



What's up Germany?

Relevant trends in holiday demand
for German travel to Finland

*5 May 2021
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Visit Finland

Origin of the insights and data

- Data from our REISEANALYSE
- Longest-running (since 1970) and most established regular study regarding leisure travel demand of the Germans
- Domestic tourism and outgoing tourism
- Volumes, behavior, attitudes, interests
- Interviews, representative for the population in Germany
- Normal years: Three surveys (10,000-12,000 interviews in total)
- 2020: Five surveys (16,000 interviews in total)
- More info: <https://reiseanalyse.de/home/>



The German market 2020/2021

VOLUME OF HOLIDAY TRAVEL IN 2020: Dramatic decline, most distinctly in spending



Holiday travel in 2020 (5+ days)

Holiday travel propensity was 63% in 2020, significantly lower than previous years (2019: 78%). This corresponds to a volume of 44.6 million people who took at least one holiday trip. The number of holiday trips fell from 70.6 million to 50.5 million.

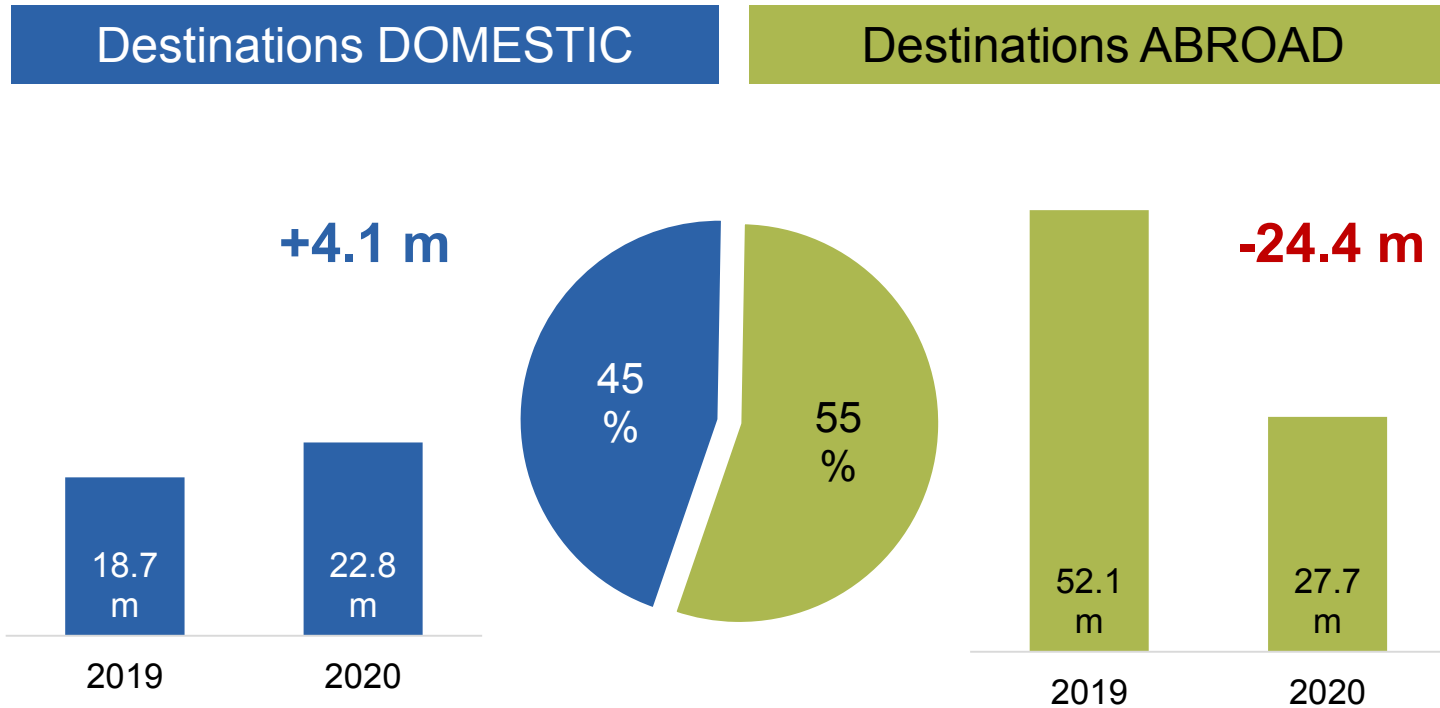
The decline in total travel expenditure was even more dramatic, from € 73.1 billion to € 45.1 billion.

Short breaks 2020 (2-4 days)

The picture is even bleaker for short-holiday trips: in 2020 there were only 37 million short-break trips (-60%) with a spending volume of € 11 billion (-60%).

* Development from 2019 to 2020
Basis: German-speaking population, aged 14 and over, in Germany - holiday trips 2020 lasting 5 days or more
Source: RA 2021 *face-to-face*

DESTINATIONS FOR HOLIDAY TRAVEL IN 2020: Growth for domestic travel, dramatic decline abroad



Market shares domestic vs. abroad

The Covid-19-pandemic is shaking up long-standing destination trends. After decades of rising market share for international destinations, Germany's market share rises from 26% in 2019 to 45% in 2020.

