



Italy Market Report
May 2019

Visit Finland Country Representative

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Semiannual Report – ITALY

Winter season 2018-19 and outlook for Summer 2019

CONTENTS

- Factors affecting the results of the Winter season 2018-19
- Outlook for the Summer season 2019
- Prospects for the autumn/Winter season 2019-2020
- Theme check: sustainability, digitalization and year-round tourism
- Trends and other relevant travel related topics
- Facts and figures - Market review data

Factors affecting the results

Winter season 2018-19

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

- **Economic situation, security situation**

The economy is seen stagnating this year chiefly due to anemic consumer spending amid muted wage growth and as rigid hiring rules hinder job creation. Moreover, investment will be stifled by continued political instability and a less favorable tax regime. Risks stem from the huge public debt load coupled with undisciplined spending which could trigger renewed financial turbulence. Focus Economics panelists project growth of 0.1% in 2019, which is down 0.1 percentage points from last month's projection, and 0.6% in 2020.

(source: <https://www.focus-economics.com/countries/italy>)

- **Other (for example holiday periods/timing, possible new traveler' segments)**

In Winter, the most important holiday period is Christmas.

Winter season (considering last months of 2017) was positive but because of the over-tourism, the crazy rates and contract conditions of hotels and flights, December in Lapland was under tone. For this reason TOs sold more easily their packages in January-March than December.

The interest in the Lakeland is increasing a little but in Winter the Italians still want to experience the Northern Lights.

Possible new traveler segments could be:

- experienced travelers with focus on contact with the locals
- green holiday with focus on outdoor and sustainability

Factors affecting the results Winter season 2018-19

Reasons for the increase/decrease in travelling to Finland?

Changes in demand

- In general no big differences with previous Winter season 2017-2018.
- Besides the Finnair flights, there were some charter flights to Rovaniemi for Christmas holidays. All TOs sold quite well the usual packages for Christmas holidays. There was a small inflection on December but the sells in January-March went better. The demand changed a little from Finland to Norway because of a charter flight to Tromsø in Feb-Mar.
- Several small TOs complained about the increased rates, although there is a greater availability of rooms thanks to new accommodations.

Finland's image as a travel destination

- Finland image in winter is always connected to Lapland with Rovaniemi, Santa Claus and northern lights in general.
- People know that Finland has the best accommodations than the other countries but some destinations are too over-tourist and, if something doesn't change, TOs have alternatives, like Norway in Lofoten area, whales watching in Vesteralen, North Cape, etc.

Changes in distribution

- To give continuity to the previous OTA campaign, we launched a programmatic campaign for winter, mostly Helsinki and Lakeland regions. This is also to make Finland better known in Italy. The results were good and the bookings went up almost 20% in the chosen OTA sales channels.

Factors affecting the results

Winter season 2018-19

Reasons for the increase/decrease in travelling to Finland?

Products that have been attractive

- Apart Santa Claus, appreciated the commitment of Il Diamante who promoted the northern lights in Autumn, offered several packages with igloos and the combi Finland/Sweden in Botnia Gulf.
- Giver and Alpitour had charter flights on Rovaniemi in December/January. Blueberry and Norama had several FIT products for northern lights from Autumn to Winter.
- Agamatour worked during the whole Winter season with groups with tour leader in Lapland (Rovaniemi, Kemi, Inari) and in combination with Northern Norway (North Cape, Tromso, Kirkenes).

Regions that have been attractive

- The attractive regions have been mainly Lapland (Ruka/Kuusamo, Saariselka, Rovaniemi, Luosto, Vuokatti, Botnia Gulf) and Helsinki.
- Also Lakeland (Saimaa region) has been promoted during the Programmatic campaign in winter.

Campaigns, joint promotions results

- Last year we did the co-marketing campaigns with three selected TOs from May to December/January `19.
- Results: 1,010 TAs trained during events/webinars, 409,500 consumers reached through magazines/newsletters/DEM/SoMe posts

Outlook for the Summer season 2019

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

Increase/decrease and reasons for the increase/decrease

- Although there is no improvement in the Italian economy, we hope for an increase in arrivals thanks to new flights by Finnair and Norwegian. For the Summer season, Finnair flies from Bologna 1 p/week and Norwegian flies from Pisa 1 p/week. Ryanair flight from seasonal will become a year-round one. Trade uses mostly Finnair, followed by Norwegian, just a few Ryanair, which is mainly for the final consumers.
- On the basis of TOs' declarations, till now they don't have many bookings because there were many short holidays till the beginning of May and the weather was bad, so people prefer warmer destinations (Egypt is growing).
- Another thing to take into consideration is a charter flight to Bodo/Norway (Jun-Aug).

