



USA Market Report

May 2019

Visit Finland Country Representative

Heli Mende



Semiannual Report – USA

Winter season 2018-19 and outlook for summer 2019

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Factors affecting the results of the winter season 2018-19

Reasons for the increase in overall outbound travelling from your market?

- Travel in general and long haul travel from US is constantly growing.
- The U.S. economic outlook is healthy according to the key economic indicators.
- During the past winter two big tour operators opened production with Helsinki- Lapland winter Finland mono destination tours. This shows in Lapland overnight statistics for winter 2018-19.
- Travel to all Nordic countries (except Iceland) has been growing during the first months of 2019. Finland as part of the Nordic region is trendy and attracts more and more also FIT travelers.

USA Overnights 2019	Jan	Feb	Mar
Denmark	10 %	7 %	
Finland	15 %	15 %	23 %
Iceland*	-16 %	-16 %	-2 %
Norway	21 %	15 %	45 %
Sweden	20 %	26 %	

Factors affecting the results of the winter season 2018-19

Reasons for the increase/decrease in travelling to Finland?

- Changes in demand
 - Lapland Northern Lights have been recognized and in the US there is a shift in focus from Iceland to other Northern Lights destinations. It is good to note that for example in Japan Finland was the forerunner and was opening markets for other competing destinations, in the US, Iceland has had that role and has opened markets also for other Nordic destinations.
- Finland's image as a travel destination
 - Currently Helsinki is the best known destination in Finland, Lapland is starting to be recognized in the US.
 - Especially autumn and winter in general and summer outside Helsinki region require still a lot of work and additional promotion not only by Visit Finland but also by suppliers interested in selling services in Finland for North Americans.
- Changes in distribution
 - We are seeing more tour operators and travel agents selling Finland than ever before.
 - The value network is complex: whole sellers and consolidators, tour operators, travel agencies with own production, travel agencies selling tour operator's production, online travel agencies, other online booking platforms.
 - US travelers use a lot travel agency services to save time from doing all the planning & booking themselves (especially long haul travel) but at the moment majority of the bookings to Finland especially in the summer come through OTA channels, Expedia being the major OTA channel.
- Changes in accessibility
 - Finnair's capacity in the US has grown during this year 30% with new Los Angeles – Helsinki year round direct connection. Finnair currently flies year round to New York and Los Angeles and seasonally to Chicago, San Francisco and Miami.

Factors affecting the results of the winter season 2018-19

Reasons for the increase in travelling to Finland?

- Products that have been attractive
 - Helsinki – Lapland Northern lights and other winter activities
 - Special accommodations (anything out of ordinary) interest a lot in the US.
- Regions that have been attractive
 - Helsinki, East Lapland
- Campaigns, joint promotions results
 - Joint promotional campaign with big US TO for winter: good results, tours all sold out. This is a very typical big US tour operator with long production planning cycle, takes time to introduce new products in their system. But, because the TO is so big, others are following and the campaign created extra business opportunities in this way.

Outlook for the summer season 2019

The overall outlook of travelling to Finland for the coming summer?

- Increase and reasons for the increase
 - During summer season 2019, most of the tour operator's tours are multi country tours with Helsinki overnights. Tour operators are reporting that summer tours to Nordic and Baltic region are selling well.
- New summer products
 - Several new FIT tours around Finland
- New sales channels
 - New FIT Finland summer mono destination tours are being promoted by online operator
 - Several new high end travel agencies selling tailor made tours to Finland
 - Whole seller expanding Finland sales

Outlook for the summer season 2019

The overall outlook of travelling to Finland for the coming summer?

