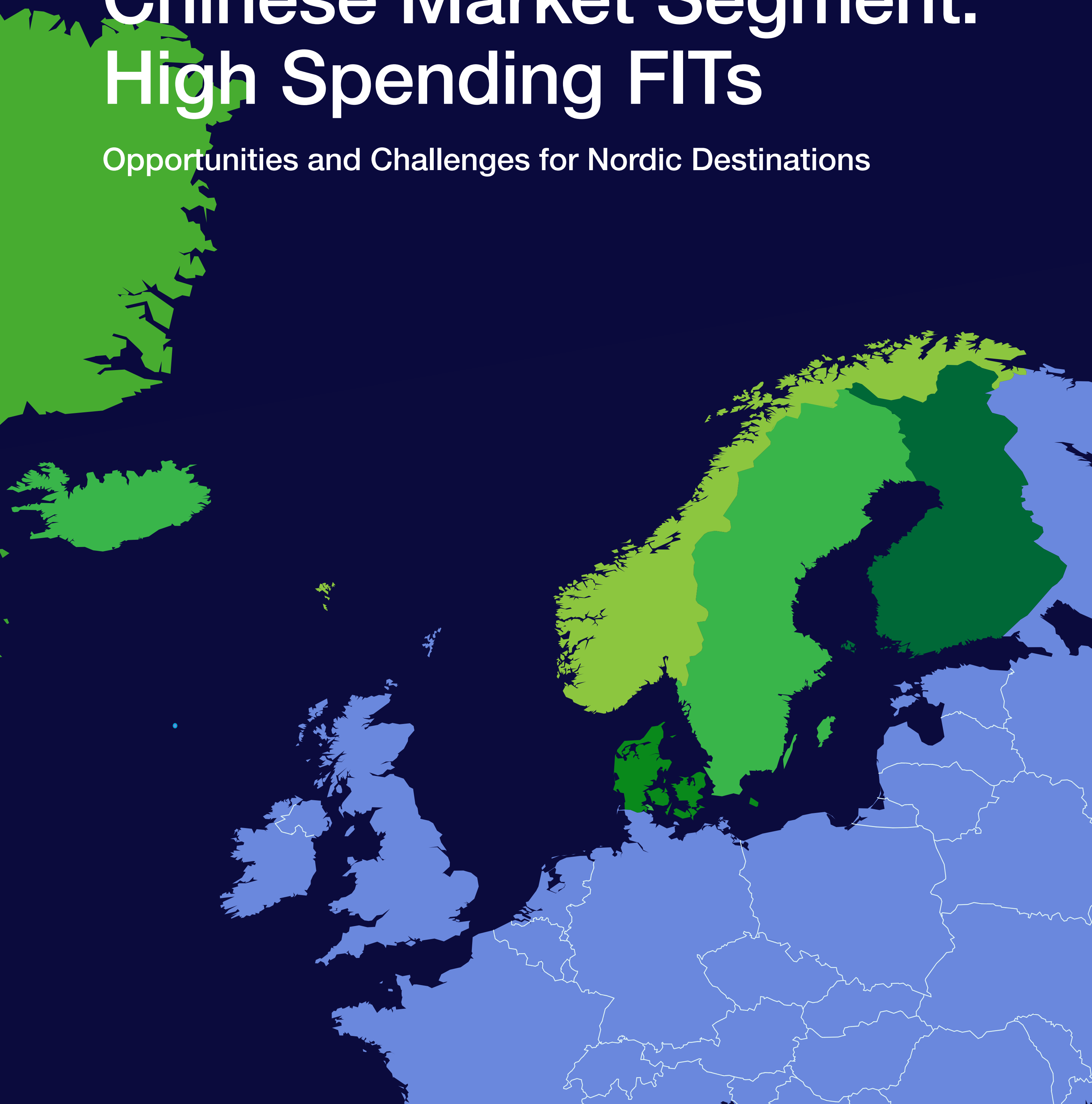
THE NORDICS

May 2018

Chinese Market Segment: High Spending FITs

Opportunities and Challenges for Nordic Destinations



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INTRODUCTION

Jorma Luhta / Visit Finland

INTRODUCTION

Long Haul Tourism Analysis is a joint project coordinated between the Nordic DMOs – Innovation Norway, Promotion Iceland, Visit Denmark, Visit Finland, Visit Sweden – as well as the DMOs of the self-governing regions – Visit Faroe Island, Visit Greenland and Visit Åland (hereinafter “Nordic DMOs”). This joint project is financed by the Nordic DMOs and by the Nordic Council of Ministers.

The Nordic DMOs, organised by Business Finland, have selected COTRI to research and provide recommendations on approaching Chinese High Spending FITs in order to achieve sustainable tourism growth from China for the region. COTRI is supported by its partner ASAP+.

Background

The Chinese market is gaining more importance for Nordic destinations, both in terms of economic contributions and diversification of the market mix. Meanwhile, opportunities and challenges also emerge from the development of the Chinese market, urging Nordic DMOs to explore:

- How to sustainably grow the Chinese market?
- How to better manage the seasonality of the Chinese market?
- How to better facilitate geographical dispersion of Chinese tourists?

With the potential to bring national tourism boards’ marketing activities closer together in China, Nordic DMOs require updated analysis with a stronger focus on looking into market segments that can provide higher yield outcome, contribute to sustainable development and position the Nordic region brands with competitive advantages.

The market segment of High Spending Free Individual Travellers (HiSpFITs) from China is the main target group to be studied in this report. Compared to package group Chinese tourists, visitors of this target group are mostly wealthier upper middle-class Chinese visitors who have already gained more experiences in outbound travel. Many HiSpFITs thus have the potential to stay longer at each location, disperse wider, avoid peak seasons and crowded attractions, and still purchase tourism services and activities.

