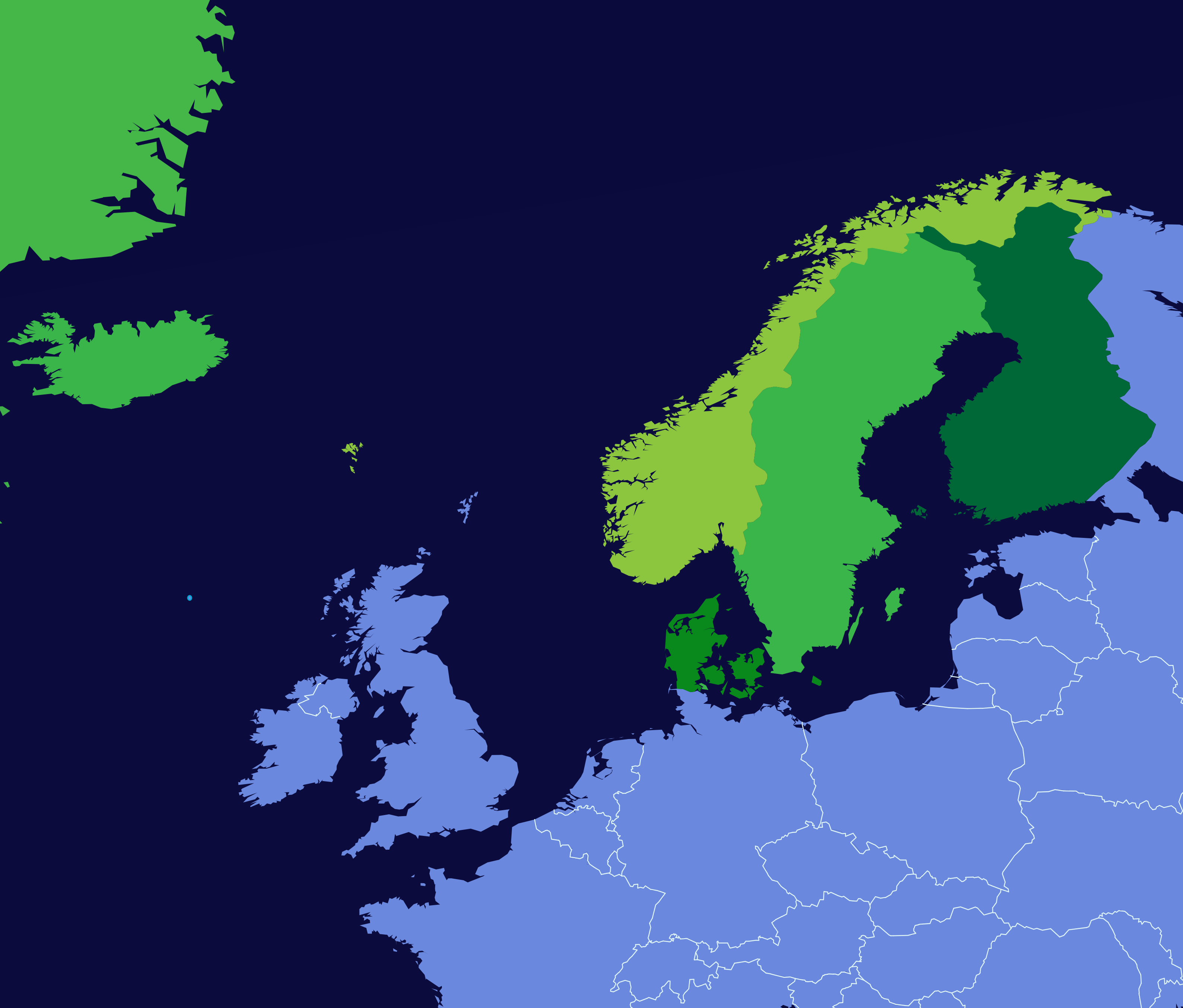
April 2020

THE NORDICS

Indian Market Segment: High Spending FITs

Opportunities and Challenges for Nordic Destinations



Contents

This research was conducted by Kubi Kalloo Ltd., in Dec 2019-Feb 2020, i.e. before the covid-19 virus had had any greater effect on the travel industry. Further research will be needed to confirm the country brand images and travel plans in India once the lockdown is removed.

Please use the following source when quoting: Kubi Kalloo Ltd. on behalf of The Nordic Destination Marketing Organisations, "Indian Market: Opportunities and Challenges for Nordic Destinations", 2020.

BACKGROUND

Visit Finland

BACKGROUND TO THE STUDY

The Indian tourism market is significant and growing, representing a huge opportunity for countries and regions to embrace. The United Nations World Tourism Organisation (UNWTO) quantified the number of outbound tourists from India in 2016 at 21.9 million and predicts the number will more than double to 50 million in 2020.[1] The view of this opportunity expands when also taking into account the increasing proportion of the Indian population that has yet to travel long-haul, but now has enough disposable income to do so.

The fast growth in Indian travel has been spurred by economic, political and societal shifts of recent years. Significant economic development in India, partnered with the expansion of air travel, increasingly powerful and available passports, as well as increased efficiency in visa provision have enabled Indian tourists to go further afield. Another significant influence is a changing mindset. A young population, inspired by a boom in digital technology and social media, is beginning to break the patterns of older generations and seek travel experiences that are outside, rather than within the norm.

While the total Indian tourism opportunity is undeniable, the current growth forecasts for Indian travel to the Nordic region remain relatively cautious in comparison to other destinations.[2] The Nordic Destination Marketing Organisations (DMOs) are keen to capitalise on the Indian opportunity but recognise there may be barriers to realising this market's potential in elements of their current offering or in how it is communicated. In order to inform both effective and efficient future marketing strategy, they wished to commission a large-scale piece of foundational research. In 2019 they commissioned a global research agency, Kubi Kalloo Ltd, to conduct a broad scope research project to provide this foundational understanding and identify strategic opportunities.

This report details the findings from the study and provides brand, product and communications recommendations to generate increased interest in India for leisure travel to the Nordics.

STUDY OBJECTIVES

In order to direct future marketing strategy and capture current 'unknowns' within the Indian opportunity, this research project needed to provide rich insight into the target market. Its remit stretches through strategy, activation guidance, as well as opportunities in product development. The full set of objectives are shown below:

- To size the opportunity and its potential;
- To outline any target sub-groups that offer particular opportunity, providing both a detailed demographic and attitudinal profile, as well as guidance on how best to motivate them;
- To clearly depict needs, motivations, barriers and the customer journey to inform messaging and channel strategy;
- To contribute thinking to wider brand platform work being undertaken by the collegiate of Nordic DMOs;
- To inform future joint product development to design the most attractive 'Nordic Experience' for the right target audience
- All with the aim to provide direction on the three elements of sustainability; economic, environmental and social.

1 UNWTO "The State of India Outbound Travel" 2018
2 Tourism Economics "Nordic Tourism Outlook April" 2018

STUDY METHODOLOGY

There were 4 main pillars to this research, involving both industry and consumer elements, as well as qualitative and quantitative methodologies. These were as follows:

1. A qualitative online consumer community
2. Qualitative face to face in-home interviews
3. A quantitative survey of over 1000 Indian consumers
4. Industry interviews involving both Nordic and Indian organisations

A more detailed depiction of each stage of the research is below:

Qualitative Online Consumer Community

The goal for this element was to provide a broad, qualitative understanding of the target audience, defined as High Spending, Free Independent Travellers (HSFITs), their customer journey in holiday booking and where the Nordic region sits within their consideration. As the first step in the research process, it identified hypotheses and areas for exploration in the subsequent phases.

The method involved the recruitment of 20 Indian HSFITs and engagement within a 6 day online qualitative platform. Respondents were provided with a range of creative and explorative exercises to understand their travel attitudes, behaviours and the status of the Nordics in their consideration.