- What are the trends for the summer 2019?
 - Summer requires still a lot of work and additional promotion not only from Visit Finland but also from suppliers interested in selling in North America.
 - Helsinki sells well, but we need to promote extension tours also to other parts of the country.
 - Millennial families are starting to travel more also on long haul and it is important to promote Finland also as a family travel destination. We tend to forget ourselves how easy Finland actually is for traveling with kids.
 - Multi generational travel is picking up (extended family travel). Gen Z is starting to influence on travel decisions of the whole family and social media plays a big role.
 - Midnight sun and arctic summer as well as villa holidays by the lake or sea also interesting. Sauna and wellbeing interests.
 - Accommodation standard needs to be very good, preferably with in-room amenities.
 - Sightseeing, museums, cultural and culinary experiences, Unesco Heritage sites and national parks interest a lot during summer season.
- Which are the traveler segments?
 - During the winter season North American travelers are more high end FIT or GIT travelers but in the winter mostly multi country sightseeing group travelers, however FIT travel in summer to Finland is growing.

Priority 1

Leisure travellers

- Multicountry sightseeing
- Adventure /soft adventure travelers
- Family travelers
- Culture & culinary travelers
- Stopover travelers
- City breakers

Priority 2

Educational travelers

- Technical visits
- Student groups

Priority 2

Meeting and convention travel

- Bleisure

Prospects for the autumn/winter season 2019-20

The overall outlook of travelling to Finland?

- What trends should be considered in product development to increase the demand in the autumn/winter time?
 - Current tour operators are selling already Lapland 2019-20, reportedly going well.
 - New tour operators are starting to promote winter Finland.
 - Especially Autumn and winter require still a lot of work and additional promotion not only from Visit Finland but also from suppliers interested in selling in North America.
 - Creating offering and promotions for bleisure travelers.
- Which present target groups should be considered to increase the demand?
 - Traditional groups and FIT's will both continue growing
 - High end travel will continue growing
- Which new target groups should be considered to increase the demand?
 - The main target group is high end travelers seeking for adventure or soft adventure.
 - New target group during school holidays in the US: Millennial families and multi generational families.

Outlook for the winter season 2019-20

Ad hoc marketing opportunities

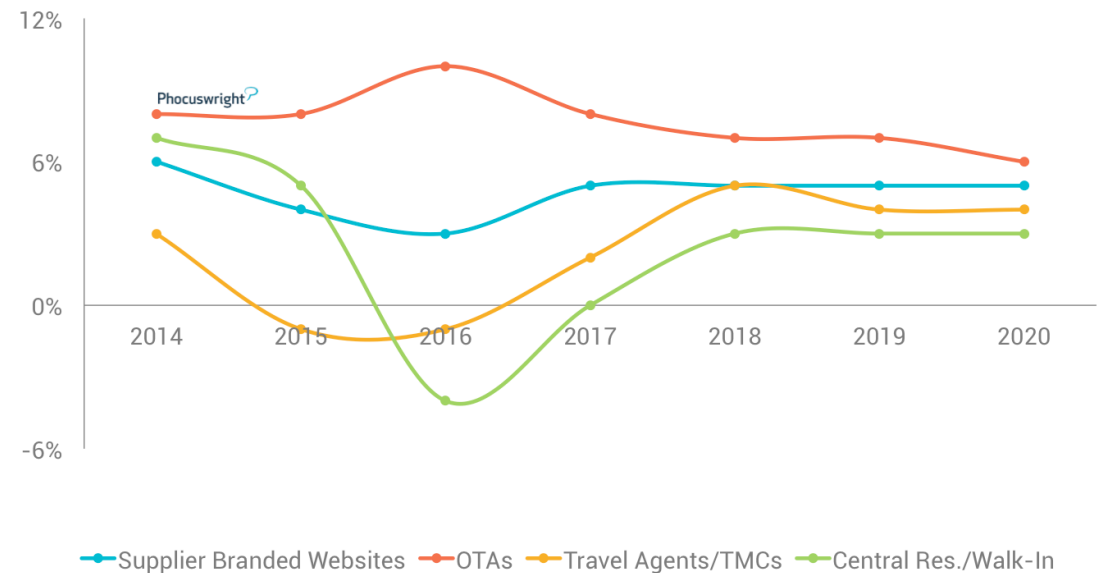
- Tour operators are starting to market winter 2019-20 holidays already in May 2019 and most of the campaigns have been planned.
- There maybe some ad hoc possibilities arising during the summer / early autumn for winter 2019-20, but otherwise we already need to start to plan activities for summer 2020 and winter 2020-21.

