VF Italy Market Report
November 2019

Visit Finland Country Representative

Barbara Demartin

Semiannual Report – ITALY

Summer season 2019 and outlook for winter 2019-20

CONTENTS

Visit Finland

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
The economy is set to gain some strength next year, as domestic demand picks up and the industrial sector finds a way out of recession. That said, Italy will remain the Eurozone laggard, as waning investment activity and muted productivity growth weigh on the economy. Challenging fiscal metrics, policy volatility and a strained political environment skew risks to the downside. FocusEconomics panelists project growth of 0.4% in 2020, which is unchanged from last month's forecast, and 0.7% in 2021.

Other (for example holiday periods/timing, possible new traveller segments)
As mentioned in previous reports, August is the period for the Italian holidays but it seems that Italians are starting to consider more and more Autumn for a possible holiday, maybe for the northern lights, the foliage and the outdoor activities.

There isn't a specific target but, maybe, thanks to the myth of the Nordic countries, of how they live in contact with nature has intrigued many people to visit Finland and do a relaxing holiday.

Visit Finland

Factors affecting the results of the summer season 2019

Reasons for the increase/decrease in travelling to Finland?

Changes in demand
If we talk with TOs it seems there are no big changes for Summer but the statistics were positive.
Summer is an easy season for booking by themselves so TOs don't see big differences for FITs packages but maybe the positive figures depends also on our digital campaign. TOs who had scheduled tours in Lakeland region have been satisfied with the sells, maybe for consumers guided tours in this region are a sort of news.

Finland's image as a travel destination
We think that the EU Semester, the advertising as "the happiest country in the world", the "Rent a Finn" campaign and maybe our small digital campaign promoting the midnight sun, a slow Finnish holiday in pure nature with good food and outdoor activities and the right combi nature-culture started to show people a Finland different from the usual one. Also the activist Greta and the growing movement for a better sustainable world has increased the interest for Northern countries and their lifestyle.

Changes in distribution
The accessibility of Finland in the Summer makes it easier for consumers to plan a trip and save money by trying to book it themselves.
To reach the consumers we have done some digital campaigns: last year we try eDreams, this year Lastminute.com but most of the Italians use Booking.com and it would be nice try to coop with them someway.
We have invested in a digital campaign with banners and a landing page on Lastminute.com for Summer/Autumn seasons and now it's going on for Winter.

Changes in accessibility
Finnair added a 3-weekly flight from Bologna from April to October, Norwegian added a weekly flight from Pisa and the 2-weekly Ryanair flight became annual. These changes have certainly contributed to the increase in arrivals.

Factors affecting the results of the summer season 2019 (1)

Reasons for the increase/decrease in travelling to Finland?

Products that have been attractive
We saw that many TO packages were focused on Southern Finland (Saimaa, Tampere, Turku, Coast & Archipelago), then for Lapland Kuusamo area for the bear watching and the combi Northern Lapland with North Cape in Norway.
Helsinki as city break or in combination with the other capitals is always a must.
Most of the direct clients that contacted us for info before their departure gave us a positive feedback, they didn't expect to find a so beautiful country, they really appreciate nature and the feeling of a relaxed life.

Regions that have been attractive
Watching the TOs products and the co-marketing and campaign we did, we focused on Lapland (Inari, Kuusamo regions), Lakeland (Saimaa, Jyvaskyla, Tampere regions), Coast&Archipelago (Turku, Aland, Rauma, Mathildedal, Fiskars, Porvoo, etc.).

Reasons for the increase/decrease in travelling to Finland?

Campaigns, joint promotions
The most important activities:

B2B activities:

- **Events**: Nordic workshops in Milan and Rome, TTG trade fair, roadshow with Travel Quotidiano, Biennale event with 3 TOs focused on Finnish culture

Visit Finland

Factors affecting the results of the summer season 2019 (2)

B2B activities:

- **Joint promotions:**
  - **Giver TO**: webinar, newsletters, social media (FB, IG)
  - **Il Diamante TO**: webinars, roadshow events, newsletters
  - **Norama TO**
  - **Boscolo TO**
  - **Blueberry TO**
  - **Gattinoni network**

B2C activities:

- **Digital campaign** with banners and a landing page in Lastminute.com divided in 3 flights (Summer, Autumn, Winter).
  For Summer we focused on Lapland, Lakeland, Coast&Archipelago regions with these themes: midnight sun, outdoors in the national parks, bear watching, food, sauna
  For Autumn we focused on Lapland, Lakeland, Helsinki regions with these themes: northern lights, outdoor activities, sauna
  For Winter we are focusing on Lapland, Lakeland, Helsinki with these themes: northern lights, outdoor activities, design, Sami culture, what to do in the capital for 48h, Christmas, sauna
- **Events**: Equilibrio, a dance event in Rome in coop with the Embassy where we promoted Finland with brochure distribution, EU research centre in Ispra (VA) where we presented the destination for the EU Finnish semester

Visit Finland

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
TO say that the sells are going well but, except for Rovaniemi for Christmas holidays, there is a big competition with Norway, in particular with Tromsø. Some customers are conditioned by articles that judge some Finnish destinations as not good to spot the Northern Lights.
The Kuusamo area is not well served by flights (bad connections) and Norwegian Airline is not well seen because of the cancellations.

New winter products
In general all the Italian TOs are focused on Finnish Lapland (Rovaniemi, Inari, Levi, etc.), combi btw Swedish&Finnish Lapland, combi among the capitals on the Baltic sea.
Il Diamante has some different tours: Igloo tour (Levi, Luosto, Rovaniemi with end in Oulu), Russia (St Petersburg, Helsinki, Rovaniemi) and some combinations btw 2 Laplands (Swedish and Finnish)
Agamatour has a tour with Kittilä, Hetta, Kilpisjärvi, Tromsø and a package with New Year's Eve in Luosto
Blueberry proposes Ruka-Kuusamo, a new area for them
Boscolo has a New Year's Eve package in Kilpisjärvi area.

New sales channels
Musement who sells experiences would be interested in contact Finnish suppliers.

Visit Finland

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?
Experiences related to nature, northern lights, active fun (snowmobile, huskies safaris, etc.), nordic living style (sauna, food, design, etc.) are the main focus for all traveler segments

Which are the traveler segments?

- **Families with children** for the usual trip to Rovaniemi
- **Nature lovers** for hunting the northern lights
- **Luxury tourism**
- **Active tourists**
- **Couples** who want to live emotional experiences like some nights in special accommodations, sauna, adventure with huskie safaris, etc.

Visit Finland

Outlook for the summer season 2020

Ad hoc marketing opportunities

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

In the market plan for 2020 we propose:

- **B2B activities**
    - Joint promotions with TOs an TA networks (Il Diamante, Giver, Blueberry, Easyweek, Gattinoni and Welcome travel networks)
    - Nordic workshops in Rome and Milan with Norway, Denmark and Iceland
    - TTG trade fair
    - Roadshow with Travel Quotidiano

- **B2C activities**
    - digital campaign
    - fair B2C in Rome in coop with Adutei
    - coop with Bikeitalia for preparing an online guide with bike itineraries in Southern Finland. In March they will also organize the first bike event in Milan, similar to our Be Nordic but focused on the bike world
    - depending on the budget, our participation in other fairs with focus on outdoor, nature, slow tourism could be important

Visit Finland

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?

- Cultural tours, slow-sustainable tourism and active tourism but some of them well combined.
- Northern lights, foliage and outdoor activities must never be missing in the Autumn/Winter packages but also with a good combination with culture (e.g. Sami in Lapland, Aalto or other cultural visits in Lakeland, local food tasting everywhere).
- Think about a sort of ”Finland in a nutshell” using the public transports for those who do not feel comfortable with car rental in Winter.
- Better development of less known destinations with the help of the locals that have to keep open the services outside the high season.