Purpose

The main purpose of this report is to provide an in-depth understanding of the target group of High Spending FITs from China, and make recommendations accordingly in brand building, product development, marketing strategy and marketing action plans. Findings in this report should form an integral part of Nordic DMOs’ Long Haul Tourism Analysis project, which ultimately should contribute to strategy formation to:

- Increase awareness of the Nordic region as a whole
- Identify multiple interesting places to combine in the same trip
- Increase sustainable tourism from China to different Nordic destinations

Goals

Major goals of this report include:

- Identification of common Nordic Unique Selling Propositions (USPs) and market specific USPs in China
- Recommendations for marketing strategy and action plan in China
- Recommendations for product adaptation and development

Contents of The Report

This analysis report starts with defining the target group of Chinese High Spending FITs as well as providing an estimation of the potential market size, followed with a review of updates of the Chinese outbound travel market. The report then focuses on the supply side, presenting findings of current conditions of accessibility (visas and flights), Nordic destinations' marketing activities and product development.

Meanwhile, Chinese HiSpFITs' views are examined through collected results of netnography and individual travellers' interviews. Additional comments from tourism industry experts are evaluated to provide the context of how Nordic destinations are positioned with their competitors. Next, a complete analysis is provided on the current marketing undertakings of each Nordic DMO, as well as current brand positioning in the market.

Finally, this report summarises findings of the Chinese HiSpFIT target group and the industry ecosystem, with recommendations of branding, product development as well as marketing strategy and action plan.

Data source

Various sources of data have been gathered and woven into the discussion of this analysis report, including:

- Previous studies and reports provided by Nordic DMOs
- Nordic DMOs' marketing activities in China collected by a questionnaire
- Social media items collected on Chinese travel related social media platforms for netnography analysis (provided as Appendix A)
- Interviews with 20 individual Chinese HiSpFIT travellers (provided as Appendix B)
- Interviews with 20 industry experts who are currently working in the field of outbound tourism businesses from China to the Nordic region (provided as Appendix C)
- Itineraries collected on major Chinese OTAs' websites (provided as Appendix D)
- Data collected for USPs, branding and marketing (Appendix E)
- Desktop research - including COTRI database, published and unpublished studies and research papers as well as materials from the extensive, daily updated, COTRI database of articles from online and offline media on a global level.

DEFINITION OF HIGH SPENDING FITS (HISPFITS)

Kim Wyon / Visit Denmark

DEFINITION OF HIGH SPENDING FITS (HISPFITS)

Based on COTRI's experience of working globally with tourism service providers and national and regional destination marketing organisations for the Chinese outbound travel market, Nordic DMOs' segmentation of Chinese High Spending FITs is a rather leading-edge concept worldwide. Most destinations that had a head start in receiving large amounts of Chinese visitors are mostly only at the stage of distinguishing FITs versus group tourists, or stressing attracting repeating visitors versus first-time ones. These destinations are most likely to be China's neighbouring destinations, such as Greater China (defined here as including Hong Kong SAR (Special Administrative Region), Macau SAR and Taiwan), Asian countries and Australia, suitable for short- and mid-haul travels for Chinese travellers.

In contrast, long-haul destinations that are a similar distance and at a similar developmental stage as the Nordic ones, are still mostly concerned of the Chinese market by sheer economic terms, such as YoY annual growth rates of Chinese arrival numbers or visitors' nights. Nordic DMOs are advanced in bringing up the concept of High Spending FITs, leading to the necessity of clearly defining who can be considered a High Spending FIT.

Definition

Based on Nordic DMOs' brief outline of preliminary findings in the "Invitation to Tender", COTRI has further substantiated the definition of "High Spending FITs". In the application for the tender COTRI stated:
"High Spending FITs (HiSpFITs) are travellers who spend considerably higher amounts compared to the average of Chinese outbound travellers spending in a destination, by spending more per person per day and/or by staying longer in the destination. Low Spending FITs (LoSpFITs) are accordingly FITs who do not spend considerably higher amounts compared to the average of Chinese outbound travellers spending in a destination."

Intensive discussion within the research group and with experts have further advanced this definition in two aspects:

1) FITs: The term FIT (Free Individual Traveller or Fully Individual Traveller) is used to refer to those who take their trips in all forms that are **NOT** "package group tours". FITs are all forms of tours for a fixed group of people (or a single traveller) who travel with or without the partial or complete help of tour operators or travel agents (including customised tours organised by tour operators either in China or in the destination) and

a) know each other before departure and travel together (family, friends, colleagues, expert groups, pilgrim groups, etc.) for the whole trip and

b) can freely decide on changes of the itinerary on the spot without having to follow the command of a tour guide or the fixed programme of a tour operator.

c) are open to new experiences and ready to pay some extra than most Chinese first-time visitors in Europe travelling in package groups.

d) travel predominantly for non-business purposes.