New summer products

- We have a co-marketing project with a Giver to promote "Finland, relax at 360°" with 2 FIT itineraries: Helsinki-Savonlinna-Jyvaskylä and Helsinki-Tampere-Turku. These are not new products but this is to promote Finland for a longer Summer season.
- In Il Diamante catalogue there is almost the same nr of itineraries but more scheduled tour than FITs: 1 scheduled tour with STO, HEL and Saimaa Lake (their own tour), 1 scheduled tour in Southern Finland, 2 scheduled tour with capitals combi, some FIT packages as 1 long weekend in Helsinki with sauna tour and Finnish dinner, 3 packages in Lapland and northern Lakeland with bear watching, Sami culture, Santa Claus, national parks, relax.
- Boscolo is promoting food all round the world (in Finland too).

New sales channels

- We contacted all the main **TAs networks** to understand if they are interested in future co-marketing with us. We already started a co-marketing operation with Gattinoni: we participated in their 2-days convention, then we will go on with SoMe activities and a famtrip for their top agencies in coop with Norwegian Airline or Finnair.

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?

- **Sustainable tourism:** ecology theme will be increasingly present and pervasive in every aspect of life and will influence the way of traveling and the choice of destinations. Millennials and Generation Z will, for example, be increasingly interested in making sustainable experiences once they reach their destination, while accommodation facilities will be more committed to reducing the use of plastic and their environmental impact. 86% of travelers also declare that they are willing to spend part of their holidays doing activities that offset the impact of their stay, while 37% would collect plastic and garbage from the beach. *Source: Booking.com - Trends 2019*
- **Slow tourism** stands out in its various forms (religious routes, thematic paths, slow biking, outdoor and active tourism). All supported by new and innovative technological solutions. *Source: BIT – Feb 2019*
- **Innovation:** the new slow tourism forms go hand in hand with innovation, in particular digital transformation, which allow to have a consumer satisfied with his travel experience even before this begins. Thanks to chatbots, online check-ins and smart solutions people in the future will spend much less time organizing their vacation and much more enjoying the travel experience. *Source: BIT – Feb 2019*
- **Food tours:** it becomes increasingly successful the link between travel, tourism and gastronomy. Italy is the main destination with food and wine tours, experiences in the vineyards, events dedicated to "gourmands", gourmet trips, cooking classes and many other flavors-related proposals but we should take into consideration.

Which are the traveller segments?

- **Silver tourism** is growing more and more. There are over 140 million tourists over 60 in Europe (in 2010 they were 42 million) with an annual spending capacity of 3,800 euros, 1,250 euros more than tourists between 35 and 54 years. 59% want to discover new cultures, 45% enjoy relaxation and 40% stay with friends (*source: Silver & Trips by Studio Giaccardi*)
- **Experienced travelers:** they want to live the experience of an unforgettable trip, see the destination wonders, taste the local food. Live the experience instead of souvenir purchasing. *Source: Booking.com*
- **Families with kids:** the travel seasonality is in Summer or December in conjunction with school holidays. They are looking for safety, kids facilities, good food and entertainment. It's fake news that they search for low cost solutions: quality and enjoying leisure and relaxation are select criteria. *Source: TTG Italia trade gazette & Bimboinviaggio.com*

Outlook for the Winter season 2019-20

Ad hoc marketing opportunities

TO cooperation, joint promotions, crossover, events, PR, social media

- For Ailo's movie, that should be launched at the end of October/beginning of November, we are planning some PR activities and an involvement of the TOs with the cooperation of the movie distributor in Italy.
- We would like to promote Saimaa region also for winter because Lappenranta will become an year destination for Ryanair.
- With Gattinoni TAs network we started a co-marketing project that includes an incentive program, TAs training and a famtrip with focus on Saimaa region, to continue the promotion we started last year with TOs.
- In cooperation with Culture Finland, PR and Embassy we are planning some trade activities at Biennale to promote culture and art and involving TOs, who should invite their best clients and prepare some special package with this focus.

Prospects for the Autumn 2019/Winter 2020

The overall outlook of travelling to Finland?

What trends should be considered in product development to increase the demand in the Autumn/Winter time?

- Use the Ailo's movie launch for promoting northern lights, Sami culture, sauna and unknown areas of Lapland in Autumn/Winter season.
- To promote Saimaa region for Winter for a short relax holiday in cozy accommodations with sauna, outdoor activities on ice, etc. as there will be Ryanair flights during all year round.

Which present target groups should be considered to increase the demand?

- Active tourists, couples, group of friends.
- Norama includes in its co-marketing activities MICE and Business Travel.