The sample The same overarching sample criteria was applied across all consumer elements of this work, whether qualitative or quantitative. The sample was broadly amongst the pre-identified opportunity audience of HSFITs. The sample frame spanned across 5 Indian cities of New Delhi, Mumbai, Chennai, Bangalore and Hyderabad and to ensure their fit with a HSFIT profile, each individual was checked as meeting a set of additional criteria:

- Citizen/nationals of India
- Passport holders, past 6-month international travellers, or next 6-month international travellers, including imminent first-time global travellers
- The decision-makers or key influencers when it comes to international leisure travel
- Actively interested in the pursuit of independent, non-tour holidays
- Non rejectors of Nordic travel
- Professionals or within a professional household
- Mix of age (spanned 18-65 years)
- Mix of gender

Qualitative face to face in-home interviews

The goal for this element was to provide unique richness of insight into the HSFIT's decision making process and influences when it comes to leisure travel. Through an in-home approach, it was possible to engage with additional family members who would be involved in decision making and gain a deeper understanding of the participant's context within which they make travel choices.

The method involved 1.5-hour face to face conversations in the respondent's home. Respondents were recruited as far as possible from the community phase, with additional recruits to ensure a total of 10 respondents. These took place in New Delhi and Mumbai and moderation led by local moderators.

A quantitative survey of over 1000 Indian consumers

The goals for this element were to measure the overarching Indian HSFIT opportunity and to prioritise strategic recommendations. As the design of the quantitative questionnaire was informed significantly by the previous qualitative phases, it would be possible to size pre-existing insights amongst a broader population. In addition, the quantitative phase could add the granularity of data required for identifying and profiling any higher opportunity sub-audience(s) within the HSFIT group.

The method Kubi Kalloo partnered with a global panel provider, Dynata, to reach 1020 HSFIT consumers in India for engagement in a 15-minute interview. The survey covered behaviours and attitudes around travel in general, as well as knowledge and interest in the Nordic region and associated countries, in addition to demographic questions. Recruitment quotas were placed equally across the 5 cities of New Delhi, Mumbai, Hyderabad, Chennai and Bangalore, but for reporting purposes total data were weighted to be representative of the relative size of each city.

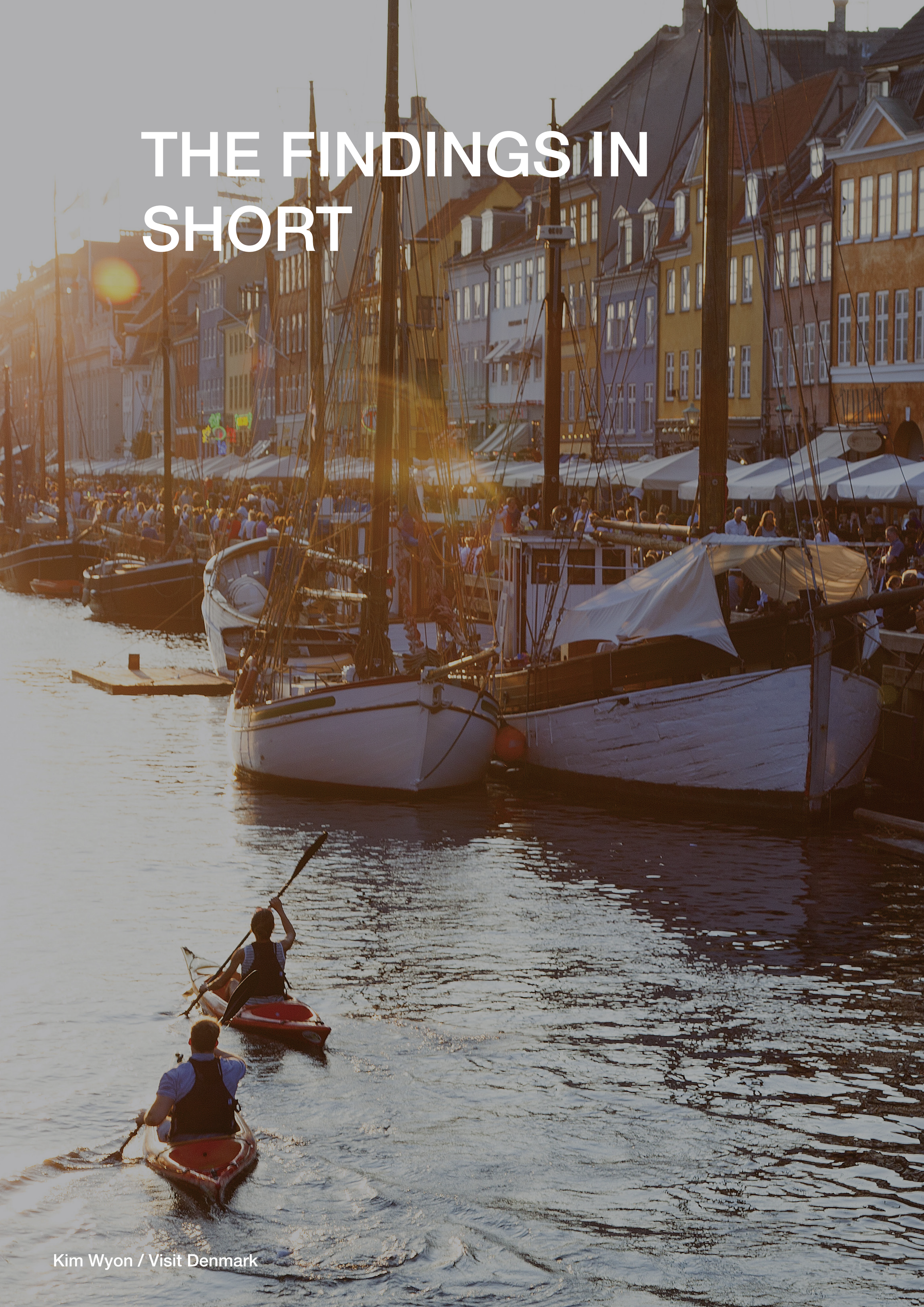
Industry interviews

The goals for this element were to gain the industry perspective on the India to Nordic opportunity, and how best to realise its potential. Conversations were focussed on depicting the market, discussing the challenges for travel agents and Destination Management Companies (DMCs), and identifying a range of strategies that could support industry in inspiring and managing Indian travel to the Nordics.

The method Target contacts for this element were supplied by the commissioning DMOs and spanned DMCs and tour agents based both on the ground in the Nordics and in India, as well as relevant individuals working for the Nordic tourist boards. Interviews lasted around 45 minutes, took place on the telephone and were conducted by Directors from the Kubi Kalloo team. 10 industry experts were interviewed.

The total fieldwork period for this project spanned from November 2019 to the end of February 2020.

THE FINDINGS IN SHORT



Kim Wyon / Visit Denmark

THE FINDINGS IN SHORT

Below are the insight highlights as identified by this study:

1. **The India to Nordics travel market remains at a nascent phase.** The primary hurdle to overcome will be the current low mental availability of the Nordics in Indian consumers' destination planning journeys. There is perceived to be growing interest, as younger Indian tourists break traditional holidaying patterns and seek out new and different destinations, but the market can still be considered very young.

2. This means that the **associations that Indian HSFITs hold of the Nordics are very top-level, and somewhat reliant on stereotyping**. There is confusion about the countries that form the region and very limited understanding of individual Nordic country offerings.

3. Where Indian HSFIT tourists do have a perception of the region as a whole, it is to do with **snow and ice related nature experiences**, the Northern Lights especially, as well as a connection with history (Vikings), offering unique and sometimes challenging experiences, and as being an area which is at the forefront of sustainability efforts.

4. There is a competitive challenge posed by the limited image the Nordic region currently holds in Indian HSFITs' minds (of exciting snow / ice adventures), in that Switzerland also occupies a very similar perceptual space. However, Switzerland enjoys a far deeper relationship with the Indian consumer, due to its longstanding partnerships with Bollywood. **A big task will be to drive a perceptual wedge between the Nordics and Switzerland.**

5. There is v**ery little connection of the Nordics with summer** related activities at present, although tour agents on the ground in India say that the Nordics should offer opportunity for Indians seeking a fresher summer destination, as Southern and Central Europe become increasingly stifling in the summer months.

6. **Experiencing Nordic nature is the primary appeal factor at present**. The ability to take part in snow / ice related activities, and to have new and sometimes surreal adventures (the Northern Lights especially) that few of their friends or family would have previously experienced.

7. **Sustainability, while associated with the Nordics, is not a driver to destination choice** amongst the Indian market at present.

