



VF China Market Report
November 2019

Visit Finland China

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Semiannual Report – CHINA

Summer season 2019 and outlook for winter 2019-20

CONTENTS

- Factors affecting the results of the summer season 2019
- Outlook for the winter season 2019-20
- Prospects for the summer season 2020
- Prospects for the autumn/winter season 2020
- Theme check: Food tourism
- Trends and other relevant travel related topics
- Facts and figures - Market review data

Factors affecting the results of the summer season 2019

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

- In China Q2, China overall GDP growth +6,2%
- The overall outbound travelling for Q1&2 2019 has grown by 14%
- Europe is quite popular for Chinese travelers, fragmental products are getting more popular
- More flights capacity
- Digitalization is convenient for Chinese travelers to obtain information and book directly online
- Educational travel groups are continuously increasing
- The volume of FIT/Semi-FIT and tailor-made small groups segment is rising
- Summer is the high season for family travel and students

Factors affecting the results of the summer season 2019

Reasons for the increase in travelling to Finland?

Changes in demand

- More in-depth products combination: Finland+1 or 2 other Nordic countries, extended the bed nights in Finland
- More FIT travelers, the target group tends to stay in one country longer than group travelers
- Digitalized payment methods rather than cash
- More demands for educational travel products

Finland's image as a travel destination

- Happiest country with the cleanest air and water
- Destination for youngsters & students and families with kids
- One of the best education systems in the world
- USP is still unclear for Lakeland area

Changes in distribution

- Increasing volume of educational travel
- More TOs start to sell in-depth products

Changes in accessibility

- More airline choices to Finland, Tibet Airlines, JuneYao Airlines, Sichuan Airlines, Finnair new routes, etc.

Factors affecting the results of the summer season 2019

Reasons for the increase in travelling to Finland?

Products that have been attractive

- Helsinki tour (usually in Nordic combined Products)
- Student Camp
- Forest hiking, berries/mushrooms picking
- Lakeside activities
- Sauna
- Santa Claus

Regions that have been attractive

- Helsinki Region
- Lakeland
- Turku
- Rovaniemi (visit Santa Claus in summer time)

Campaigns, joint promotions results

- VF Roadshow 2019 March influenced TOs to promote Finland
- Tampere Workshop 2019 June had given good impression to TOs of what Lakeland could offer
- Joint Campaigns with TOs, marketing and sales KPIs are very positive
- Influential regular sales calls/communication to TOs

Outlook for the coming winter season 2019-20

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

Increase and reasons for the increase

- Slower increase as the capacity is reaching its limit in Lapland area
- Continuous popularity of Finland as a winter travel destination in terms of aurora hunting and winter activities
- Some tour operators utilize new and diversified accommodation options instead of only igloos
- Increasing awareness of new destinations, such as Vuokatti, Ruka&Kuusamo, Levi, Oulu, Kemi, etc.
- Winter sports promotions
- More air capacity including Turkish new route to Lapland

New winter products

- Winter educational trips
- More accommodation choices
- Skiing and other snow activities experience in the products

New sales channels

- TOs for tailor-made packages or semi-FIT packages
- Educational TOs
- Ski clubs and sport training centers
- MICE travel agencies
- OTA fragmental product channel

Outlook for the coming winter season 2019-20

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

What are the trends for the winter 2019-20?

- 'Activity and experienced' based products are more appealing
- Peak outbound time is still going to be CNY, but TOs winter products covers and promotes wider time period
- Skiing and other snow sports/activities could be attractive
- Educational travel trend will continue in winter season as well
- More travel products as Finland + 1 or 2 countries (usually Nordic)

Which are the traveler segments?

- Group travelers
- FITs/Semi-FITs
- Students (educational travel)
- Small private groups with customized itineraries
- Families with children

Outlook for the summer season 2020

Ad hoc marketing opportunities

- Joint marketing cooperation with key local TOs to promote summer season of Lakeland, Finland
- Celebrity/KOL shooting campaign to Lakeland in the summer season
- Lakeland summer high-end/tailor made TOs fam trip
- Self-driving campaign to promote driving in Lakeland in summer
- KOL or celebrities to promote educational travel in Finland
- Media campaign to attract more attention, utilize the image of Matti- Finnish nightmare

Prospects for the autumn/winter season 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?

