

CHINESE MARKET SEGMENT: HIGH SPENDING FITS



Opportunities and Challenges for Nordic Destinations

Recommendations for branding

Recommendations for marketing strategies

Recommendations for product development

HOW TO GET SUSTAINABLE TOURISM FROM CHINA

This joint project is financed by the Nordic DMOs and by the Nordic Council of Ministers.



Project Background

BACKGROUND

- The Chinese market is gaining more importance for Nordic destinations
- Market segment of High Spending Free Individual Travellers (HiSpFITs)

PURPOSE

- Increase **awareness** of the Nordic region as a whole
- Increase **sustainable** tourism from China to different Nordic destinations

GOALS

- Identification of common Nordic Unique Selling Propositions (USPs) and market specific USPs
- Recommendations for **marketing strategy** and action plan in China
- Recommendations for **product adaptation** and development





Nordic DMOs are the first in Europe to concentrate on HiSpFITs
instead of the whole Chinese outbound market.

With the appropriate comprehensive strategy, the Nordic destinations can experience the benefits of increasing numbers of high value Chinese travellers.



**Where Nordic
destinations stand
in competition?**

Expert interviews: Strenghts

Unique nature and a **number of signature activities**, experiences and themes

- Positive, trendy image
- Northern Lights, icebreaker cruise, glass igloos
- Diversified transportation in Nordic has become an indispensable Nordic experience

Nordic culture and lifestyle

- How to successfully transfer these experiences into a marketable destination image or tourism products?
- Northern Europe is safe thus attracts Chinese HiSpFITs



Expert interviews: Weaknesses

- Nordic products are expensive
- Quality of services
- Tourism infrastructure
- Current products are identical and lack novelty
- Seasonality of Nordic products

The attitude and level of services in Scandinavia needs to be improved to welcome more FIT's





**Key branding and marketing message
needs to be more clear and better specified**

“The Nordic tag is nature, but it doesn’t give a strong reflection. Scenery in Scandinavian countries is similar. They don’t stand out.”

Findings and recommendations



Chinese public thinks of Northern Europe as one region

Perception of Northern Europe **is changing** and recognizing Nordic countries individually

- *FITs are opting to spend more time in fewer destinations to gain a deeper understanding of each country.*

Nordic DMOs' **strategy of brand building should also differ:**

- FITs and customized tours are on rising from Chinese **first tier** cities to the Nordic region
- **Second tier** cities are only making their first visit to Europe and the Nordic in the form of package groups.



Recommended USPs & Branding

SUMMARY OF FINDINGS

Branding strategy emphasizes the **different brands working in harmony** in order to raise general awareness of the Nordic region.

We categorise the Nordic brand and Individual DMO brands into 4 groups:

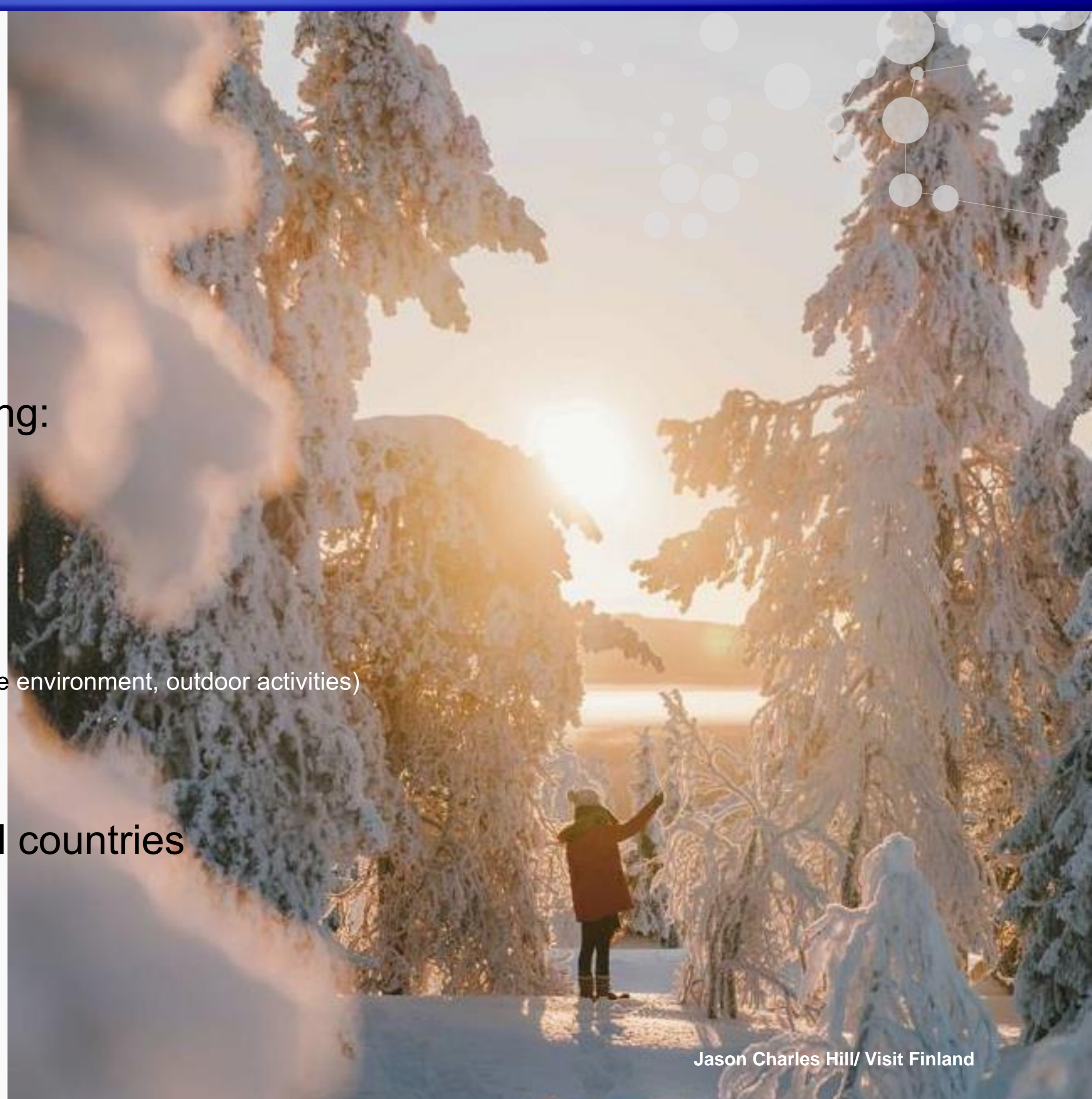
CATEGORY	INCLUDE	REMARKS
A: Northern Europe Brand	Nordic Region as a whole, including the eight countries of this study	Suggested brand for the Nordic region
B: Relatively Mature in China	Denmark, Finland, Norway, Sweden	Currently popular and extensive marketing efforts in china
C: On the rise in China	Iceland	Rapidly increasing awareness, though few consumer marketing undertaking
D: Starting ups	Greenland, Faroe Islands, Aland Islands	Low awareness in China and no visible marketing



The Goal of Nordic brand

SUMMARY OF FINDINGS

- Central brand hub for the region promoting:
 - **Awareness**
 - **Cross-border and themed travel**
- Nordic USPs
 - **Unique and diversified** Nordic region (Clean and pure environment, outdoor activities)
 - Gateway to the region as a whole
- Open up conversations around individual countries



Goals of Individual country brand

SUMMARY OF FINDINGS

- Emphasize their unique selling points
 - > *Each of the Nordic destination holds a specific positioning BUT still more needs to be done*
(Many fail to see clear distinctions or identify more than 1-2 USP's)
- Illustrate best experience of their USP's and their place in the Nordic experience
- Brand positioning shall be broad enough to accommodate sustainable travel
 - > *Information provided to travelers will have direct effect on traveler trends*

DK: Strong USPs:

- Metropolitan lifestyle – healthy, happy lifestyle
- Abundant cultural experiences

FIN: Strong USPs:

- Nature & Scenery: Lakes, Islands, Forests, Lapland
- Unique outdoor Sports & Activities
- Santa Claus and Santa's Village

NO: Strong USPs:

- Nature and Scenery-Fjords

SE: Strong USPs:

- Cultural Heritage
- Healthy and Happy Lifestyle

IS: Strong USPs:

- Dramatic landscapes – Glaciers and Volcanoes
- Quaint towns and villages

Faroe Islands' strong USPs:

- Unexplored and Isolated

Greenland's strong USPs:

- Arctic Exploration

Åland Islands' strong USPs:

- Currently no strong USPs in the Chinese market

Recommended Marketing Strategy

Category C

Iceland

- Set up preliminary marketing infrastructure
- Industry Partnership set up
- Establish owned digital platforms

Finland, Sweden, Denmark and Norway

- Increase partnership opportunities
- Attention to activities in shoulder season
- In-depth information for FIT, niche activities
- Digital asset integration

Category B

Marketing Activities

Category D

Faroe Islands/ Greenland / Åland Islands

- Generate awareness
- Attract industry attention
- Set up digital landing platforms:
 - WeChat account
 - Key content can be integrated the Nordic brand website

Nordic Brand

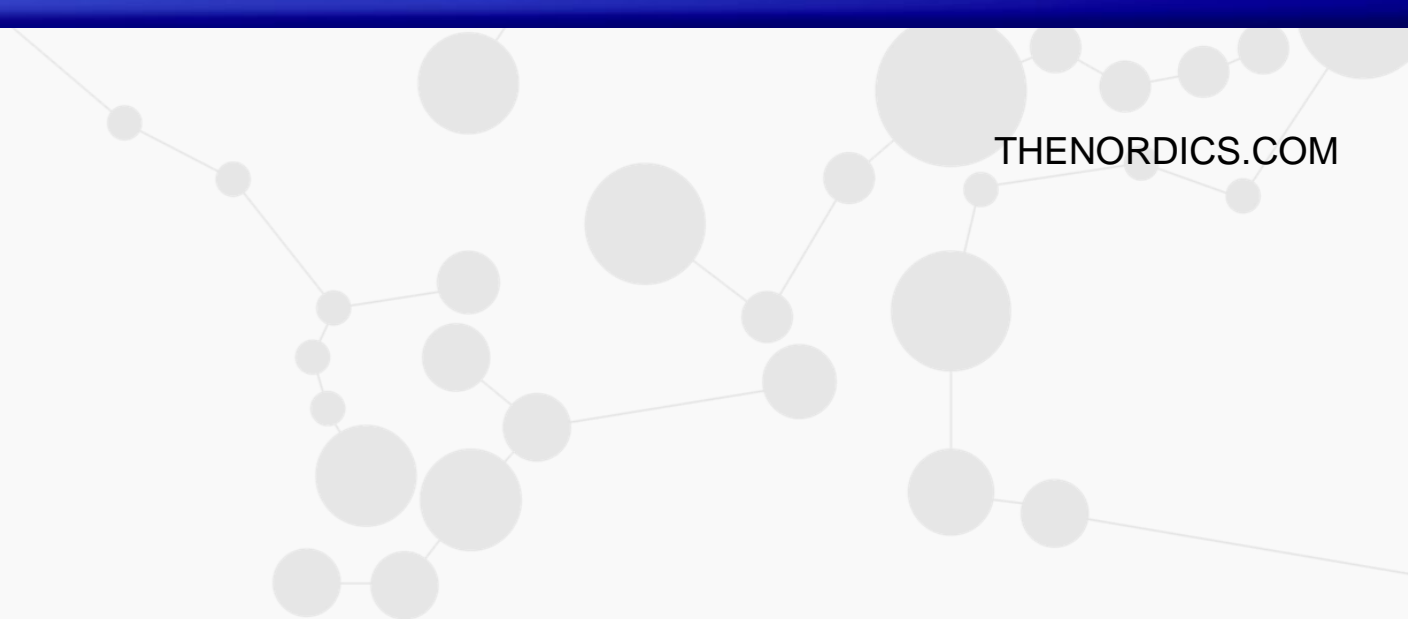
- Communication of the Nordic brand partnership network to btob market
- Content hub and communication platform
- Cross-border travel ideas and tips