Which new target groups should be considered to increase the demand?

- Millenials and Gen-Z with experienced travels, then foodies and who has special interest in nature

Theme check: Sustainability, digitalization and year-round tourism

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

What kind of demand or potential of these themes you find in the market you represent? (Products, target groups)

Sustainability

- Promotion of the regions and places where the first sustainable projects started, suggesting itineraries with sustainable accommodations, excursions, means of transport, etc.

Digitalization

- It would be important that on our webpage there was the possibility of accessing a more concrete product with the possibility of building an itinerary with a map, understanding how many km you do, where to sleep, etc. Now the site has a lot of ideas but they are unrelated, it is difficult to understand how to put them together.
- A FB page in Italian would be useful.
- Evaluate the possibility to create an APP.

Year-round tourism

- In addition to the standard Summer and Christmas holidays, many Italians travel for a second shorter holidays in several Bank holidays (end of October/beginning of November, Carnival, Easter, 25th April, 2nd June) so it would be nice to promote destinations for long weekends (not only Helsinki), easy to reach, with suggestions of events or activities to do.
- Local DMCs and TOs should be more pro-active and create packages for all year round seasons.

Trends and other relevant travel related topics

Trends

Any new travel trends on your market? What's hot now on your market (B2C and/or B2B)

- To travel for special events preparing and promoting special packages or to travel with influencer in small groups for enhancement the experiences.

New distribution channels

Your suggestion on how to develop business with them: what needs to be done?

- **Active tourism:** we should make Finland known as a destination for active holidays with its nature, its 40 National Parks, etc. participating in a specialist fair in coop with TOs (i.e. Outdoor fair in February in Parma or Fai la cosa giusta in March in Milan) or with a online campaign in a specialist website (i.e. outdooractive.com or sportoutdoor24.it).
- **B2C events in coop with Embassy:** we should be more present in events with a large number of participants (Fuori Salone, Biennale, Wired Festival, etc...). As Be Nordic B2C event won't be organized neither in 2020, we should think about a B2C event where we could talk about the happiest country in the world, about culture, food (involving Finnish food companies), sauna, nature, sisu philosophy and other things involving Finnish food companies, a book writer or a magazine director, etc. It could be done in Rome for midnight sun party.

Online channels

Channels where Visit Finland should be present and suggestion of how to be present

- **FB page in Italian:** social media in Italy are an important way to communicate with the consumers (Italy is nr 1). It would be important to have a FB page in Italian, post something every 2-3 days with news, events, itineraries proposals.
- **VF website in Italian:** it would be nice to issue the events where VF participates in Italy (i.e. Biennale, Equilibrio, etc.) relating the subject to a region or a museum to visit, connecting it with themes like culture, food, architecture, etc. If a national campaign is organized involving TOs, it would be nice to issue on our webpage itineraries' suggested by TOs. In this way we could do online adv linking to the VF page with TOs proposals. Our website is like a "window" and it's difficult to understand how to book and with whom.
- I don't mean that we have to sell but in this way we could have more conversion points.

Trends and other relevant travel related topics

Competitors' actions

Which countries have been active, where have you seen their promotion, what was the main message/content of the communication, competitors' new products or activities with tour operators/sales channels

- **Norway** continues to do a lot of promotion all year round in advertisement for the consumers but also campaign with TOs, in particular in coop with Giver who has a winter charter flight (Feb-Mar) to Tromsø and a summer one (Jun-Aug) to Bodo.
- They have a FB page in Italian with 1,1mln followers and a IG page in Italian with 12,100 followers where they post something each day
- Norway has an interesting section on sustainability in their website <https://www.visitnorway.it/pianifica-il-viaggio/viaggi-green/10-modi-sostenibili-per-scoprire-la-norvegia/> with a list of «sustainable» operators and destinations
- **Iceland** is the other big competitor. All important TOs specialized in Northern Europe have many requests and bookings for this destination, even if WOW went bankrupt and canceled the flights .
- No interesting news about **Denmark** and **Sweden**
- **Egypt** re-opens to tourism: although it's a totally different destination, it could take away a certain number of Italians in terms of flight hours compared to northern Europe (perfect for Spring long weekends) and cheapness (also Agamatour declared this) because it can decrease the interest of travelers who use low cost flights to European capitals.

