

Q&A - COVID-19 - Outlook on tourism industry in European markets after the outbreak

- 1. Q: UK - Caroline, how would you estimate the younger Brits' awareness of and affinity for Finland as a holiday destination? Which parts of Finland are the most familiar to them?"**

A: Caroline Stanton: Younger travellers see the beauty and nature of Finland online and perceive it very much as a top sustainable and instagramable destination. As well as the Northern lights and fun activities offered in Lapland, there is the cities and many travellers want to combine Nordic and Baltic cities via boat and rail transportation.

- 2. Q: The UK market has been very important for Lapland in winter-time. What is the outlook for winter travel from UK to Lapland in 2020-2021 winter? What are the signals from tour operators? "**

A: Caroline Stanton: Majority of Operators are reporting a strong winter and getting new enquiries for Winter Lapland.

- 3. Q: RUSSIA: will the TO webinars be held?**

A: Aleksandra Shakhnovich: "If You mean our regular webinars, they are currently on hold. At the moment we work individually with most potential TO companies that have biggest chances to survive after the virus and help their product development - webinars are used as one of the instruments as well, but audience is one company at one time.

- 4. Q: ITALY: what is the best way to send videos + photos to Barbara?**

A: Barbara Demartin: you can send them to my email barbara.demartin@businessfinland.fi. If they are available in YouTube, the link it's enough.

- 5. Q: All regions - Do you believe that COVID-19 will change travel habits in terms of mobility? If domestic travel and trips to neighbouring countries will recover first, will this boost the usage of ground transportation (trains, busses etc.) for example?"**

A: Aleksandra Shakhnovich: From perspective of Russian market, habits won't be changed lots as traveling by own car is already the most popular way to come to Finland. Share of flights and ferry travel will decrease in the beginning, but their share of all the border crossings is anyway not so significant compared to traveling by car, bus and train. And most important products for Russians such as cottages and spa will probably recover faster, especially cottage holidays as they have good advantages from safety point of view: location in rural areas and possibility to stay only with "trusted" company such as own friends and family will be important for the post CoVID travelers.

A: Jyrki Oksanen: Yes at least temporarily we are thrown back to 70ies: flight holidays more expensive and overland becomes more dominant for 2021-2022. For buses and trains questions is how the social distance is solved.

A: Sanna Tuononen: Yes, it will surely boost train usage in France (which is already very used transportation mode). Train connections in Europe are very good and you can easily go between countries. As Jyrki mentioned the only difficulty will be how to keep distances in these modes of transports. They probably will need to leave seats free and tickets prices will go up (as might happen also for the flight tickets).

A: Barbara Demartin: Yes, we think that in short terms it will increase mobility overland. For trains and buses new measures and layouts will be needed according to health and safety rules, as for flights. This may be reflected in higher costs of air tickets, that should lower once security measures will be over.

- 6. Q: Russia - Alexandra, you mentioned that good pricing will be of importance to Russian travellers. We obviously can't compete with the Baltic States and the Russian domestic market on that scale. What else could set us apart from the Baltics and the domestic market, especially if we take younger audiences into account?**

A: Aleksandra Shakhnovich: "At the moment we see the trend with culture and authenticity. People are eager to know more about true Finnish culture, gastronomy, Finnish lifestyle and of course they want to enjoy Finnish untouched nature and purest air in the world - this is very good advantage for us. Baltics do have beautiful nature as well, but it is not so clean as here in Finland, less forests, more polluted places etc. And Russian domestic travel has relatively poor service level. Also, price level both in Baltics and Russia domestic destinations has grown in last years, so they are not so far away from Finnish price level.

- 7. Q: Russia - Alexandra, you mentioned that good pricing will be of importance to Russian travellers. We obviously can't compete with the Baltic States and the Russian domestic market on that scale. What else could set us apart from the Baltics and the domestic market, especially if we take younger audiences into account?**

A: Aleksandra Shakhnovich: In Finland, we might be saved by special offers. For example special prices for families with kids, discounts for returning customers etc.

- 8. Q: FRANCE: any plans for online workshops with TOs?**

A: Sanna Tuononen: As we had our Nordic Workshops just before the Corona-crisis, we are not going to do any online workshops in France for the moment. We concentrate in keeping good relations with all our trade partners and help them to develop their products and offering with this situation. We have also made an e-learning quiz and will be probably doing a webinar in May or June for the travel trade in France.

- 9. Q: All regions: Do you see a change in traveler behavior how to arrange accommodations especially in guaranteed departure packages where individual travelers share double rooms?**

A: Aleksandra Shakhnovich: In terms of Russian market, I don't believe that there will be need for special arrangements.

A: Jyrki Oksanen: we see challenges here with group travel.