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

These could be better developed:

- **pensioners** or **those who can afford to take a second** and short **holiday** outside the standard periods for a holiday in Autumn/Winter
- **cultural tourism**: it is difficult to enlarge it because TOs specialized in culture are few and small and they have fixed groups of clients that once they do a trip to Finland, the year after they change destination. Culture should be always combined with nature in all trips
- **active tourism** for the adventure lovers: we should better present Finland as a destination for an active holiday all year round. Many TOs focused on outdoor don’t know very well Finland and they chose our competitors

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

I think these target could be interesting to develop for this market:

- **bleisure** and **MICE**
- **luxury tourism** (even if the Italian economy is not going very well, there is a part of Italians that can spend)
- **walking tourism** with the new St Oval waterway (but the nr of walkers that chose a nordic way maybe is very small)
- **slow tourism** related to nature, wellbeing, food, sustainable trip and stay

Visit Finland

Theme check: Food tourism (1)

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 very important in our market: there has been a growth of 48% in 1 year. In 2018 a first report on enogastronomic tourism was done to understand better this section. In 2019 it has been further developed.

- **Who is the enogastromical tourist?** Gender: male (52%), female (48%). Generation: X generation (37%), millennials (34%), boomers (26%). Geografical area of origin: South of Italy & Islands (33%), northern-west Italy (27%), central Italy (20%) and northern-east Italy (19%). Education level: high school diploma (56%), degree (34%)

- **Decision making process of the trip destination**: it's important the presence of food-wine offer and enogastronomical experiences (59%), the sustainability of structures and events (50%), the organic products availability (46%).

- Other relevant **elements in the choice of wine&food destination** are: beauty of the place to visit (51%), its culture and traditions (45%), natural attractions (28%), landscape quality (26%), local community welcoming and well disposed towards tourists (26%).

- The **food&wine experiences have motivated Italian tourists** to make a day trip (e.g. eat typical dishes in a restaurants, visit markets and events).

Of course, Italy is the main destination but when Italians travel abroad, their main food destinations are Spain, France and Belgium.
** source: Report on food tourism in Italy 2019 by Roberta Garibarldi, responsible of Food tourism research & trends*.

Theme check: Food tourism (2)

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?

- Some TO specialized in Northern Europe promote some package with focus on food (e.g. Norama, Il Diamante, Blueberry, Boscolo) but food is still considered as an experience to do during a trip and not the reason for a trip, unless it’s a trip for a food event (e.g. truffle fair in Alba)

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.?*

- We think that to make Finland more interesting from the point of view of food tourism, the map should indicate more places where to make food experiences so that an Italian can create an itinerary and know what culinary can experience in every place where he goes.
- All the a.m. examples should be developed and we would add also food events like the Baltic Herring Festival, beer festivals

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

- Vaasa region with visit of Kyrö distillery, beer tour in Jyvaskylä, food tour with distillery in Helsinki, food tour in Turku, cooking class for karelian pies or with mushrooms or berries (after picking them up), or baking karelian pies, Lemi restaurant, preparing reindeer cheese in Lapland or preparing berries jam, learn how to cook salmon in Finnish style or how to prepare rye bread or korvapuusti, visit the Fazer chocolate manufacturer in Vantaa, visit of craft breweries in Aland Islands, Fiskars, Tampere.
- I don’t think that the berry vinery could be successful with the Italians because the wine is too sweet.

Visit Finland

Theme check: Food tourism (3)

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

In Italy there are some events related to the food where the Finnish food companies could present their products and contribute to enlarge the knowledge of Finnish food.

For ex.: **Identità golose** http://www.identitagolose.com/sito/en/237/24535/identit-milano/sense-of-responsibility-the-theme-of-identit-2020-is-revealed.html in Milan in March,

Tutto Food http://www.tuttofood.it/en in Milan in May (every 2 years, next in 2021),

Food Week https://www.milanofoodweek.com/ a b2b and b2c event in Milan in May,

Sana http://www.sana.it/en/home/1229.html a fair about food, care&beauty, green lifestyle in Bologna in Sep,

Cibo a regola d'arte https://cucina.corriere.it/ciboaregoladarte/ b2c event with talks, courses, masterclasses, tasting in Milan in May.

