



VF Japan Market Report
December 2019

Visit Finland Country Representatives
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Semiannual Report – JAPAN

Summer season 2019 and outlook for winter 2019-20

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Factors affecting the results of the summer 2019

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

Economic situation, security situation

- Japanese economy is on an overall mild recovery, and by 2020 may reach the longest period of economic recovery in Japan since the 1980s.
- Nikkei Index has soared back up by 17.5% (YTD) in November reaching JPY23,520 from the drop at the end on year 2018.
- Japanese currency remained strong against EUR. Favorable currency gave good travel environment to consumers.
- The rise of consumption tax rate from 8 % to 10 % in October 2019 is expected to slow down economic growth and boost inflation in 2020. Consumer sentiments have deteriorated over the past year, however, the consumer confidence index rose unexpectedly in October 2019.
- Unemployment rate has stayed low at 2.4 %. The aging and declining population continues to bring challenges to the labor market.
- Tourism is increasing rapidly in Japan and the government aims to attract 40 million tourists in 2020, boosted by the Tokyo Olympics and Paralympics.
- Japan faced numerous natural disasters in 2019, including one of the strongest typhoons in decades.

Factors affecting the results of the summer 2019

- **Overall Japanese visitors outbound v.s. Finland**

	Japan	Finland
• Apr.	+22.8%	+58.2%
• May.	+3.9%	+7.8%
• Jun.	+7.0%	+6.8%
• Jul.	+6.5%	- 1.1%
• Aug.	+3.7%	+1.0%
• Sep.	+7.5%	+7.7%

** The number of outbound travelers in Jan-Sept 2019 has exceeded the respective number in 2018. Overall outbound traveler numbers in 2019 are projected to be highest in recent years, reaching up to 19,5 million.*

- **European countries outperforming among longhaul destinations**

• Spain (yoy Jan-Sept)	+25.3%
• Czech (yoy Jan-Jun)	+18.5%
• Austria (yoy Jan-Aug)	+14.7%
• Netherland (yoy Jan-Aug)	+9.4%
• Australia (yoy Jan-Aug)	+8.1% ← capacity increase and special demands to Ayers Rock
• New Zealand (yoy Jan-Aug)	- 1.1%
• Canada (yoy Jan-Aug)	- 1.0%
• Hawaii (yoy Jan-Sep)	- 0.1%

** Statistics not available for France and Italy. Both countries selling very well according to feedback from travel agents and Finnair*

** Other European destinations such as Germany, Switeerland and Croatia struggling*

Factors affecting the results of the summer 2019

- **Northern European countries**

• Denmark (yoy Jan-Sep)	+11.1%
• Finland (yoy Jan-Sept)	+4.9%
• Sweden (yoy Jan-Sept)	+2.8%
• Norway (yoy Jan-Sep)	- 7.1%
• Estonia (yoy Jan-Sep)	- 9.3%
• Latvia (yoy Jan-Sep)	-23.0%

** Statistics not available for Iceland and Lithuania*

Copenhagen continues to attract female independent travelers. Nordic designs and hygge lifestyle are appealing to Japanese travelers. Shopping and café hopping are also popular activities.

Norway is facing some challenges due to the distribution channel and accessibility compared to other Nordic destinations. Series group tours have been popular summer products. Demands for **France and central European** destinations are very strong. Travel agents are focusing sales promotions to drive volume especially media agents such as Hankyu Travel International, JTB Media Tabimonogatari and Clubtourism. Weaker than expected tour materialization have been putting pressure on suppliers leading to more strict booking conditions and higher risk for travel agents. Accessibility to and within Norway are not fit for FIT travel markets at this point.

Estonia celebrated 100th anniversary in 2018. There were some ad hoc groups and special demands drove traffic last year. The trend is similar to that of Finland in 2018 where visitors to Finland declined after recording the highest overnights during the anniversary year in 2017.

Factors affecting the results of the summer 2019

Reasons for the increase/decrease in travelling to Finland?

