



VF Russia & IVY Market Report
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Visit Finland Country Representatives

Aleksandra Shakhnovich & Renata Akzhigitova



Semiannual Report – RUSSIA & IVY

Summer season 2019 and outlook for winter 2019-20

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Factors affecting the results of the summer season 2019

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

- **Economic situation, security situation**

According to the World Bank Report, the Russian economy will grow by 1% by the end of the year. [Source](#) Forecasts of other international institutions are roughly the same: in the IMF forecast for 2019, the GDP growth in Russia will slow to 1.2%, in the OECD forecast - to 0.9%. [Source](#) The Central Bank also lowered the growth forecast to 0.8-1.3%. [Source](#)

According to PWC, consumer sentiment in Russia remains in the zone of pessimism: they feel the inflation is rising faster than they expect and at a higher rate than official statistics claims. People don't see much improvements in their financial situation. [Source](#)

Tour operators note that the desire of Russians to reduce the cost of travel is connected with the decrease in purchasing power, so travelers start to prefer take a leave not in the middle of summer, but at the beginning or end of the season. The leader of demand of the summer season travel packages was Turkey, Russia took the second place. [Source](#)

For Russians, the price continues to be the most important factor when choosing a destination for holidays. In summer 2019, the Russians tried to choose quality hotels with a maximum of services already included in the price – even in the budget segment. Basically, Russian tourists save on the number of holidays days or choosing more budget categories of hotels. At the same time, the luxury leisure segment is stable and even has grown somewhat, according to the Director of the the Association of Tour Operators of Russia. [Source](#)

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

- **Changes in demand**

Finland is still interesting people in Russia as a travel destination; the growth of overnight stays in May was 73.3%. [Source](#)

New rules for obtaining Finnish visas, that include providing proof of solvency in the form of a certificate from the place of work or a bank statement for the last 3 months, led to an increase in applications submitted and as a result, an increase in the application processing time up to 3 weeks in August. Any complication of the visa regime always has a negative impact on tourist flows, according to many tour operators. And they also constantly emphasize the need to reduce the time to 5-7 working days, as in other Schengen countries (especially in the run-up to the new year holidays due to the trend of last minute booking).

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

Finland is concerned as a friendly nation in Russia: two-thirds of Russians have positive attitude towards Finland while only 5% consider more negative attitude and the rest of respondents are neutral. In St. Petersburg, the share of positively disposed to Finland people increased to 93%, and with an unfavorable attitude decreased to one percent. [Source](#)

According to the Finland's image survey in Russia, tourism and good consumption are the major pillars of interest for Russian visitors in Finland. Russians are interested to get more information especially about cultural events, educational opportunities and medical treatments in Finland. [Source](#)

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

- **Changes in accessibility**

One additional departure to daily St. Petersburg – Helsinki – St. Petersburg buses has been operating since 15.6.2019. Operating company is Lux Express. Lux Express is planning to increase the amount of their passengers by 45% on their St. Petersburg – Helsinki route in 2019. [Source](#)

Tourists from Moscow have also shown growth in terms of flying with almost 20% more flight bookings in the summer time compared to the previous year. Roughly ¼ of all arrivals from Moscow can be considered as leisure travel. [Source](#)

- **Products that have been attractive**

According to tour operator companies, traditionally popular products such as citybreaks for couples / groups of friends / families with kids, cottage holidays, SPA holidays were popular also during summer season 2019. Interest to organized fishing trips, is, instead, decreasing. Trending type of travel for summer 2019 was event & festival travel (for example FLOW festival, IronMan thriatlon, some local events etc.) and travelling by ferry on direct route from St. Petersburg.

- **Regions that have been attractive**

According to accommodation statistics, most popular destination amongst visitors from Russia in summer 2019 was Helsinki region. Also, popularity of Lapland as a summer (!) destination has grown slightly, but then again, interest towards Archipelago and Lakeland seems to be a bit decreasing. Still, the changes are not extremely vital, as for example Lakeland still remains the most important travelling area for Russian tourists with almost 50% of overnight share when compared to other greater tourism areas in Finland.