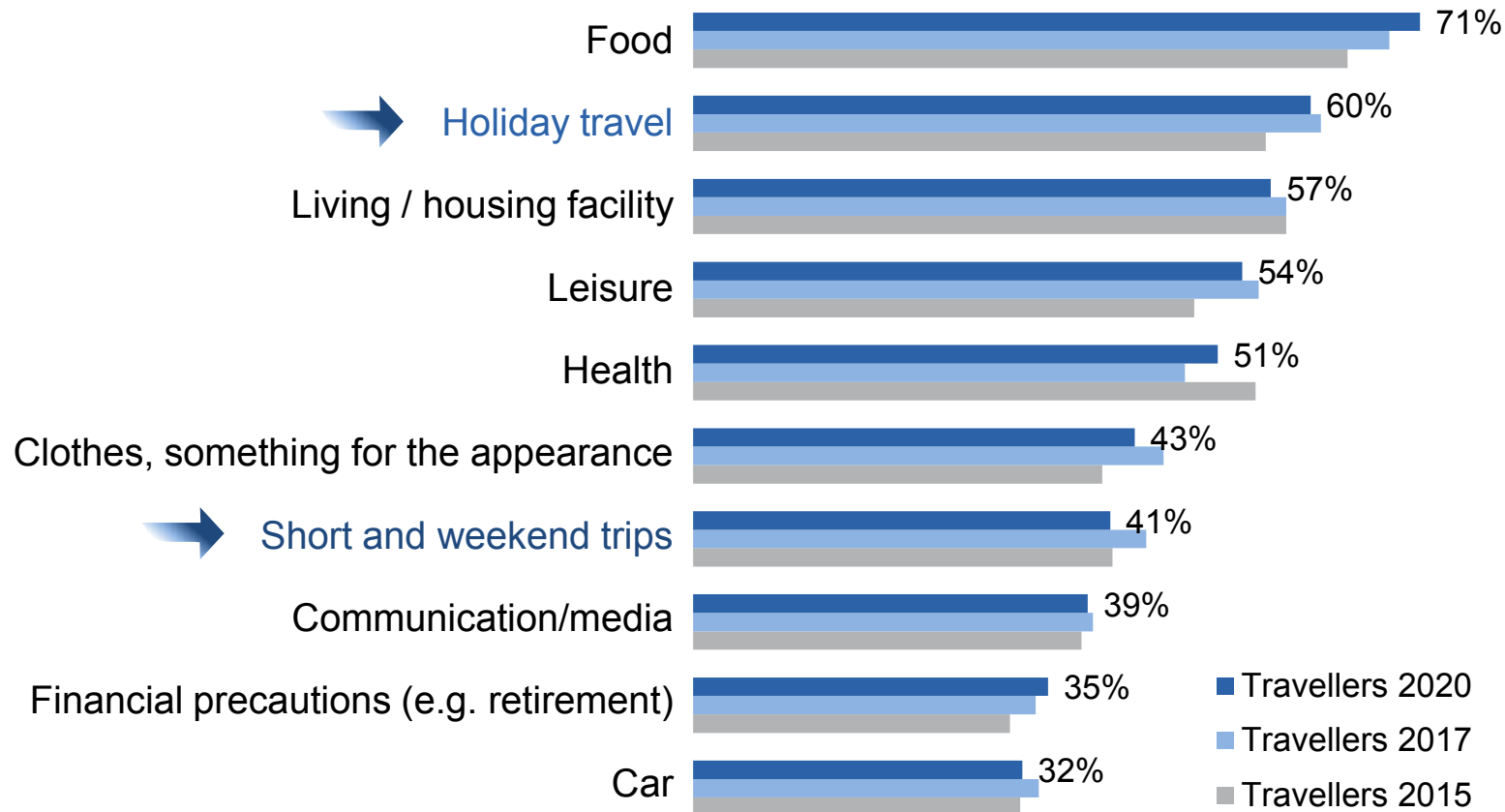
Domestic vs. foreign holiday volume

The significant shifts in the market shares mean that in the end there is even a plus of 4.1 million holiday trips (5+ days) for the domestic market.

However, this positive result is clouded by the fact that in 2020 there were almost 40 million fewer short-break trips (2-4 days) within Germany.

For foreign countries, a decline of 24.4 million holiday trips (5+ days) is recorded for 2020.

CONSUMPTION PRIORITIES: High priority of holiday travel ensures stability of demand



Consumption priorities

Among holidaymakers, holidays are currently the second most important consumption priority, with an agreement of 60%, the same as in 2017 and even more than in 2015. Short trips and weekend breaks are significantly less important.

Further requirements for holiday travel in 2021:

The holiday trip remains an important commodity for the German consumer. There are holiday-related motives and interests underlying this, which even the Covid-19-pandemic does not shake.

ASSESSMENT OF THE ECONOMIC SITUATION

Positive starting conditions for holiday travel in 2021

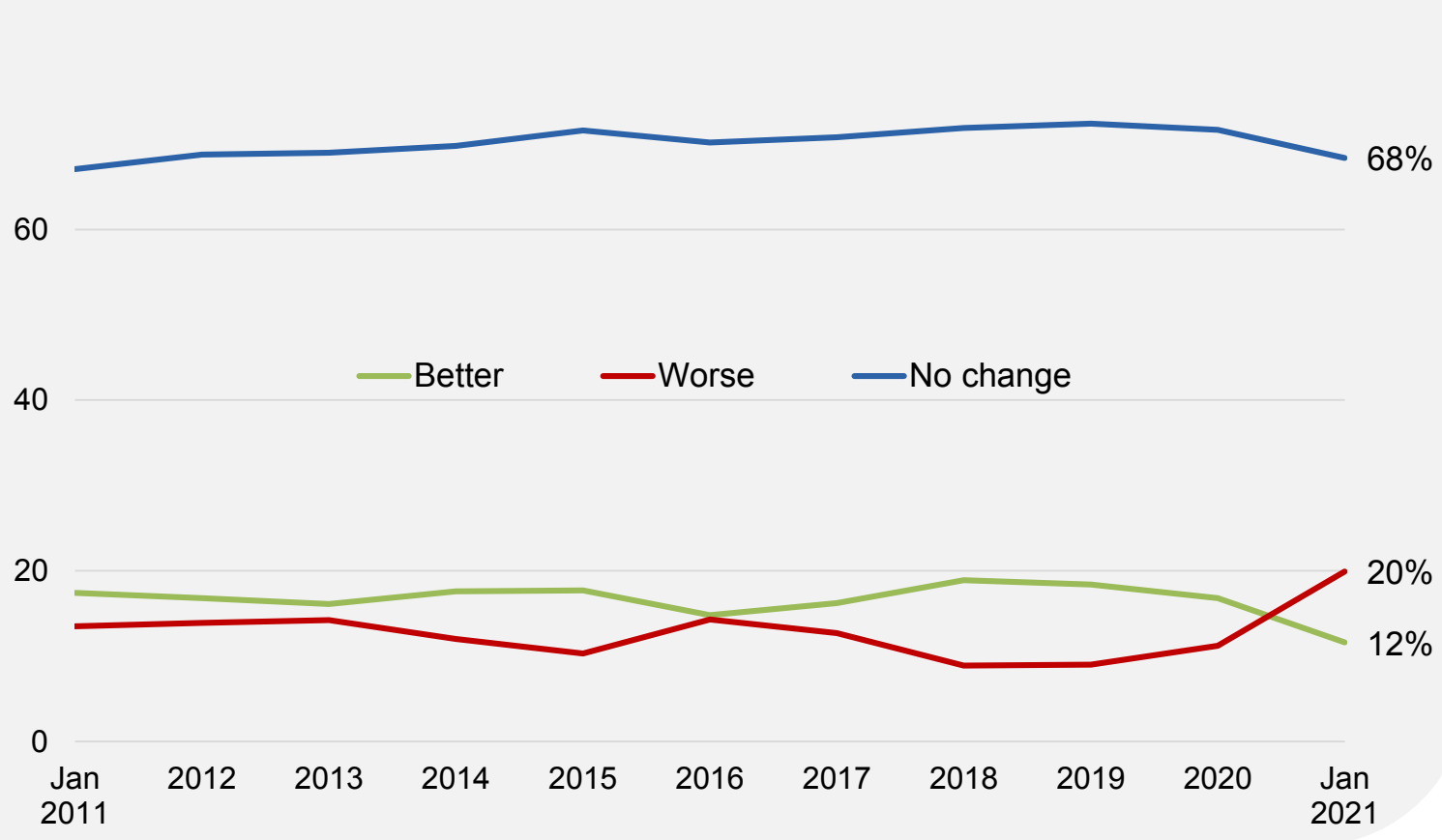
Assessment of the economic situation

Many Germans expect the general economic situation to deteriorate within a year.

With regard to their own economic situation, however, the majority see stable conditions: 12% (previous year 17%) expect an improvement; 20% (previous year 11%) fear a deterioration. The remaining 68% (previous year 72%) expect no change.

This is an essential prerequisite for high holiday demand in 2021.