Visit Finland

Trends and other relevant travel related topics

Trends

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

Some new trends for 2020 declared by Booking.com that could be important for our market:

- "**second-city travel**": the exploration of lesser known destinations in a bid to reduce over-tourism and protect the environment
- **slow, sustainable and food&wine tourism**: 2020 will be slow, using slower means of transport to reduce its environmental impact and making a longer journey to enjoy the journey even more;
- **technology** in the decision-making of the trip: smart, trusted, tech-led recommendations will allow us to find many new experiences of which we would never have known otherwise, saving time and helping to enjoy every single moment during the trip;
- **detailed and varied itineraries rich in offers and directions** for living the best experience: travelers want to maximize their time and therefore, instead of choosing a main theme for their trip, in 2020 more and more people will choose destinations where they can do as many activities as possible, including experiences and attractions
- there will be an increase of holidays for **grandparents** with their **grandkids**
- more consumers choose the destination for the holidays based on the possibility to bring with them their own **pet**

New distribution channels

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

- More focus on **slow, sustainable and food tourism**. To promote the St Olav waterway, itineraries by bike, National Parks, sustainable tours with public transports (train, boat, bus), etc. through the participation in events (e.g. Travel Outdoor Fest in Parma in February, Bike event in Milan in March, etc.), the cooperation with TOs specialized in these sectors or partners like Musement for promoting single experience. But for this sector, <u>the support of Finnish partners is very important</u> with packages and products ad hoc.

Online channels

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

In Italy the most OTA used are 1) Booking.com 2) Expedia and 3) Hotelbeds. It would be important to have a coop with Booking.com or Expedia. The Italians use a lot also **Tripadvisor**, it seems it has new services (e.g. packages with flights, destination partnerships, etc.)

Visit Finland

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
- Visit Norway organizes many events for PR, TOs and consumers in this market: famtrips together with Spain and evening events together with TOs where they present the destination.
- They often organize food events: during the Milan Design Week in April, a showcooking with tasting ”Arctic Norway” at La Cucina Italiana in Milan last March. In November they had 2 events ”Go Viking in the Fjords” where they presented the stormwatching project https://en.fjordkysten.no/things-to-do/storm-watching
- Last September in Lillehammer they had the 1st workshop ”Hiking and biking in Norway” for all European countries

DENMARK
- More focused on consumers and PR than the trade.

SWEDEN
- No promotional operation from Visit Sweden but the most important TOs propose winter packages in Swedish Lapland: Sami market in Jokkmokk, Abisko, glamping and icebreaker in Lulea, Haparanda combined with Rovaniemi

ICELAND
- Nordic workshops and TTG fair

Visit Finland

Trends and other relevant travel related topics

Free word

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

I put again some important points that I mentioned in the previous report:

- more support from the locals (services suppliers, DMCs, local tourism boards, etc.) with diversified packages, info about the things to do and see in their areas, etc.
- more cooperation btw VF head office and DMCs bases in CPH, OSL and local ones to help them in promoting a different Finland from the usual one
- to reach more consumers and let Finland make more visible with several activities concurrently (programmatic campaigns, advertisement campaigns, B2C events, social media, ...)
- a FB page in Italian would be helpful
- to issue in the VF webpage in Italian the events in Italy relating subjects to a region or a museum to visit, connecting it with themes like culture, food, architecture, etc. (e.g. Biennale, etc.)