Theme check: Sustainability, digitalization and year-round tourism

Visit Finland strategic cross-cutting themes are sustainability, digitalization and year-round tourism.

- Sustainability is a cross cutting theme also in the US and especially important to convey the message with certain customer segments (millennials, millennial families).
- Online travel bookings make a big share of all bookings to Finland but the US is still amazingly conservative market from traveler buying behavior perspective. Many millennials prefer to use travel agent services to save time instead of doing the work themselves, especially when booking long haul travel packages. According to the forecasts, the share of travel agent and supplier branded websites' bookings is going to remain same or grow for the next years.
- Big tour operators in the US consider April – October as summer season and actually prefer spring and autumn sales as they get better rates and bigger mark ups. This is important to remember when planning production as our 4 seasons are creating different experiences in different regions in Finland.

U.S. Travel Market, Year-Over-Year Channel Change, 2014-2020



Note: 2016-2020 projected.
Source: U.S. Online Travel Overview Sixteenth Edition
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Trends and other relevant travel related topics

Trends & ideas

- Millennials and millennial families as well as multi generational travel are a hot topics right now in the US – how to attract them to travel more.
- Wellbeing, culinary experiences and living like local are mega trends especially on short holidays but still especially on long haul travel traditional sightseeing and visiting many countries on one holiday is dominating.
- **Unless the destination can offer something so unique that it is seen worth of a mono destination tour. The Northern Lights product taps to that. We should also create a unique offering around the Midnight Sun experience.**
 - According to the latest visitor survey the US travellers in Finland:
 - Culture or Entertainment are equally attractive both seasons
 - Nature attracted visitors more in winter.
 - Sauna experience attracts more in winter
 - > **Finland as nature and soft adventure destination in summer needs more focus (new products, sales & promotion activities)**

New distribution channels

- In the US the travel agents are still accounting for a large amount of bookings. More focus & resources on educating the travel agents would be important. Travel agents usually belong to one of the big consortiums. Finland is partner in Signature and Virtuoso.
- Most of the tour operators important to Finland are members of USTOA (US tour operator association) and associate membership is highly encouraged for all suppliers interested in US tour operators.

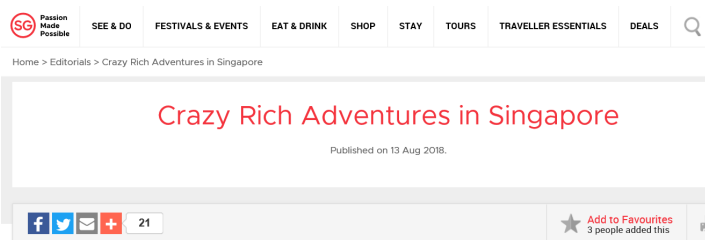
Online channels

- [Expedia](#) and [Booking Holdings](#) (Priceline) continue to dominate in the U.S., with the two collectively representing 92% of the OTA market. They both made deeper inroads into segments outside flight and hotel, secured more global investments and continued exploring emerging tech, demonstrating there is still plenty of opportunity for the duopoly to grow its footprint even further (Source: Phocuswright, 2019)
- Expedia and all Expedia Group online channels have a huge reach on FIT travellers in the US. A large awareness campaign with sales tail would have a great impact on awareness of Finland as destination and also would result in actual sales.