[Source](#)

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

- **Campaigns, joint promotions results summer 2019 and winter 2019-2020**

VF's own spring campaign was held during 01.02.2019 – 14.02.2019

VF's own summer campaign was held during 08.04.2019 – 22.04.2019

VF's own winter campaign is ongoing during 09.09.2019 – 09.12.2019

→ Angle of VF's campaigns: cottages, citybreaks, wellness & active family holidays

Kotka-Hamina x VF winter joint promotion campaign was held during 09.09.2019 – 10.10.2019

→ Angle: image of Finland and Kotka-Hamina region + tactical: e-mail addresses for regional newsletter

Visit Vuokatti x VF winter joint promotion campaign was held during 09.09.2019 – 09.12.2019

→ Angle: image of Finland and Vuokatti as an adorable ski resort for active family holidays

Outlook for the coming winter season 2019-20

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

- **Increase/decrease and reasons for the increase/decrease**

About 30% of Russians choose to spend New Year holidays abroad. 30% of the latter choose a ski resort for the New year, and the beach resorts are the most popular thanks to the steady exchange rate of the ruble and the reduction in the price of trips thanks to the increase in the number of charter flights. There will be charter flights series organized from Moscow to Rovaniemi, Levi and Vuokatti regions during New Year and Russian Christmas. [Source](#)

This year National Geographic Traveler annual on-line voting gave Finland the third place in the rating of the best mountain skiing destination (after Switzerland and Austria). [Source](#)

In New Year period 2019/2020 there will be 10 additional trains from Moscow to Helsinki, which is 1 train more, than during last year's period. In 2017/2018 there were only 6 additional trains on the route going, so the growth is significant. [Source](#) / [Source](#) / [Source](#)

Finnair ceased operating direct flights to the Russian regions: Jekaterinburg, Kazan & Samara. Effective 10 Oct 2019, flights from Moscow and Saint Petersburg to Helsinki are the only Finnair routes from Russia to Finland. [Source](#)

Outlook for the coming winter season 2019-20

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

- **New winter products**

No major changes in product offering were noticed when compared to previous winter period.

- **New sales channels**

No major changes in sales channels were noticed. Visit Finland is actively promoting Finland as an adorable travel destination to Russian market also in winter time, in all Finnish regions.

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?**

Winter season sales in Finland are similar to the past-year indicators. The operators don't see any trends which might distinguish this season from the previous ones, but they agreed that the country is remarkable for its stability in everything, including the demand. [Source](#)

- **Which are the traveler segments?**

According to the Russian companies organizing active holidays and travel, the last few years millennials prefer to spend holidays and leave not in comfortable beach resorts, but in nature, away from civilization, gadgets and city noise (climbing, trekking, regattas and hiking with backpacks). A change in activity helps to reboot emotionally and really relax better. Each trip can consist of a variety of activities, which are usually difficult for a resident of a metropolis to build into his/her schedule. Several types of adventures for those who want to admire the beauty of nature, reboot and experience bright emotions. Excellent company is another reason why outdoor activities are becoming more popular. Travel participants are on the same wave length, outdoor creates opportunities for communication. [Source](#)

Outlook for the summer season 2020

Ad hoc marketing opportunities

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

Ship company Tallink Grupp announced its 2020 special cruises, which will also include cruises to/from St Petersburg in addition to their traditional destinations. Helsinki - St Petersburg via Tallinn on 29 April and 1 June. [Source](#)

As per 12/2019, Visit Finland is planning to implement next events on Russian market during first half of year 2020:

- x 2-3 familiarization trips for tour operators
- x Day of Finland – b2c festival in St. Petersburg and Moscow
- x Participation in “Hunting and Fishing” –b2c fair in St. Petersburg
- x webinars for Russian-speaking travel agents
- x media trips for Russian media and influencer representatives
- x organizing / participation to other relative travel promotion events
- x advertising campaigns in search engines and social media according to the marketing plan

Contact us for more information!



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?**

Sales of tours to different destinations for the off-peak season (Sept-Oct) this year increased by 20-30% compared to 2018, there was an increase in demand for the 4-5* hotels due to seasonal price reductions, but some tourists are reducing the duration of travel. Also, the share of last minute booking remains high - up to 20-25% of sales depending on a destination due to the discounts. [Source](#)

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

Families with kids, couples, women.

Prospects for the autumn/winter season 2020

The overall outlook of travelling to Finland?

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

According to Airbnb, older Russians are the fastest growing group of **independent travelers**. The increase within it is up to 78% per year (according to the data from September 1, 2017 to September 1, 2018), surpassing the indicators of other age groups, including millennials. [Source](#) And most importantly, the **number of pensioners in Russia is increasing**: by 2030, their share will increase, according to the Rosstat, to 28.3% instead of the current 25.5%. [Source](#) When forming a tour for the older generation, it is necessary to consider the peculiarities of this category of travelers (longer tours, travel not in high seasons, cruises and sightseeing tours are popular).