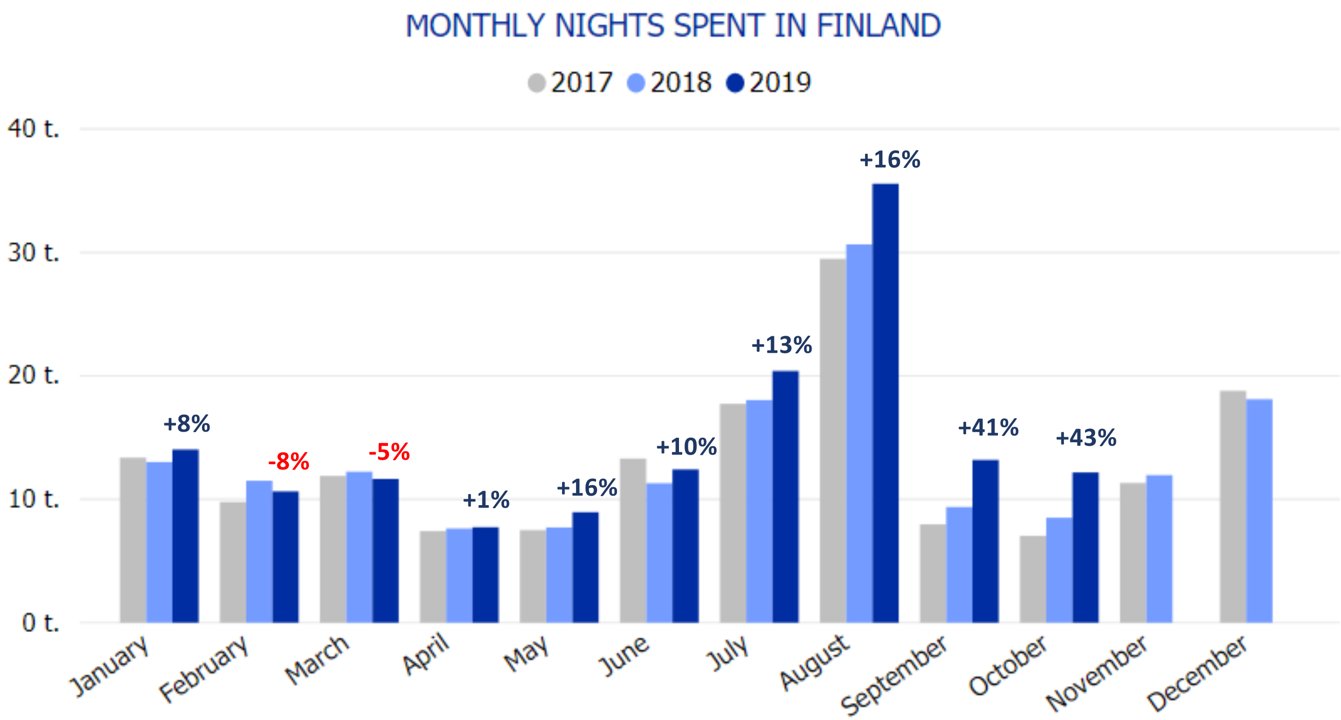
The constant presence of PR in our market is very important to work and reach as many consumers as possible.