- **Changes in demand**

- Cultural exchange and special ad hoc group due to 100th anniversary of diplomatic relations between Finland and Japan.
- Finnair's new KIX/HEL 01:30/05:40 night-run flights expanded market reach to major cities in western Japan such as Kagawa, Takamatsu and Matsuyama in Shikoku region and Okayama and Hiroshima in Sanin region. This flight pattern attracted new market segment for both leisure and corporate travelers
- B2B joint promotions have been generating more product development and exposures of tour product brochures both online and sales front retail spaces.
- There are increasing demands for sauna enthusiasts, wellness and wellbeing as well as Finnish lifestyle admirers. Visit Finland B2C consume campaigns have been very effective in reaching to new markets.

- **Finland's image as a travel destination**

- Clean, Safe and Secure country with nature, forest and lakes
- Good quality of life, admiration for Nordic lifestyle and values
- Lifestyle brands such as Marimekko, Iittala, Kauniste, etc..
- Moomin
- Sauna capital of the world



Factors affecting the results of the summer 2019

Reasons for the increase/decrease in travelling to Finland?

- **Changes in distribution**

- There is no major shift in the overall distribution channel in Japan.
- Growing demands for stopover products with Finnair's Nordic pass giving opportunities for travelers to visit multiple destinations in Europe.
- Series group summer products to Northern Europe are not performing well compared to booming Central European destinations.
- Golden Week long holiday between 27th April to 6th May drove traffic to longhaul destinations especially to Europe.
- Rugby World Cup Japan 2019 had major impact on airline's distribution strategy in September and October.

- **Changes in accessibility**

- There is no major change except for Finnair Osaka new night run 3 times weekly flight for KIX/HEL route.
- AY068 KIX/HEL (01:30/05:40) enhanced accessibility for western Japan markets for Okayama City, Hiroshima City, Matsuyama City, Takamatsu City, Kagawa City and Fukui City. Travelers from these markets had to spend overnight for the daytime flight operations in the past.

Factors affecting the results of the summer 2019

Reasons for the increase/decrease in travelling to Finland?

- **Products that have been attractive**

- City break
- Stopover in conjunction with other European destinations/ Finnair's Nordic pass
- Moomin
- Sauna and Finnish lifestyle experience
- Fall aurora
- Business related travelers

- **Regions that have been attractive**

- Helsinki
- Lapland

Factors affecting the results of the summer 2019

Reasons for the increase/decrease in travelling to Finland?

- **Campaigns, joint promotions results**

- *Nippon Travel Agency* has extensive retail networks across western Japan including the flagship shop at Osaka Central station. Visit Finland worked closely with Finnair Osaka sales to promote its newly commenced night-run flights between KIX/HEL this spring as the first European carrier to operate a direct flight at night. The objective of the joint promotion was to increase visibility of Finland tour packages and to expand the market reach beyond Osaka to markets such as Hiroshima, Okayama, Matsuyama, Takamatsu, Tokushima and Fukui. The travel time to Kansai International Airport takes 3 to 5 hours from these cities. Finnair's regular morning departure was not convenient in the past. The newly introduced night-run flight was an ideal solution to develop new markets. B2B and B2C seminars were conducted in these regions. Retail pop up displays and campaign materials were also developed during the campaign. It was the first time for NTA to undertake promotions to Finland. Its first "Finland" tour brochure generated new bookings.
- *Finntour* has been focusing on promoting thematic tours especially the movie "Snow Flower," "Sauna hopping in Kuusamo and Helsinki," "Moomin" and "Finnish Nordic Lifestyle." Also, "fall aurora" was another important theme. The main objectives have been to reinforce brand images of Finnish key icons as well as tap onto the emerging new market segments. Finntour has been very active in B2C consumer events and working as Team Finland member. B2B land arrangement business is also an important business portfolio. The overall performance remained around +5.0 % yoy. Helsinki and Lapland are still the dominating share among the Finnish destinations. We need to continue our joint effort in promoting Lakeland and other destinations with new themes to maintain sustainable growth.

Factors affecting the results of the summer 2019

Reasons for the increase/decrease in travelling to Finland?