8. Where there are barriers (above and beyond a primary barrier of low awareness), significant examples are – **concerns about how you travel around** within the region, **concerns about how you manage in the cold**, and the **availability of vegetarian food in rural locations**. Because a trip to the Nordics is deemed very expensive and would naturally be packed with many differing types of experiences, Indian HSFIT tourists imagine a multi-stop trip, involving cities and nature. But they need reassurance they will have all the things they need (food and travel) throughout the entirety of their trip.

9. Industry experts report a barrier concerning a **mismatch of service expectation and in-country provision**. They believe a segment of Indian consumers require a level of service that is beyond what is feasible in the Nordic market due to the high labour cost implied.

In order to help maximise the Indian opportunity in the future, this report will detail numerous marketing strategies in response to the core insights. It will identify a sub-segment of the HSFIT audience that represents the best 'fit' with travel to the Nordics (in that their holiday motivations align most closely with in-market provision) and amongst whom a better-known offering should greatly appeal. It will also outline a range of brand, marcomms and product strategies to unlock the opportunity with this audience.

THE FINDINGS IN DETAIL

THE FINDINGS IN DETAIL

1. Status of the Market & Sizing its Potential

Aspirations are Changing

Until recently many wealthier Indians emphasised earning, saving and the acquisition of material possessions to demonstrate social standing. The concept of who you are was defined by what you owned. However, a recent study for Wonderful Copenhagen reported on a shift in the meaning of status and how that plays out through travel. They report of a new generation more focussed on living life in the now and using 'travel as the new badge of being successful[3] . This cultural shift ties in with increased travel overall as well as broadening perspectives on where to go.

Many of the experts and consumers interviewed in this project spoke of a historic 'tick-list' of destinations that Indian tourists would aim to cover one-by-one through their lifetime. New and different destinations would often only be considered if the traveller had managed to work their way first through the pre-determined list. For many this looked like: 1. South East Asia 2. Dubai 3. Europe – France, UK or Switzerland and 4. USA and beyond. This tick-list was widely known and pursued. It paints a picture of a collective and conformist attitude to travel. In this context, it was highly challenging for other destinations to break into the consideration set.

However, modern day status-seeking and how it relates to travel shows a break from this pattern, providing greater opportunity for countries and regions outside of the previously pre-determined list. DMC's in India report an increased desire amongst younger Indian HSFITs (Gen X, Millennials, Gen Z) to seek out unique and unexpected destinations. Indeed, their more individualistic aspiration can be described as one of non-conformity. As such the consideration pool is hugely widened and provides opportunity for traditionally lesser-known destinations, the Nordics included.

Indeed, destination choice is now influenced significantly by social media and the potential for 'instagrammability'. If status-seeking is now more about demonstrating flair and individualism in travel, this necessitates it being captured and broadcast to social and family groups. Industry experts and consumers are aligned; that younger generations of Indians are increasingly seeking destinations that provide instant and unique visual storytelling opportunities.

A market more daring

Corresponding to these shifts in destination behaviours, the 'typical' Indian tourist group may also be re-defined in 2020. Traditionally, the Indian travel market has been epitomised as:

- Large groups on packaged tours (often groups of 30+)
- Multi-generational / extended families with a complex range of needs
- Excess luggage and VIP Culture
- High demand for service and relatively little appetite for any DIY[4]

This type of travel could be described as exploration within the comfort of familiarity. Seeking new experiences but retaining home comforts in terms of who you're travelling with and how you live holiday life abroad.

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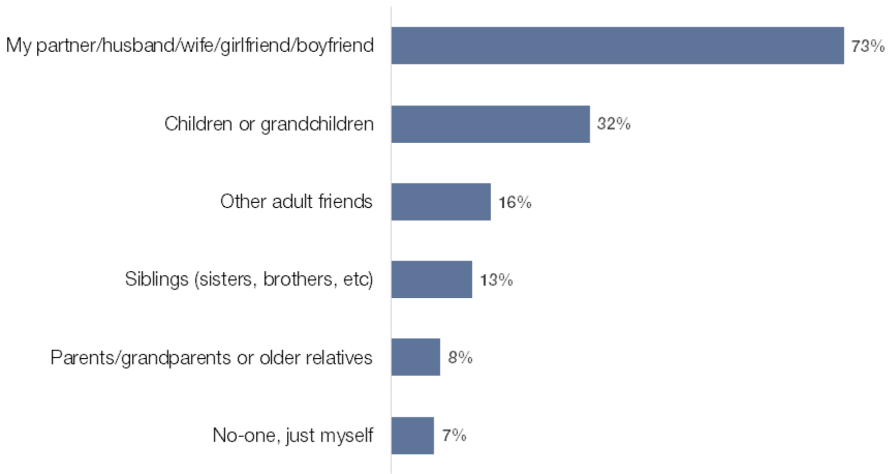
3 Quipper Research PVT for Wonderful Copenhagen 2018.
4 Ibid.

The Nordic-based tour agents interviewed within this project expressed how difficult it could be to meet the high service expectations of large Indian groups. Both Nordic and Indian based travel providers stated a clash between service level expectations (such as having drivers, cooks, maid services continually at the disposition of the group) and the confines of in-country provision. Delivery of this level of service in European countries comes at too significant a cost for it to be viable for many Indian tourists, so in the past, agents on both sides have needed to invest significant effort and time in managing expectations and setting clear boundaries prior to departure.

There are numerous signs that this pressure on service and expectation management is relieving and will continue to do so as travel tastes change within the Indian market. The professionals and consumers interviewed as part of this research depicted a broadening of the definition of Indian tourist groups. They report an increase in independent, solo, couple or nuclear family travel as opposed to large groups. Indeed, when consumers were asked to describe the travel group for their most recently holiday in the quantitative survey, the results were as follows:

HOLIDAY GROUPS

B15: And who was with you on this (your most recent) holiday? n = 585



By nature, smaller, more independent groups should be easier to support in both planning and hosting and this again further widens the overall Indian opportunity in the Nordics.

The participants of this research also depicted a shift in mindset amongst Indian tourists. This was described as an increasing enthusiasm for embracing the unfamiliar. The under 45s were keen to emphasise their willingness to stretch outside their comfort zone; organise their own travel, try new foods and involve themselves in more challenging cultural experiences when on holiday. In addition, when travelling solo, as couples, or in small groups, they described more opportunity for spontaneity when they could be focused on their own needs rather than the needs of others. As the changing nature of status-seeking implicates travel, so too does the need (or lack of need) for the familiar. Emergent Indian travellers can increasingly be typified as individualistic and confident explorers.

This has many positive implications for Nordic tourism. As a region, the Nordics are very well placed to provide the highly unique experiences the modern Indian tourist is seeking. By nature, the landscape, activities, food and culture contrast significantly with the at-home experience of city-living Indian tourists and naturally align with the growing trend for intrepid exploration. From organisational and management perspectives, the changing nature of Indian travel groups and their requirements should also facilitate an easier relationship than may have been the case in the past, where service provision and expectations come more in line.

The target pool is significant

Indeed, the sheer size of the opportunity audience supports the focus on the Indian market. The table below shows a calculation of the overall size of the High Spending, Free Independent Travelling (HSFIT) audience in India. It fuses both published population information (e.g. population figures, internet access) with metrics gathered through the quantitative survey from this work (e.g. HSFIT qualifiers).

This calculation estimates the total HSFIT audience from the targeted regions of Delhi, Mumbai, Chennai, Hyderabad to stand at c. 11.5m people. This represents a significant opportunity audience amongst whom to establish greater share of travel expenditure.

Total India Population 2020	1,380,004,385
Population from targeted regions (Delhi, Mumbai, Chennai, Hyderabad, Bangalore)	
Bangalore	12,327,000
Delhi	20,188,648
Mumbai	4,500,000
Chennai	0,967,040
Hyderabad	0,004,000
Total targeted city population	**77,986,688**
Discounting to accommodate for only adult proportion of the population:	
Proportion of Adults	66%
Total targetable population	**51,471,214**
Proportion with Online Access:	
Proportion online	43%
Total eligible population	**22,132,622**
Other HSFIT Qualifiers:	
Minimum Income 35,000 Rupees per month	64%
International Traveller	82%
Will Travel in Next 12 Months	99%
Total HSFIT Estimated Population from Targeted Regions	**11,579,210**

But this is still a nascent market

While this project evidences many economic and social shifts that create fertile ground for Indian travel to the Nordics, it is still in a nascent phase.