Personal economic situation

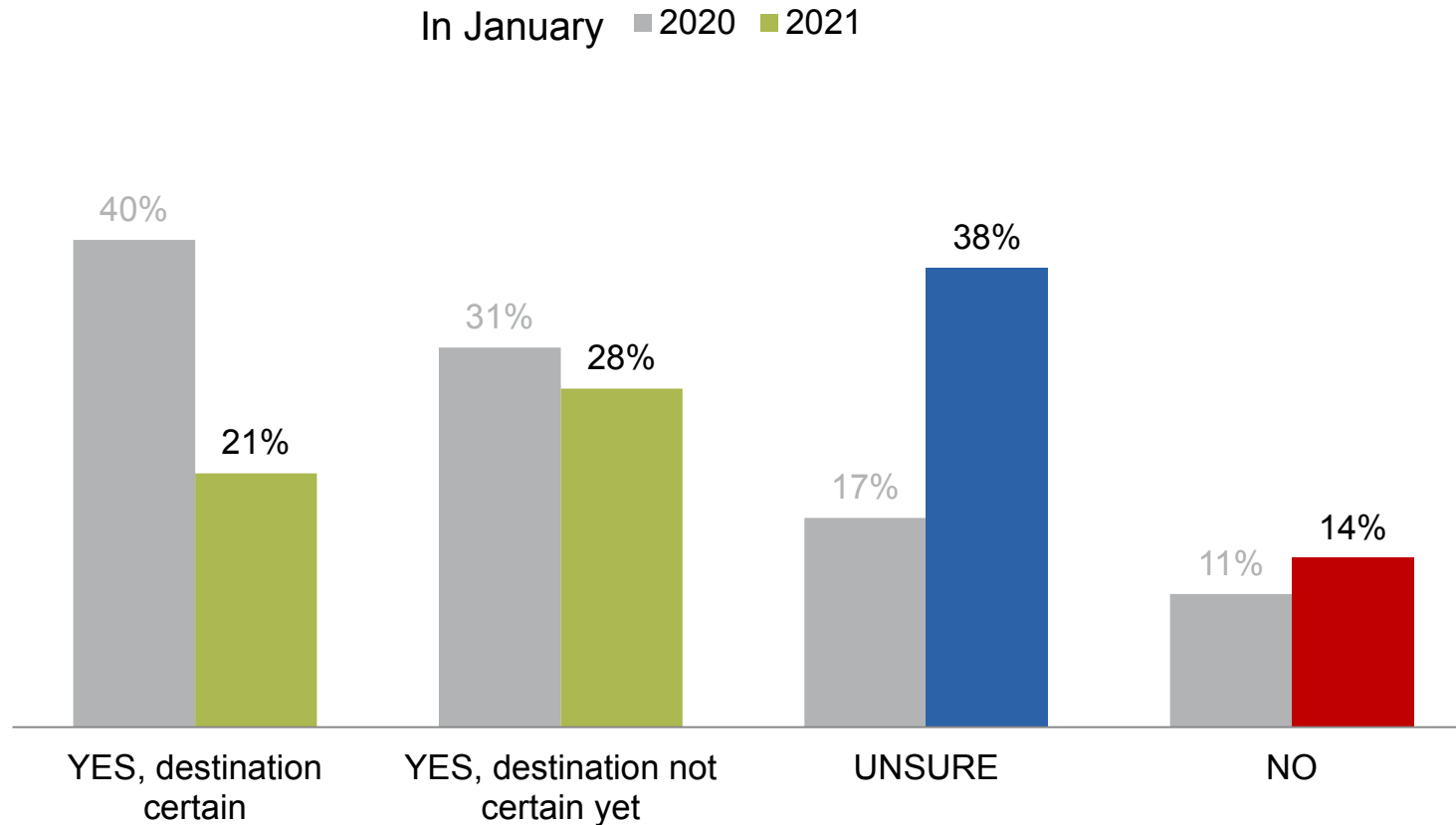


Question: How do you assess the general economic situation in Germany or your personal economic situation? Will it be better, worse or the same in about a year's time?

Basis: German-speaking population, 14 years and older, in Germany; Source: RA 2021 face-to-face

TRAVEL PLANS 2021:

The results give reason for cautious optimism



Status of holiday plans in January 2021

Only 14% of the population are definitely not planning to go on holiday in 2021. This figure is only slightly higher than in the previous year. On the other hand, almost half of the population is planning to travel in 2021: For 21% the destination is already certain, for 28% the destination is still open.

These results give reason to be cautiously optimistic that people will continue to travel on holiday in large numbers in 2021, conditions permitting.

On the other hand, uncertainty is high at the beginning of 2021. At 38% of the population, the level of still uncertain travel planners is more than twice as high as a year ago, while the proportion of those who are already firmly planning with a specific destination is only half as high as at the beginning of 2020.

Corona challenges for the tourism industry

uncertainty

**short-
termism**

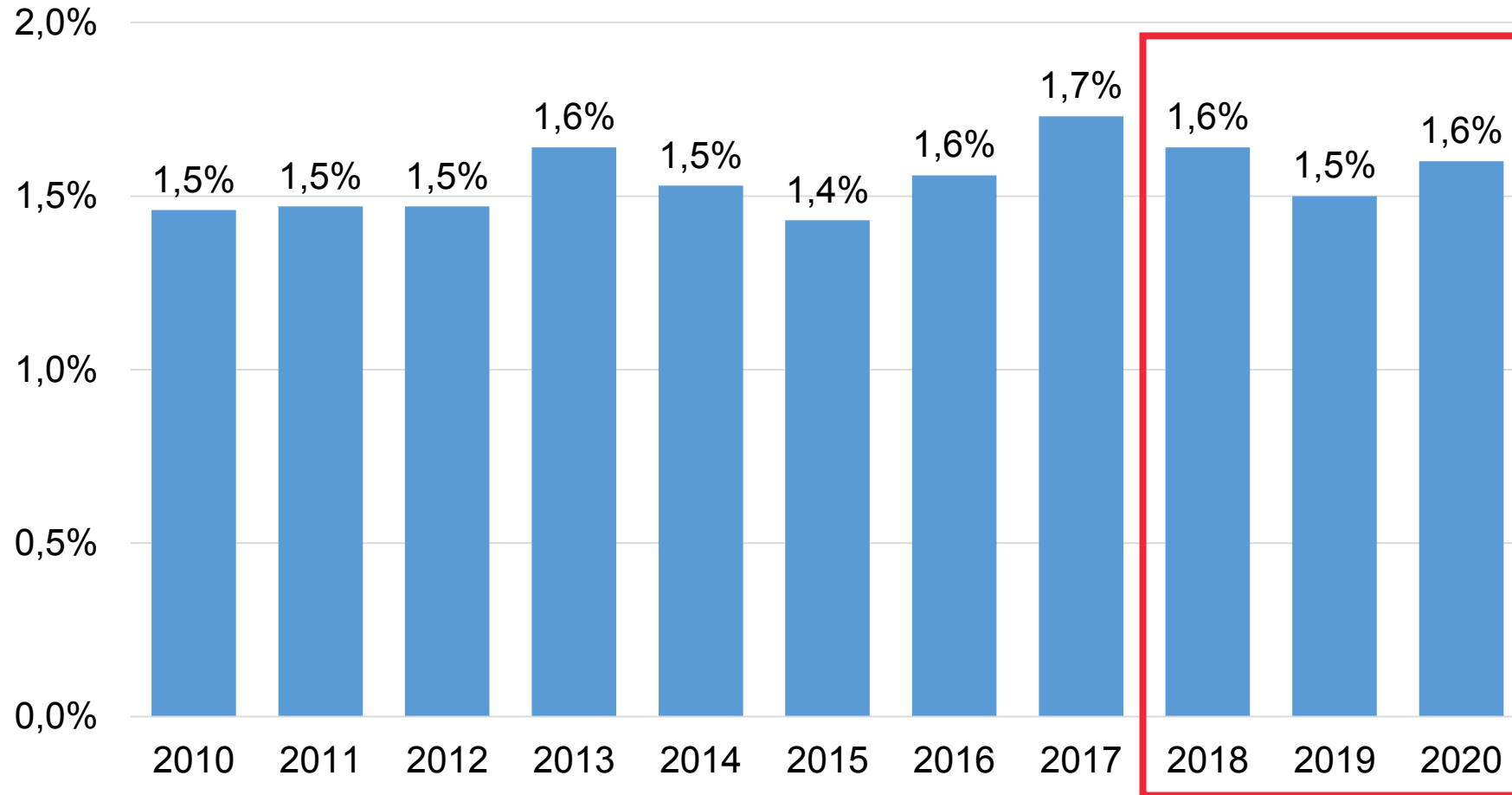
**higher
need for
information**

flexibility

**fairness &
transparency**

Finland on the German market

Holiday trips 5+ days to Scandinavia: Market share of SWE, NOR & FIN in 2020 is equal to 1.6% of all holiday trips



- » 1.6% of all holiday trips 2020 (5+ days) of the population in Germany went to Scandinavia (Finland, Sweden, Norway)
- » Due to the drop of the total volume of holiday trips in 2020, because of the Covid-19-pandemic, this equals only around 0.8 million holiday trips (after 1.1 million in 2019).
- » During the last 10 years the market share of Scandinavia has been quite stable around 1.6%.