According to Ipsos, among the older people in Russia (age group 60-75 years), the share of those who include travel in the list of 5 main life goals for the coming year has increased. Ipsos notes that at the same time with travel, the attention to **a healthy lifestyle is steadily growing among retirees**. The pensioners now understand "extension of active years", socialization, physical activity as healthy lifestyle. This perception of healthy lifestyle helps increase interest in travel, which is often seen as part of a "healthy", that is, active, lifestyle. The driver of growth can be two subgroups of this category: single pensioners and parents of adult children. [Source](#)

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?*

Gastronomic trips have been gaining popularity in Russia since 2014 and according to experts, the audience of such tours is now actively expanding. Reasons:

- restrictions on the import of products, introduced in August 2014, aroused interest in the Russians for gastronomic trips, including in order to bring home favorite products (fish, cheese, sausages, etc.)
- enthusiasm & fashion of many Russians for new cuisines, restaurant concepts and food events, as more and more quality restaurants and food courts and markets are opened and different gastronomical festivals held
- so-called "economy of impressions" plays an increasingly important role in life, and often impressions from gastronomic delights are stronger than from the sightseeing
- in Moscow, St. Petersburg and other major Russian cities, there is a growing number of cooking studios, wine schools, workshops, meetings with winemakers, gastronomic dinners which also stimulate interest in gourmet tourism are held
- people are increasingly thinking about what they eat, how it is cooked and where it grows

Target audience: experienced travelers and gourmets, often family couples, but there is also a share of individual tourists, there are many professionals among them: sommeliers, food managers, retail representatives, restaurateurs. Group size: 5-12 travelers

Most popular months: March-May and August-November. Such trips make a variety in the destination – the client isn't averse to go where he/she has already been, but now for gastronomic purposes. The key goal is to study the culture and territory of the people inhabiting it through the cuisine. [Source](#)

Theme check: Food tourism

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

The cost of a group tour of up to 6 participants ranges from €900 to €2,3 thousand per person (according to the end of 2018). The routes are designed mainly for 4-5 days, tourists visit the production of local products, tastings, workshops. [Source](#) Italy, France, Spain, Asia, China and Thailand are more in demand among Russians when speaking about gastronomical tours. [Source](#) Trends of recent years are also high budget destinations: Japan, Peru, Argentina, South Africa.

One of the most popular budget destinations in recent years has been Georgia (the price of a 3-day gastro trip around the country is about \$180 per person), but it is losing its tourist appeal against the background of the geopolitical situation (Russia has suspended direct flights with Georgia since 08/2019) and experts predict an increase in the popularity of Armenia, Abkhazia or Azerbaijan. [Source](#) The budget 1-2 day food tours at the weekend within Russia are also popular (incl. excursions to various food production, visits to village farms with eco-products, tastings and all kinds of workshops on cooking national dishes)

Tour operators predict further development of this segment: Russians are interested in themed tours, especially if the group is accompanied by an expert who can tell about the country, its sights and cuisine. The gastro tour is suitable for couples, for friends, for independent tourists and as a format for a corporate event. And also for families with 12+children.

Theme check: Food tourism

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

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

Organizers: general tour operators, but also often it is the author's travel from guides or companies that aren't registered as tour operators. The flight isn't usually included, it is more convenient for tourists to buy tickets on their own, as many people prefer the arrival or departure a few days later or combination of a tour with another trip around the country.

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

Weaknesses of Finland as a food destination: new Nordic cuisine is less popular among Russians than European or Asian cuisine, prices in restaurants and group transfers are higher than in other European countries, there aren't always Russian-speaking guides or a fascinating thematic content in the guide's story. Good food and that's all — it's boring. Tourists need additional entertainment, so to speak, eating a national dish, tourists would like to see local shamans dancing nearby.

Offerings to be developed more: cooking classes, food city walks, food producers tours, local restaurants, beverage tours / tastings, food routes

Strengths of Finland as a food destination: convenient logistics (in particular, from Moscow to St. Petersburg, where is the greatest potential for tours), and are perfect for weekend trips or as a supplement to the main type of holiday. Accommodation in boutique hotels and country hotels, in the old manors – one of the key element of a gastronomic travel, and there is a wide range of such accommodation in Finland.

