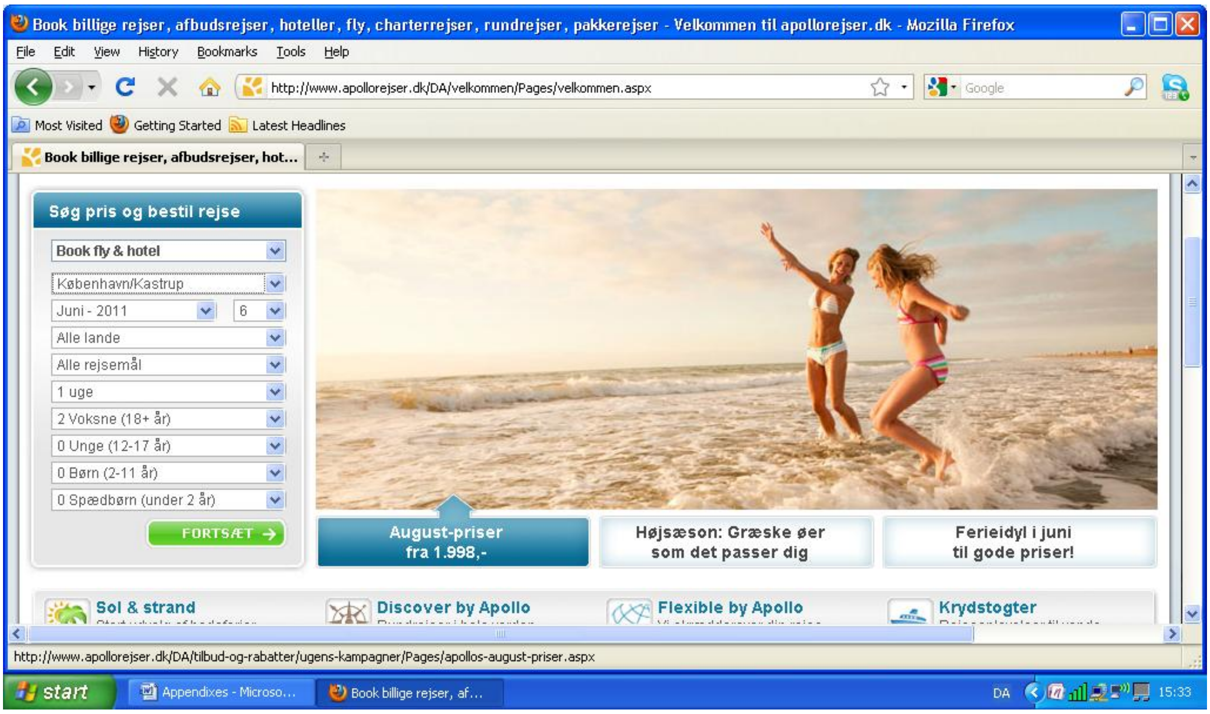


Appendix 10 – Cover pages of the Danish Intermediaries' websites

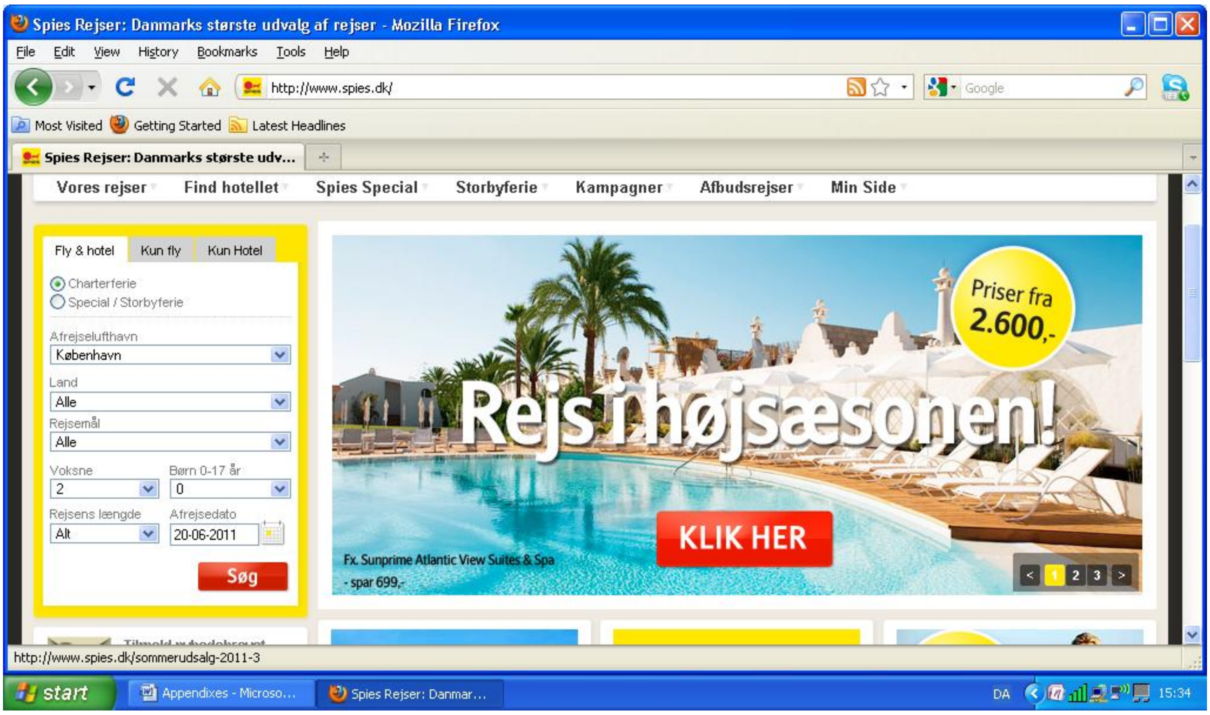
Picture 1 – Satrtours.dk