- **Campaigns, joint promotions results**

HIS Eastern Japan has been driving bookings to Finland through the joint promotional campaign. Product line-ups increased tremendously compared to the previous year including a stopover tour itinerary for its FIT tour package brand Ciao and series group Impresso. HIS launched sauna promotion featuring Japanese comedian Magumanpei in Lakeland region and Ruka Kuusamo. <https://youtu.be/fCPMenFAGvk>
Special articles featuring Helsinki and aurora viewing on "Tabijo" targeting female 20s to 30s
<https://magazine.his-j.com/archives/31321>
<https://magazine.his-j.com/archives/31421>

Finland display promotions took place at flagship retail fronts throughout October.



➤ *Tabikobo* has been gaining its market share of Finland through its sales network in major cities across Japan. Its core strength is concierge style business model specializing in the FIT market. Tabikobo has been successful in product development of stopover itineraries with Finnair's Nordic pass with another European destinations such as Paris, Rome, Munich, Austria and Tallinn. PV to Finland contents and promotional landing pages has doubled. Booking intakes have grown by +11.2 % yoy.

Outlook for the coming winter 2019-20

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

Increase/decrease and reasons for the increase/decrease

- Overall very positive
- Travel agents are supportive in product development and promotion due to major media exposure of Finland for 100th anniversary of diplomatic relations. The movie Snow Flower also played a significant role in stimulating travel desire for aurora viewing products.
- Joint promotions with Visit Finland have been successful in generating business opportunities.
- Finnair's new operation on Helsinki/Shinchitose(Sapporo) 2 times weekly flights commencing on 16th December
- 2019/2020 year end/new year national holiday is longer than average year with 9 days. Opportunities for long haul destinations such as Europe, North America and Oceania
- Business traveler segment is very active and strong.
- Emerging sauna enthusiasts good combination with themes such as city break holiday, stopover and corporate travel
- Weaker than expected overnights forecast in November due to the figure skating champion Yuzuru Hanyu. He is not competing in Finland this year.

New winter products

- Stopover tour packages in conjunction with other European cities gaining visibility
- Sauna and lifestyle theme "inspirational experience" holiday emerging
- Sustainability nature products



Outlook for the coming winter 2019-20

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

What are the trends for the winter 2019-20?

- Finnair's new route 2 times weekly flights to/from Shichitose/Sapporo creating new market opportunities from Hokkaido. Government, commercial and social sectors welcome this direct connection to Europe for the 1st time in 17 years since KLM pulled out. Great media exposures on regional TV, newspaper and radio.
- Stopover products combining aurora viewing in Lapland and another European destination gaining visibility in the market
- Millennials and generation Z including university students growing interests towards Finnish culture and lifestyle

Which are the traveller segments?

- Female repeat travelers in 30's and 40's
- Business related corporate travelers
- University students for graduation trips from December to February period
- Educational student groups during the winter and spring break

Prospects for the summer season 2020

The overall outlook of travelling to Finland

- **What trends should be considered in product development to increase the demand in the summer time?**
 - Finnair's new route direct flights to/from Sapporo and Haneda will open up new market opportunities.
 - Midnight flights from Kansai International Airport and Haneda will offer opportunities for new tour product developments for destinations like Lakeland. Arrival schedules are too early for sightseeing in Helsinki. Travel agents are looking for new destinations within Finland.
 - Stopover products have been gaining visibilities for both leisure and corporate travelers thanks to Finnair's Nordic Pass special fares. Activities such as aurora in Lapland, sauna lifestyle experience and technical visits are potential products to combine with other European destinations.
 - 2020 Tokyo Olympic year will generate special travel demands in and out of Japan. Most of the airlines are increasing capacity and frequency for summer schedule. Airlines are closely monitoring yield management and load factor as it is very difficult to forecast market demand and supply balance.
- **Which present target groups should be considered to increase the demand?**
 - Female repeat travelers in 30's and 40's
 - Sauna enthusiasts in 20's and 30's
 - Educational student groups during the winter and spring break
- **Which new target groups should be considered to increase the demand?**
 - Stopover for both leisure and business travellers
 - Family
 - Sustainability related technical visits

Prospects for the autumn/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?**
 - Finnair's new route direct flights to/from Sapporo and Haneda will open up new market opportunities.
 - Midnight flights from Kansai International Airport*1 and Haneda will offer opportunities for new tour product developments for destinations like Lakeland. Arrival schedules are too early for sightseeing in Helsinki. Travel agents are looking for new destinations within Finland.
 - Stopover products have been gaining visibilities for both leisure and corporate travelers thanks to Finnair's Nordic Pass special fares. Activities such as aurora in Lapland, sauna lifestyle experience and technical visits are potential products to combine with other European destinations.
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 - University students
 - Family
 - Sustainability related technical visits

Theme check: Food tourism

What kind of demand or potential you find in the market you represent?