A: Sanna Tuononen: For some groups this might be a challenge, but often French are travelling with their family or friends and don't want to stay in the same room with "foreigners".

A: Barbara Demartin: for the guaranteed departure packages there will be new safety rules that will change the behavior of travelers. Most Italians travel as a couple or with their family. To encourage the sale of this type of package to solo travelers, the DUS surcharge may not apply.

10. Q: UK (also other markets) Can you see tour operators going in financial problems or bankrupts now or in autumn if summer season is lost?

A: Aleksandra Shakhnovich: Russia: As long we don't know when the restrictions for the traveling (including domestic travel) will be canceled, it's hard to predict anything. At least now there is no a large amount of bankruptcy notices - we should wait for a couple of months more.

11. Q: Germany - Jyrki, do you think there will be any disparity in the speed of recovery among German Bundesländer? Which parts of Germany would you recommend to target in the near future?"

A: Jyrki Oksanen: South and west are hit most, so yes there will be differences.

12. Q: All markets: Please release you marketing plans and strategy for 2021 (including events – workshops, fairs etc.) as soon as possible.

A: Mervi Toivonen: Under these special circumstances we need to target to the recovery of the crisis and following this, we will learn about our future including the plans for 2021.

13. Q: SPAIN: As Norwegian air shuttle is struggling, and it represents a huge volume for Nordics. Do you think that Finnair or others will make more accessible the prices per ticket? We see that 50% of traveler's decision making rely on the flight price, even, in the end, they spend that difference in destination.

A: David Campano: Airline development is key in our activities; we need to joint efforts together to recover. Finnair, like other airlines need to find the right balance for pricing and make sure our product is competitive in the market, but I don't think a "price war" would be beneficial in a medium term to anybody in the industry. Airline industry will need governmental aids plans to start back their operations.

14. Q: UK Is there a possibility the British clients to show more interest also for other destinations than Lapland now?

A: Caroline Stanton: Yes of course, to begin with for UK market strong autumn/winter product outside Lapland.

15. Q: For Visit Finland, Katarina Wakonen mentioned that organic traffic has increased from Sweden and Japan. Italy and Russia have had only small decrease. It would be nice to hear update also from Japan and maybe some ideas or plans regarding future actions in Sweden.

A: Katarina Wakonen: Thank you for your interest towards our other market as well! We are happy to share market insights with you also from Japan. We'll start making market updates on a regular basis also for our website and consider own market info call for Japan. Visit Finland is not planning to open new markets like Sweden.

16. Q: All regions: It was stated that young adults are probably going to start travelling first - as their budgets might be quite limited should pricing be changed? Should pricing of tourism services be changed in general to get tourists back to Finland?

A: Barbara Demartin: The price lever is a fundamental for this segment but also for others. Costs of flight tickets will play an important role too.

17. Q: Have you thoughts how MICE sector will recover?

A: Aleksandra Shakhnovich: We believe that it will recover faster than in other countries. People will be traveling to make tech visits, sales missions, negotiations for big agreements etc. For example year 2015 was very successful for MICE sector despite the significant rouble rate fall: people started to search for new markets and partners and were forced to travel more than before.

A: Jyrki Oksanen: Yes, but apparently business travel is about to change to more virtual formats. However, we see a need for teams to meet and incentive might be something for companies ramping up post corona.

A: Barbara Demartin: We believe that a large part of the MICE business will use technologies still for a while, although it's early to predict what will happen: it will depend also on the safety rules imposed by the country. About incentive groups, smaller size would be needed to ensure a sustainable management in respect of the safety rules that will be applied.

18. Q: Sanna: How and when will we get information about the webinars about the French market?

A: Sanna Tuononen: Those webinars will be for the tour operators (so information/learning sessions for the French travel trade). For the moment we are following the situation, it is too early for the webinar as many TOs are temporary unemployed, but it will be communicated as soon as we can fix the timing.

19. Q: Caroline, UK: you mentioned destination's instagrammability as one of the selection criteria for the younger travelers. In addition to instagram, what kind of platforms / media / events you would recommend Finland to be present in the UK in order to reach Gen Z, Gen X, millennials? "

A: Caroline Stanton: Facebook & Twitter for both Gen z & x / Gen x Instagram - depending on product some online media and newspaper channels.

20. Q: FRANCE: how to get region info to the online platform or what ever the right name was...

A: We have our quiz and mini-site on Miles Attack platform. There is general information of each main destination in Finland. We will probably enlarge the content to an e-learning and can add some more specific information. Information can be sent by email.

21. Q: Swedish market is very interesting, hoping to see some marketing activities according to this in the near future.

A: Mervi Toivonen: In this very exceptional situation, we need to evaluate when and where is it possible to execute marketing activities and what kind of activities are those.