Interest to travel to FINLAND: 7.8 million Germans are generally interested to travel to Finland between 2021-2023

Finland last 3 years

1.0% (0.7 million)

of the population in Germany (aged 14+) have been to Finland on holiday or short holiday in the years 2018-2020

Finland next 3 years

11.1% (7.8 million)

of the population in Germany (aged 14+) are "almost definitely planning" or "generally considering" to spend a (short-)holiday in Finland in the years 2021-2023.

Interest for Finland more than
10x bigger than experience
→ space for marketing

- » The Reiseanalyse can provide you with precise information about the German travellers to Finland in the last 3 years and the potential travellers to Finland in the next three years.
- » 11.1% (7.8 million) of the German population is interested in travelling to Finland in the next three years, 1.0% (0.7 million) have been visiting Finland in the past three years.
- » The interest to travel to Finland is more than 11 times higher than the actual demand → This is the "room to manoeuvre" for tourism marketing.

"In which of these countries have you spent a holiday during the last three years (that is 2018, 2019 or 2020)?"

"Are you almost definitely planning to go on a holiday to one of these countries in the next three years? (2021-2023) And which of these countries would you generally consider as a holiday destination in the next three years?"

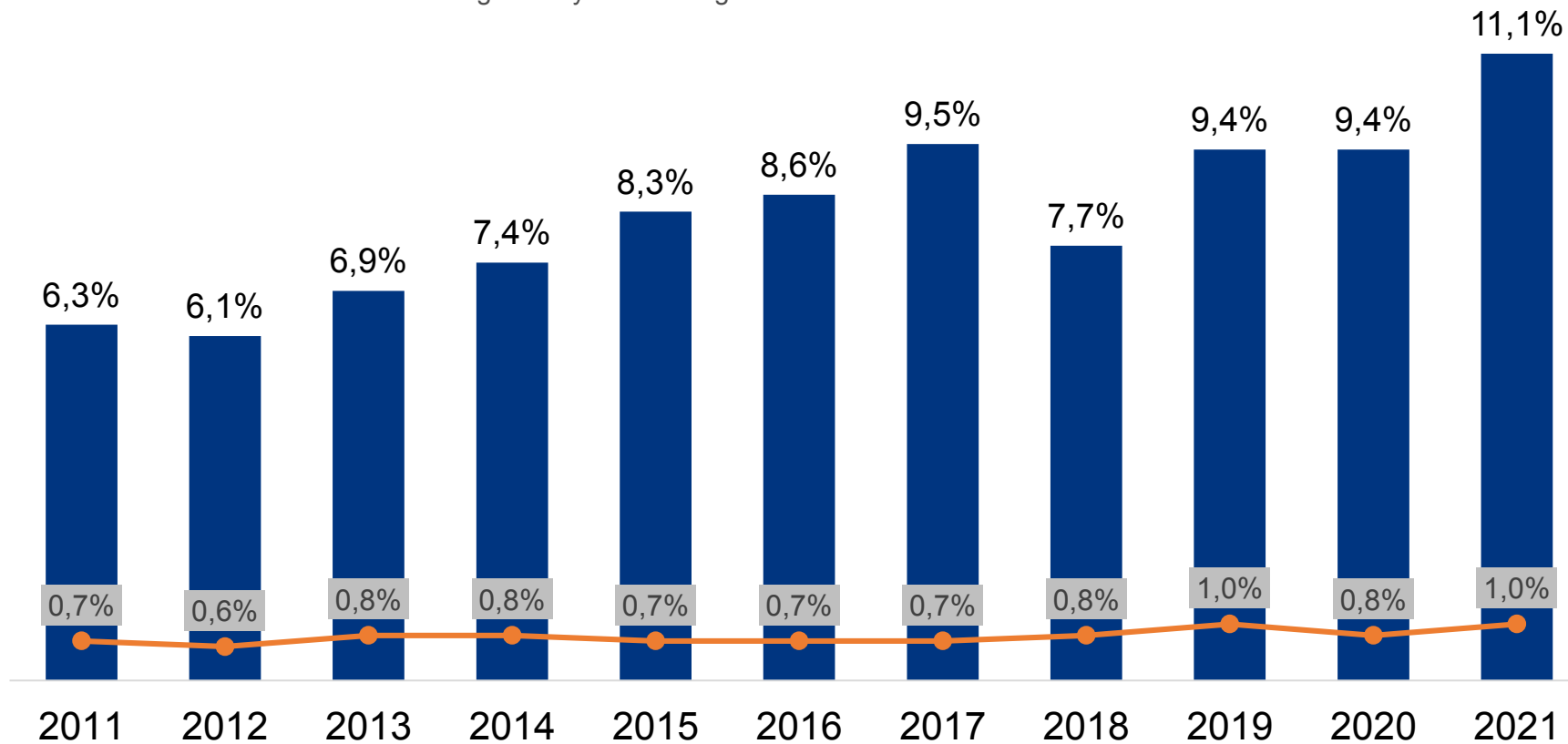
Basis: German-speaking population 14+ years in Germany; Source: Reiseanalyse 2021



Interest to travel to FINLAND: Increased share of potential travellers, stability of actual demand



■ Interest next 3 years ● Experience last 3 years
 Interest = “almost definitely planning”
 or “generally considering”



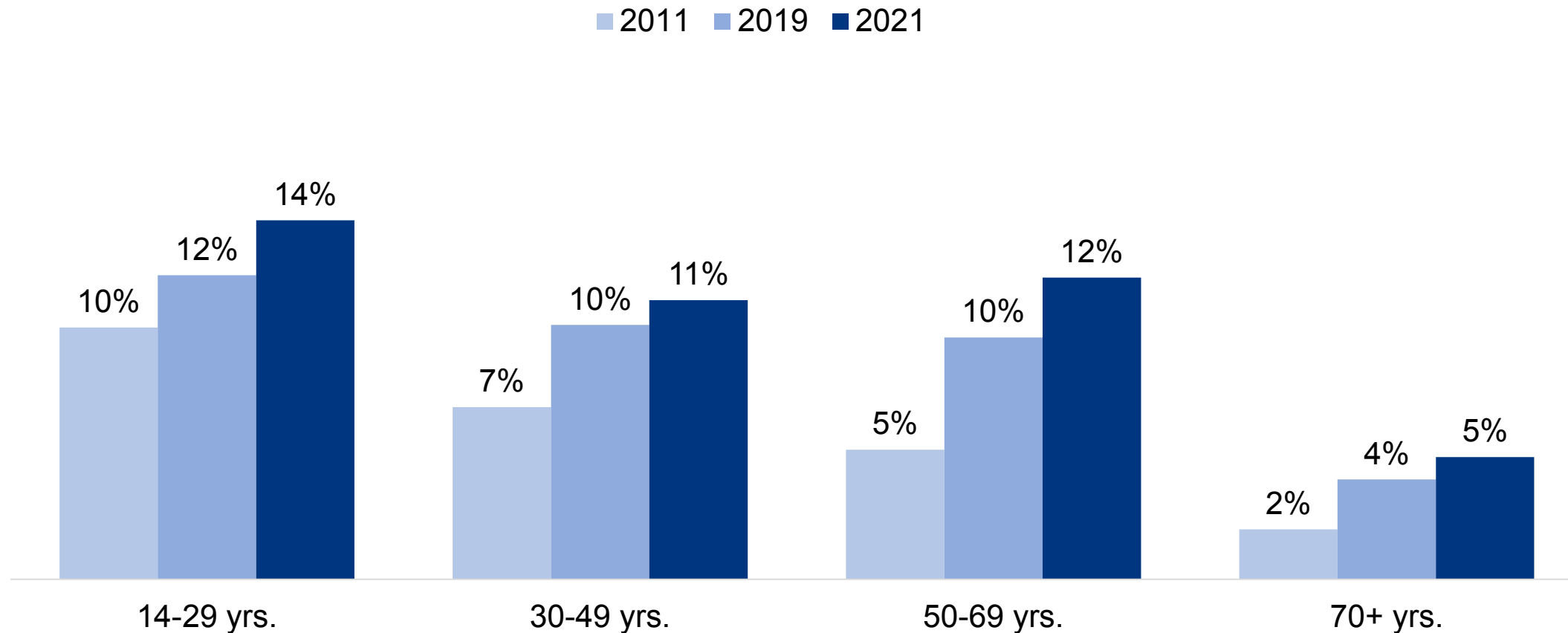
- » Within the last decade the share of Germans “almost definitely planning” or “generally considering” Finland as a holiday destination increased from 6.3% to 11.1%
- » The actual demand has seen a solid growth to 1.0% since 2017 after a period of stability on a level of around 0.7% during the years 2009 to 2017.
- » The 11.1% potential guests to Finland are divided in 1.0% “hard” potential (“almost definitely planning”) and 10.1% “soft” potential (“generally considering”).