Theme check: Food tourism

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

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

<https://italiantur.ru/gastronomicheskiy-tur-v-piemonte/> Food tour to Italy

<https://gastrotravel.club/provence-gastrotour> Food tour to France

Trends and other relevant travel related topics

Trends

- One of the trends that will strengthen in 2020 is the growing interest in **weekend travel**. Russians want to travel more often and get more impressions in a short time. Such short trips are usually planned spontaneously and aren't tied to a leave. In 2020, the trend will increase, primarily due to active residents of Moscow, St. Petersburg and cities with millions of inhabitants, as they most often choose the short trips. Even the most conservative tourists are tired of the same type of holidays in the style of all inclusive beach holidays. [Source](#)
- Beach destinations in 2020 will give way to **unique author's routes and unexplored trails**. "Tourists are looking for new experiences and want to spend their leave with the benefit for themselves and their peace of mind, exploring new destinations," ExpediaRus experts say. "More and more travelers are interested in hotels in small little-known cities, where you can wander through abandoned estates, castles, ancient ruins and plunge into the marking time." The author's sightseeing tours and unusual trips will go on gaining popularity, allowing you to feel like a real researcher. [Source](#)
- Also, according to Yandex, over the past 5 years, the share of beach holidays has decreased. There is a growing demand for **outdoor activities** and more people just went to **see other cities**, that are not necessarily the capital of the destination country. [Source](#)

Trends and other relevant travel related topics

Trends

- According to the Booking.com survey, 47% of representatives of **Z-generation** from Russia choose action-packed adventure and 56% wish to have a walking tour to hard-to-reach places. Publications and photo reports of bloggers and celebrities in social media inspired 43% of representatives of Z-generation from Russia to travel. 76% think that journeys are always worth the money spent. In their priorities, traveling expenses (68%) follow savings for the down payment to purchase housing. [Source](#)
- The so-called **immersive tours** where the travelers become a part of the performance and their each action affects the outcome of the trip are getting more and more popular. The event tourism, coaching, experience tourism are also getting more and more popular. [Source](#)
- According to experts, **traveling by car and caravanning** are becoming more and more popular in Russia. In 2019 the demand for campers increased by more than a quarter (26%). [Source](#) / [Source](#) Increase in demand is connected with improvement of quality of roads and appearance of camps which were constructed for World Cup 2018. According to the 2019 survey, 3/4 (or 74.9%) of drivers responded that they are inspired by freedom of movement and possibility to see more, 39% prefer traveling by car (instead of using train or airplane) because of driving pleasure, 34% answered that because it's cheaper. The fourth place is occupied by the need to bring much luggage (14%), but only one of twenty respondents (5%) complained of fear to fly and hatred of trains. 59% of people travel with their families and 27% - together with their love. [Source](#)

Trends and other relevant travel related topics

Trends

- According to the research of the Aeroclub business tourism agency, the number of **bleisure trips** in Russia is growing every year. According to the publication, the demand for bleisure-travel has grown by more than 40% over the past 5 years and soon the share of such travel in the number of business trips may reach 60%. One of the reasons for the rise in popularity is associated with the concentration of millennials in the labor market, who tend to combine work and personal life. Most often, such trips are chosen by representatives of the mining and manufacturing industries, energy, employees of pharmaceutical companies and FMCG companies. And the number of such business trips for employees of the automotive industry has increased more than 2 times compared to last year. At the same time, bleisure-trips abroad remain more popular for travelers, interest in weekends in cities abroad exceeds the demand for long trips across Russia by 36%. [Source](#)
- Russian tourists are **searching information about the trips using their smartphones and tablet devices** and the % of mobile searches is growing strongly. Most popular services searched by mobile are hotels (39%), package tours (17%) and flight tickets (16%). It is also important to remember, that growth figures are related travel information search, as only 6-7% of Russian travelers buy their package tours online. The amount of online-bought tour packages is expected to reach the European sales volume (30%) no earlier than in 5-7 years. [Source](#)

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**

www.mos.ru/news/item/63379073/ Days of Düsseldorf in Moscow - 4 day PR event incl. symphony concerts, master classes, VisitDuesseldorf photo exhibition and theater performances conducted at several venues

<https://czech-festival.ru/> Czech Festival in Moscow - 2 day event with food, music, beer and more (booths and activities for all ages)