Category A

Brand Awareness



Recommended Action Plan

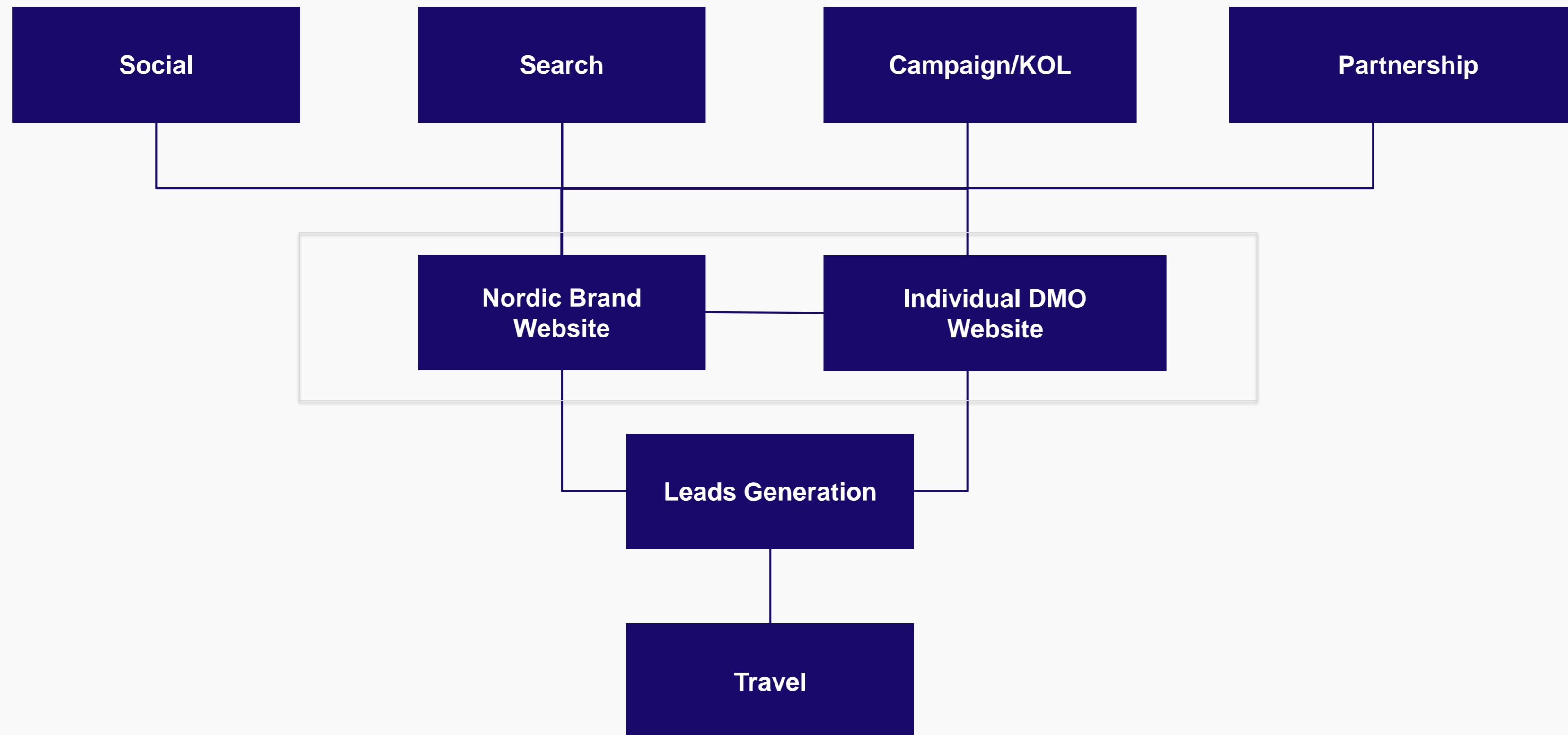


	PHASE 1	PHASE 2	PHASE 3
NORDIC BRAND	Set up the basic foundations	Cooperate with the broader travel industry	Further develop and expand the Nordic Brand
RELATIVELY MATURE BRANDS	Deeper integration and engagement	Always-on and seasonal campaigns	Customised themed trips to various tour operators
ON THE RISE /STARTING UP BRANDS	Develop the foundations	Joint marketing activities with Nordic brands	Further develop individual marketing strategies



Digital Channels working as one Ecosystem

Linking the digital assets to each other and popular travel platforms.



Each level of digital marketing is interconnected to form one unified system that inspires interest, increases understanding and facilitates booking and travel.



Recommendations in Product Development

How to better manage the seasonality and facilitate geographical dispersal of Chinese tourists?

Current offers with joint Nordic products perceived less appealing.

Fresh ideas and ways of reaching customers required.

We recommend to develop:

- Products and services that contain *specific themes and activities* that can be impacted less by seasons/climate
- Marketing strategies aiming at attracting *repeat travellers*
- Market segment of Chinese *senior travellers*, connecting Nordic destinations with Baltic States or Russia



Recommendations in Product Development

FURTHER DEVELOPING EXISTING THEMES AND LANDMARKS

Most of the current trans-national products cover too many countries -> Less attractive for FIT's

Promotion of carefully-woven themed tours and activities organised into shorter trips with clear focus:

- White Night connected with local cultural or musical events or in-depth city visits
- Education for families and student camps
- Further developing landmark themes into hands-on experience: e.g. fairy-tale related theatre visits, storytelling workshops, story writing and drama.
- Happenings like golf



Recommendations in Product Development

FURTHER PROMOTING NORDIC ACTIVITIES

Chinese HiSpFITs seeking to engage in trendy experiences focused on activities and themes.