2) Considerably higher amount of spending compared to the average Chinese outbound travellers:

a) This definition has obviously to take into account of the average spending. Based on information supplied by Nordic DMOs, an earlier survey conducted by FGRT was quoted, "Chinese tourists spent on average 2,335 USD during their most recent overseas trip". However, the amount of average spending varies considerably between destinations – with Japan, France, Hong Kong, United States, Switzerland and Germany are considered as major shopping destinations for luxury brands, jewellery and watches, these destinations can expect to have much higher average spending of Chinese visitors. While Nordic destinations are traditionally not considered to be shopping destinations, such average spending of Chinese visitors can be naturally lower than in aforementioned destinations. Finland, for example, reported that Chinese visitors spent on average 1,186 EUR per day, ranking as the no.1 international spenders in 2017. Other Nordic destinations haven't compiled completely or published these figures.

b) Statistics about customers spending are not easy to obtain; most Nordic DMOs haven't published spending figures of Chinese visitors, with the only exemptions of Visit Finland and Innovation Norway.

c) If based on sources like VAT refund, the numbers are seriously blurred by the fact that a considerable amount of "tourist spending" is actually due to professional traders (so called "Daiguo") buying huge amount of branded goods for resale on Taobao (Chinese ebay) and other platforms on the one hand, and purchases of very expensive goods paid with money, often cash, of questionable origin or even of undisputable origin but with the intension to keep valuable, easy to realise assets out of the country as a precaution.

d) Further results (particularly those in netnography and individual travellers' interviews) point in the direction that HiSpFITs spend rather on local services and local special products than on international branded goods, so that a bigger "trickle-down" effect into the local economy can be observed, thereby giving such payments and purchases more importance for the local and regional economy; as they contribute more to the economic-social sustainability. Results of individual travellers' interviews showed that participants in this project spent 15,000 to 20,000 RMB per week on average.

e) Therefore, it makes sense to leave out shopping expenses from the consideration of "spending" within the definition of "considerably higher spending" to have a more realistic view of the economic effect of such visitors for the local and regional as well as the national economy.

f) When discussing the profile of HiSpFITs, it is important to consider the total amount of spending per HiSpFIT during one trip, compared to per day, as the research results point to the fact that HiSpFITs are more likely to stay longer in one destination or to have a longer total stay in Northern Europe compared to other Chinese travellers.

[1] The average exchange rate of RMB to EUR in March 2018 was 1 RMB = 0.128 Euro / 7.81 RMB = 1 EUR, which will be used in this report if specific comments have been made.

In summary, we provide the profile of High Spending FITs from China as below

Market Size and Potential of High Spending FITs

High Spending FITs – including all Mainland Chinese non-fixed package tour travellers (FIT + customised groups + Semi-FIT) with considerably above-average non-shopping spending (meaning at least 33% more than average non-shopping spending) travelling not solely for business reasons.

Forecast based on global tourism development and Chinese economic, social and political mid-level scenarios without major Black Swan events.

Forecast based on the prognosis that on average the YoY growth of arrivals from China to Northern Europe will grow by 15% between 2017 and 2022, above the overall COTRI forecast of 10% for destinations outside of Greater China (Hong Kong, Macau, Taiwan).

Forecast based on the prognosis that the number of countries in Northern Europe visited within one trip will fall from 2.0 in 2017 to 1.8 in 2022.

Forecast based on the prognosis that the percentage of non-fixed package tours will increase between 2017 and 2022 from 45% to 60%, and that the percentage of High Spending FITs within this group will increase from 25% to 30%.

As a result, the market potential of (2017) about 100,000 travellers will more than triple to (2022) about 340,000 travellers, if product adaptation, quality improvement and suitable marketing activities are taken to support the above-average annual growth rate and the attractiveness for HiSpFITs.

Percentage of non-fixed package tours varies between destinations:

Lower percentage of FIT for difficult-to-reach destinations (Greenland, Arctic Circle)

Higher percentage of FIT for main cities (Helsinki, Stockholm, Copenhagen) and for destinations which are not yet covered by tour operator itineraries (Faroe Island, off-the-beaten track destinations in Scandinavia and Finland).

Revised Market Size and Forecast of Chinese HiSpFITs to Nordic Destinations

Year	Market Condition	%	Total Amount
Now 2017	Size of the current Chinese market to Nordic destinations in 2017 was 1.7 millions overnights	100%	1.7 million
	Chinese arrivals to Nordic destinations in 2017: averagely 2 nights per country, so Chinese arrival number = 1.7 mio. : 2	Divided by 2	850,000
	Number of Chinese visitors in 2017: averagely 2 countries per trip, so the number of Chinese visitors = 850,000 : 2	Divided by 2	425,000
	Out of these 425,000 Chinese visitors, 45% are non-fixed package tours, so the non-fixed Chinese visitors to Nordic = 425,000 x 45%	45%	191,250
	Out of these 191,250 non-fixed package tours, 25% are HiSpFITs, so the number of Chinese HiSpFITs = 191,250 x 25%	25%	**47,800**
Then 2022	Size of the potential Chinese market to Nordic destination in 2022 with CAGR 15%. So the total overnights to Nordic destinations in 2022 = 3.42 million	100%	3.42 million
	Chinese arrivals to Nordic destinations in 2022: averagely 2 nights per country, so Chinese arrival number = 3.42 mio. : 2	Divided by 2	1.71 million
	Number of Chinese visitors in 2017: averagely 1.8 countries per trip, so the number of Chinese visitors = 1.71 mio : 1.8	Divided by 1.8	950,000
	Out of these 950,000 Chinese visitors, 60% are non-fixed package tours, so the non-fixed Chinese visitors to Nordic 950,000 x 60%	60%	570,000
	Out of these 570,000 non-fixed package tours, 30% are HiSpFITs, so the number of Chinese HiSpFITs in 2022 = 570,000 x 30%	30%	**171,000**

*Oxford Economics expects a lower CAGR of around 6%, we disagree with OE. 6% may be a realistic CAGR for Europe as a whole, for the Nordic countries below two points to justify a significantly higher growth are provided:

- Nordic countries will continue to be “hot” destination for coming years for reasons of safety, clean nature, authenticity etc. Widespread ability to speak English becomes more important as percentage of Chinese travellers who can speak English is growing year by year.
- Nordic countries are also more advanced in understanding the Chinese market, coordinating good marketing and product development.

Therefore the projection of 15% is based on a continuation of this good work.