1. What is "in" on your market in food tourism? Is food important for travelers on your market?

Food is one of the most important decision-making criteria among Japanese travellers. It is very challenging to promote food tourism in Japan since it is known for traditional and diverse gourmet culture.

2. Is there any specialized tour operators for food tourism? Are "general" tour operators promoting food experiences?

Food tourism has been fundamental part of the tourism for many year.

3. What kind of food tourism offerings should be developed more in Finland?

Food related activities in nature and soft adventure type of activities showcasing Finnish lifestyle and sustainability would differentiate products from other destinations such as France, Italy and Spain.

4. The best benchmark and examples (destinations or products)?

Norway, Sweden and Denmark

Trends and other relevant travel related topics

2019 celebrated 100th Anniversary of diplomatic relations between Finland and Japan. Visit Finland has been playing a significant role in Team Finland promotions working closely with Embassy of Finland, Finnish Chamber of Commerce, Finnair and Finntour. Team Finland continues to drive various commercial programs during 2020 Olympic year at METSÄ Pavillion on the Embassy premises between July and December in 2020.

- 1. Feel Finland in April 2019, Tokyo**
- 2. Daikokuya Kodayu and 2 Laxman in October, Suzuka City**
- 3. Soene Akari Park Illumination Festival in November, Tokyo**

1.Team Finland Consumer Event "Feel Finland"

COMPANIES

Arco Design www.arcostore.jp

Kyro Distillery Company <https://kyrodistillery.com>

Arnolds <http://www.arnolds.co.jp>

Lapuan Kankurit lapuankankurit.jp

Helsinki Distillery

Lilla Dalarna <http://dalarna.jp/>

Hukka Design www.hukkajapan.com

Liquors Hasegawa <https://www.liquors-hasegawa.com>

HÄRKIS™ FINLAND

Lovi Artek Verso Finlayson Japan Media Sales Moomin stand Novita

Scandex www.scandex.co.jp



Embassy of Finland
Tokyo



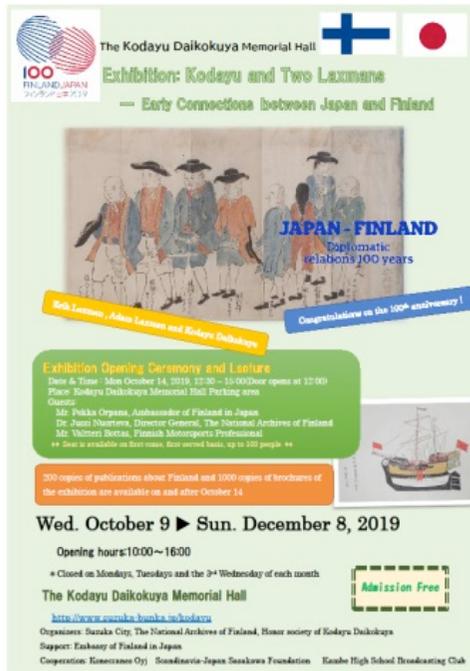
Finnish Institute in Japan
フィンランドセンター

BUSINESS
FINLAND fccj



2. Daikokuya Kodayu and 2 Laxman

Exhibition held in Suzuka City, known for its world renowned Formula One racing circuit “Kodayu and two Laxmans” showcasing early connections between Japan and Finland in late 18th century. Erik Laxman, whom Kodayu admired as “my father in Russia”, was a Finnish natural historian. His son, Adam Laxman accompanied Kodayu back to Japan. Introductions about the two Laxmans, Finnish gentlemen who were very important for Kodayu, and panel exhibition to celebrate the 100th anniversary of the diplomatic relations, produced by the National Archives of Finland, are exhibited. The opening ceremony was attended by Ambassador of Finland, Director General of National Archives Mr. Jussi Nuorteva, Finnair Nagoya Manager, the governor of Mie prefecture and city mayor. Valtteri Bottas won the 2019 Japanese Grand Prix the day before the ceremony.