Visit Finland

Italy – Market Review

Visit Finland

Italian overnights in Finland



Year 2018

14th in country rankings
with a **2.5% share** of foreign overnights

Average change 2000-2018: **+1%**

Change 2018 compared to 2000: **+12%**

Share of overnights by regions 2018

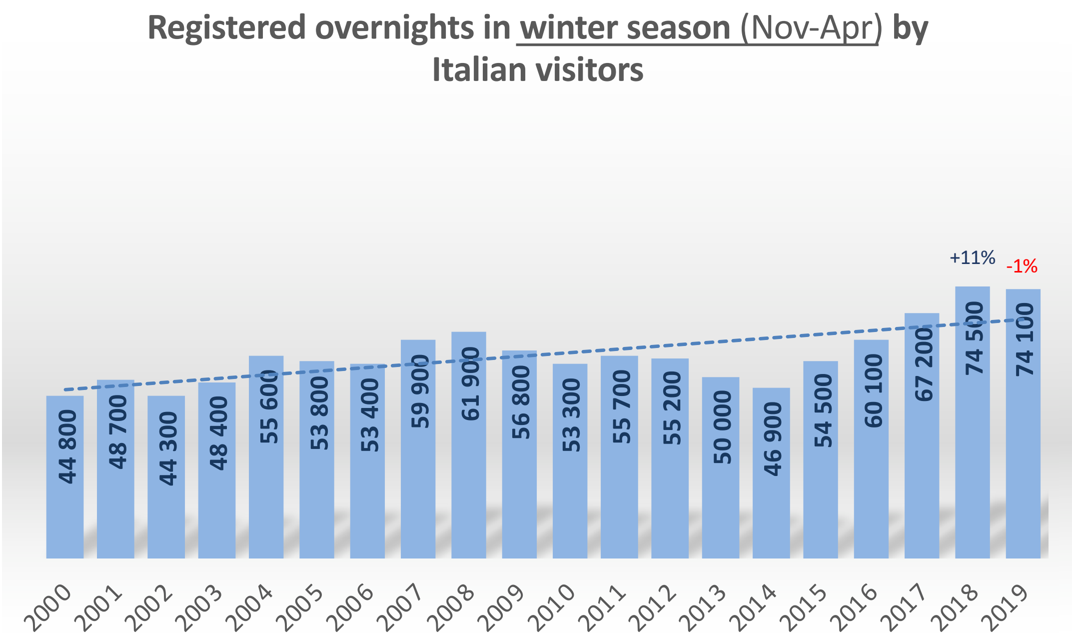
44% 14% 16% 26%

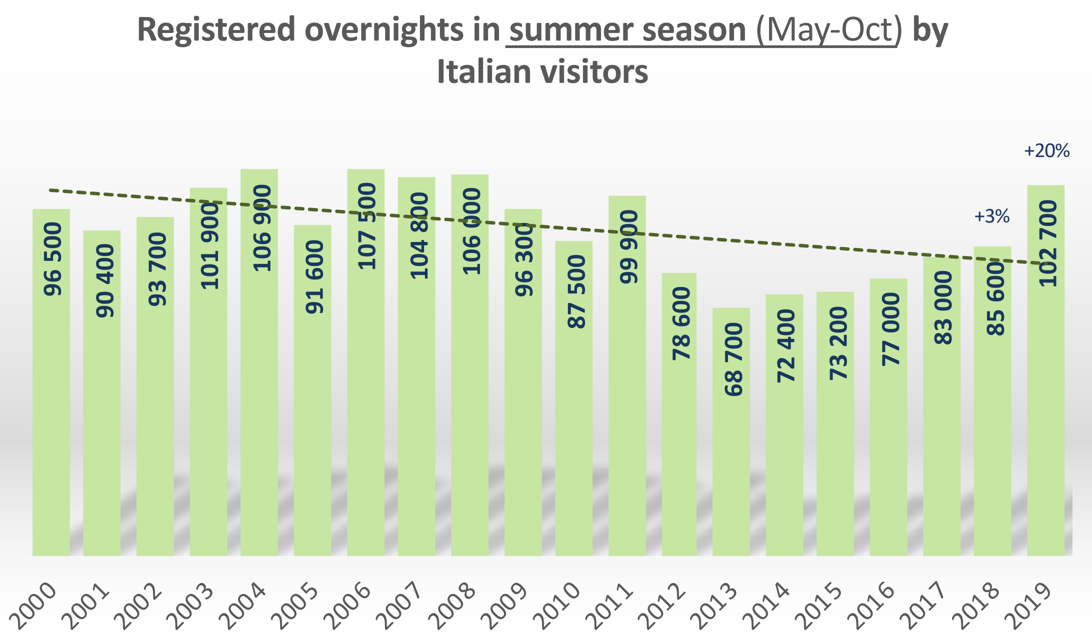
Visit Finland

Sources: Visit Finland Statistics Service Rudolf, Statistics Finland

Italian overnights in Finland

Winter and Summer 2019





Winter 2019: **14th** in country rankings with a **2%** share of foreign overnights

Average change 2000-2019: **+3%**

Change 2019 compared to 2000: **+65%**

Summer 2019: **11th** in country rankings with a **3%** share of foreign overnights

