



China Market Report
May 2019

Visit Finland China

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Semiannual Report – CHINA

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/decrease in overall outbound travelling from your market?

- Finland is well known as the winter destination in China market and travel trade in China are familiar with Finland winter products.
- Both Lapland and Lakeland performed well with good campaigns and earned PR exposure.
- Wholesalers were selling budget tour packages to Finland in winter season, to grab the market share.
- Education Tour are well acknowledged.
- One of the biggest OTA in China –Fliggy sold FIT Aurora 3.0 products (6-7 days in Finland products) on “double 11” day, which contributes a big share to maintain the winter popularity in Finland.
- Various products started to attract the market, e.g. Finland+Iceland, Finland+Russia, domestically in Finland not only in Lapland area, new try with Ruka, Vuokatti, Oulu got good feedback.

Economic situation, security situation

- Uncertainty of China-US trade war will influence China economic in a long run. Overall outbound travelling in China has slowed down the increasing pace.
- Compared with other European countries, Finland stood out for its nation safety and stable social environment.

Other (for example holiday periods/timing, possible new traveller segments)

- Travelers are more price sensitive and considerate nowadays, searching for the best deal via booking portal, Apps.
- Spring and Autumn season are noted as the alternative season with good deal, especially for Silver group and retiree
- In 2019, there will be in total 51 flights from Great China to Finland, the aviation capacity increased.
- Recently, 2nd tier cities in China have proved their big demand in high quality travel products and destination.
- Finnish Lakeland has increased its awareness in the market after Lakeland project campaign in 2018.
- 2019 is China-Finland sports year, events and campaigns will be organized to increase sport travel to Finland.

Factors affecting the results of the winter season 2018-19

Reasons for the increase in travelling to Finland?

Changes in demand

- Finland is the first and the only country for Aurora in most of the Chinese travellers' image.
- Good marketing work both in b2c and b2b maintained the popularity in winter time.
- Resources are expanded (such as hotels) to fulfil the big demand from Chinese market.
- FITs grew rapidly. Meanwhile, Finnish suppliers caught up the trends in order to better serve products to FITs.

Finland's image as a travel destination – Winter

- Aurora
- Santa Claus
- Glass igloo
- Ice breaker
- Safaris adventures
- Nature
- Snow
- Lapland
- Moomin
- Extreme
- Peace
- Romantic

Factors affecting the results of the winter season 2018-19

Reasons for the increase in travelling to Finland?

Changes in distribution/accessibility

- More seats capacities through Asia and European carries booked for Finland trip.
- Some aviation company offering cheapest fares to Scandinavia to grab the market share e.g. Turkish Airines, Qatar Airways, Emirates etc.
- Small agents with active movement at social media platform grab more attention from public especially for those specialized segment targeted group.

Products that have been attractive

- Aurora shooting Tour
- Santa Claus
- Soft adventures. Icebreaker, Husky and Reindeer Safaris
- Cottage and Glass Igloo stay

Outlook for the summer season 2019

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

- Uncertainty due to the economic conflict between China and U. S.
- Increase capacity from Finnair and other new airlines (Finnair Guangzhou whole year operation, Tibet Airline Jinan-Helsinki, JuneYao Airlines Shanghai – Helsinki, etc.)
- Slow booking for the coming season because of various price range (too much capacity) and economy
- Products with fewer destinations (2-3) become more trendy while mainstream product still covers four countries
- Education travel seemed to be quite attractive in summer time, in terms of family travel and camp studies
- Finnair has adjusted the company strategy to have more FIT seats but less group seats, which hits the market, some of the areas in China have got immediate decrease

Regions that have been attractive

- Lapland
- Lakeland
- Helsinki region

New summer products

- Mono Finland Summer tour covering Lakeland, Lapland, and Coastal region
- Soft adventure tour with Hiking and Berry/Mushroom picking in Lakeland region
- Visit to Turku, Tampere and Naantali for both Group and FITs tour
- 8 days in Finland Lakeland mainly, with activities of mushroom pickup, sauna, fishing, and steam boat tour.
- 4 Nordic country + Russia + one night in Lakeland.

New sales channels

- Mobiles and APP sales from Airlines and Travel Agent portal
- OTAs are the most popular booking sources
- Trips with key opinion leaders KOLs and celebrities'
- Associations of retired people
- Hobby clubs

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?