The Kodayu Daikokuya Memorial Hall
Exhibition: Kodayu and Two Laxmans
— Early Connections between Japan and Finland

100 FINLAND JAPAN
100年間の外交関係

JAPAN - FINLAND
Diplomatic relations 100 years

Both Laxmans, Adam Laxman and Kodayu Daikokuya
Celebrated in the 100th anniversary!

Exhibition Opening Ceremony and Lecture
Date & Time: Mon October 14, 2018 12:30 ~ 15:00 (Door opens at 12:00)
Place: Kodayu Daikokuya Memorial Hall Parking area
Guests:
Mr. Pekka Orpana, Ambassador of Finland in Japan
Dr. Jussi Nuorteva, Director General, The National Archives of Finland
Mr. Shiroshi Sakuma, Finnish Meteorology Professional
** Seat is available on first come, first served basis, up to 100 people **

300 copies of publications about Finland and 1000 copies of brochures of the exhibition are available on and after October 14.

Wed. October 9 ▶ Sun. December 8, 2019
Opening hours: 10:00 ~ 16:00
* Closed on Mondays, Tuesdays and the 2nd Wednesday of each month

The Kodayu Daikokuya Memorial Hall
<http://www.suzuka-bunko.in/kodayu>
Organizers: Suzuka City, The National Archives of Finland, Honor society of Kodayu Daikokuya
Support: Embassy of Finland in Japan
Cooperation: Tennozono Oy | Scandinavia-Japan Souvenirs Foundation | Keisei High School Broadcasting Club

Admission Free



3. Soene Akari Park Illuminations Festival

The producer of this annual consumer event is Ms. Motoko Ishii, who is a well-known illumination design artist in Japan. She is also one of friendship envoys for Embassy of Finland. Soene Akari Park Illuminations Festival intended to raise awareness of growing importance for renewable energy and innovations took place in November. This event gathered 230,500 visitors over 5 day program. Finland exhibition booth displayed Sustainable Travel Finland materials and Finn Tour's Helsinki Cleaning Day tour product. Visitors were invited to experience VR Helsinki tour attraction to get a taste of Finland.



Trends and other relevant travel related topics

“Visit Finland Sauna Campaign” is a fine example where the Team Finland concepts works effectively for both national branding and commercial B2C promotions. It has attracted tremendous amount of media attention for free publicity on Finnish culture and lifestyle.

In addition, this tourism led promotion has grown to a broader cross industry sales platform for Food from Finland and Lifestyle design. Organic growth are creating business leads and opportunities for Finnish product and companies.

Touch points reminds good image of Finland in the minds of Japanese consumers. We call this new innovative program as “Sauna EcoSystem.” The trend especially among youth travellers has been shifting from typical sightseeing tours to more experience and learning motivated travelling. Finnish Nordic lifestyle and culture are inspiring travel desires.





Scandinavian Menu

自然の香りを感じる ～北欧メニュー～

おふろcafé utataneは、北極の渾身の文化のサウナや、本物の火の煙が、温かい
本日の朝を飾った、「自然の香り」をテーマにしたおふろcaféです。高い水質に
囲まれた、自然豊かな北極に旅行に来たような気分を味わっていただきたくて、
備わった産物で出来たおふろcaféをご用意しています。自然の恵みの食材
を活かした料理を楽しみながら、リラックスしたひと時をお過ごしください。

おふろcafé utatane 支配人 新谷



Recommend
スムージー

ノルウェーサーモンプレート

脂ののったブリザドをノルウェーサーモンを、
バターでじっくりソテーしました。自家製のアン
チョビとガーリックをベースにした自家製ソー
スとクリームを添えて。

1,680 yen, inc. tax

utatane
日本とフィンランドの親睦を。
おふろcafé utatane は応援しています。

■日本・フィンランド外交関係樹立100周年記念事業
後援：フィンランド大使館

2019年は、日本とフィンランドが外交関係を結んで100周年を迎える年です。二ヵ国関係を歴史、文化に因るイベ
ントやプロジェクトが数多く企画されており、両国の親睦がさらに発展するようおふろcafé utataneは応援しています。