- Variety of activities, and its exclusivity to different travelers segments
- Uniqueness/USP of the accommodation
- Interesting elements/local experience for students when they are on educational trips in Finland
- Importance of delicacy to Chinese travelers

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

- FITs/Semi-FITs
- Small tailor-made groups
- Students
- Traditional travel groups
- Senior/retired people groups

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

- High-end/Luxury groups

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?

Delicacy is always an important factor for Chinese travellers, a lot of international Chinese travellers would like to taste and experience new food.

Chinese tourists are eager to taste new, traditional Finnish food, but meanwhile, need Chinese food time to time to comfort. Also, Chinese love to cook food by him/herself, with new way or new ingredients.

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

There are not many tour operators would focus on food in their product, but if there are good delicacy in the country that they are selling, it could be one of the selling points. Normally general TOs can promote food experiences if there is interesting or attractive selling point.

3. What kind of food tourism offerings should be developed more in Finland? *E.g. food related activities in nature (like foraging/picnic in a forest), cooking classes (like baking Karelian pies), food walks, home dining, food producers tours, local/Finnish restaurants, beverage tours/tastings, sustainable food, food routes etc.?*

At this stage, it would be nice to combine nature and activities with food related products, picnic in a forest, cooking classes, home cooking/dining with a Finn might be interesting. Or truly authentic Finnish food, Christmas food, high standard food.

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

King crabs Safari in Norway, an example of activity + delicacy, protects the environment at the same time

Trends and other relevant travel related topics

Trends

- Due to social media and digitalization, the speed and transparency of information have given consumers power to influence TOs' product developments
- Travel information should be digitalized, easier access for Mobile devices.
- Celebrities/Live Shows/KOLs are very influential on buying behaviours of consumers
- Wide range of fragmental products are needed for FITs
- Younger Chinese travelers like to look for experiences that not many others have done before
- There should be products 'ready-to-go' and 'China READY' when promoting a destination/area in China market, otherwise, demands cannot be fulfilled, it would cause bad reputation.

New distribution channels

- Detailed information and recommendation to the tailor made/high-end tour operators, they are different than the regular group distributors
- Theme focused ideas/itineraries to different target segments' distributors
- MICE, especially incentive travel

Online channels

- Exposures LOCAL social media platforms, such as Red, Tik Tok, etc.
- Work with channels which are dedicated in specific field (vertical community) to promote our relevant themes
- Fragmental products selling on different online channels such as Ctrip, Mafengwo

Trends and other relevant travel related topics

Competitors' actions

- Scandinavian countries are always quite active on promoting their products in the market, they just conducted their annual Workshop in Beijing, Shanghai and Guangzhou.
 - For Sweden, it is in-depth products, they are not looking at big volume travelers, but rather longer bed nights, no season limitation
 - For Norway, low-season fjords is the focus now, they will have a popular celebrity going to Norway in early 2020 to promote low-season. Trondheim (middle Norway) also starts to promote in China, PR/Trade fam trips were conducted.
 - For Denmark, in-depth tour (away from Copenhagen) is always the topic and focus, however, China market is not on the priority list of the whole Jutland island, but Fyn island has been doing a lot of promotion in China with the image of H.C Anderson.
- Iceland's unique landscapes continue attracting Chinese travelers to visit, Iceland local DMCs are dominating the travel business.
- England, U.S.A, Australia, etc., are famous for educational trips
- Several European/Schengen countries are simplifying/quicken visa applications for Chinese travelers, for example, Norway, Italy, France, etc.
- Eastern Europe is getting more popular, because of its value for money and increasing awareness through different channels, organic and paid.