<https://www.facebook.com/chinafestival.moscow> / <https://chinafestival.moscow/#/> China festival in Moscow: exhibitions of Chinese lanterns and panda sculptures, performances by artists of Peking Opera, as well as workshops on Chinese calligraphy, painting, tea ceremony and folk music

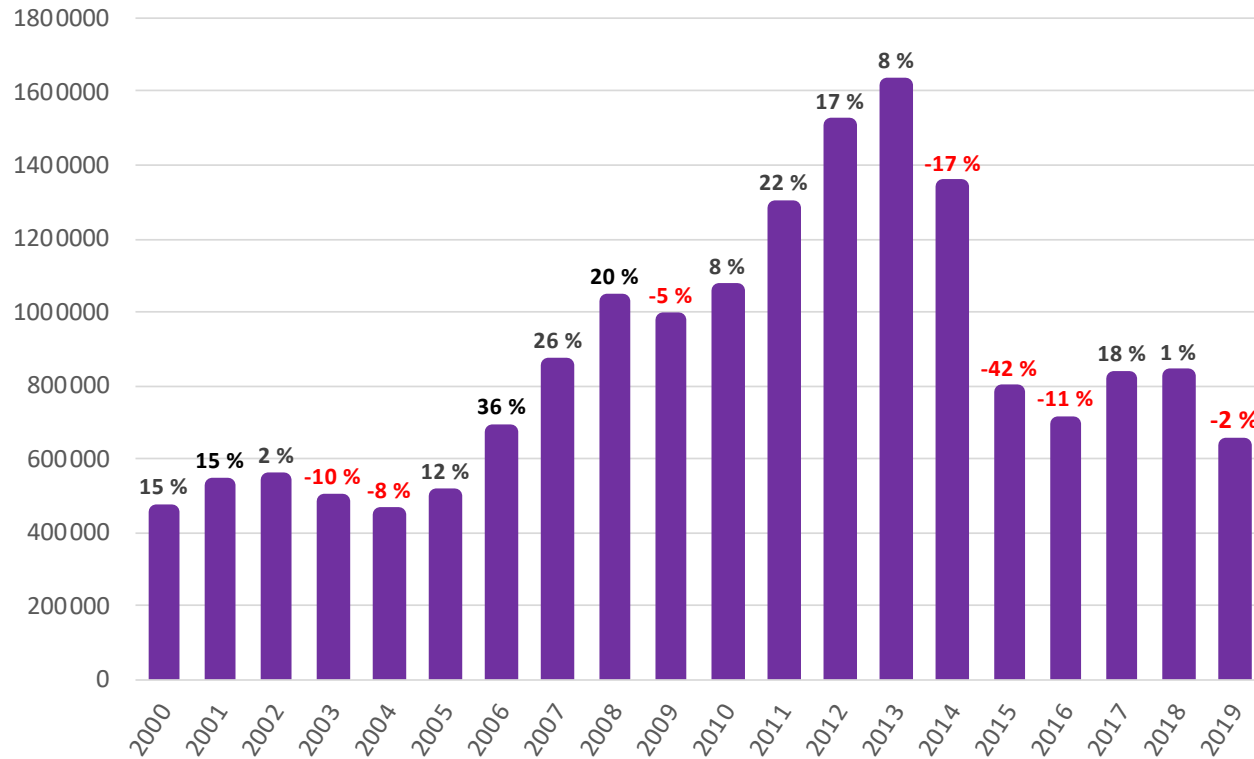
Trends and other relevant travel related topics

Free word

- Intourist Tour Operator, 100% owned by Thomas Cook Group, continues its operations on the Russian market. On 14 November, the owner of Turkish Anex Tour (Neshet Kochkar) informed about the company's acquisition [Source](#)
- The number of classic tourist agencies in Russian towns has been declining since 2014. Online services for traveler demonstrate the opposite trend: their number and popularity is growing. Today's tourist agencies are going through the era of stagnation. Expertise helps them to win the customers, first of all.
- Certain countries will be always popular for traditional tourism, and the demand for package tours to them won't decline in the nearest future. However, the market will be transforming gradually: it will become more agile and suitable for new generations of travelers who choose new formats of journeys instead of "all inclusive". Y and Z-generation youth is more about impressions and not about directions. The main question for them isn't where to go, but what to do, try, feel, experience. [Source](#)

Russia – Market Review

Russian overnights in Finland



Year 2018
1st in country rankings
 with a **13% share** of foreign overnights
 Average change 2000-2018: **+6%**
 Change 2018 compared to 2000: **+79%**