Industry experts report a recent increase in in-coming enquiries about the Nordic region, particularly from young and middle-aged travellers. They perceive this to have been due in great part to the featuring of Nordic locations in Bollywood music and film. In turn, they feel increased knowledge and confidence in converting these enquiries where they have participated in the hugely praised travel roadshows. In asking consumers about their interest in various global regions for the regions forthcoming leisure travel, the Nordic region now features high:

FUTURE INTEREST – REGION LEVEL

B1-B5: We are interested to know how likely you are to realistically visit each of the following continents in the next 12 months (results shown are 7-10 incl. on a 10 point scale) n = 1020

Tier 1 Group (over 50%)

60% Western Europe
60% Southern Europe
59% The British Isles
57% Australia
56% United States of America
55% Nordics
54% New Zealand
54% Canada
54% Southeast Asia
51% East Asia
51% Eastern Europe

Tier 2 Group (under 50%)

48% Central America
47% Other Northern Europe
46% Mexico
45% The Caribbean
44% Pacific Islands
42% South Asia
41% Western Asia
38% Central Asia

The 'Nordic word' is getting out there, but incidence of any deep knowledge of the Nordic offering in particular, remains extremely rare. Travel advisors in both India and the Nordics report frequent and long discussions with potential tourists about the region, but a sustained low rate of conversion. This market is still fact-finding; understanding what the Nordics have to offer as a holiday destination and how a trip would work in practice.

Agents remain key

Tying in with the current nascency of the market and high levels of fact-finding, the market remains dependent on tour operators or travel agents in India for information gathering and making bookings. The experts interviewed as part of this process estimate that between 70% and 80% of trips to the Nordics will be through a tour operator or travel agent, with the remaining bookings made independently.

For a customised holiday the travel agent will then either reach out to a DMC (if they are less confident in their product knowledge or if the itinerary is a complex one) or will make the booking directly online with hotels or tour providers in the Nordics. The travel agents interviewed as part of this process admitted trying to avoid DMCs wherever possible, due to their high service charge. In the case of fixed departure group tours the tour operator usually ties up directly with the principals (hotels / coach companies for example).

SWEDEN

Henrik Trygg/imagebank.sweden.se

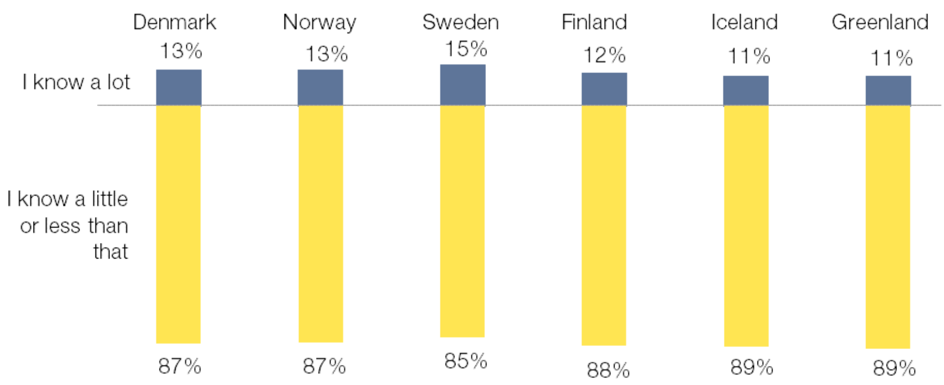
2. Mental Availability and Overriding Impressions

Low Mental Availability

Marketing literature of recent years has emphasised the relationship of mental availability with brand growth. Mental availability refers to the probability that a buyer will notice, recognise and/or think of a brand as he or she comes into a buying situation. "It depends on the quality and quantity of memory structures related to the brand" [5]. The concept of memory structures is particularly critical in the context of travel, where destination choice is likely to be long-term in development and reliant on both conscious and unconscious beliefs about a place.

STATED FAMILIARITY WITH NORDIC COUNTRIES

D2: What is your level of familiarity with the following countries? Those counted in 'know a little or less' also includes those who incorrectly stated other countries as being part of the region n = 1020



The current lack of mental availability and clarity on the region will be significantly hampering its current potential. Priority strategies for growth will be those that drive the greatest efficiency in awareness building.

Top Level Associations

An apparently homogenous region

One objective within this research was to explore whether the Indian HSFIT market understood much about the individual Nordic countries and what they have to offer. The quantitative results offer significant understanding on this point and show that there is currently very little differentiation in Indian HSFITs' minds between the individual countries.

To some extent, there is a stronger perceptual image of Sweden in comparison to the other countries (with 3 associations that stretch significantly [6] above the norm being 'a luxury destination', having 'particularly welcoming people' and for being 'a country that is particularly concerned with the environment and sustainable practices'). Greenland is set apart from its fellow Nordic countries only in that Indian HSFIT consumers currently hold a far lesser mental picture of this country overall, with fewer people aware of what it has to offer in terms of cuisine, luxuriousness, or in terms of the availability of iconic and instagrammable experiences. Iceland, Norway, Denmark and Finland are confused, with no association attributes significantly above or

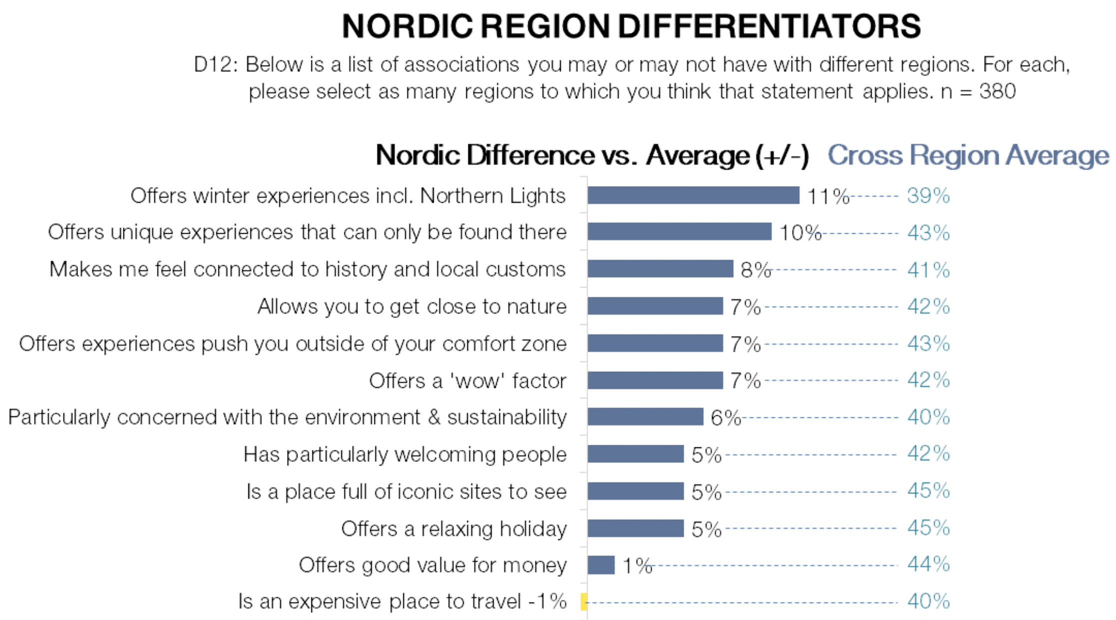
5 Byron Sharp, "How Brands Grow" 2010

6 Statistically significant to 95% confidence level

below the average.

So this research finds that for the majority, the overriding mental picture of the Nordics is as a whole region, with very limited knowledge of individual countries' offerings, and where individual countries are set apart from each other, consumers are relying on fairly stereotyped views.

The table below shows the most significant associations of the Nordic region as a whole. This question was posed with the Nordics as one option in a free association grid which enabled respondents to assign associations to one or more regions. The other options provided were Southern Europe, North America, South East Asia and Western Europe.



Interestingly, the hypotheses that the Nordics is deemed a uniquely expensive destination does not hold true; it is viewed on a par with Western and Southern Europe. In contrast, Northern America is unique in its high cost and South East Asia is perceived as offering particular value for money.

Cold and the Natural World

There are several associations that are unique to the Nordics as a region, with notable connection to nature. The first impression spontaneously noted in the majority of qualitative interactions was one of the cold, snow and ice. "the first thing that comes to mind is icy landscapes and sleighs"[7] This is the strongest perceptual image the target audience holds of the Nordics and it offers some indication of the work ahead in broadening awareness of the region as an all-year destination.