THE DEVELOPMENT OF CHINESE OUTBOUND TOURISM

Marino Thorlacius / Visit Iceland

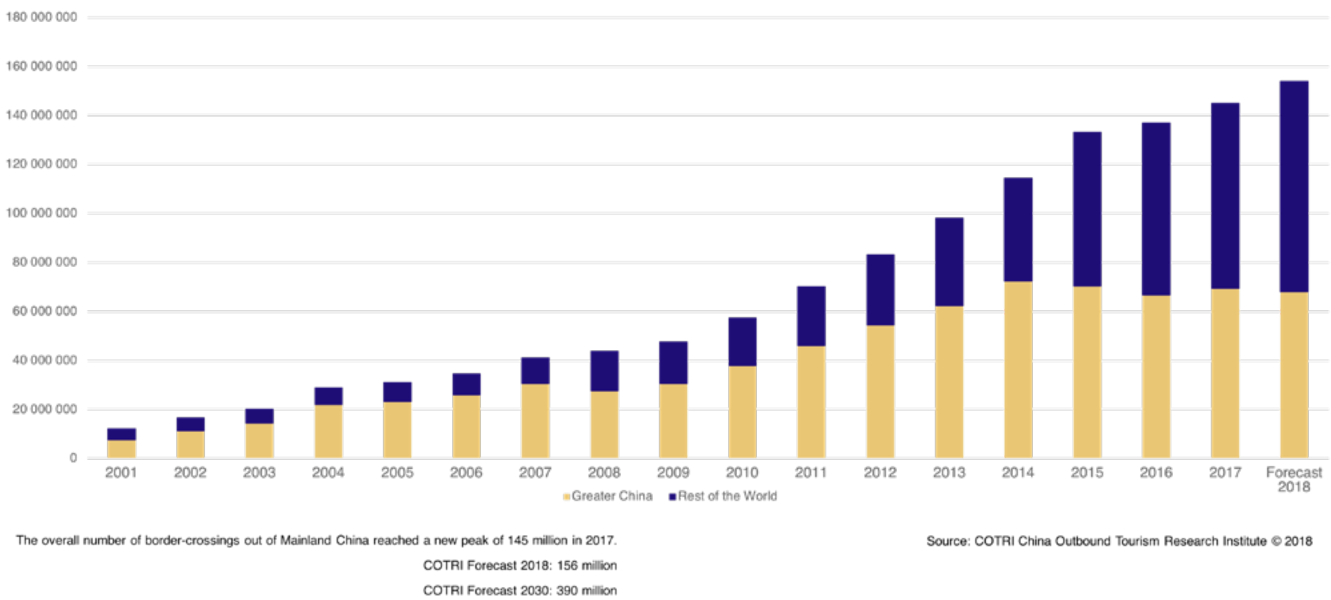
THE DEVELOPMENT OF CHINESE OUTBOUND TOURISM

Steady Growth in Border Crossings from China

In 2017, the overall number of border-crossings out of Mainland China reached a new peak of 145 million, registering a growth of around 6%, which should remain stable in 2018 according to COTRI's forecast, resulting in 154 million border crossings in the current year. By 2030, 390 million outbound trips will originate in Mainland China, with most of them going beyond Greater China. Half of the additional outbound travellers in next decade will be Chinese.

In 2016 for the first time less than half of all border-crossings from Mainland China went beyond Greater China, in 2017 this trend continued with 69.4 million border-crossings to Greater China (48%) against the 75.6 million (52%) to the rest of the world.

BORDER-CROSSINGS FROM MAINLAND CHINA



Source: COTRI

South Korea continued to suffer with a sharp decline particularly in package group numbers since the Chinese government recommended Chinese tour operators to stop offering tours to South Korea in March 2017. The restraint measure is widely believed to be showing the Chinese government's displeasure of South Korea agreeing to let the United States deploy the THAAD anti-missile system in late 2016.

Chinese outbound visitors looked for alternatives other than Greater China and South Korea; South-East Asian destinations, such as Cambodia, Indonesia, Vietnam, Philippines, all recorded more than 40% YoY growth rates in 2017, providing such alternatives in proximity, offering streamlined visa requirements (or visa-free entry) and increased aviation connectivity.

Destination Shift

TOP 15 CHINESE OUTBOUND DESTINATIONS BY NUMBER OF ARRIVALS 2017

Ranking 2017	Destinations	Ranking 2016	Arrivals of Chinese Visitors (in million)	YoY Change in %
1	Hong Kong	1	44.4	3.9
2	Macau	2	22.2	8.5
3	Thailand	3	9.8	12.0
4	Japan	5	7.4	15.4
5	South Korea	4	4.2	-48.3
6	Vietnam	10	4.0	48.6
7	Singapore	9	3.2	12.7
8	USA	8	2.9	-2.8
9	Taiwan	6	2.8	-20.7
10	Malaysia	11	2.3	7.4
11	Italy	7	2.1	21.3
12	Indonesia	13	2.1	41.6
13	France	12	2.0	19.0
14	Germany	14	1.6	13.5
15	Russia	15	1.5	16.4