Trends and other relevant travel related topics

Free word

Something else that you would like to say to the Finnish travel trade

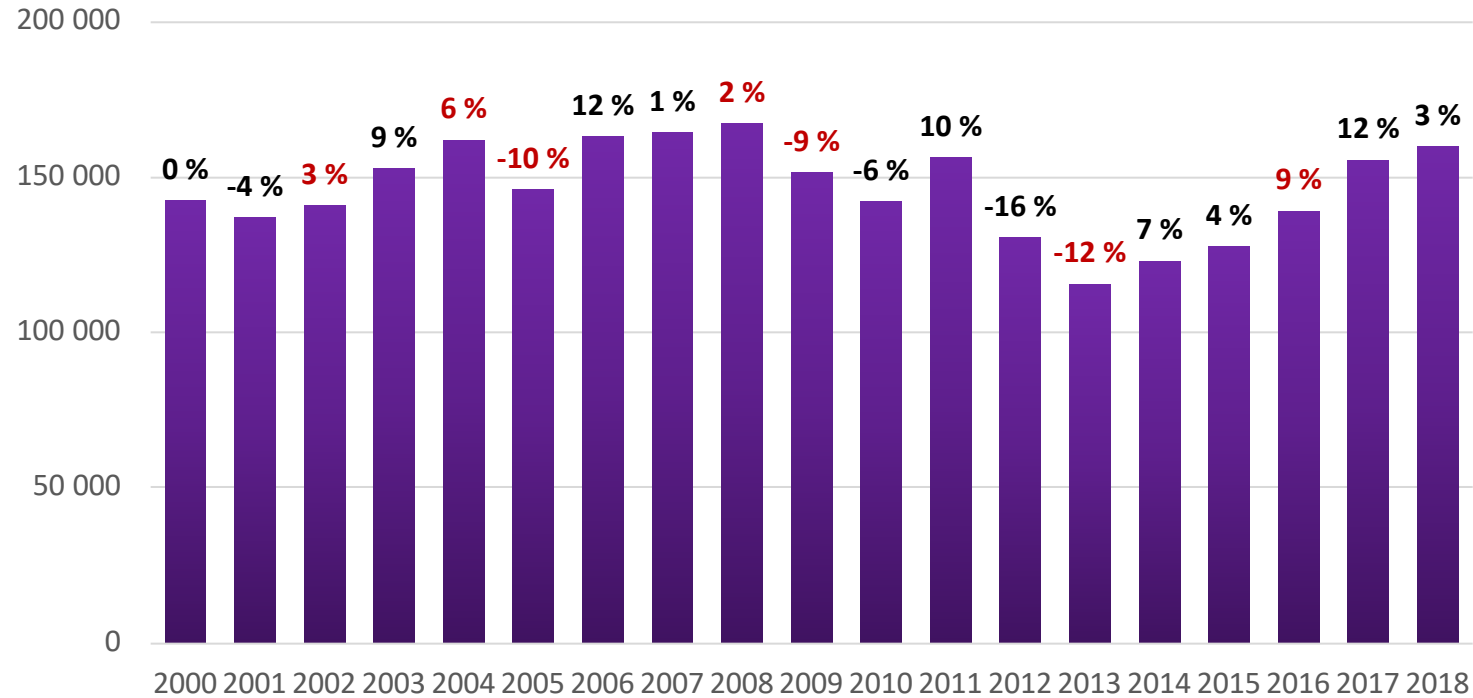
- **DIVERSIFICATION:** it's important to differentiate products in different sub-regions.
- **PROACTIVITY:** Italian TOs should be more involved in the market and local DMC too. It would be nice to have 2 Finnish DMCs available to come to Italy to meet the trade and able to propose packages for the whole country. Otherwise, to have 1 or 2 Finnish DMCs per region.
- My job to promote Finland is neutralized if ready-made products or concrete ideas can't be found.
- **DMCs based in CPH or OSL:** it's important to train them because they don't help to promote Finland for Summer with scheduled tours: they should try and risk more (they risk less than an Italian TO because they collect pax from several TOs/Tas). Only one of them has a real scheduled tour in Finland. Finnish DMCs: they should be more present on our market
- **B2C:** a big investment should be done to reach the final clients with several activities concurrently (Programmatic campaigns, advertisement campaigns, B2C events, social media,) but a bigger budget is needed.
- We think that it would be important to have a FB page in Italian, to post something every 2 days.
- In the Italian VF website page it would be nice to issue the events when VF participates in Italy (i.e. Biennale, Equilibrio, etc.) relating the subject to a region or a museum to visit, connecting it with themes like culture, food, architecture, etc.
- It would be nice to organize some international campaign involving TOs with itineraries suggestions that could be issued in our webpage.