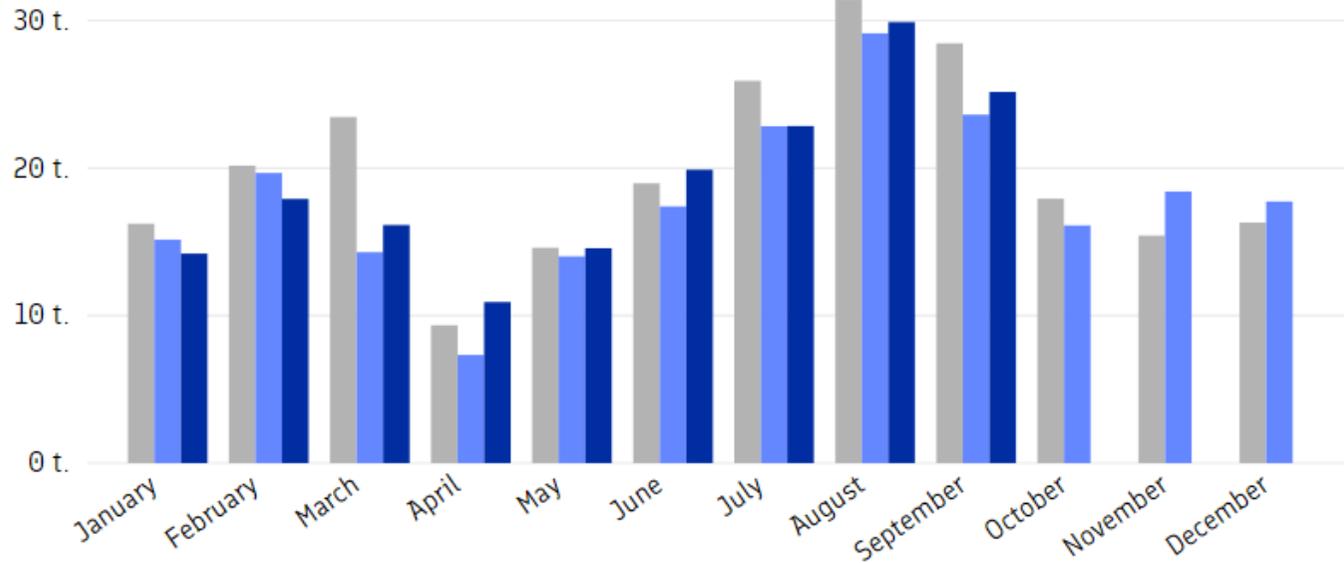


Japan – Market Review

Japanese overnights in Finland

MONTHLY NIGHTS SPENT IN FINLAND

● 2017 ● 2018 ● 2019



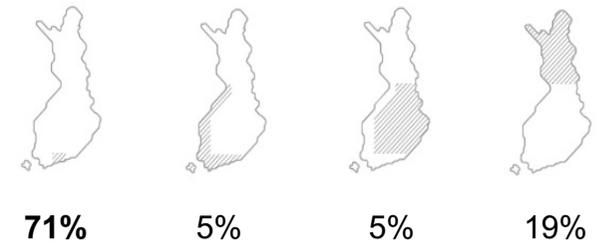
Year 2018

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

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

Change 2018 compared to 2000: **+51%**

Share of overnights by regions 2018



Japanese overnights in Finland

Winter 2019 and Summer 2018

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

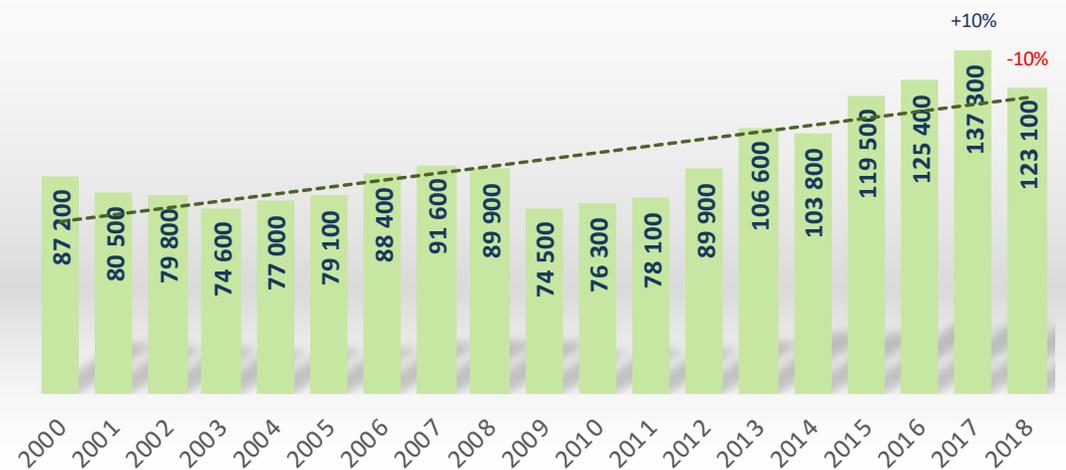