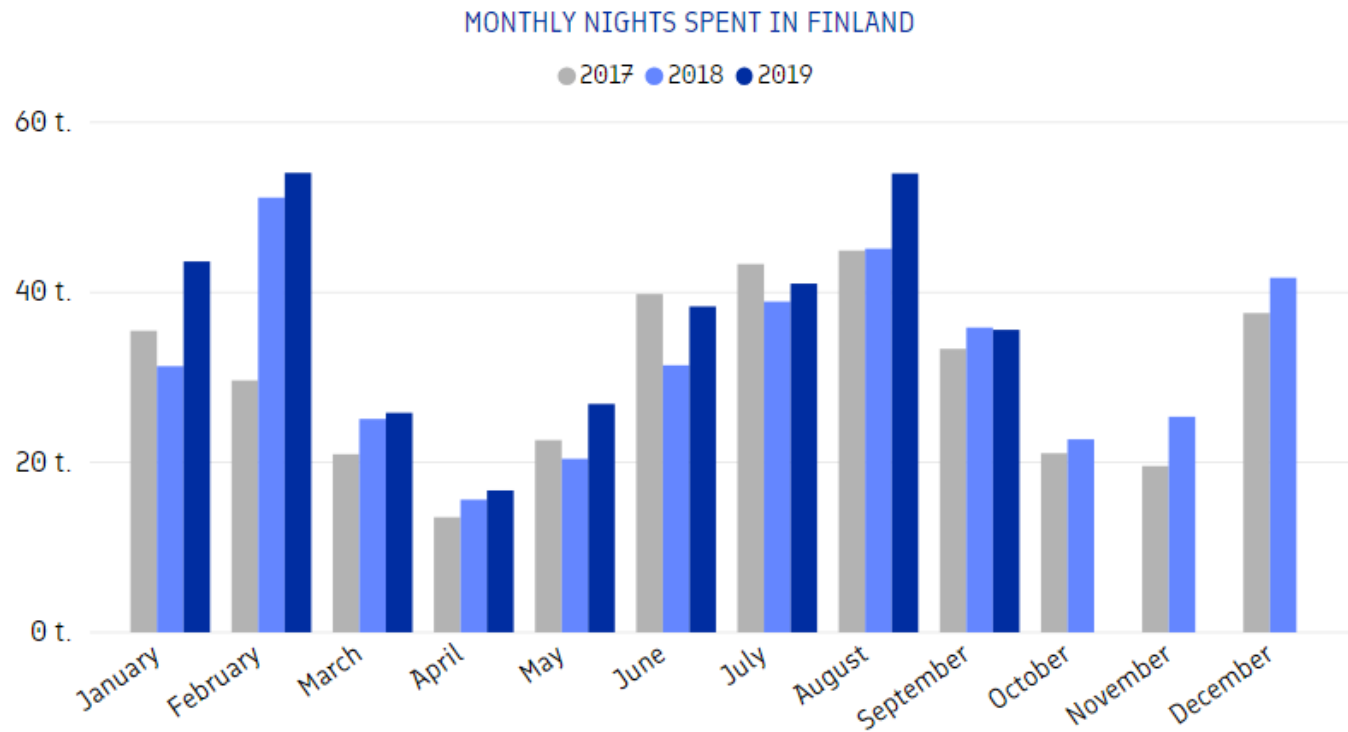
Trends and other relevant travel related topics

Free word

- Please be 'China READY' (both physically and mentally) before or while you are opening the market
- Find your USP and sustainable/sufficient product suppliers to meet the coming demand
- Lakeland is lacking of experienced DMC companies
- Welcome to 2020 VF mission in March in Hangzhou, China!