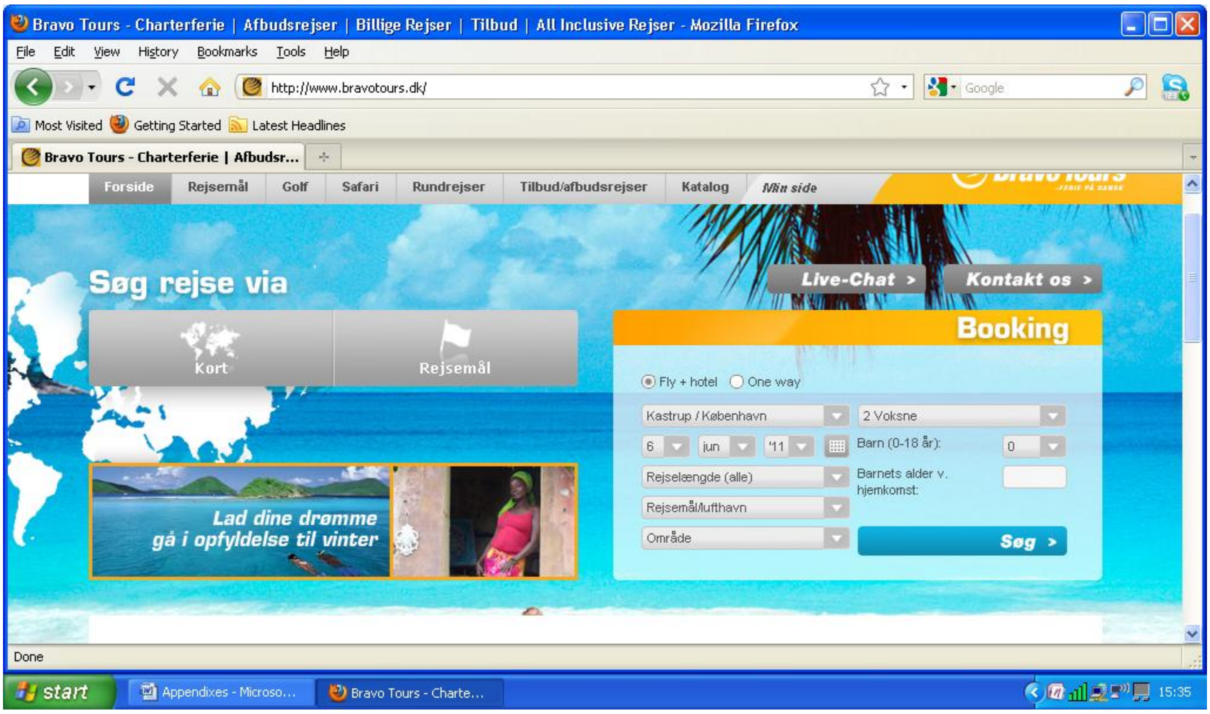
Picture 2 – Apollorejser.dk



Picture 3 – Spies.dk



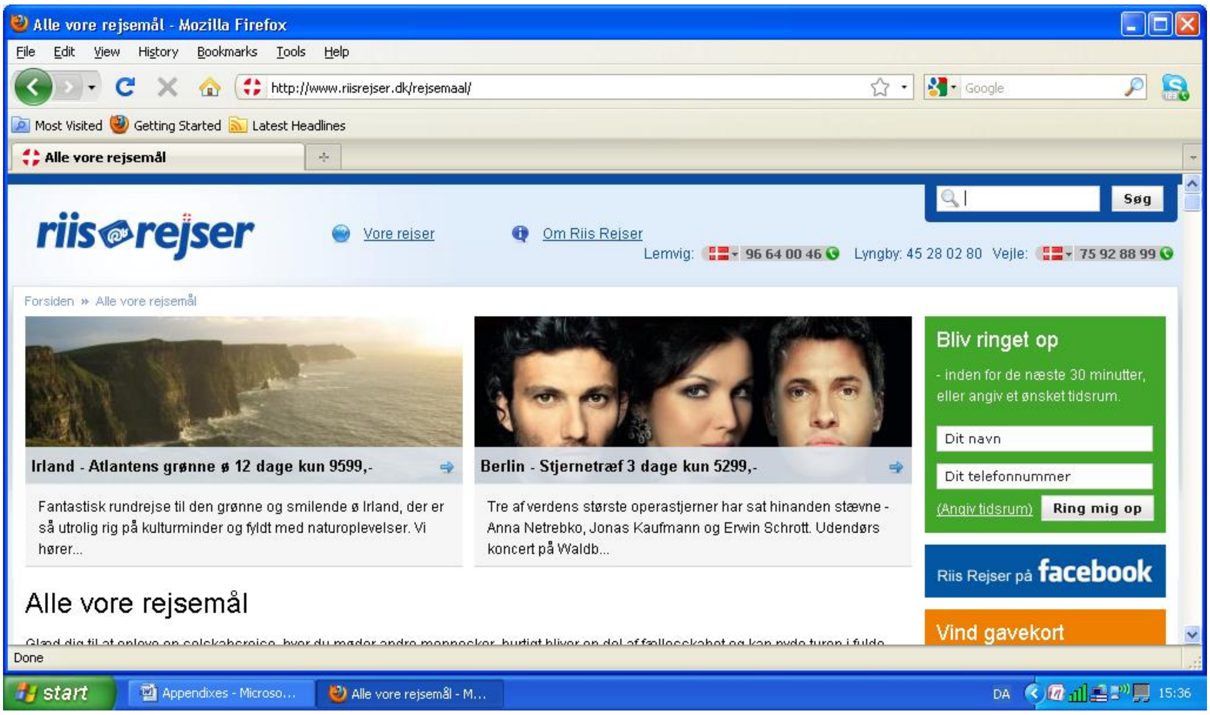
Picture 4 – Bravotours.dk