Source: COTRI

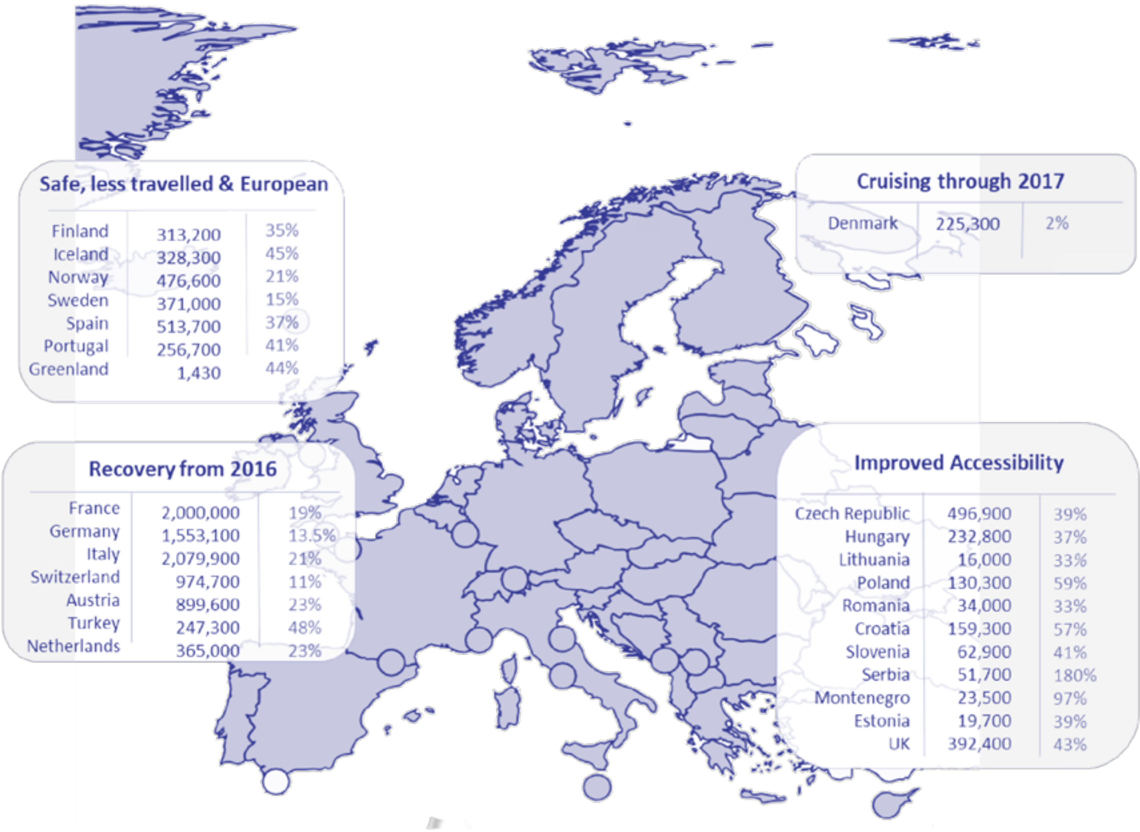
There is no doubt that the Chinese outbound travel market is growing in absolute numbers and shifting towards more exotic and less well-trodden routes. In terms of the absolute arrival numbers, the top ten destinations are still all located in Asia, with the only exception being the United States. At the beginning of the decade, these ten destinations were responsible for more than 80% of all border-crossings from Mainland China. By 2017 their share has fallen to just over 60%.

Other parts of the world saw Morocco, Tunisia, Serbia and the Middle East newcomers joining destinations in relaxing its entry visa requirements for Chinese nationals, resulting in strong growth of arrivals from China in 2017. Many of the aforementioned countries also suffered from the sharp declines in tourist arrivals from their more traditional European source markets, hoping the welcoming gesture of streamlined visa policies will prove attractive to Chinese tourists and help the countries' tourism segments recover from traditional source market deficits.

Various external factors can influence Chinese HiSpFITs' decisions in destination choice beside Chinese visitors' intrinsic desire to experience new places, for example, streamlined visa policies, safety concern, becoming trendy among friend-circles and inspirations from popular films, TV and reality shows.

Chinese Visits to Europe

CHINESE ARRIVALS TO EUROPE (2017)



Note: Finland, Sweden, Denmark, Iceland, Estonia and the Netherlands are overnight figures.

Source: Individual country's statistical bureaus and tourism boards

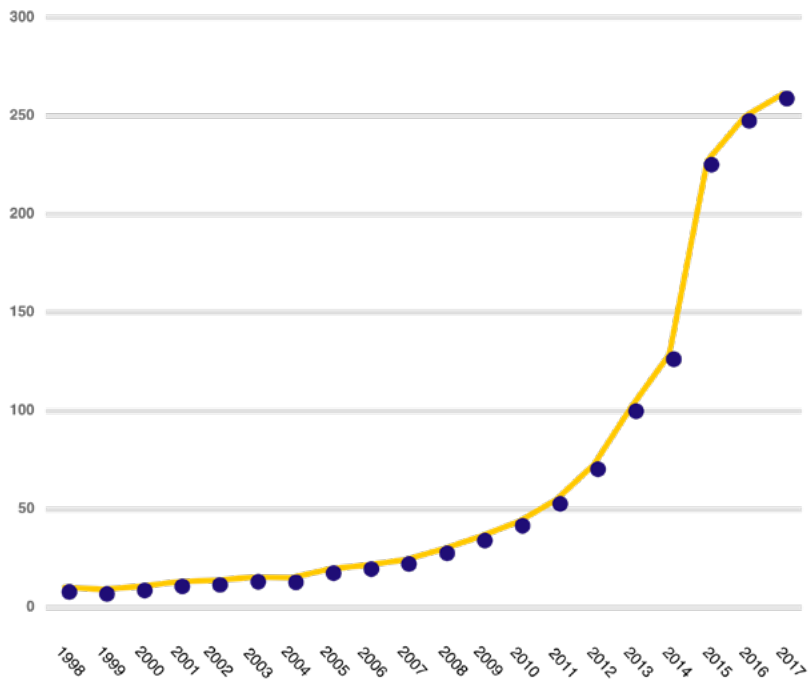
Most major European destinations saw strong growth in Chinese arrivals in 2017, with "classical" Western European countries being perceived by Chinese visitors to have largely recovered from the threat of terror attacks, while Central and Eastern European destinations are benefitting from being seen as novel, less well-trodden routes. In particular, Czech Republic has maintained an annual YoY growth rate of more than 20% in the past four years, thanks to its successful destination marketing of Prague to the Chinese market as being a romantic destination.