Winter 2019: **10th** in country rankings with a **3%** share of foreign overnights

Average change 2000-2019: **+5%**

Change 2019 compared to 2000: **+81%**

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



Summer 2018: **7th** in country rankings with a **4%** share of foreign overnights

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

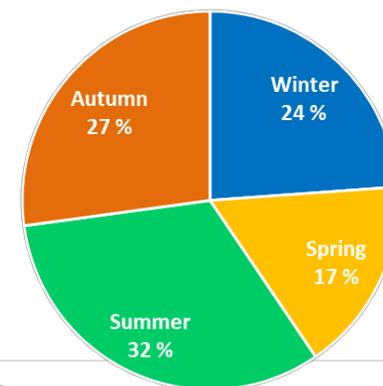
Change 2018 compared to 2000: **+41%**



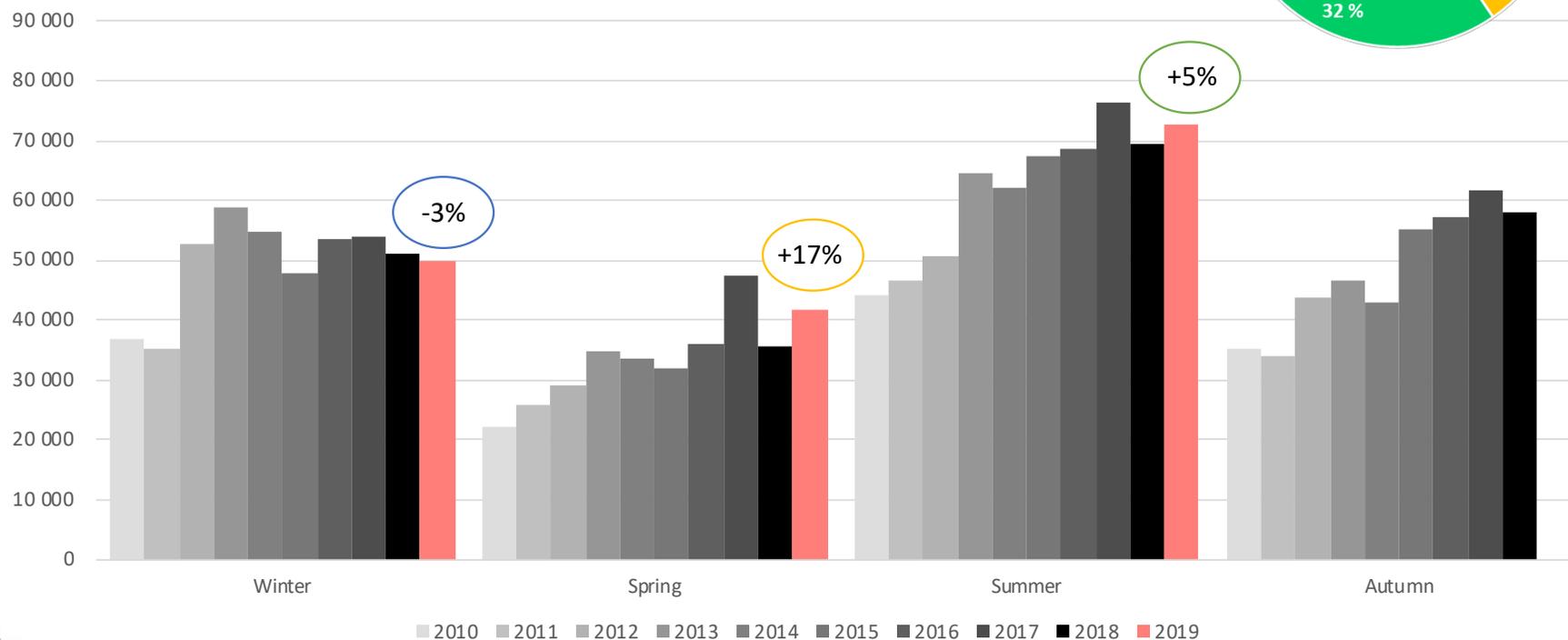
Trends for seasonal overnights in Finland Japanese visitors