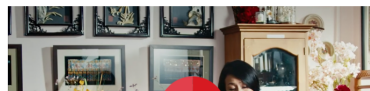
Trends and other relevant travel related topics

Competitors' actions

- US is one of the most competed tourism markets and all destination around the world are present here. There are a lot of marketing messages targeted towards the traveling customer and the key is to identify the most important target groups and customer segments, because hardly anyone can afford trying to target everyone unless there is a big partner to support.
 - For example: Singapore created a big buzz around the movie "Crazy rich Asians" for "crazy rich Americans". According to the tourist board rep, this was done with minimal budget as Warner Brothers already had committed in a big movie promotion campaign. The campaign was focusing on luxury and high end travel.
- Our main competitors but also partners in many activities in the US are Denmark, Norway, Sweden and Estonia. Iceland still dominates the market, but their overnight numbers have been declining this past winter. Most Nordic countries are working actively on PR and joint promotional campaigns with tour operators. This is also important for Finland. Norway also organizes its own B2B roadshow in the US. Visit Finland organized B2B roadshow events in Chicago and Los Angeles and Visit Denmark, Visit Sweden and Visit Estonia partnered with us. Iceland is with the help of Icelandair's own marketing machine focusing more on the end customer. Icelandair has excellent connections from North America to Iceland.
- Most of the marketing of Europe destinations is online or e-mail marketing campaigns together with tour operators, but Italy for example had traditional billboard advertisement on Times Square and Switzerland had taken over Saks 5Th Avenue windows in New York.



Crazy Rich Experiences



Tan Kheng Hua
Singaporean actress Tan Kheng Hua plays Kerry Chu in *Crazy Rich Asians* (in theatres from August 2018). Follow her as she takes you through a series of Peranakan experiences close to her heart.