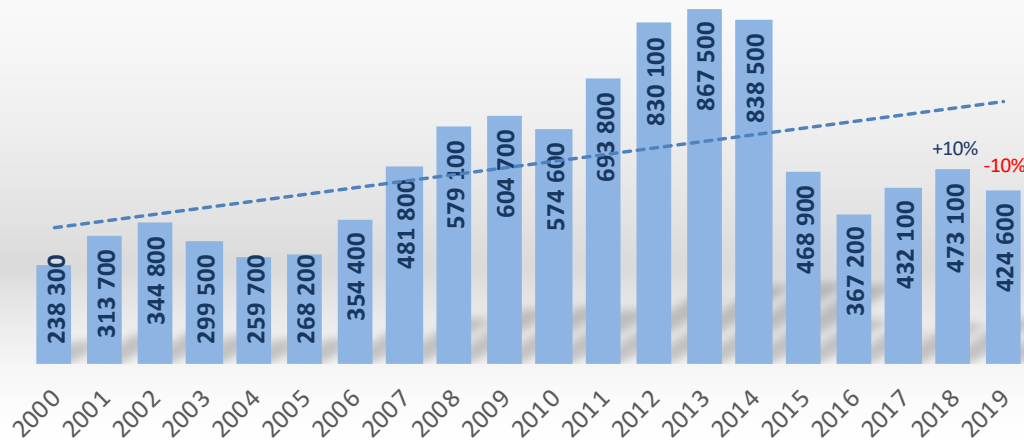
Share of overnights by regions 2018



Russian overnights in Finland

Winter 2019 and Summer 2018

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



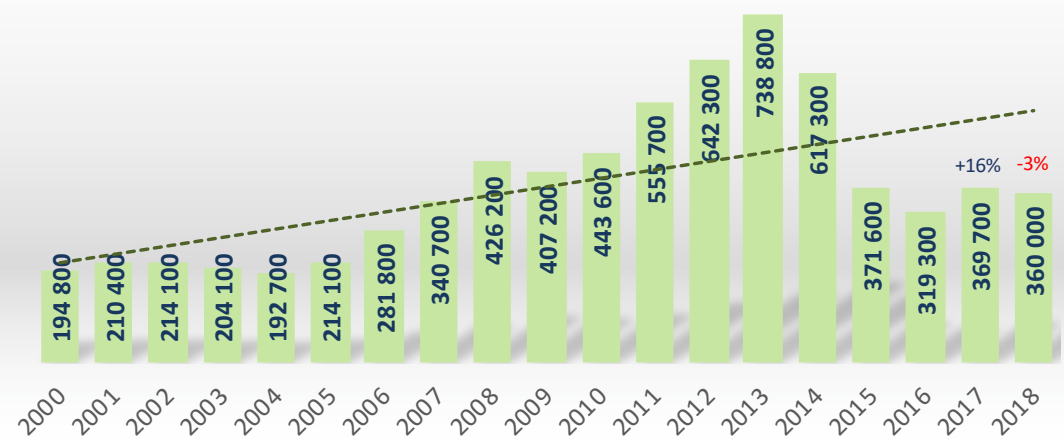
Winter 2019: **1st** in country rankings with a **13%** share of foreign overnights

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

Change 2018 compared to 2000: **+78%**



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



Summer 2018: **1st** in country rankings with a **11%** share of foreign overnights