“In which of these countries have you spent a holiday during the last three years (that is 2018, 2019 or 2020)?”

“Are you almost definitely planning to go on a holiday to one of these countries in the next three years? (2021-2023) And which of these countries would you generally consider as a holiday destination in the next three years?” Basis: German-speaking population 14+ years in Germany; Source: Reiseanalyse 2021



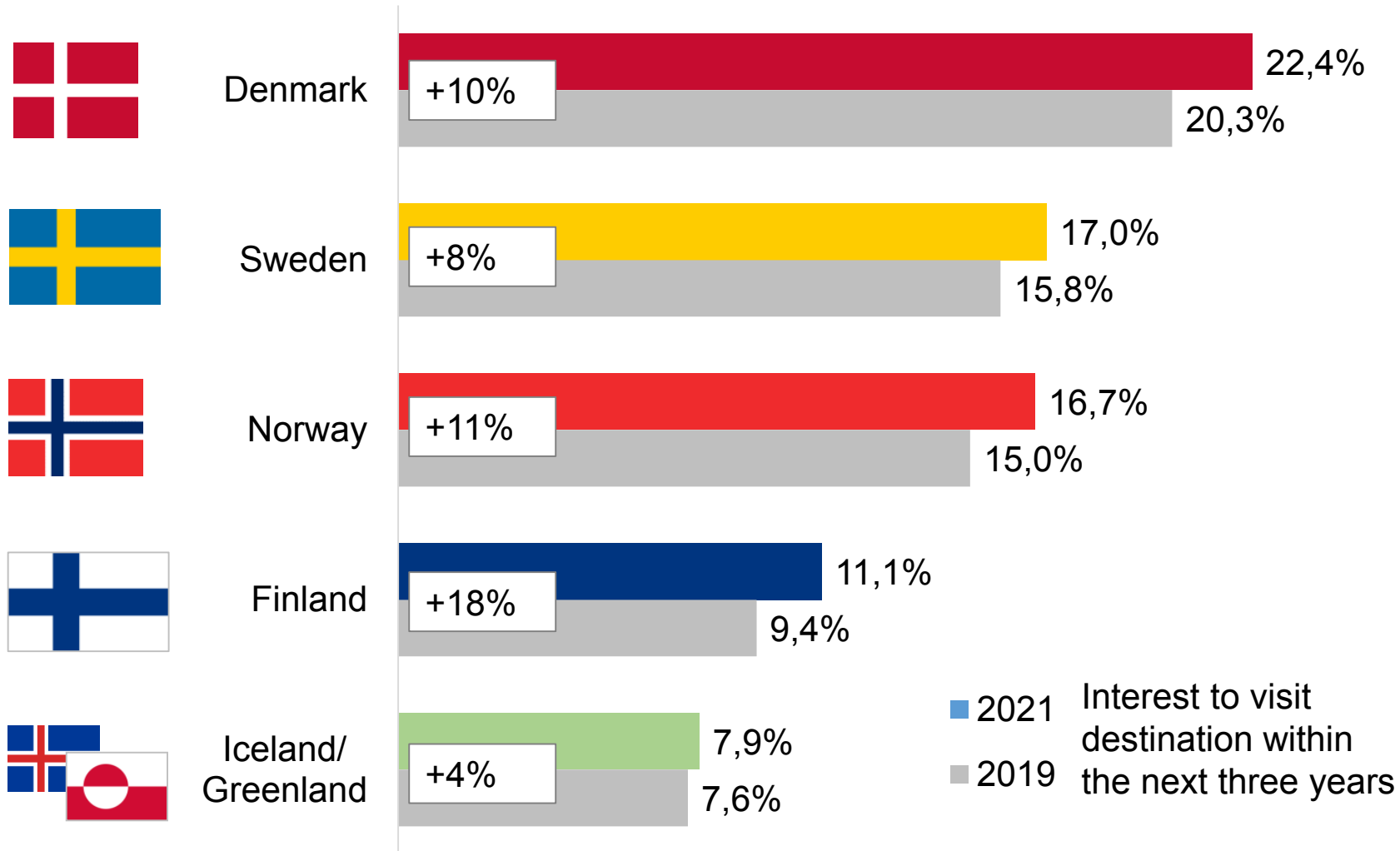
Interest to travel to FINLAND: Developments in different age groups



“Are you almost definitely planning to go on a holiday to one of these countries in the next three years? (2021-2023) And which of these countries would you generally consider as a holiday destination in the next three years?” Set of 46 destinations worldwide;
Basis: German/German-speaking population 14+ years in Germany; Source: Reiseanalyse 2011, 2019 & 2021



Interest to travel to FINLAND: Developments potential guests 2021-2023 compared with competitors in Northern Europe



- » Concerning the development of the share of potential guests in the German population since the last report of 2019, all Nordic countries have seen further growth of the interest to travel there.
- » During this time, the highest growth rate can be found for Finland!

“Are you almost definitely planning to go on a holiday to one of these countries in the next three years? (2021-2023) And which of these countries would you generally consider as a holiday destination in the next three years?” Set of 46 destinations worldwide; Basis: German/German-speaking population 14+ years in Germany; Source: Reiseanalyse 2019 & 2021



Finland on the German market: Most are interested in all three Scandinavian destinations