Trends and other relevant travel related topics

FINLAND HAS THE MOMENTUM NOW

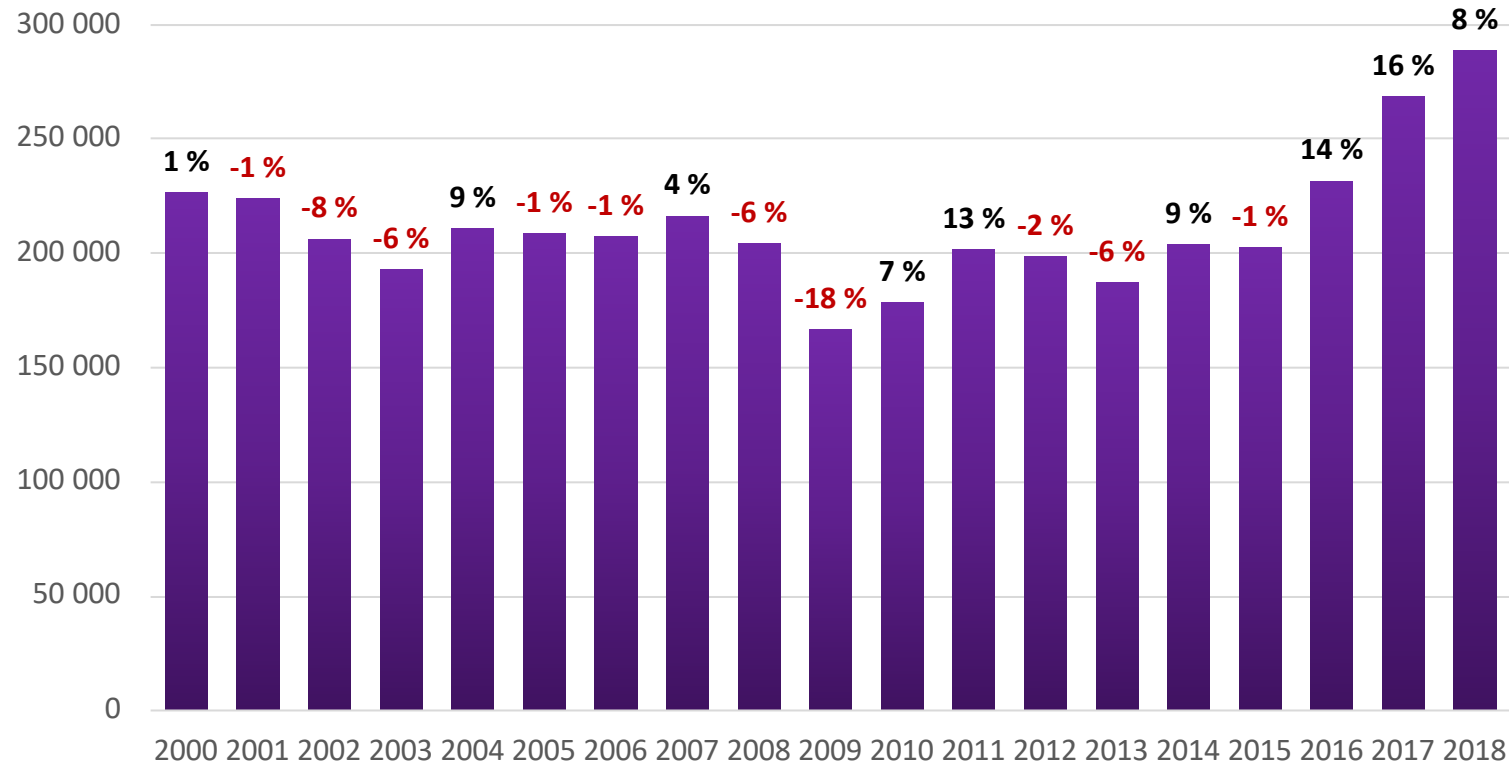
- Rent-A-Finn – campaign gained huge visibility in the US and Finland's society, welfare and education systems interests many. Marketing Finnish lifestyle, well functioning society and our nature is a good combination and should be remembered in all our messages. From US perspective Finland is "The new Nordic cool" – still unknown but offering all the same experiences as other Nordic countries.
- Despite the success of the Rent-A-Finn and visibility created in media and social media channels, we still have a lot of work to do to educate the North American tour operators and travel agents to sell Finland. A travel agent education program, webinars, sales events, and fairs are tools for educating the travel trade in the US.
- Visit Finland promotes Finland to both B2B sector with tour operator and travel agency consortium co-operation (mainly Signature & Virtuoso, together with Visit Denmark, Visit Sweden, Visit Norway, Visit Estonia) and to end customers via PR and media work. However, it is crucial to have more Finnish suppliers to promote their destinations and products in the US in order to convince US tour operators to increase production to Finland. **There is a huge potential in the US and Finland has right now a great momentum to grow as destination for North American travelers, but it requires joint efforts.**
- In a large market like the US where Finland as a country and especially as travel destination is still relatively unknown, it is important to make big noise and be visible. It does not always require big bucks, but very much creativity and proactivity. Co-operation with other Nordic countries is essential but also more active sales activities from Finnish suppliers would be beneficial. Even though US trade uses mainly DMC's, they appreciate the sales efforts of individual suppliers as well.
- It is good to remember that there are several large tour operators in Canada who sell packages not only to Canadians but also to US travelers.