While Northern European destinations offer distinctively clean and unique outdoor (soft adventure) activities, their Southern neighbours continue to attract curious Chinese visitors with warm weather, renowned local cuisines and can now be easily combined with several North African destinations with recently-liberalised visa policies for Chinese passport holders. More detailed information of Northern European destinations' images will be discussed in the following sections.

Total Spending Increasing, Per Head Dropping

According to the UNWTO, since 2012, the Chinese have been the biggest spenders in outbound travel. In 2017, China again consolidated its leadership as the top spender with 258 billion USD in expenditure (a +5% year-on-year growth as calculated in local currency).

CHINESE OUTBOUND TOURISTS' EXPENDITURE (IN BILLION USD $)



Source: UNTWO

However, significant changes in spending behaviour are continuously taking place, particularly among more experienced Chinese travellers in 2017. Less per head spending on shopping has been reported at various destinations traditionally considered by the Chinese to be "shopping havens", such as Hong Kong, France, Japan, Macau and the United Kingdom despite ranking as the highest spenders by per head expenditure. Chinese travellers turn increasingly towards enjoying high-quality local resources during their overseas trips, such as activities, local food and ingredients, air quality, commodity prices, healthcare and education, regardless of whether they are directly related to tourism or not.

The Market Segment Of Chinese HiSpFITs

Chinese outbound travels took off only 20 years ago. The unprecedented growth in departure numbers out of the Mainland China astonishes the world, but there were also many trials and errors along the earlier phases of market development. The most significant issue among many was the low-cost and low quality "zero-dollar group" packages in which tourists are coerced to do excessive shopping. Although package group travels are still popular particularly for lower tier cities' residents, visiting closer destinations or among students and senior traveller communities.

With the growth of Chinese consumers' disposable income, consumption increase in China has also brought up new travel demands that traditional package tour groups cannot serve.

DISCREPANCY BETWEEN UPGRADED TRAVEL DEMANDS AND LAGGED-BEHIND TOURISM SUPPLIES

- Diversity of demand Vs Centralisation of packaged products
- Rational consumption Vs Disadvantages of packaged products
- Unlimited travel resources Vs Low utilisation rate of resources
- Consumption upgrade Vs Unchanged supply in the traditional travel business

The lagged-behind tourism supply controls low cost at the expense of limited resources. For example, the traditionally packaged tours normally offer a visit to popular tourist attractions with fixed itineraries. To make up for the low cost, packaged products usually include hidden consumption such as shopping and added options. On the contrary, the upgraded travel supply focuses on the personalised need of consumers. For example, the customised travel products provide customers with private consultancy service and allow customers to choose itineraries based on their own need and interest. Upgraded travel supply offers flexibility and thoughtfulness to travellers.

A growing number of Chinese outbound travellers are starting to try to visit other countries as FITs. According to Ctrip's data, in 2017, package group tours account for 44%, FIT related products account for 42%, and private groups and customised tours account for 14%.

Meanwhile, FITs' experience also reveals, through their blogs on Mafengwo and Qyer, that this way of travelling is not suitable for everyone, since FIT travel requires great effort on the part of the traveller to do their 'homework' beforehand, as well as sufficient language ability and considerable flexibility if trips are to take place outside of Chinese visitors' comfort-zone ('comfort zones' being destinations with a Chinese speaking environment or well-trodden routes such as Thailand, Japan and South Korea).

DIFFERENCE AMONG CHINESE PACKAGE GROUP TOURS, CUSTOMISED TRAVEL AND FITS

- Mainly touristic landmarks
- Fixed itinerary
- Hidden costs, e.g. optional activities
- Coerced shopping

- Small private groups with greater say over chosen itinerary and activities
- Services that are flexible, thoughtful, hassle-free and professional
- No hidden cost
- Consultancy services provided
- Relatively higher cost

- Can make own decisions - freedom
- Various OTAs can provide services as requested
- Flexible to change during trips
- Time-consuming in travel planning