5.8 million



0.7 million



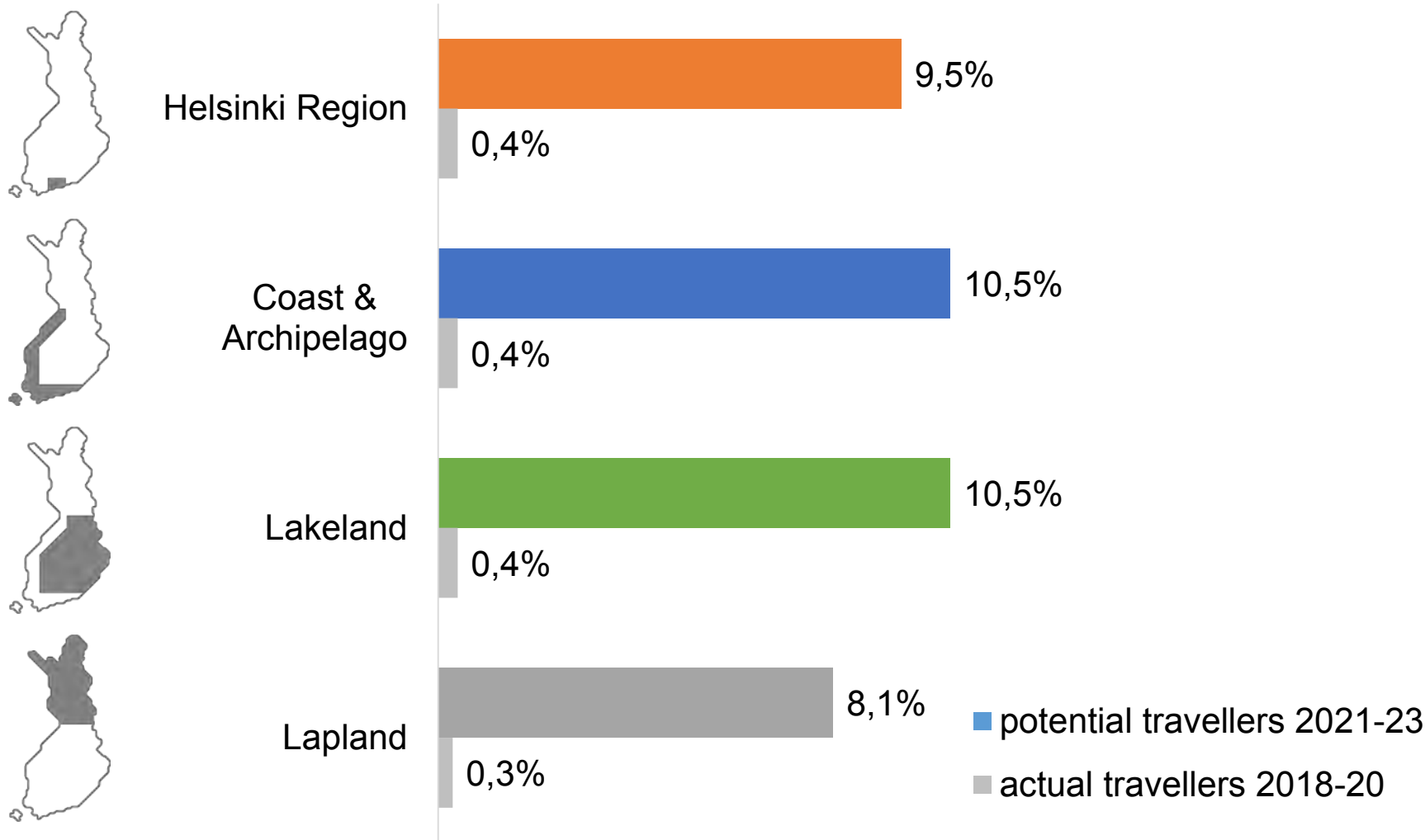
0.6 million



0.8 million



Interest to travel to Finnish Regions: The four regions are almost equally attractive for the German tourists



- » For the first time we are able to identify the potential travellers to the four Finnish regions: Helsinki Region, Coast & Archipelago, Lakeland and Lapland.
- » It appears that all four regions are attractive for the German tourists.
- » 10.5% of the population in Germany are interested in the Coast & Archipelago and in the Lakeland, respectively.
- » 9.5% are interested in the Helsinki Region.
- » 8.1% are interested in Lapland.

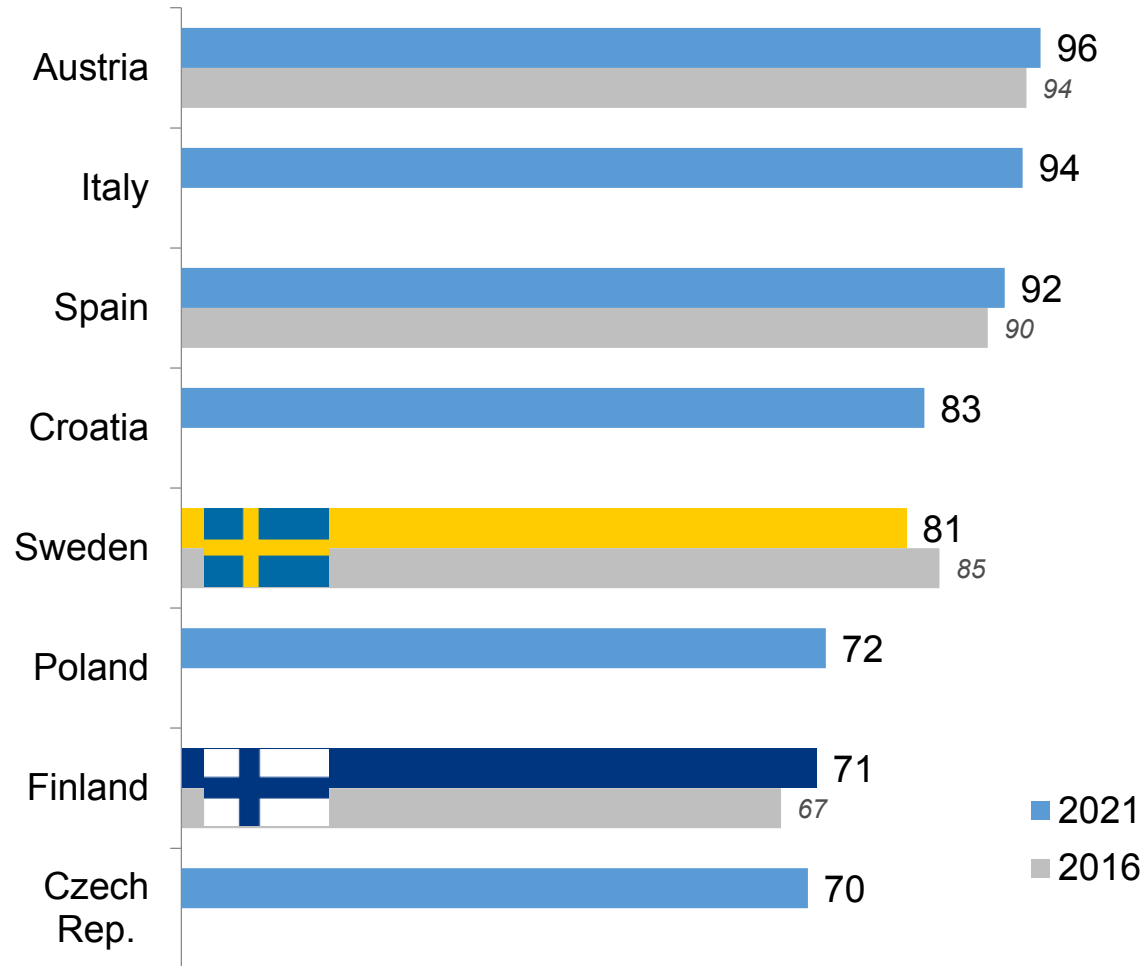
“In which of these regions have you spent a holiday during the last three years (that is 2018, 2019 or 2020)?”

“Are you almost definitely planning to go on a holiday to one of these regions in the next three years? (2021-2023) And which of these region would you generally consider as a holiday destination in the next three years?” Basis: German-speaking population 14+ years in Germany; Source: Reiseanalyse 2021



Image of Finland in Germany

Destination Image: Share of the German population with an image of the destination