- Uncertain due to the economic situation
- Bookings are very slow
- Too much capacity makes the price level vary a lot
- Mono destination with in-depth local experience or dual destinations program are favorable.
- Sport, Medical, Education Tourism are getting attention
- Still mainly with Nordic 4 countries products, 1-2 nights in Finland.
- Lakeland gradually gets one night or more in the summer travel products.

Which are the traveller segments?

- Families with kids
- Feminine travelers/Office ladies (20-50s)
- Retiree
- Couples
- Hobby groups (photographer, sports, etc.)

Outlook for the winter season 2019-20

Ad hoc marketing opportunities

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

- Education Travel event on 19 and 29 May in HK and Macau
- Midnight Sun Workshop in Tampere and pre/post Tour 6-16Jun
- Wing On Travel Lakeland campaign 2019
- ETI Travel Lakeland campaign 2019
- Travelpoint x Visit Turku Marathon campaign
- Education Trade fam on mid September
- Reality Show 'Parents Academy' shooting in Finland for 2nd season in the upcoming summer (tbc)
- Shanghai Bamboo Garden Travel Co. Ltd. Lakeland campaign 2019
- Ctrip metro station advertisement in Guangzhou, Shenzhen and Beijing (tbc)
- 'Rent A Finn' media event in Shanghai
- Boonski Asia-Pacific outdoor show 2019 in Nanjing
- Finnair Nanjing route opening 1 year anniversary / Nordic countries travel promotion
- ITB China 2019 May 15-17
- Education travel project: fact finding trip in November, Beijing & Shanghai
- Juneyao route opening on June 28th, media group visit in Finland

Prospects for the autumn/winter season 2019-20

The overall outlook of travelling to Finland?

Prospects for the autumn/winter season 2019-2020

- Looks complicated due to uncertainty of economic conflict between China and US
- Aurora + Hiking Tour launched for coming Autumn season in Lapland in HK market
- FITs are still the growing engine in the regions
- Fliggy has reserved seats for Aurora 4.0 products in Finland, which indicated their confidence in Finland market.

What trends should be considered in product development to increase the demand in the autumn/winter time?

- Sports
- Educational travel
- Finns lifestyle
- FIT travel, digitalized travel tool, more user friendly. More close cooperation with OTA companies in China
- More knowledge training about new areas, new hotels, new activities to tour operators, to solve the resource lack problem in winter time

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

- Education study group
- Silver hair group / Retiree (no financial burden, they are not affected by economy)
- Families with kids
- Feminine group
- Younger generation

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

- Hobby groups (photographing, sports, adventure, etc.)

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** is the “hot” topic in town but no virtual products are well received in the market yet. In general, mass public have no hesitation and having favor to learn on this subject. Something too big or too abstract.
- Nordic countries usually have the good image of sustainability in people’s mind, which are appreciated by Chinese people and is one of the selling points.
- **Digitalization** is a global trend. In Greater China, it is even more obvious with all the big tech companies and population.
- Digitalization is a must nowadays for planning, developing and marketing process. Online, APP are the key trend. Digitalization is most welcomed! But the system has to be stable and user friendly + essential marketing to increase the market awareness.
- A constant strategy with key theme and USPs are main tools to promote **year-round tourism**. Year-round slogan can be one way to promote Finland as year-round travel destination. Currently Finland is too weak in summer time, big marketing promotion can be done to stimulate the market, e.g.: reality show or key opinion leaders (KOL) visits.
- The projects we are promoting in the market, Winter Sports, Educational Travel, Health Tourism can eventually bring us year-round tourism.