There is also more to learn from the qualitative interviews about this perceptual connection of the Nordics with the natural world. Many respondents mentioned mountains, islands and water, as well as the Northern Lights and fjords. In addition, for some, this nature-connection was coupled with deeper associations around the ideas of wilderness and nature in its purest form. These respondents described the Nordics as providing unique experiences of freshness, quiet, and calm. However, there were few respondents who could provide this depth of association and for the most part the image of the Nordics was top-level and reliant on stereotypes.

7 In-home qualitative female respondent from Delhi

Other associations

In addition to this association with the natural world, Indian consumers believe the Nordics has, in general, unique experiences to offer. There is an understanding that the Nordics provide a connection to a rich historical past. In addition, it is known to be a centre for environmental and sustainable practice, and this sets it apart from other regions of the world. There are aspects of assumed challenge in a trip to the Nordics; belief that a trip there will push you outside your comfort zone, but this coincides with the perceived abundance of 'wow factor' experiences. In such a way there are traces in this mental map of the Nordics that coincide positively with emerging travel trends amongst this audience, in particular the potential of the region to offer unique and instagrammable experiences. However, in general, the mental map (and anything beyond nature, ice and snow) can be described as nascent and lightweight at this time.

The lightweight Nordic image creates a particular challenge when contrasting consumer knowledge of the 'competitor' destination of Switzerland. Switzerland features heavily in the Indian consciousness due to the high number of Bollywood films that have been shot there, most notably through the long-term work of the Director Yash Chopra. Experts and consumers alike helped articulate this competitive challenge; if the predominant association of the Nordics is one of snow, ice and mountains, this is also the same association held for Switzerland, but the cultural connection with Switzerland and Indians is much broader and deeper than this association alone. Switzerland enjoys a richer mental map overall and an inherent romanticism in India. There is particular need to drive a perceptual wedge between Switzerland and the Nordic countries.

3. Barriers

Beyond the issue of low mental availability, there are further perceptual barriers for Indian HSFIT travel to the Nordics. These derive both from a lack of knowledge and subsequent reliance on stereotyping for filling knowledge gaps, as well as more practical considerations on both the part of the individual traveller, as well as industry agents.

When concerns are measured amongst the broad and representative HSFIT audience, they are ranked in the following way:

BARRIERS ASSOCIATED WITH TRAVEL TO THE NORDICS

D8: When considering a holiday to the Nordic region, what, if anything, might potentially concern you (to the extent of wanting to check it out further)? ? n = 1020

The cold weather	29%
The visa process	27%
The ease of travelling around the region	26%
The cost of holidaying in that destination	25%
Level of service provided	24%
The type of cuisine available	24%
The type of accommodation available	24%
The complexity of planning a multi-country trip	23%
The ease of getting to the region from India	22%

As an overall picture, the story told by these results echoes the earlier finding that in general, knowledge of the market is low, and potential Indian tourists are relying currently on historical or assumed information when building a picture of the Nordics. The qualitative interviews examined this further; with many respondents prefacing their response to the barriers question with the following terminology:

“I don’t know for sure, but I would assume that < > would be difficult….”

These respondents are rejecting the region in preference for others because their natural assumption is one of difficulty and this isn’t yet overridden by any understanding of the significant positives of the Nordic offering.

One specific area of concern is the cold and how this is managed practically. Some Indian consumers question how they would dress effectively for the cold or decide on the right time of year to visit. Where cold is the biggest current barrier, and the greatest perceptual image of the Nordics is one of wintry weather, it is clear that there will be a significant proportion of the market who are rejecting the Nordics because of fears of the cold and a lack of awareness of the Nordic offering outside of winter.

There are also many practical considerations that provide some doubt; how efficient the visa process, how easy the travel over from India, and how you would design a multi-stop trip around the region. Indeed, the majority of respondents believed that the investment required to travel to any Nordic country would naturally mean they would create a multi-stop, multi-destination trip, but in a relatively ‘untrodden path’ they worry about how this would be designed and managed. Further to this, there are significant doubts about in-country, in-region travel overall. One Mumbai respondent articulated this clearly:

“I’m just not sure about how a person travels from one place to another. I would think it was all a bit cumbersome” .[8]

For people who have never experienced snow in the past, there can also be an assumption that travel in the Nordics will frequently be hampered by weather conditions.

“It will probably be shut often because of the snow” [9].

This concern is magnified when considered alongside the high cost of a holiday in the Nordics and resulting additional pressure on everything to go smoothly.

The qualitative further enables interpretation of the barriers shown above concerning accommodation, service and the food available in the Nordics. In general, doubts around accommodation and service relate to a need to know more. Many respondents were relying on stereotyped and very generalised assumptions. For example, there was some assumption that accommodation would be clean and practical (an IKEA-derived visualisation), but there was little knowledge of the availability of luxury accommodation, or indeed any style of accommodation that would elicit a more emotive or romantic response. The assumptions around service were similar. There is a belief that Nordic people will be very polite and highly efficient (like their German counterparts), but there is little current expectation of Nordic customer service going above and beyond. At present, the mental picture is functional rather than emotional.

An area which deserves focus here is the barrier concerning food, particularly because this aspect may be victim to significant misconception. For many of the target audience interviewed as part of this research, the cognitive process went as follows:

8 Mumbai based male HSFIT

9 Delhi based male HSFIT

Cold country = the need for fat = the need for meat = limited vegetarian provision.

"these Nordic countries I haven't heard about vegetarian restaurants. I think they prefer non-vegetarian over there" [10]

Many had doubts over the availability of vegetarian options, particularly outside of the capital cities. This becomes a particular issue whereby a trip to the Nordics is often assumed to be a multi-stop tour, which would involve city, as well as rural experiences. Indeed, publicly available statistics on the degree of vegetarianism in the Nordics vs. India demonstrate the disparity between these regions in cuisine. World Atlas data shows Indian vegetarianism to be at 38% of the population, with an example comparison being Sweden at 6%. Doubts about availability of vegetarian food can cast a shadow over a Nordic trip and particularly the rural components of an envisaged itinerary. The expressed requirement here was typically not for Indian vegetarian food, but more simply for a reasonable range of vegetarian options across urban and rural destinations. At present, this audience is unaware whether there will be sufficient vegetarian cuisine in Nordic countries.

From a B2B perspective, there is also evidence of a unique issue relating to generating business in the Indian tourism market. A couple of the Nordic-based tour company participants openly expressed an avoidance of generating business with Indian tourists. Considering the prevalence of 'fact-finding' in-bound enquiries and the relatively low conversion rate, exacerbated by historical difficultly in servicing high-service demands of big Indian tour groups, it was perceived uneconomical to pursue the Indian rupee. Income from other markets could be secured more efficiently.

Latter sections of this report contain long- and short- term strategies for mitigating this challenge, alongside addressing the widespread consumer misconceptions.

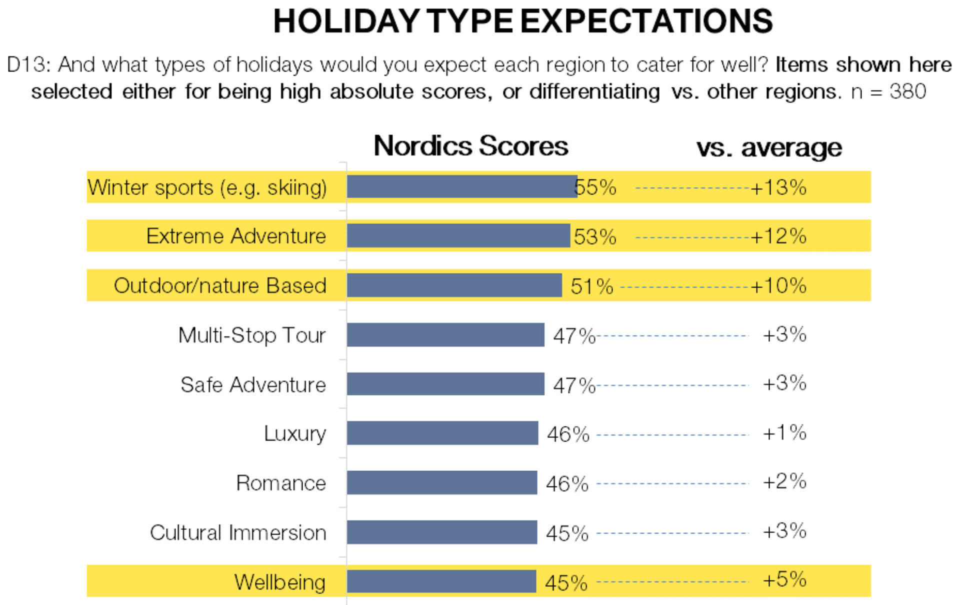
10 Mumbai based family man HSFIT

NORWAY

Frithjof Fure – Visit Norway.com

4. Why choose the Nordics?

The appeal of the Nordic region to Indian HSFIT tourists centres around the potential to immerse yourself in nature and be involved in unique outdoor experiences. Below are the most commonly anticipated and also the most differentiating types of holiday that consumers expect from the region (the holiday types that are highlighted in yellow show those that are associated with the Nordics, but also are uniquely associated with the Nordics versus other competitive destination regions):