*Out of 100 respondents ... % had an image of the destination**

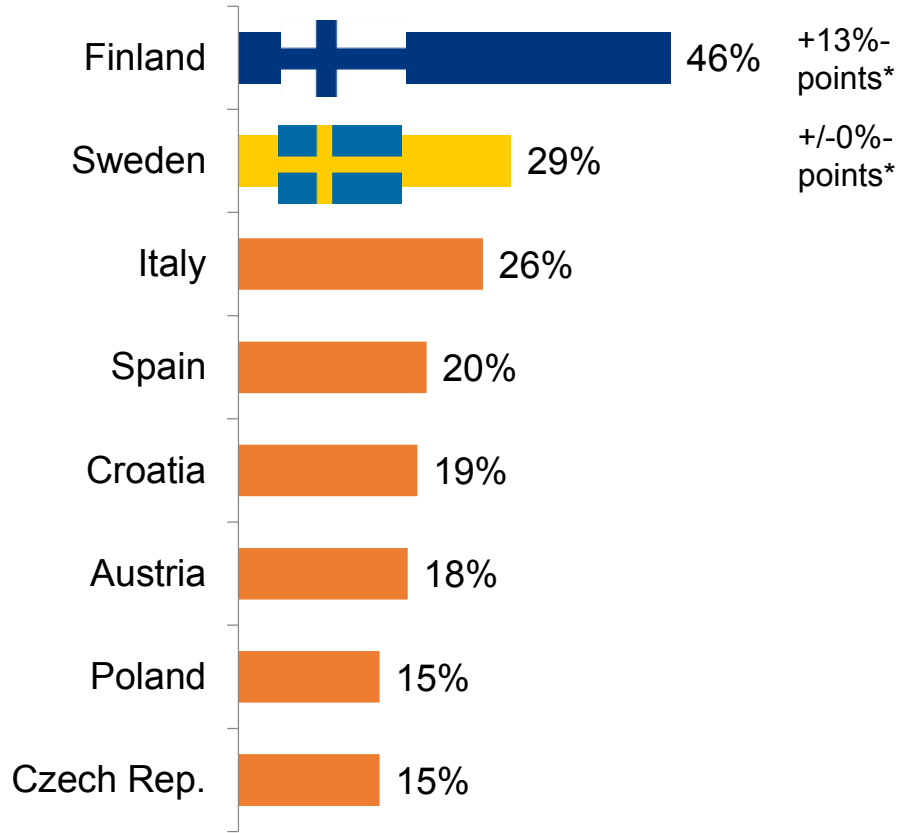
- » The first important conclusion that we can draw from the image question is the share of Germans who are aware of the holiday destination in question, meaning that they have something in mind about that destination at all.
- » In the comparative set of the 2021 image module, Finland is one of the least well known destination.
- » 71% of the Germans have an image of Finland as a holiday destination. This is less compared with Sweden (81%) – but compared to 2016, the gap between Finland and Sweden is much narrower (now 10%-points, then 18%-points)

*Respondents, who did NOT approve to “I don’t have an imagination about this destination”. Question: “Sometimes, you can have a certain imagination about a destination, whether or not you have been there before. Can you tell me which of the characteristics on this list apply to ...?” Basis: German-speaking population 14+ years in Germany; Source: Reiseanalyse 2016 and 2021

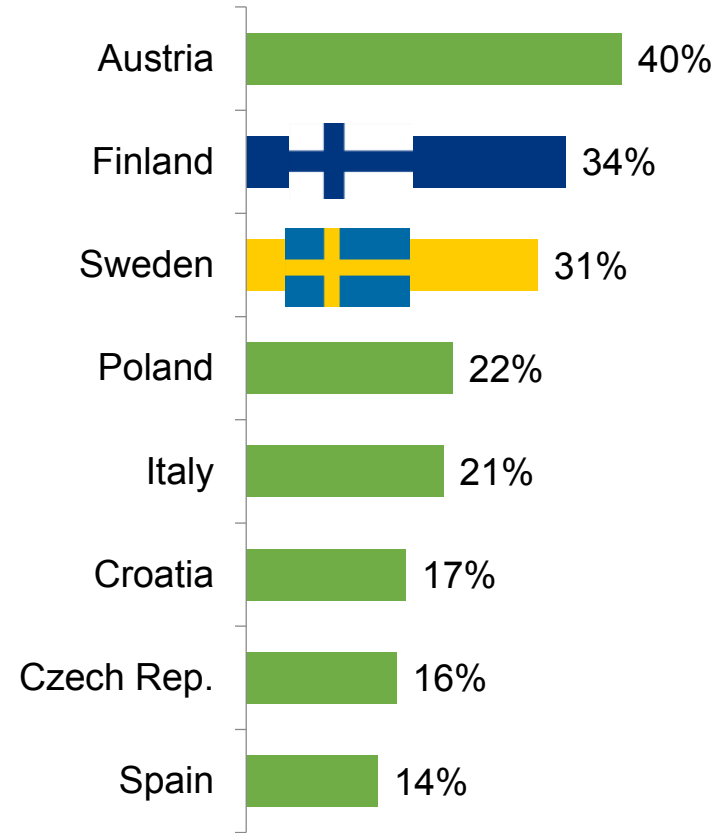


Destination Image: Ranking of destinations regarding the image criteria “unique” and “sustainable” destination

Unique



Sustainable



- » This figures show the ranking of the countries in the image module regarding the image aspects “unique” and “sustainable”.
- » Of all the countries in the questionnaire, Finland is perceived as the most unique holiday destination – with a plus of 13 %-points compared to 2016, way ahead now of Sweden on rank 2.
- » Finland is also ranking high as a sustainable holiday destination. It comes second after Austria but slightly in front of Sweden – as we did not ask for this aspect in 2016, timeline comparisons are not possible.

Question: “Sometimes, you can have a certain imagination about a destination, whether or not you have been there before. Can you tell me which of the characteristics on this list apply to ...?” Basis: German-speaking population 14+ years in Germany with an imagination of the respective destination; Source: Reiseanalyse 2021



Finland in one word:

Cold, Nature, Lakes, Helsinki



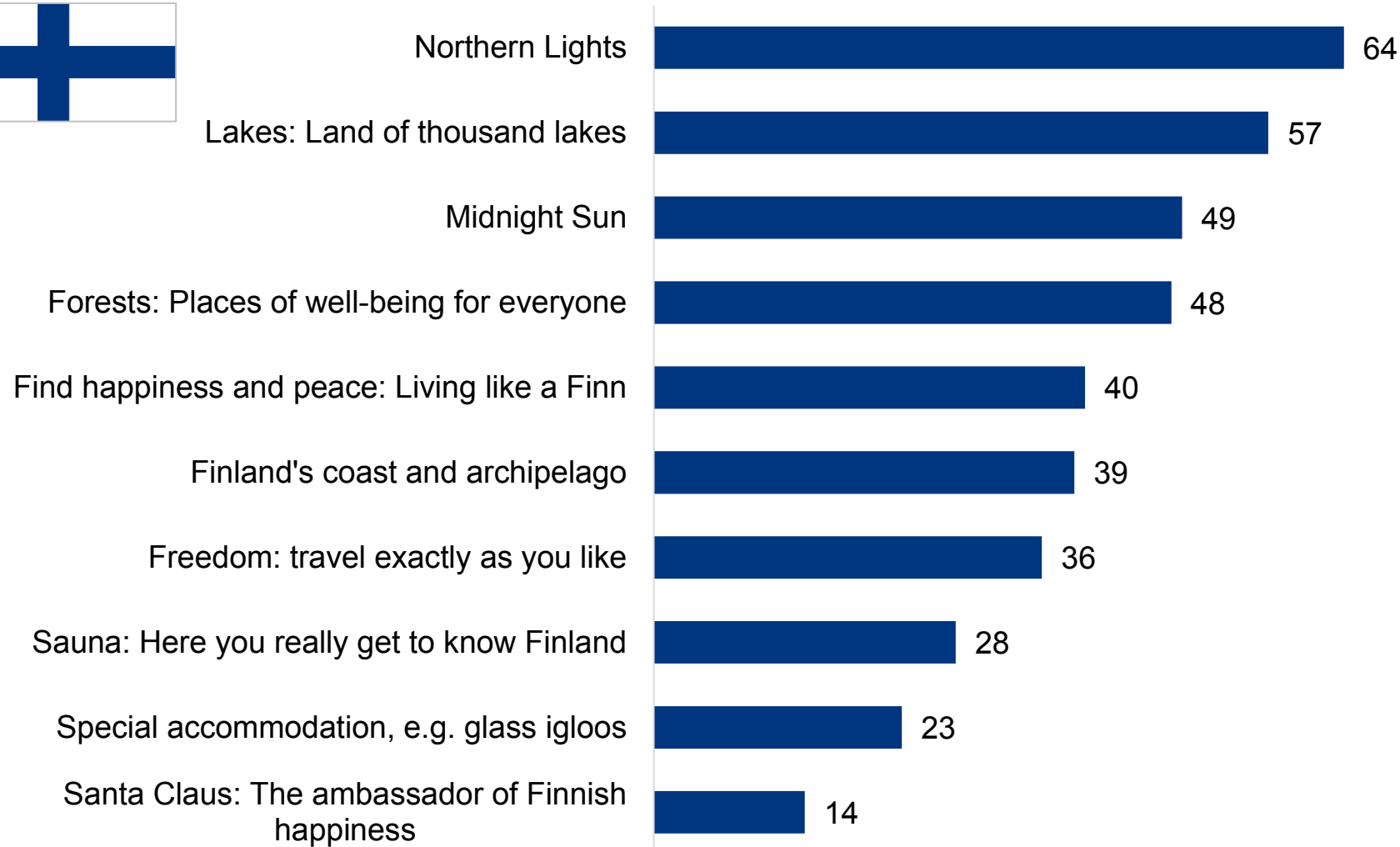
- » In November 2020, we had integrated some special questions in the RA *online* survey, to get an even deeper understanding regarding the destination image of Finland in German.
- » In a very first step, we have asked all the respondents to tell us in one word what first comes to their mind when thinking of Finland as a holiday destination.
- » The top words are:
 - Kalt – cold
 - Natur – nature
 - Seen – lakes
 - Helsinki
 - Landschaft – scenery
 - Wald – forest
 - Sauna
 - Schnee – snow