Trends and other relevant travel related topics

Trends

- Interest in **adventure travel** among Chinese travellers are getting higher, trip customisation is needed and they concern much on safety, comfort and difficulty.
- **Sport Tourism** is booming. Marathon tourism is popular around the world and it's a mixtures with both sport participation an leisure experience. According to estimate of China Track and Field Association, over 1900 marathons will be held in the country in 2020 with over 10 million runners. Marathon is hot in China and HK, China media reported that in 2017, there were 1102 registered races with runners / participants totalling 4.98 million. HK Standard Chartered Marathon with quota restriction of 74000 due to over demand.
- **Medical tourism** is popular in Chinese society in this decade, a research from Global Growth Markets, which estimates some 500,000 mainlanders travel abroad for medical tourism every year, spending at least US\$10 billion annually. The most popular destinations are Korea, Japan, Taiwan and Thailand. A report jointly published by VISA and an consultancy firm report the global medical tourism trade worth US\$ 50 billion, and will grow by 25% each year in the coming decade.
- **Education travel** market is huge in China. Finland has a very good image in education, which provides good opportunity to attract the market, currently not only in first tier cities such as Shanghai Guangzhou and Beijing, but also in the 2nd tier cities in China, education travel market is booming. Education travel is booming in China market, because of the high reputation of Finnish education, and more Finnish partners enter the Chinese market, the volume of education travel is increasing.

Trends and other relevant travel related topics

- **High end and tailor-made** tourists are blooming in China. They are demanding and traveling in a small group, with friends or relatives. Their consumption power is higher than usual. C-trip, a major travel portal in China, reported its tailor-made tour platform saw 180% increase in the number of orders in 2018 and in fact triple digits growth in each of the previous three years.
- Jing Fen (Spiritually Finnish) / Finnish Nightmare / Very Finnish Problem are still **hot topics in social media**.

New distribution channels

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

- FITs and smaller group are still the big trend. Trip customization is the key to cope with the growth.
- Digitalization on marketing and make use of social media impact to grab for awareness.
- More marketing exposures regarding education travel, by inviting or involving KOLs or celebrities to talk about Finnish education, or go to Finland to experience.
- Selling products on certain OTA by opening a shop is not that difficult but effective.

Trends and other relevant travel related topics

Online channels

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

- Build up a Traditional Chinese / HK version Facebook / Instagram account to greet those HK, Taiwan and SE Chinese society
- Social media campaign with KOL / Asian Celebrities / influencers in order to build up the awareness of Finland destination and products.
- More active interactions on Wechat and Weibo accounts, be alert when the KOLs or celebrities are related to Finland, grab the chance and make the sound
- More close cooperation with big OTAs in China, such as Ctrip, Mafengwo, Fliggy.

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

- Germany – Castle , History, Fairy Tale
- Russia – History and Culture
- East Europe – Romance, Culture ,History
- Switzerland – Landscape, Rail ride, Hiking and Cycling
- France – Castle and Gourmet
- Iceland – Landscape, Whale watching
- Spain & Portugal – Gourmet, Luxury , History (Unesco site)
- U.K. – History and School visits, Landscape
- Sweden – deeper travel
- Denmark – deeper travel, FIT, high quality customers, summer season
- Norway – low season in fjords, Northern Norway (except for Lofoten and Tromsø), food travel, culture