Average change 2000-2019: **+1%**

Change 2019 compared to 2000: **+6%**

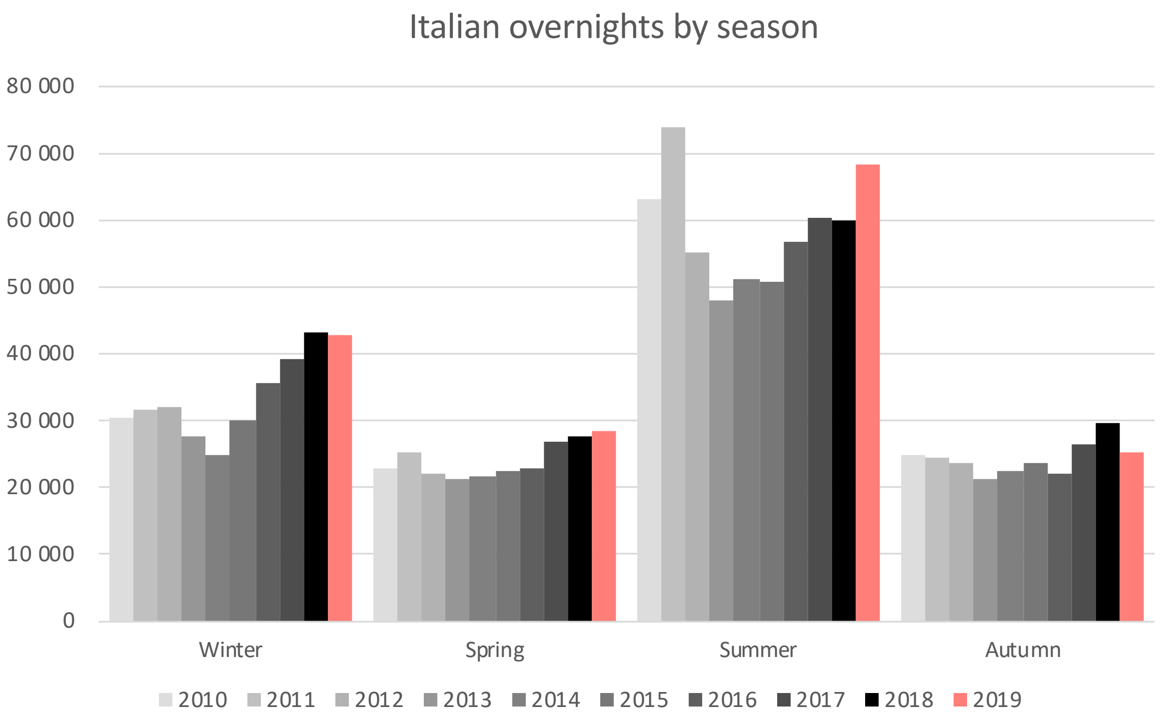
Visit Finland

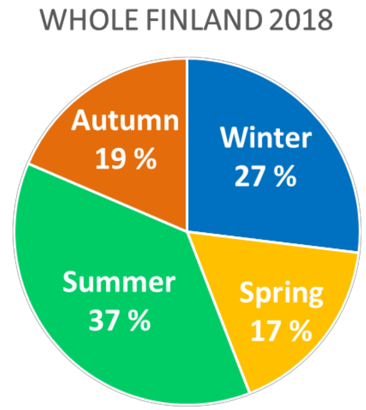
Source: Visit Finland Statistics Service Rudolf, Statistics Finland

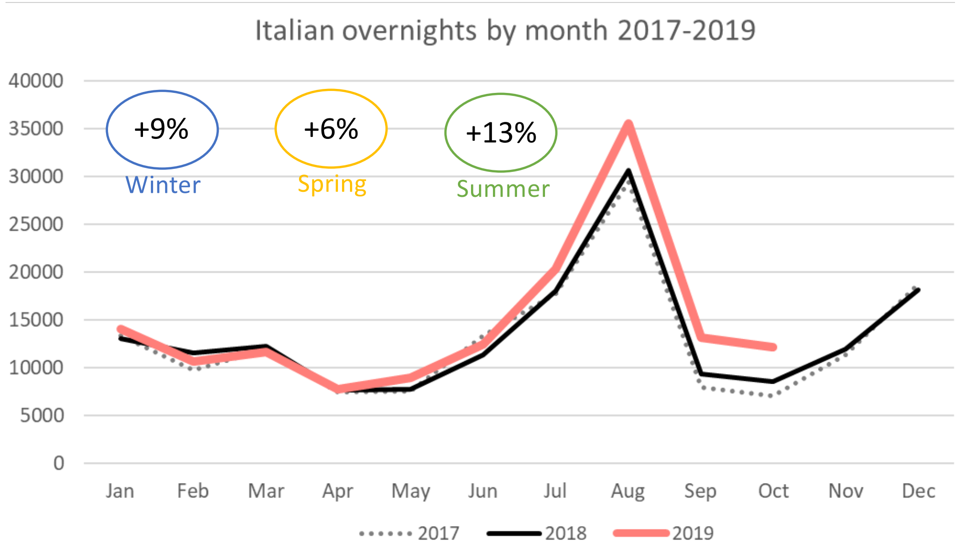
Trends for seasonal overnights in Finland

Italian visitors

Summer is the most popular travel season among Italians. The trends in overnights in all seasons are somewhat increasing (the number of autumn 2019 overnights is missing November's overnights).