SUPPLY ANALYSIS - FOCUSING ON THE NORDIC DESTINATIONS

Max Adulyanukosol / Unsplash

SUPPLY ANALYSIS - FOCUSING ON THE NORDIC DESTINATIONS

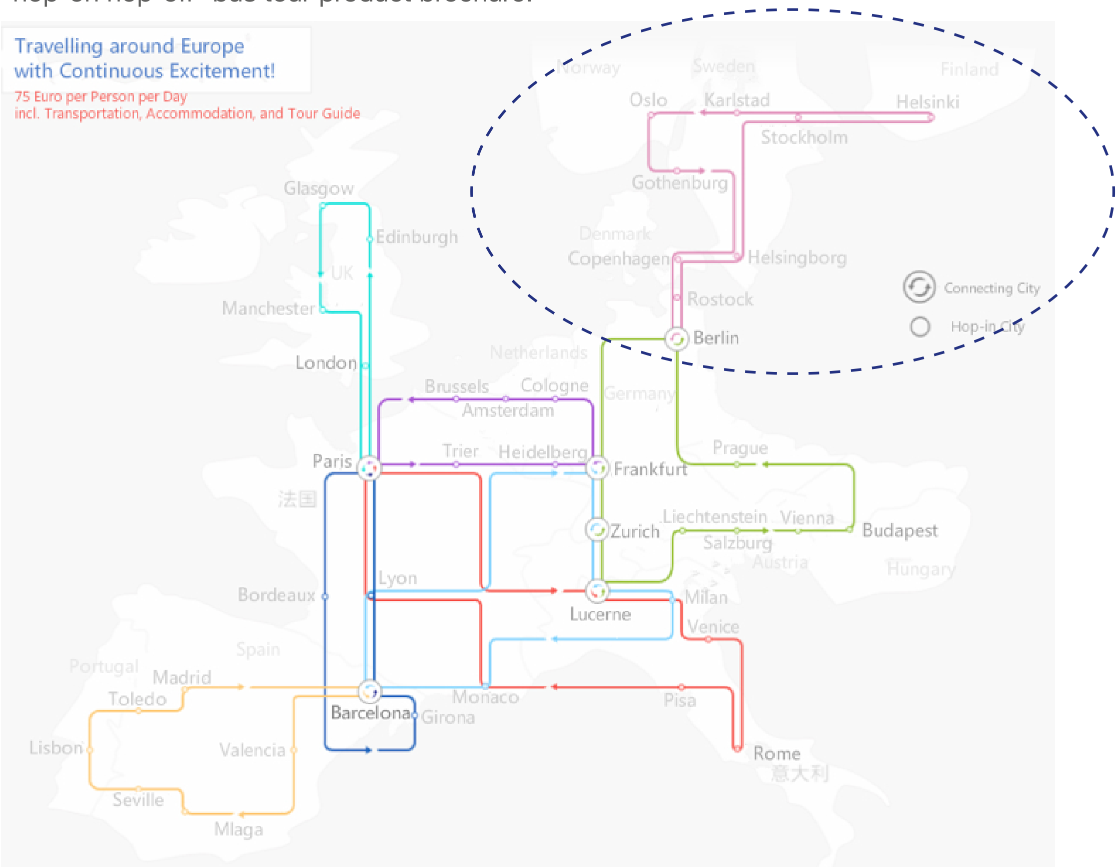
The Usage of "Northern Europe" In China

- "Northern Europe" （北欧）- this term is the most familiar one for Chinese travellers as Chinese tour operators used to package Denmark, Finland, Norway and Sweden together for package products and brand them as the "Northern Europe Four Countries" route. To do so was also the way for Chinese tour operators to differentiate such products from those of "Western Europe" (referring to Germany, France, Austria, Switzerland, the Netherlands, etc.), "Southern Europe" (typically including Spain, Portugal, Greece, and increasingly Italy and the south of France) as well as "Central and Eastern Europe"

- Northern Europe is still used in the market place, e.g. 2017 destination marketing and Mafengwo promotion including aforementioned countries. It can be a little bit confusion for Chinese travel agents that Scandinavian Tourist Board has the www.beiou.cn (website with the Chinese name meaning "Northern Europe") and also use "Northern Europe" in their promotion as well as Scandinavia.

- The terms "Scandinavia" and "the Nordic countries" are both rather vague terms for the Chinese market as these terms haven't been marketed consistently (collectively or individually) or sold by Chinese tour operators in consistency in their package products.

The clear division of Northern, Western, Southern and Central and Eastern of Europe is featured in below Kaytrip's (a Chinese inbound tour operator based in Germany) pan-Europe "hop-on hop-off" bus tour product brochure.



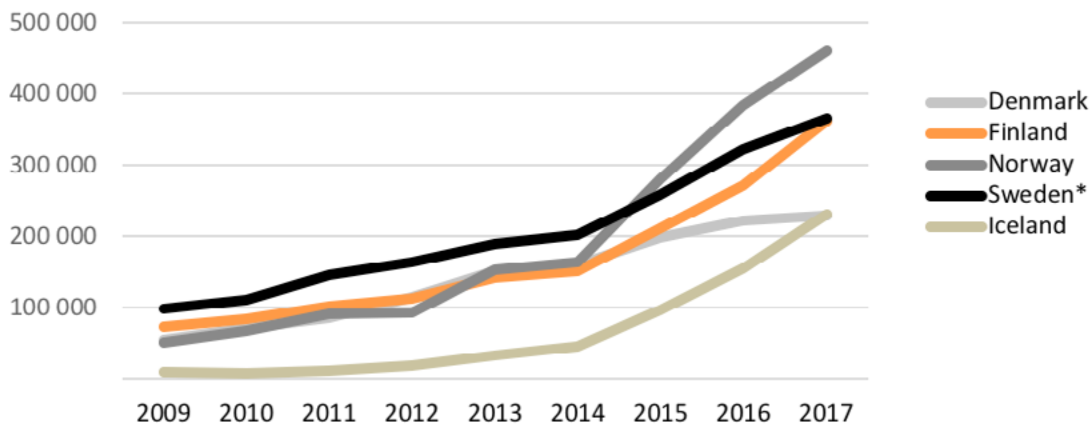
Source: Kaytrip

Development of the Chinese Market in Nordic

Chinese Overnight and Seasonality Distribution

As discussed in the previous section, Denmark, Finland, Norway and Sweden used to be bundled together since the beginning when Nordic destinations became ADS (Approved Destination Status) approved. The classic “Northern Europe four countries” itinerary was dominant in the Chinese market for almost a decade; therefore the below graph shows that the growth trend of overnights is almost unanimous among these four countries.