USA – Market Review



Visit Finland

American overnights in Finland



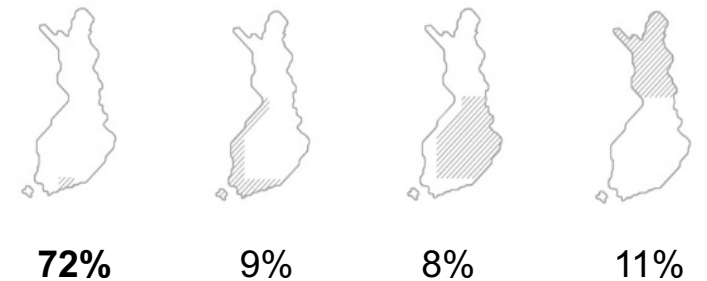
Year 2018

7th in country rankings
with a **4% share** of foreign overnights

Average change 2000-2018: **+2%**

Change 2018 compared to 2000: **+27%**

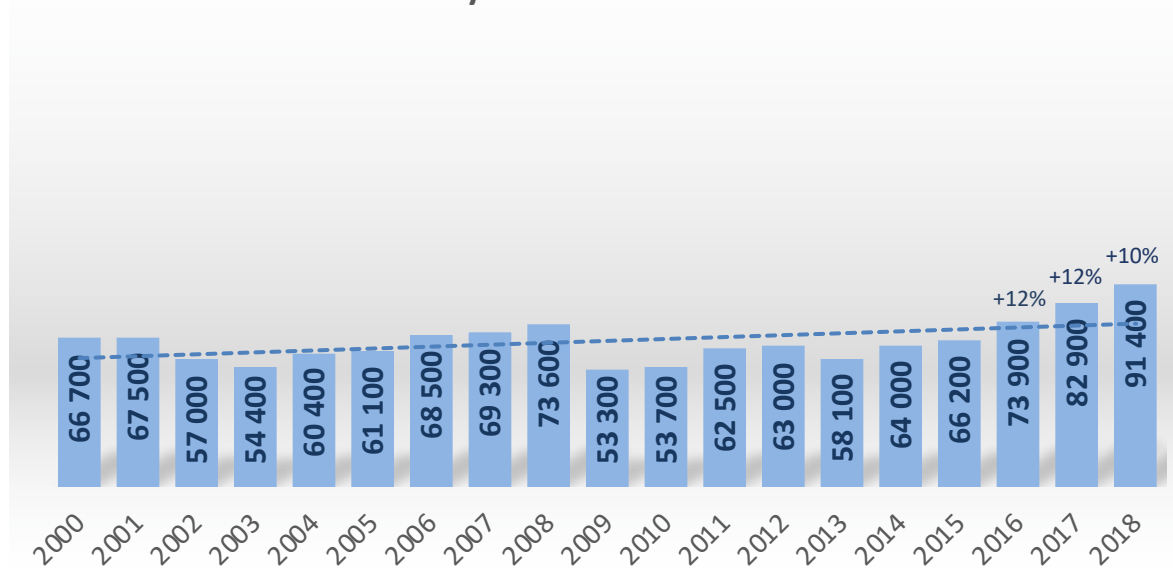
Share of overnights by regions 2018





Winter and Summer 2018

Registered overnights in winter season (Nov-Apr)
by American visitors

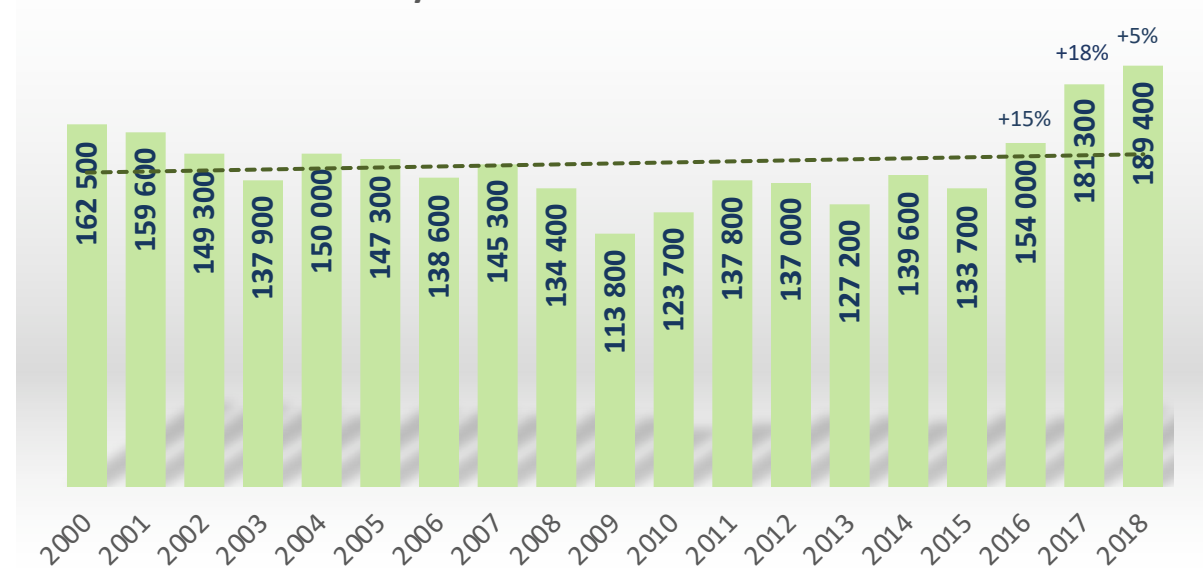


Winter 2018: **10th** in country rankings
with a **3%** share of foreign overnights

Average change 2000-2018: **+3%**

Change 2018 compared to 2000: **+37%**

Registered overnights in summer season (May-Oct)
by American visitors



Summer 2018: **5th** in country rankings
with a **6%** share of foreign overnights

Average change 2000-2018: **+1%**

Change 2018 compared to 2000: **+17%**

Seasonal overnights in 2018



Whole Finland

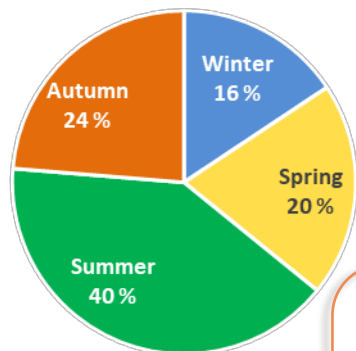
No. of American overnights

Seasonal YtoY change

	2016	2017	2018	2019	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018
Winter (Dec-Feb)	35 600	37 900	44 500	53 800	+7%	+17%	+21%
Spring (Mar-May)	47 800	55 100	57 200		+15%	+4%	