Visit Finland

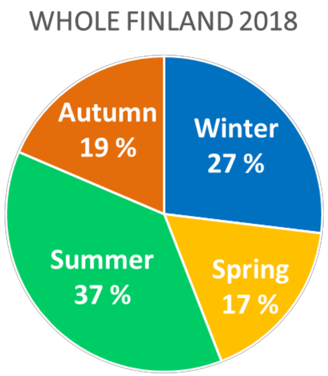
Source: Visit Finland Statistics Service Rudolf, Statistics Finland

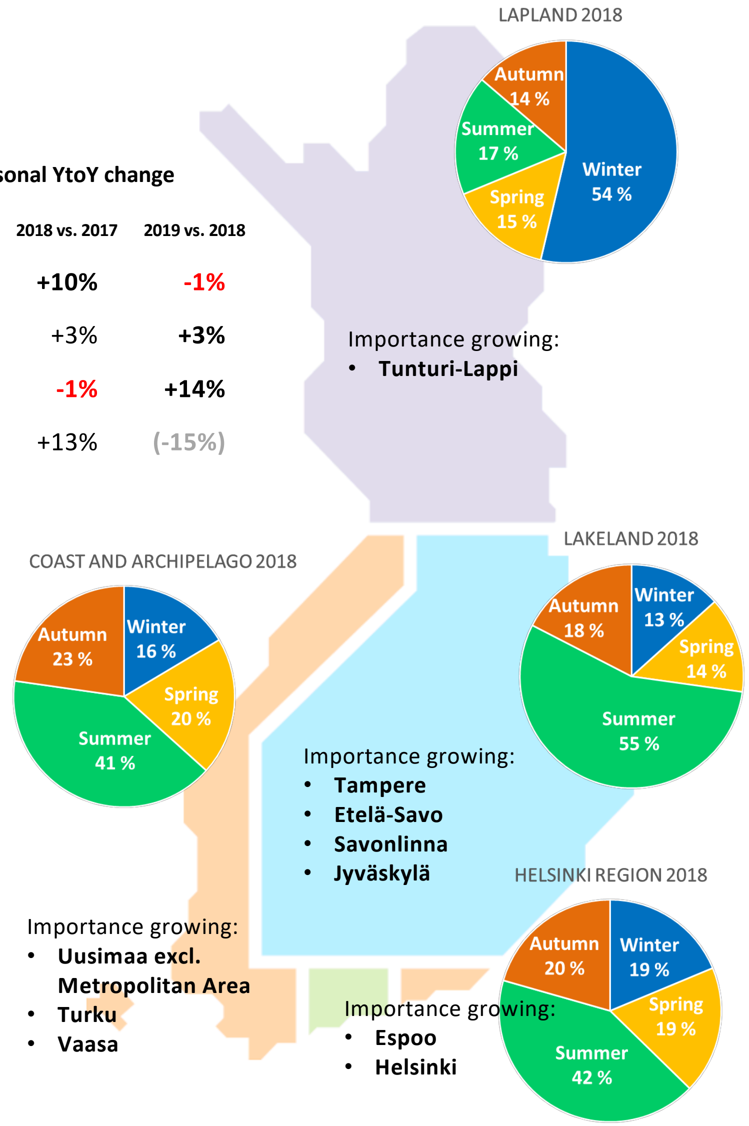
Italian overnights in Finland

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**	**42 800**	+10%	**+10%**	**-1%**
Spring (Mar-May)	22 800	26 800	27 600	**28 300**	+17%	+3%	**+3%**
Summer (Jun-Aug)	56 800	60 500	**60 000**	**68 400**	+7%	**-1%**	**+14%**
Autumn (Sep-Nov)	22 300	26 300	29 800	**(25 400)**	+18%	+13%	(-15%)

Italian overnights in Finland by season in 2018





Visit Finland

Source: Visit Finland Statistics Service Rudolf, Statistics Finland