Question: Now think of Finland as a holiday destination. Please tell us in one word what comes to your mind when you think of Finland as a travel destination? [open question]

Basis: German-speaking population aged 14-75 years (n=2,611), source: RA *online* 11/2020



Highlights of Finland: Northern Lights, Lakes, Midnight Sun, Forests



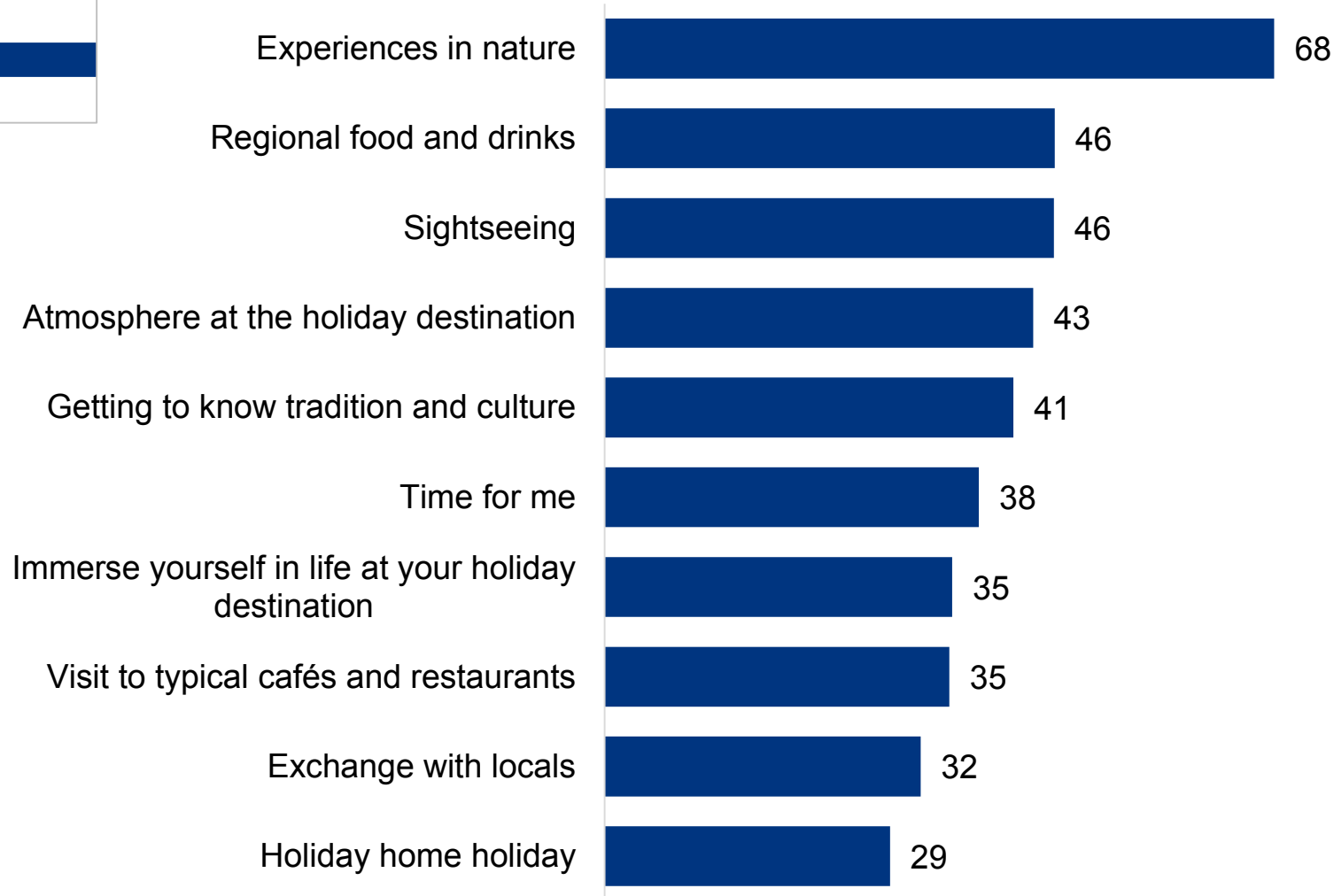
- » Potential travellers to Finland (interested to travel to at least one of the four Finnish regions in the next 5 years) think the special highlights of Finland are Northern lights, Lakes, Midnight Sun and Forests.
- » Besides these natural features, also the intangible Finnish happiness and freedom play a quite important role – they are more important than the Sauna and Santa Claus.
- » The ranking in the population is the same as with the Finland-Potential.

Question: What do you think are the special highlights of Finland as a holiday destination? in %

Basis: German-speaking population aged 14-75 years (n=2,611), therein Finland-Potential (interest in at least one of the Finnish regions; n=1,361), source: RA online 11/2020



Like to experience in Finland (Top 10): nature, food, sights – but also feeling, immersion, time



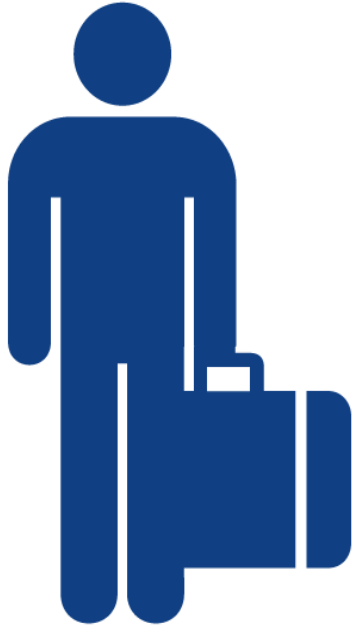
- » When asking the Finland-potential about what they want to experience on a trip to Finland, we see again the dominance of nature.
- » But after nature, we see a variety of aspects, material and immaterial, that can help to sharpen the marketing message and inspire for product development.

Question: What would you like to experience on a trip to Finland? in %

Basis: German-speaking population aged 14-75 years (n=2,611), therein Finland-Potential (interest in at least one of the Finnish regions; n=1,361), source: RA online 11/2020



Conclusion



- ▶ The Germans' desire for holiday travel remains on a high level
- ▶ They will travel in high volumes, even during the pandemic, if it is possible – everything now depends on the development of the pandemic and the political regulations in the markets and destinations.
- ▶ Good development and outlook for Finland on der German market
- ▶ Image research can inspire marketing
- ▶ More to come later in 2021 ...



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