Nordic soft adventures are attractive and considered as interesting to do. Some of them are must-do, while some are just learnt by Chinese visitors:

- Photographing the Northern Lights
- Dog sledding or reindeer sleigh rides
- Staying overnight in glass houses and ice igloos
- Kemi icebreaker cruises and ice swimming
- Finnish saunas and Iceland's Blue Lagoon geothermal spa
- Hiking
- Whale watching
- Hot air ballooning
- Ice karting
- Riding sightseeing helicopter
- Riding a snowmobile on glaciers
- Silfra fissure snorkelling
- Icelandic horse-riding
- Ice fishing
- Voukatti Lakeland bear watch evening tours
- Tromso puppy training at the Husky Home
- Frozen Olokolo Safari in Kemi
- Fishing for king crabs
- Feeding elk
- Snowshoe walking
- Berry and mushroom picking in forests



How to sustainably grow the Chinese market

- The **package group** market segment should continue to be maintained and grown in a balanced manner along with the High Spending FITs segment.
- Nordic DMOs need to **strategically promote** their destinations and products to other target groups, such as the identified High Spending FITs
- **Branding and marketing strategies should be reviewed every two years to ensure they remain relevant**

Recommendations in Product Development

In a wider sense, product development for achieving long term sustainability should also include

- **Collaborating with Nordic government departments and ministries to implement recommendations in areas such as:**
 - Visas
 - Road signs
 - Improve conditions and safety for Chinese self-driving visitors for better road safety and again facilitate dispersal
 - Chinese restaurants, Chinese speaking staff and other such topics.
- Investing in expanding carrying capacity – more qualified Chinese speaking staff and tour guides, suitable hotel rooms and (Chinese) restaurants in order to provide quality services and achieve high traveller satisfactions
- Developing products and services that educate Chinese tour operators and travellers of products outside of major cities





**Thank you very much
for your interest!**





THE NORDICS