Summer is the most popular travel season among Japanese visitors.

Japanese overnights in 2018



Japanese overnights by season



Source: Visit Finland Statistics Service Rudolf, Statistics Finland

Japanese overnights in Finland

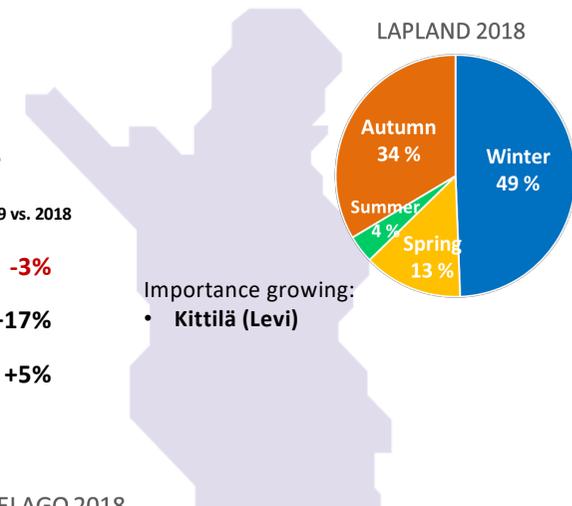
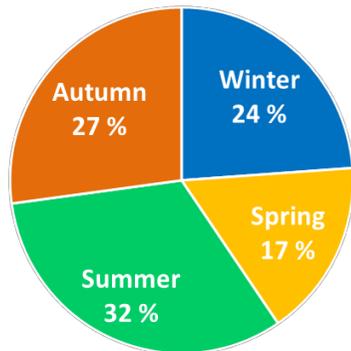
Seasonal overnights in 2018

Whole Finland

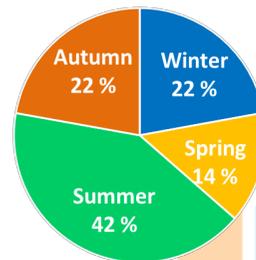
	No. of Japanese overnights				Seasonal YtoY change		
	2016	2017	2018	2019	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018
Winter (Dec-Feb)	53 400	53 800	51 100	49 900	+1%	-5%	-3%
Spring (Mar-May)	36 100	47 400	35 600	41 600	+32%	-25%	+17%
Summer (Jun-Aug)	68 700	76 300	69 400	72 700	+11%	-9%	+5%
Autumn (Sep-Nov)	57 100	61 800	58 200		+8%	-6%	

Japanese overnights in Finland by season in 2018

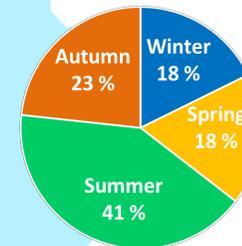
WHOLE COUNTRY 2018



COAST AND ARCHIPELAGO 2018



LAKELAND 2018



HELSINKI AREA 2018