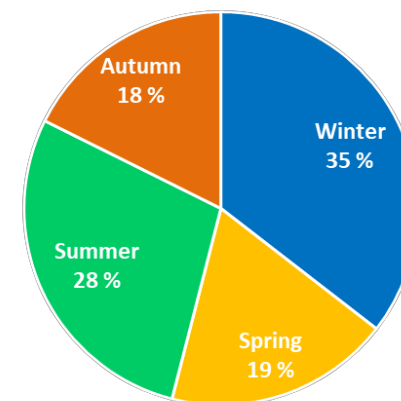
Average change 2000-2018: **+5%**

Change 2018 compared to 2000: **+85%**

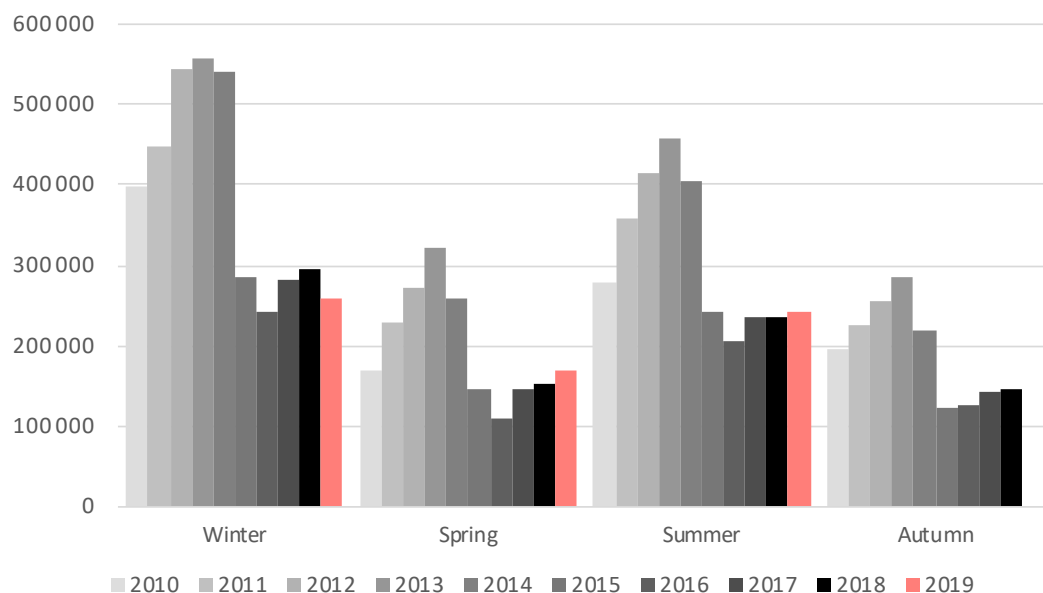
Trends for seasonal overnights in Finland Russian visitors

Winter and summer are the most popular travel seasons among Russians. Significant decrease in overnights 5 years ago, but travel in spring, summer and autumn seasons have slightly grown after that.

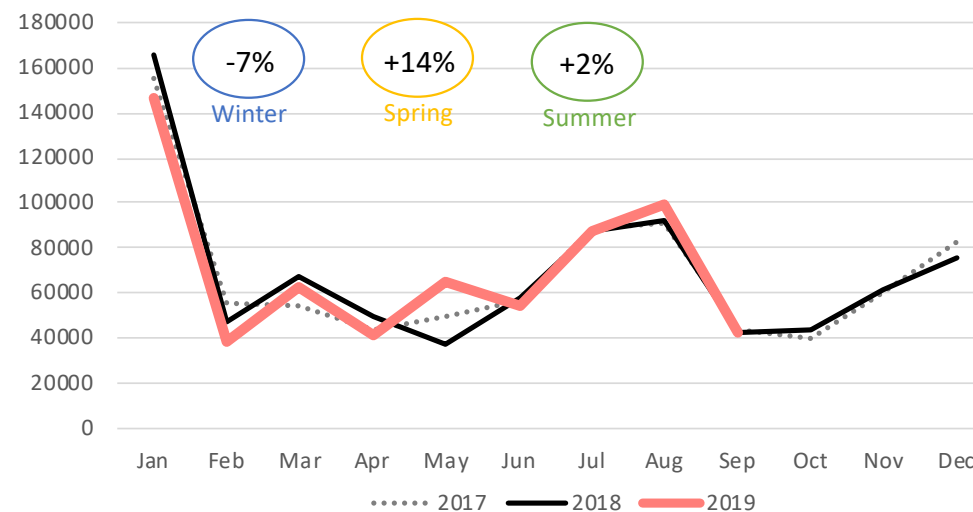
Russian overnights 2018



Russian overnights by season



Russian overnights by month 2017-2019



Source: Visit Finland Statistics Service Rudolf, Statistics Finland

Russian overnights in Finland

Seasonal overnights in 2018

Whole Finland

	No. of Russian overnights				Seasonal YtoY change		
	2016	2017	2018	2019	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018
Winter (Dec-Feb)	243 000	280 900	296 100	260 100	+16%	+5%	-12%
Spring (Mar-May)	110 700	147 000	154 500	168 100	-25%	+32%	+9%
Summer (Jun-Aug)	205 800	236 800	236 700	241 800	+15%	-0%	+2%
Autumn (Sep-Nov)	127 500	143 300	147 200		+12%	+3%	

Russian overnights in Finland by season in 2018