The nature of nature - comfortable snow adventures

Indian tourists who hope to visit the Nordics often have in mind a range of snow and ice-related activities such as ice-skating or husky sled trekking. This is the predominant draw of the region for them. 'Extreme' adventure should be interpreted with caution here. Investigating further the nature of 'adventure' in this market, both local industry experts and consumers were able to shed light on the form these would ideally take. The stated preference was for activities that were unique for them and involved a closeness to snow / ice but enabled an easy and comfortable level of participation. In one consumer's words:

"If it didn't involve too much effort, I would"[11]

Indeed, one highly experienced travel advisor based in Mumbai expressed this aspect more vigorously when remembering some of the Nordic marcomms he had witnessed of the past.

"Stop showing us hiking. We don't hike. We'll admire the beautiful landscapes, but we don't want to know about the really difficult physical tasks" [12]

The desired emphasis is on experiencing the beauty of snow and regionally famed activities without the risk of discomfort.

It is worth mentioning that the Nordic region is not widely known by Indian HSFITs at present for non-winter sporting activities (only 34% of survey respondents assumed the Nordics would cater well for this type of holiday; significantly below a cross-regional average). The association rests mainly on winter trips, with winter-based activities.

11 Delhi based, young female HSFIT
12 Mumbai-based Luxury Travel Company

The nature of nature - the Northern Lights

The Northern Lights features high up in the list of reasons for an Indian HSFIT consumer to visit the region. The experience is perceived to be highly unique to the area, a 'must-see' in life, and often a chance to witness the 'surreal' as a contrast to 'real', everyday life. This experience also lends itself neatly to impressive social media content.

Some consumers interviewed as part of this process shared a concern around the Northern Lights that provides some indication for the way these should feature in future marcomms. Faced with such a surreal experience, they needed to simultaneously feel a sense of security. To know what type of accommodation a trip to see the Northern Lights would involve, the length of time you need to be outside in the cold, and the likelihood of seeing them. For a few, the perceived surrealism of the experience without this accompanying information could flip into being off-putting.

The nature of nature - famous things to see or do

Notable other stated reasons to visit the Nordics were to do with the pursuit of other 'famous' things to see or do. A number of prospect visitors mentioned specific areas that had been featured in Bollywood films (e.g. the "black sands in Iceland"), and the fjords and fjord cruises were perceived to be well-known experiences that would need to be covered in a trip to the region.

The nature of nature – consumer end benefits

Many of these nature-related experiences were depicted by consumers with very high-level end benefits, for example the trial of something new and different, or the gathering of appealing insta-fodder.

However, there is also evidence of more fertile ground relating to the nature elements of the Nordic offering which offers interest for future marcomms planning. The unique relationship to nature is already being interpreted by a small number of Indian consumers in a richer way, relating to 3 potential benefit territories. The use of these territories will be discussed in the latter 'Strategic Implications' section, but are described here:

Freshness: There are seeds of thought that connect the Nordic world with an unrivalled level of freshness; freshness of experiences, freshness of air, freshness of food. This idea becomes particularly potent in terms of air freshness, which can be considered to be of short supply in many Indian cities. One Industry travel advisor expressed a growing concern amongst India Europe-explorers that Southern and Central Europe was becoming too hot during the summer months (and no longer offering the desired contrast to the Indian climate), and this was increasingly enabling her to pitch the Nordics as a result.

Calm and Quiet: A few Indian consumers also relish the idea of a level of quiet that cannot be not achieved in their own country or in many other countries of the world. This relates to their understanding that you can reach true wilderness in areas of the Nordics.

Intrigue of Endless days / endless nights: this also provides rich marketing ground for an increasingly adventurous Indian consumer, as this seasonal diversity and extremity represents the very opposite of Indian seasons and can inspire real interest (and suspicion) amongst the potential audience.

Other noteworthy appeal factors

Other areas that inspired consumers to consider the Nordics were to do with the **unattainability of the region** (due to the distance, the cultural contrast versus Indian culture, combined with the expense). All of these together could create a marker for status if you chose the Nordics as a destination.

There was also **positive interest in city-life** in the Nordics; the buzz and liveliness of the capital cities, as well as historical points of interest, showcased through events, museums and architecture.

All of these appeal factors were further enabled by the positive expectation of being able to speak **English across the region**.

Sustainability is not yet influencing travel decisions

There is a growing trend in other markets of sustainability-tourism, whereby tourists are actively seeking destinations that showcase sustainable values and action, or that can be reached with minimal carbon footprint. This was an area that was explored with Indian consumers; both indirectly (to see if it was spontaneously raised as an area of interest/influence) and directly.

At present, there is no evidence of sustainability as a driver for travel choices amongst the Indian market, either in terms of where they go or how they get there. As one consumer put it:

"Unfortunately no. The thought has not crossed our mind at all! I would do whatever is required in that place to keep it going for them, but I wouldn't say I am not going to use carbon emission, etc. I am not that evolved yet! It does not feature anywhere when I make my travel plans."

GREENLAND, FAROE ISLANDS AND ÅLAND ISLANDS

Mads Pihl/ Visit Greenland

5. The Ideal Indian Traveller to the Nordics

In the report thus far, there have been indications of attitudes and approaches to holiday-taking that could better align to Nordic travel. Informed in particular by the discussions with travel agents both in India and on the ground in the Nordics, it is believed that Indian tourists who are inherently more adventurous in spirit and more willing to forgo the comforts of home should have a more successful trip to the Nordics, where their requirements should align more closely to provision. The quantitative survey enables the testing of these hypotheses and identifies a clear target group.

Using the attitudinal questions from the quantitative study and studying the interrelationships between statements, it is possible to identify 4 distinct tourist segments within the Indian HSFIT whole. Due to the positivity bias inherent in cultural response, we used a combination of multivariate analyses to derive the following four groupings:

SEGMENT TYPES

Derived from analysis of attitudinal questions C1, C2. n = 1020

The Discovery and Authenticity group (25% of HSFITs) – are motivated by uncovering sights and experiences that their friends / family have not yet discovered. They are willing to 'rough it' on holiday in order to achieve an authentic experience and seek out action and excitement in the places they visit. In such a way, they consider themselves to be risk takers. This group actively seek an immersion in nature, and time in the countryside is their preference over city living on holiday. In a wider sense, this group is fashion-focussed; conscious of the way they appear to their peers. This is an open-minded and adaptable group that offers great interest for Nordic marketing initiatives.

The Social & Scenic group (24% of HSFITs) – are driven by a desire to see stunning landscapes, and to enjoy these experiences alongside a social group. They also seek novelty; but for this group, that is represented by nature and people. A key driver in their holiday destination choice will be to get to know the people in a new place; to understand their cultures and contrasting values. There is a mix within this group in terms of their desired levels of comfort when abroad, with a strong thread wishing to experience new and beautiful scenery within the comforts of extreme luxury, as well as a few who are happy to stretch their personal boundaries. This group can be considered another open-minded group, but perhaps requiring a greater level of personal comfort than their Discovery and Authenticity peers.