Trends and other relevant travel related topics

Free word

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

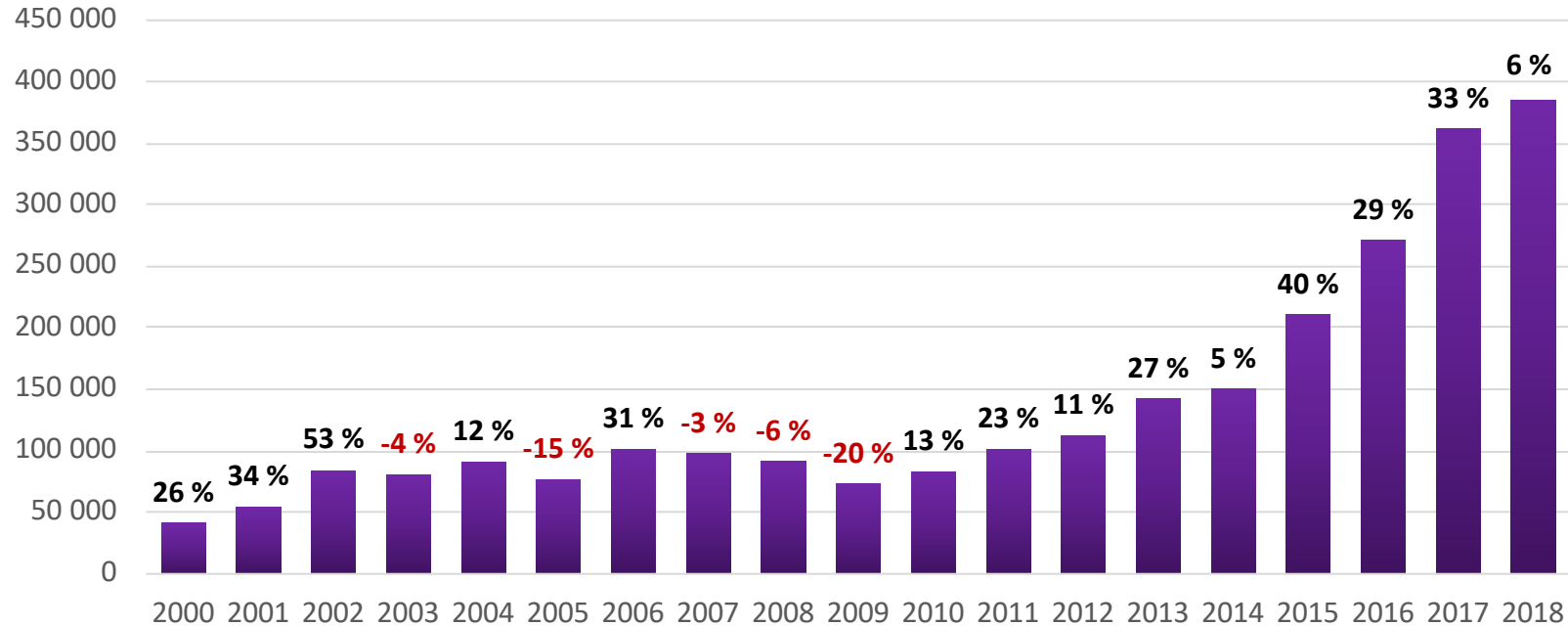
- Proactive on campaigns and events, it takes times to educate trade and got awareness from end users. No magic can be done in a year. Pls be patient!
- Be active at social media, set up a local account to interact and delivery your latest news. Videos and images are the most effective tool to build up awareness.
- Join VF events and campaigns in the market.
- Support trade and media fam trip – rewardable and most proactive marketing tool.
- Talk more with DMC companies in Finland, evaluate yourself if you are ready for Chinese market.

China (incl. Hong Kong) – Market Review



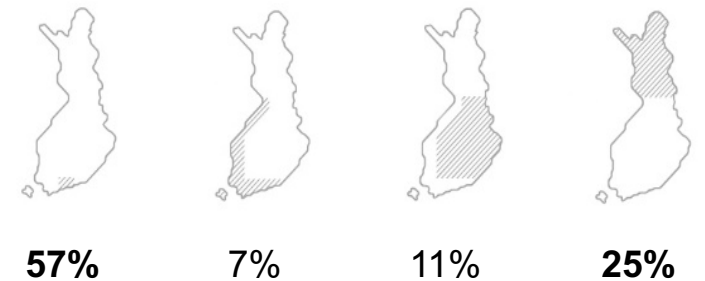
Visit Finland

Chinese overnights in Finland



Year 2018
5th in country rankings
 with a **6% share** of foreign overnights
 Average change 2000-2018: **+15%**
 Change 2018 compared to 2000: **+832%**