China (incl. Hong Kong) – Market Review

Chinese overnights in Finland



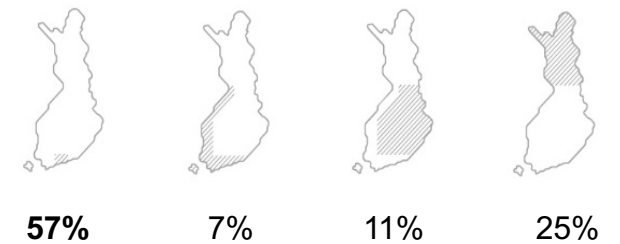
Year 2018

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

Average change 2000-2018: **+15%**

Change 2018 compared to 2000: **+832%**

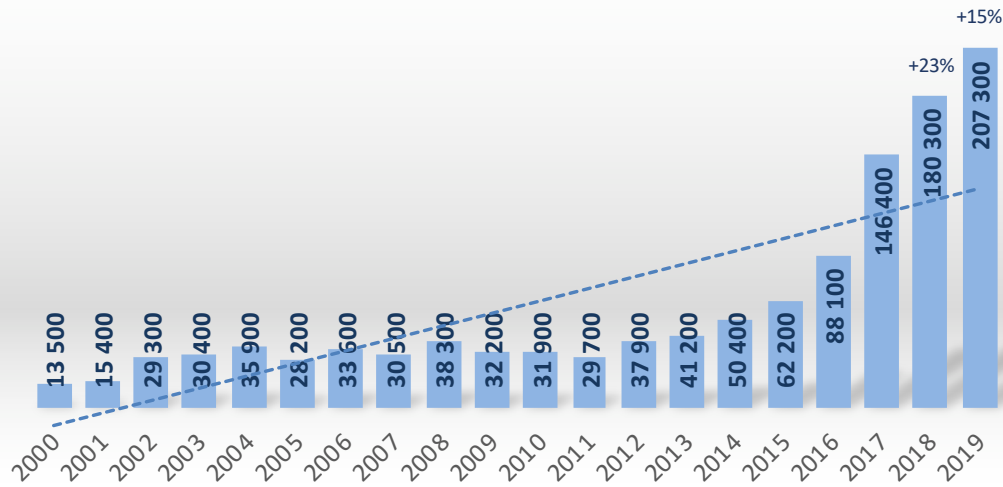
Share of overnights by regions 2018



Chinese overnights in Finland

Winter 2019 and Summer 2018

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

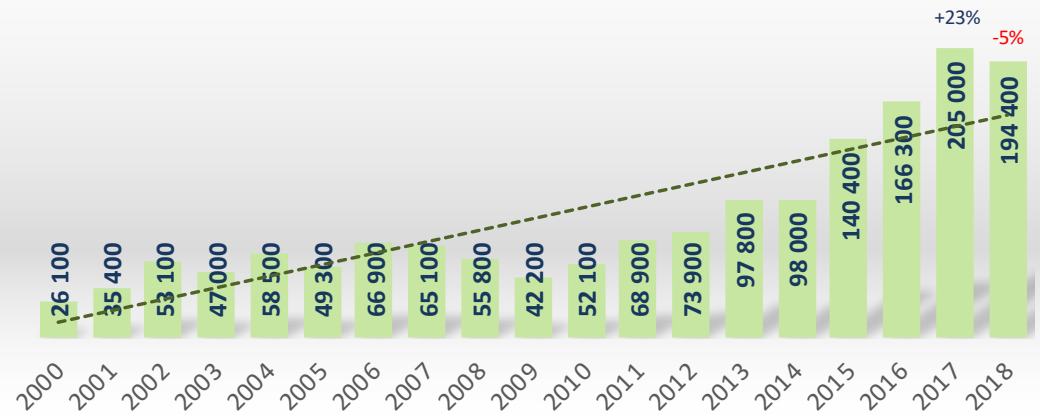


Winter 2019: **5th** in country rankings with a **6%** share of foreign overnights