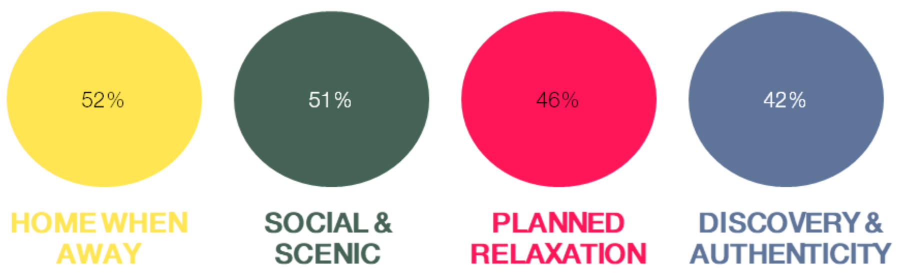
The Planned Relaxation group (25% of HSFITs) – can be depicted by their sensible and planned approach to holiday-taking. They relish holidays that provide a relaxing, slow-paced break from their every-day life, and to help achieve this mental break they create a detailed itinerary before departure. Their primary goal on holiday is to be as comfortable as possible and as such, they are unlikely to visit rural extremities but stay within cities and organise tours to help pass the time in an easy way. This group could be seen as an opportunity audience, but their high requirements in terms of comfort and service mean they may be less suited to some of the more challenging Nordic experiences.

A final group, the Home When Away group (26% of HSFITs) – are primarily concerned with creating a safe and familiar situation when away from home. They expect the same high levels of service that they are used to in India and seek out similar food and accommodation. Indeed, members of this segment describe themselves as city people, seeking the famous and iconic city sites, and prefer to continue the 'highest' level of luxury when they travel abroad. In order to achieve this, their decision-making focusses on safety and reassurance. This group poses some challenge as a potential target, as they would be the most likely to expect a direct transfer of their home lifestyles when visiting the Nordics..

All of these groups express a strong and similar interest in visiting the Nordic region in the future:

NORDICS APPEAL TO SEGMENTS

B3: Now please rate [the Nordics] in terms of your realistic likelihood to visit in the next 12 months (data shown is those selecting 7-10 incl. on a 10 point scale). n = 1020



However, from the wider insights gleaned throughout this project, it is understood that two of these groups will provide a more viable target, in that their approach to holidaying aligns more closely with the Nordic offering. These are the **Discovery and Authenticity**, and **Social and Scenic** segments. Collectively, these groups make up half of the HSFIT audience in India, and demonstrate an open-mindedness, flexibility and interest in the natural world that particularly suits travel to the region.

The quantitative results indicate a large degree of similarity in demographic profile across all four segments. It can therefore be concluded that the ideal target for the Nordics will best be identified through their attitude to travel (what they want), rather than who they are.

SEGMENT DEMOGRAPHICS

	Total	Discovery & Authenticity	Social & Scenic	Planned Relaxation	Home When Away
Male	57%	56%	55%	61%	57%
Female	43%	44%	45%	39%	43%
18-24	6%	5%	9%	5%	6%
25-34	38%	35%	35%	41%	39%
35-44	40%	40%	43%	38%	39%
45-54	6%	8%	4%	7%	5%
55-64	10%	11%	8%	9%	11%
Single person household – no kids	4%	3%	4%	4%	5%
Couple household - no kids	11%	10%	12%	9%	13%
Couple household – no kids at home	18%	19%	18%	19%	15%
Single adult with child/kids living at home	4%	3%	3%	5%	3%
Couple with kids living at home	50%	50%	49%	50%	52%
Adults sharing together	7%	7%	8%	5%	7%
Multi-generational household	6%	8%	5%	6%	5%

STRATEGIES FOR GROWTH

Robin Skjoldborg / Visit Denmark

STRATEGIES FOR GROWTH

Previous sections of this report have landscaped the Indian market, identified a core opportunity audience, as well as depicted current drivers and barriers to growth. This section now starts to turn these foundational insights into recommendations. The below identifies opportunities for brand, marcomms and product development that lean upon and are inspired by the insight learnings. The recommendations are expressed according to the desired end goal rather than offering activation specifics, to which the DMO marketing departments will bring the greatest expertise.

1. The Brand Platform – Opportunities for Fine-Tuning

The Nordic Destination Marketing Organisations have started to craft a tourism-focussed, regional-level brand platform. The objective for this is to align and inspire all future regional-level communications, particularly for use in long haul destinations such as India.

At present, the drafted platform is articulated as: Human Nature Moments. The underpinning values are to be open, creative, natural and sustainable, and the desired tone of voice one of playfulness, to support a key regional differentiator of creativity.

This research project provides further guidance and inspiration for the next stages of brand platform development. It greatly supports the thinking thus far, but also highlights certain threads that are missing, and existing elements that could be prioritised with an Indian audience in mind.

Human Nature Moments works well for this audience

The findings from this research greatly support Human Nature Moments, as this platform taps into both current 'seedlings' of perception of the Nordics in India as well as consumer drivers to the region. The appeal of an involvement in nature has been reported as a key reason to visit; the chance to do snow and ice activities, as well as see the Northern Lights lead being the most exciting elements. Indeed, Indian HSFITs can see Nordic nature as being unique in its freshness, the calm it brings, and in its sometimes-surreal nature. The multiplicity within 'moments' reflects the interest amongst the target audience for living a wide range of exciting experiences across a large number of locations, all within a single trip to the Nordics. This word also points to the Indian HSFIT desire for capturing singular moments in time through social media.

If there is an element missing in the current expression of the brand platform for an Indian audience, it is a degree of energy and creativity. The Indian HSFIT tourist is looking to be amazed, and to share that amazement with their wider community, but the current platform articulation could be perceived to be more passive in nature and contrasts to the energy in amazement. It may be advantageous to purposefully inject more energy into the brand platform title to ensure the desired creative tonality.

In terms of the core values, these can be prioritised for the Indian market in the following order from most to least inspiring:

- Creative
- Natural
- Open
- Sustainable

Creativity comes top because this research has found it to be the elements of intrigue, the stark and interesting contrasts to Indian life, and the pursuit of something to talk / show off about that inspire the idea of a trip to the Nordics. Natural then taps into specific appealing experiences in nature, and openness reflects the Indian expectation of a warm welcome from nice people.

2. Consumer Marcomms Strategies

Earlier sections of this report uncovered the current lack of mental availability of the Nordics amongst the Indian HSFIT market. It has shown how the mental map of any individual Nordic country is currently lightweight or non-existent. Clearly the priority is to identify the activities that provide the greatest efficiency in building awareness. Pursuing the Bollywood opportunity; continuing to explore potential partnerships and the featuring of Nordic locations in Bollywood films is a strategy directly recommended by experts and consumers interviewed as part of this process. Later in this section we also discuss other channels that will provide good reach for the high opportunity 'Discovery and Authenticity' and 'Social and Scenic' segments.

These research findings also support additional recommendations in terms of marcomms content and tonality:

- The most inspiring content for this audience would currently be: snowy landscapes, snow and ice-related activities, as well as the Northern lights. Arguably, these are the more expected depictions of the region and are unlikely to change perceptions but relate considerably to current appeal. In such a way they would be expected to help convert an already interested audience.
- The way these scenes are shown should be carefully balanced to show both the excitement of the activity but also communicate cosy-ness, safety or luxury, to reassure that you can still remain comfortable within the cold and to help add some tangibility to the surreal.
- There is particularly fertile ground in the benefit territories of freshness, calm and the intrigue implicit in endless days and endless nights. These may indicate interesting and inspiring ways of articulating nature-based messages.
- Knowledge of the Nordic offering outside of winter is limited, so an upweight of marcomms investment featuring spring, summer or autumn activities is likely to drive new interest. Summer depictions should maintain the idea of 'freshness', to capitalise on the emergent idea of the Nordic summer being a fresh alternative to the rest of Europe that is increasingly hot and stifling.
- As summer in the Nordics is relatively unknown, communication of these months could connect well with the idea of discovery; being the first to uncover the hidden gems of the region.
- When featuring activities, it is recommended that these are visually inspiring but avoid displaying too much physical exertion on the part of the tourist.
- Comms planning could derive much opportunity from the coexistence of two things: the shift of status-display towards the discovery of new things, alongside the importance of word of mouth in holiday planning. In such a way, creating 'stories' as a communications device should help unlock the opportunity and increasingly get people talking about the Nordics.
- History is also a driver to Nordic travel and should feature frequently in marcomms content.
- On a more rational level, it is recommended to include reassurance on the widespread availability of vegetarian food around the full region.
- … As well as to display a range of accommodation options, driving awareness of the more

luxurious and romantic possibilities, with the aim of disrupting the IKEA association.