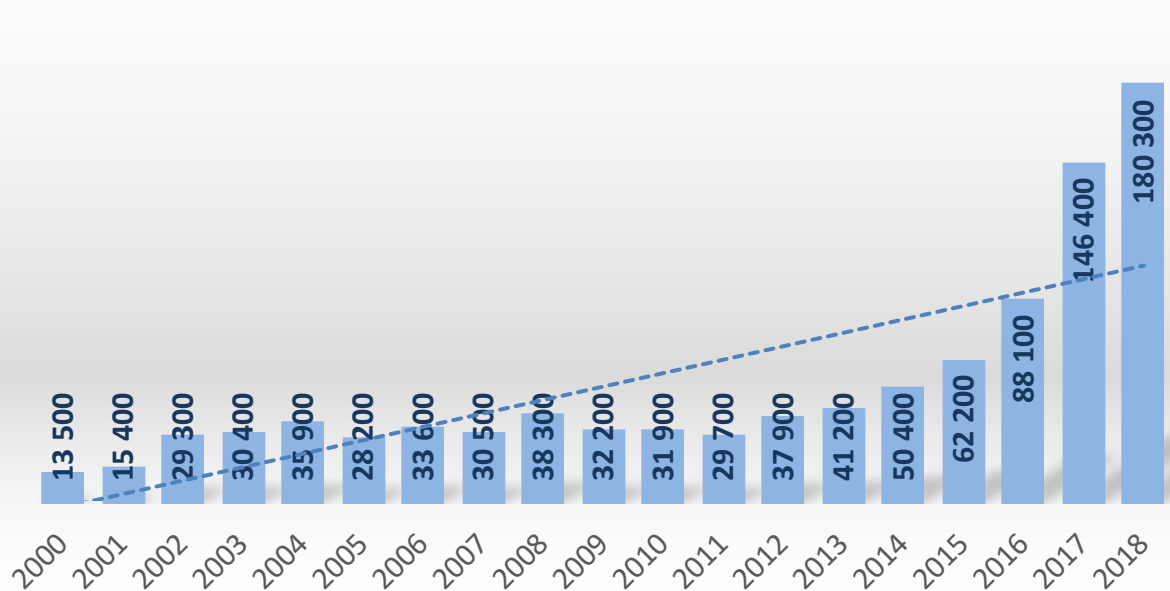
Share of overnights by regions 2018





Winter and Summer 2018

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

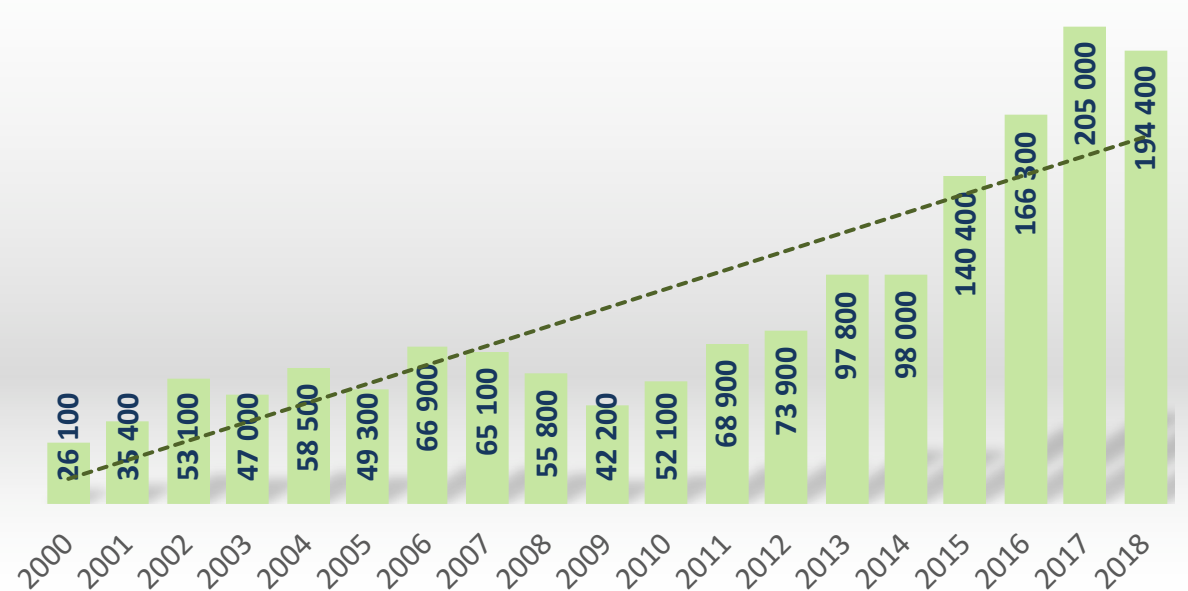


Winter 2018: **6th** in country rankings with a **5%** share of foreign overnights

Average change 2000-2018: **+19%**

Change 2018 compared to 2000: **+1234%**

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



Summer 2018: **4th** in country rankings with a **6%** share of foreign overnights