Average change 2000-2019: **+18%**

Change 2019 compared to 2000: **+1433%**

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%**

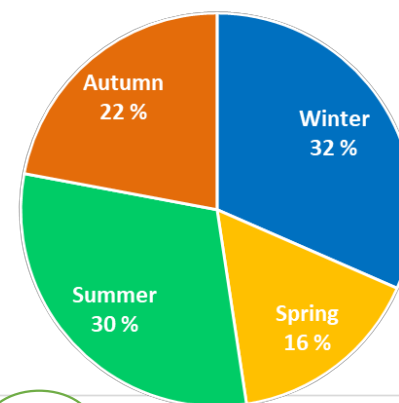


Trends for seasonal overnights in Finland

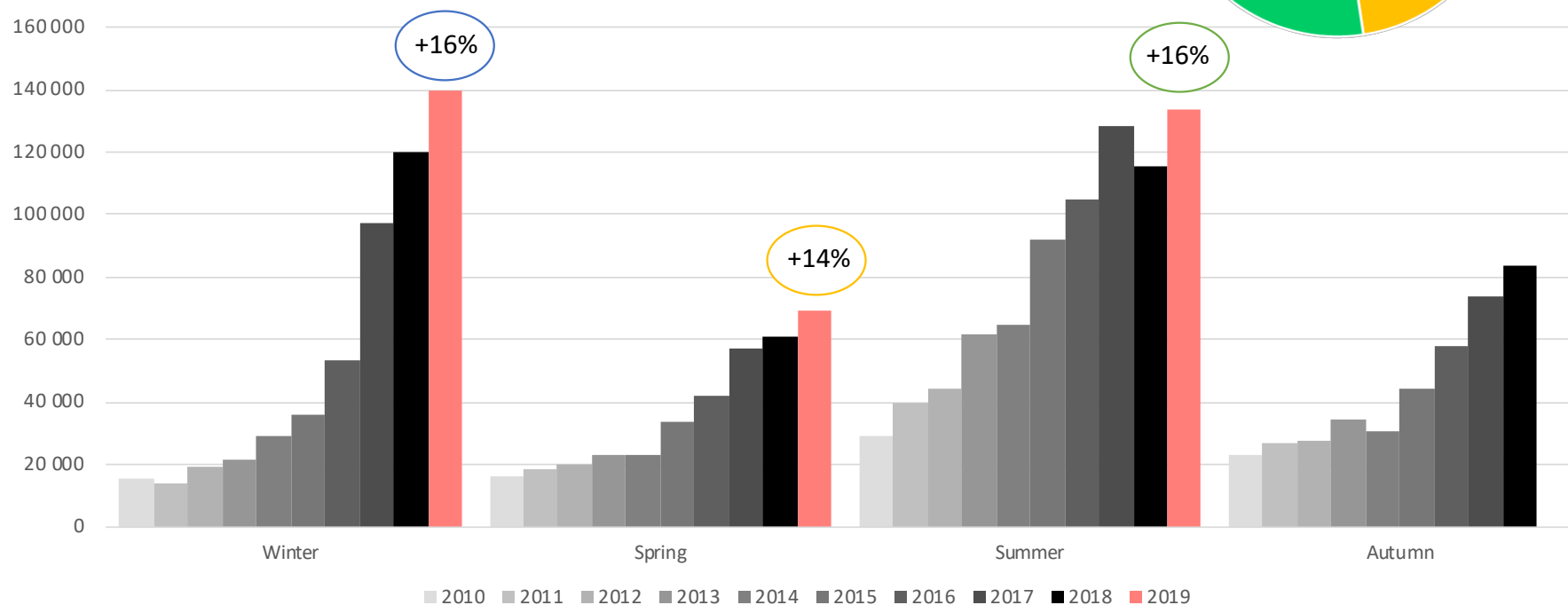
Chinese visitors

Winter and summer are the most popular travel seasons among Chinese visitors. Significant growth in overnights in all seasons.

Chinese overnights in 2018



Chinese overnights by season



Source: Visit Finland Statistics Service Rudolf, Statistics Finland

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	139 400	+82%	+23%	+16%
Spring (Mar-May)	41 800	57 100	61 100	69 400	+36%	+7%	+14%
Summer (Jun-Aug)	104 700	128 000	115 500	133 400	+22%	-10%	+16%
Autumn (Sep-Nov)	58 300	74 000	83 900		+27%	+13%	

Chinese overnights in Finland by season in 2018

WHOLE COUNTRY 2018