Italy – Market Review



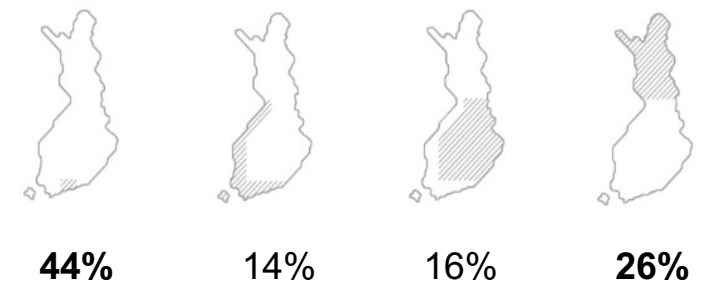
Visit Finland

Italian overnights in Finland



Year 2018
14th in country rankings
 with a **2% share** of foreign overnights
 Average change 2000-2018: **+1%**
 Change 2018 compared to 2000: **+12%**

Share of overnights by regions 2018





Winter and Summer 2018

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



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



Winter 2018: **14th** in country rankings with a **2%** share of foreign overnights

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

Change 2018 compared to 2000: **+66%**

Summer 2018: **13th** in country rankings with a **3%** share of foreign overnights

Average change 2000-2018: **0%**

Change 2018 compared to 2000: **-11%**

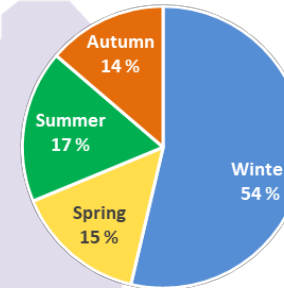


Seasonal overnights in 2018

Whole Finland

	No. of Italian overnights				Seasonal YtoY change		
	2016	2017	2018	2019	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018
Winter (Dec-Feb)	35 600	39 200	43 300	42 900	+10%	+10%	-1%
Spring (Mar-May)	22 800	26 800	27 600		+17%	+3%	
Summer (Jun-Aug)	56 800	60 500	60 000		+7%	-1%	
Autumn (Sep-Nov)	22 300	26 300	29 800		+18%	+13%	

LAPLAND 2018



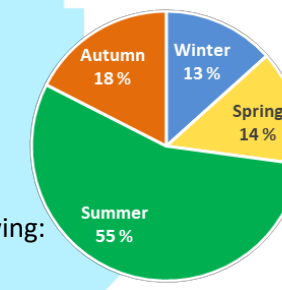
Lapland

Winter 2018:	23 000	(+11%)
Spring 2018:	6 500	(+2%)
Summer 2018:	7 500	(-14%)
Autumn 2018:	6 000	(-2%)

Importance growing:

- Inari (Saariselkä)
- Kittilä (Levi)

LAKELAND 2018



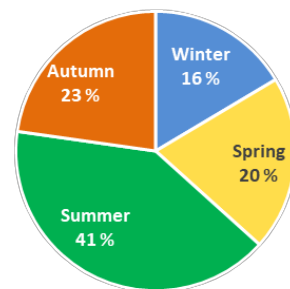
Lakeland

Winter 2018:	3 300	(+10%)
Spring 2018:	3 400	(+3%)
Summer 2018:	13 500	(+6%)
Autumn 2018:	4 300	(+22%)

Coast & Archipelago

Winter 2018:	3 600	(+12%)
Spring 2018:	4 500	(-7%)
Summer 2018:	9 000	(-2%)
Autumn 2018:	5 000	(-7%)

COAST AND ARCHIPELAGO 2018



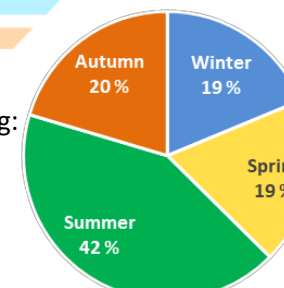
Importance growing:

- Turku
- Vaasa

Importance growing:

- Tampere
- Savonlinna

HELSINKI REGION 2018



Importance growing:

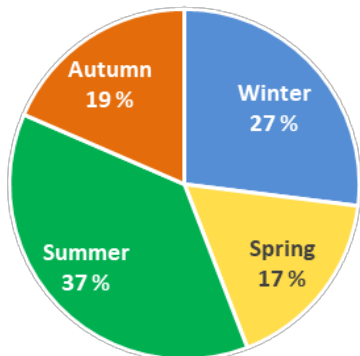
- Helsinki
- Espoo

Helsinki area

Winter 2018:	13 300	(+10%)
Spring 2018:	13 300	(+7%)
Summer 2018:	30 000	(0%)
Autumn 2018:	14 500	(+19%)

Italian overnights in Finland by season in 2018

WHOLE COUNTRY 2018



Trends for seasonal overnights in Finland – Italian visitors