3. Industry Support

- Indian agents have applauded the strength of the roadshows already undertaken and support the ongoing use (and spread) of this initiative.
- Some of those agents who have attended the roadshows wished for greater opportunity within the format for 1 on 1 discussions, where they could pose questions about destinations and gain reassurance on some of the concerns they envisage being raised by potential clients.
- Another potential opportunity is to support DMCs in the Nordics in identifying the Indian partners that will offer greater likelihood of conversion. To be able to recognise signs in the initial contact that denote a serious enquiry that is more likely to convert in an efficient way.
- Indian-based travel agents expressed the desire to learn more about the non-winter opportunities in the Nordics and were particularly intrigued by longer daylight hours. They see this as a unique selling point that they would be interested to pass on to consumers.

4. Product Related Opportunities

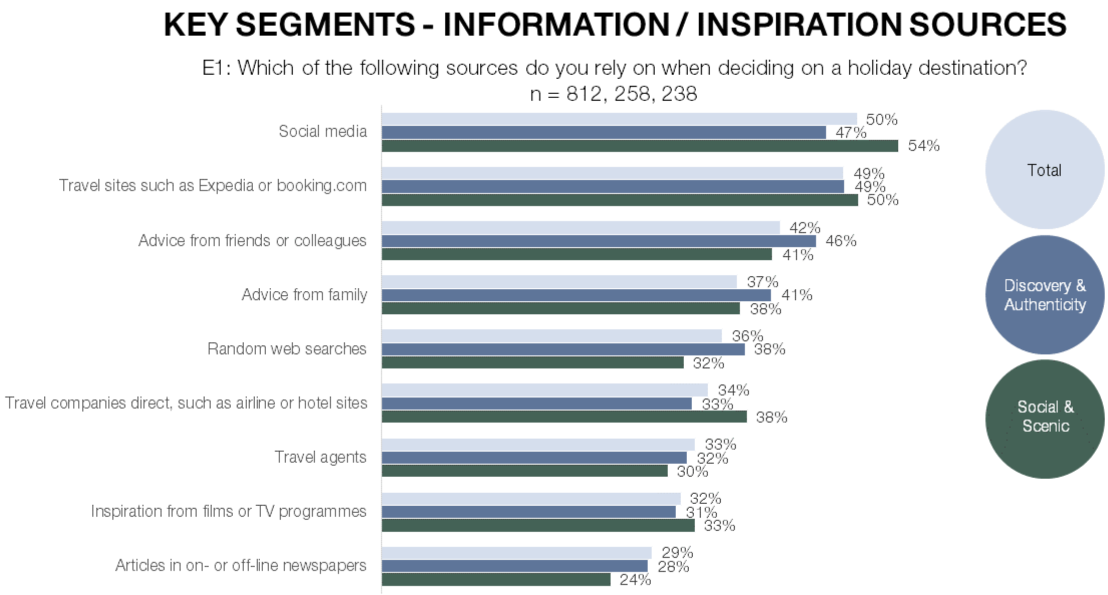
The below list of recommendations concern product developments that could support Indian interest in the Nordic region and assist the curation of successful holidays.

- To tap into the desire to witness famous sites and experience famed regional activities, it may be advantageous to develop a set of tours that feature a range of 'famous' or 'film' sites or activities.
- In general, it is also recommended to upweight emphasis on any locations in the region that have featured in film, TV, or music videos.
- The creation of excursion or tour offerings should also bear in mind the importance of social media sharing by Indian holiday makers and their likelihood to make recommendations to friends and family after a trip. It is worth considering excursions or tours that are tailored directly to the provision of insta-fodder through their visual or fame – value.
- Fitting with the idea of status-seeking increasingly being about the discovery of new things, this research supports the provision of tours or excursions that 'uncover the hidden gems' of the Nordics.
- This report has also discovered the requirement for balance in the way activities (particularly, cold activities) are communicated to an Indian audience, in retaining an element of luxury and comfort. The same insight can be applied to product development; whereby tours or excursions could be created that marry breath-taking experiences of nature with reassuring comfort.
- From a more tactical angle, Indian HSFIT consumers have shown that they are likely to create highly detailed itineraries for their trips abroad and that they envisage a multi-stop, multi-experience trip, were they to come to the Nordics. It may be advantageous to supply an online tool for itinerary building; supporting consumers as they create their own trip.
- In order to allay practical concerns about food and managing in the cold, this research supports the provision of very tactical information tools. This might be a way of showing the availability of vegetarian cuisine around the region, or information guides on how to pack and prepare for a holiday in the cold.

5. Optimal Channel Choice

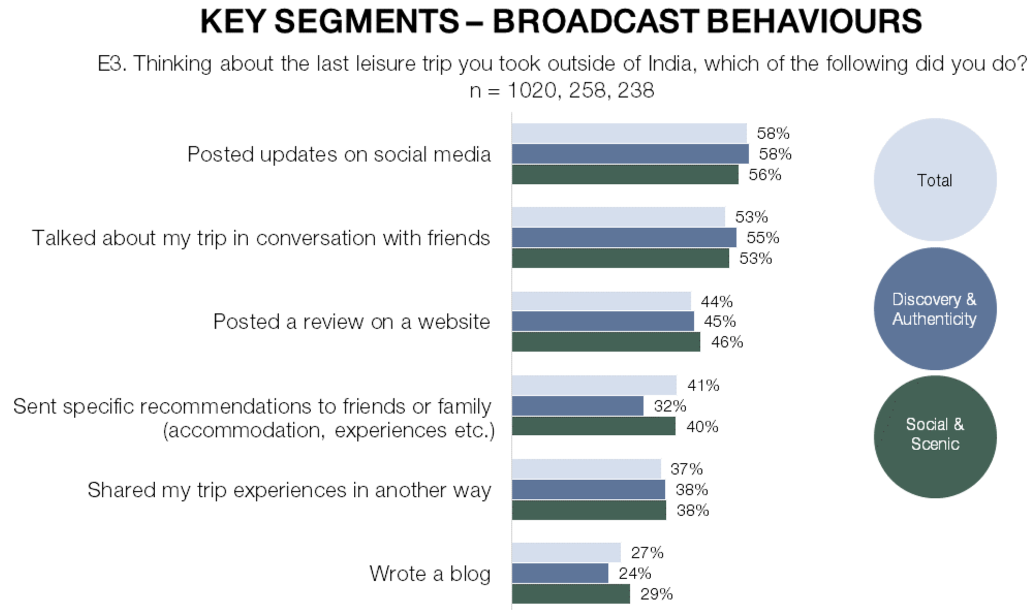
Much has been written here about the prevalence of social media content for inspiring destination choice. Another significant influence is word of mouth. Indian travellers, in planning their next holiday, often rely on in-person conversations with friends or family. They are seen to use this in one of two ways; for the more independently minded (aligning with the 'Discovery and Authenticity' segment), they may discuss areas which their friends or family have not yet visited, but that spark an interest for them. In such a way they are seeking to be the first to 'discover' a new destination. Many Indian tourists are also still seeking recommendations from friends or families in terms of destinations that they have visited in the past. Either way, there is much discussion involved in choosing a holiday.

The quantitative results below show the size of these behaviours, as a whole and amongst the two high-opportunity segments.



It is also to be noted that beyond the expected channels (such as travel sites and travel companies), a third of Indian HSFITs openly admit to being inspired by films and TV. This further supports the idea of relationship building with Bollywood as a key opportunity.

There is additional evidence for continuing to pursue a strong presence on social media sites. The chart below shows the prevalence of posting holiday related content online.



In order to gain strong reach and efficiency for consumer-facing marcomms, it is recommended that DMOs continue the prioritisation of social media in channel choice. There is also strong evidence for the pursuit of earned media (e.g. through influencer and blogger relationship building) as a mechanic for engendering word of mouth.

SOURCES

Ville Kangas / Visit Finland

SOURCES

Outside of the bespoke the research conducted by Kubi Kalloo for this report, the following sources have been used:

World Atlas country data, 2019: https://knoema.com/bamhvgb/world-atlas-fact-dataset-2019

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Quipper Research PVT, for Wonderful Copenhagen, 2018

Byron Sharp, "How Brands Grow", 2010

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THE NORDICS

#thenordics

STARTING CONVERSATIONS