Average change 2000-2018: **+14%**

Change 2018 compared to 2000: **+644%**

Chinese overnights in Finland

Seasonal overnights in 2018

Whole Finland

| | No. of Chinese overnights | | | | Seasonal YtoY change | | |
|-------------------------|---------------------------|---------|---------|---------|----------------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2017 vs. 2016 | 2018 vs. 2017 | 2019 vs. 2018 |
| Winter (Dec-Feb) | 53 400 | 97 300 | 120 000 | 138 800 | +82% | +23% | +16% |
| Spring (Mar-May) | 41 800 | 57 100 | 61 100 | | +37% | +7% | |
| Summer (Jun-Aug) | 104 700 | 128 000 | 115 500 | | +22% | -10% | |
| Autumn (Sep-Nov) | 58 300 | 74 000 | 84 000 | | +27% | +13% | |

Coast & Archipelago

| | | |
|---------------------|--------|--------|
| Winter 2018: | 4 500 | (+51%) |
| Spring 2018: | 3 700 | (-7%) |
| Summer 2018: | 10 800 | (-28%) |
| Autumn 2018: | 7 000 | (+59%) |

Importance growing:
 • Turku
 • Oulu

Importance growing:
 • Rovaniemi
 • Inari (Saariselkä)
 • Kuusamo

Importance growing:
 • Sotkamo
 • Tampere

Importance growing:
 • Lohja
 • Vantaa
 • Espoo

Lapland

| | | |
|---------------------|--------|--------|
| Winter 2018: | 63 500 | (+10%) |
| Spring 2018: | 14 000 | (+21%) |
| Summer 2018: | 5 900 | (-11%) |
| Autumn 2018: | 12 700 | (+6%) |

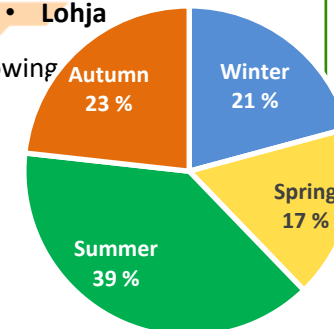
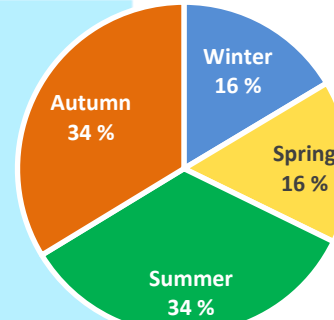
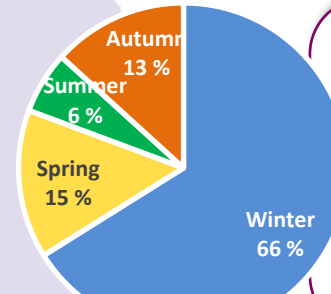
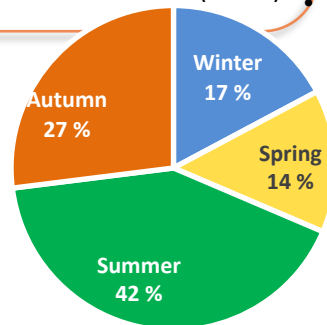
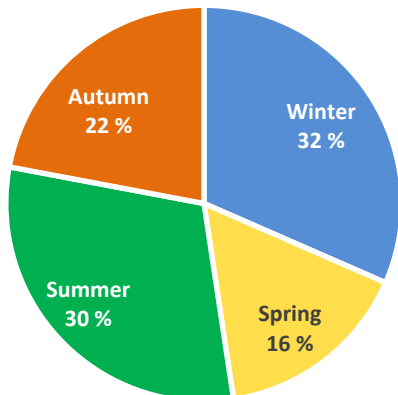
Lakeland

| | | |
|---------------------|--------|---------|
| Winter 2018: | 6 400 | (+100%) |
| Spring 2018: | 6 100 | (+59%) |
| Summer 2018: | 13 200 | (+17%) |
| Autumn 2018: | 13 100 | (100%) |

Helsinki area

| | | |
|---------------------|--------|--------|
| Winter 2018: | 45 700 | (+37%) |
| Spring 2018: | 37 300 | (-1%) |
| Summer 2018: | 85 600 | (-10%) |
| Autumn 2018: | 51 000 | (0%) |

Chinese overnights in Finland by season in 2018 (Whole country)



Trends for seasonal overnights in Finland – Chinese visitors