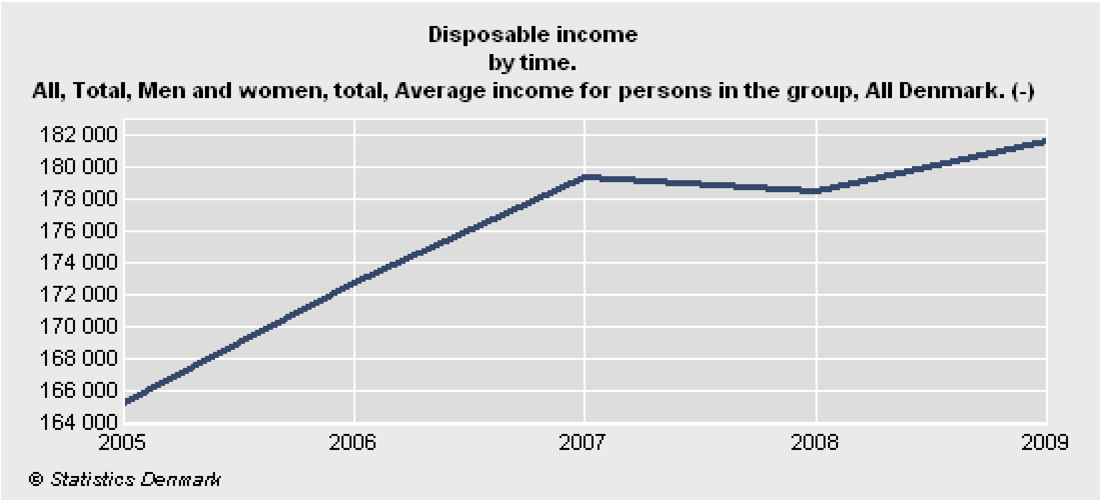
Picture 5 – Falk Lauritzen

Picture 6 – Kilroy.dk

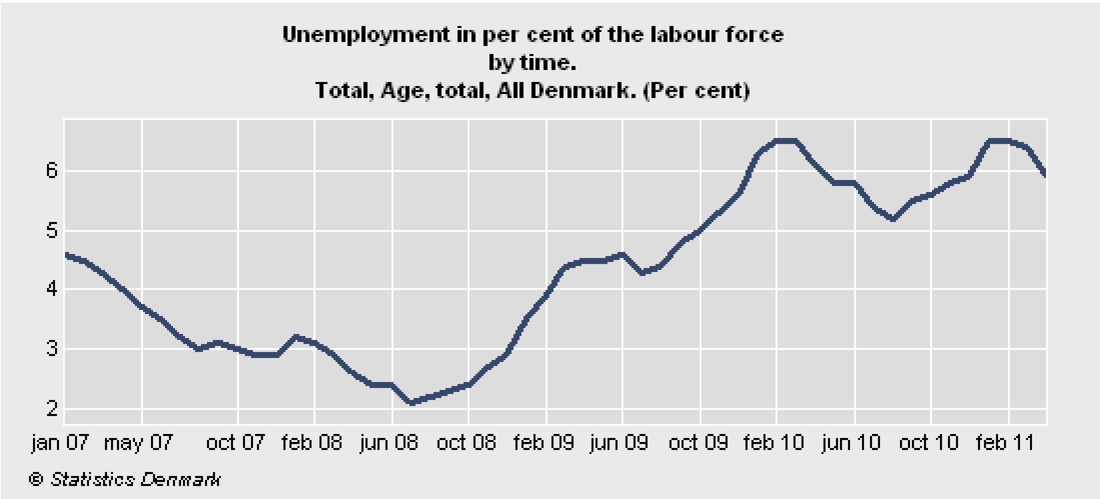
Picture 7 – Riisrejser.dk



Appendix 11 – Disposable income Denmark



Appendix 12 – Unemployment in per cent of the labour force by time, Denmark



Appendix 13 – The Internet purchase of tourism products in the last years