Summer (Jun-Aug)	96 400	113 500	114 700		+18%	+1%	
Autumn (Sep-Nov)	51 200	59 000	67 400		+15%	+14%	

US overnights in Finland
by season in 2018

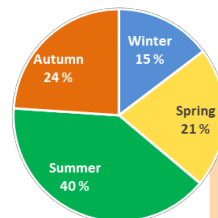
WHOLE COUNTRY 2018



Coast & Archipelago

Winter 2018:	3 800	(+6%)
Spring 2018:	5 500	(+9%)
Summer 2018:	10 200	(-10%)
Autumn 2018:	6 100	(+20%)

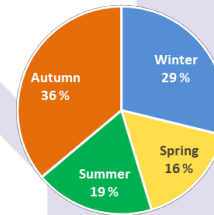
COAST AND ARCHIPELAGO 2018



Importance growing:

- Turku
- Oulu

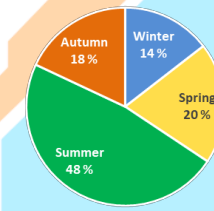
LAPLAND 2018



Importance growing:

- Rovaniemi
- Inari (Saariselkä)
- Sodankylä
- Kittilä (Levi)
- Kemi-Tornio

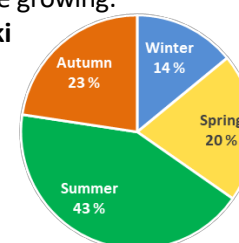
LAKELAND 2018



Importance growing:

- Tampere

HELSINKI REGION 2018



Importance growing:

- Helsinki
- Vantaa

Lapland

Winter 2018:	8 300	(+26%)
Spring 2018:	4 800	(-28%)
Summer 2018:	5 400	(-5%)
Autumn 2018:	10 400	(+80%)

Lakeland

Winter 2018:	3 600	(-4%)
Spring 2018:	4 900	(-5%)
Summer 2018:	11 700	(-3%)
Autumn 2018:	4 400	(-17%)

Helsinki area

Winter 2018:	28 800	(+20%)
Spring 2018:	42 100	(+10%)
Summer 2018:	87 400	(+4%)
Autumn 2018:	46 300	(+8%)

Trends for seasonal overnights in Finland – American visitors