DEVELOPMENT OF CHINESE OVERNIGHTS 2009-2017



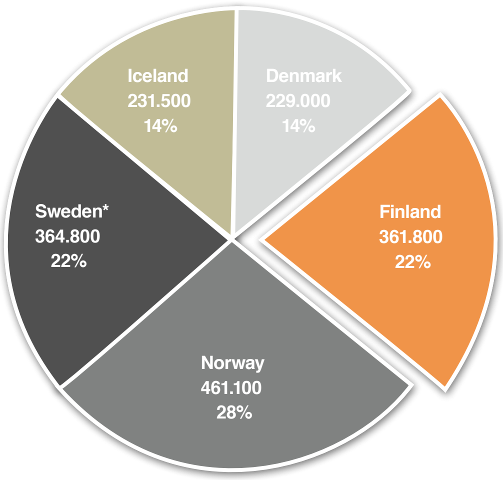
*Note: The Chinese Overnights in Sweden only include overnights from Mainland China, while the Chinese overnights in all other four countries in the above graph include overnights from both mainland China and Hong Kong.

Source: Visit Finland. Rudolf Statistic Service: Statistic Finland, Statistics Denmark, Norway, Sweden and Iceland

Iceland was included in small percentage of group itineraries as an additional destination on top of these four countries, but only started gaining tractions since early 2010 with a reputation of being one of the best places to see northern lights. Iceland has been considered to be a “dark horse” destination by Chinese tour operators in recent years in that it started from a much lower basis but quickly rose and almost caught up with other Nordic countries in terms of overnight number.

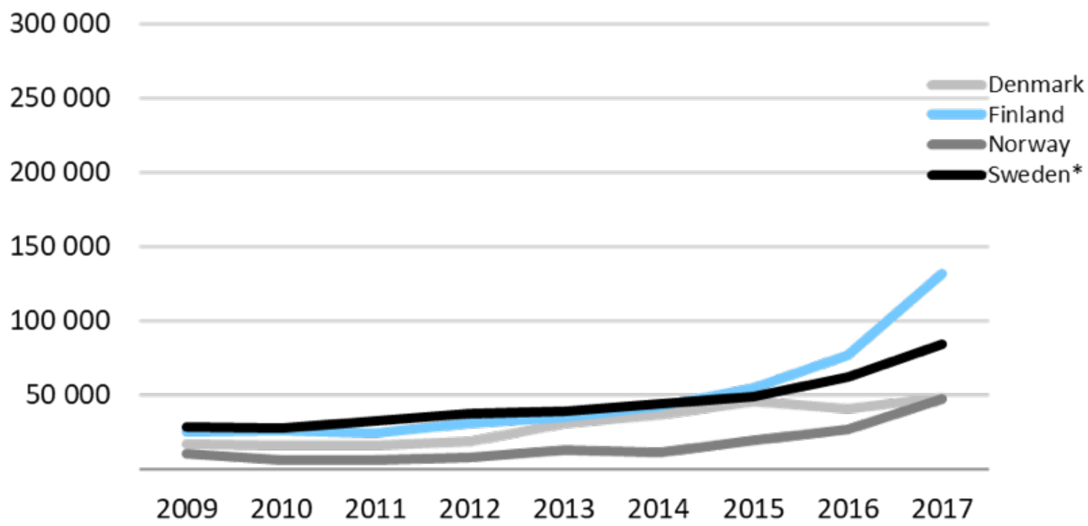
NORDIC COUNTRIES’ SHARE OF CHINESE OVERNIGHTS 2017

Source: Visit Finland. Rudolf Statistic Service: Statistic Finland, Statistics Denmark, Norway, Sweden and Iceland



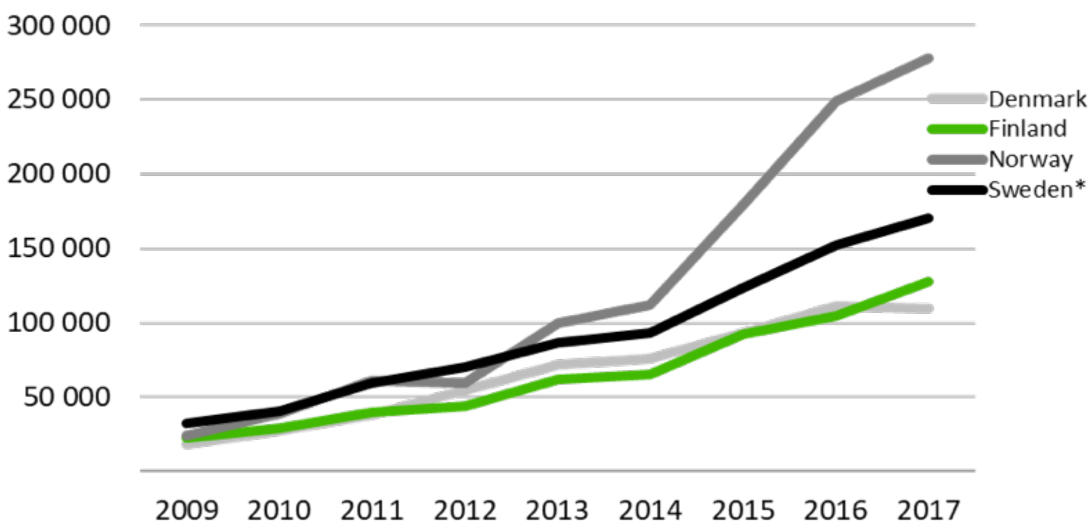
While Sweden and Denmark has maintained a similar growth rate in terms of Chinese overnights along the year, Finland and Norway performed strongly. A wider dispersal of Chinese visitors in Norway has contributed to the increase of overnight stay in summers, and Finland benefits from its long-term commitment in building infrastructure with direct flight connections and a revamp of its winter destination image. The seasonality of overnights thus can be seen clearly from below graphs. With the strong increase in Chinese arrivals and usage of tourism accommodation and other resources, the management of seasonality become more urgent for Nordic destinations.

CHINESE OVERNIGHTS IN THE NORDIC COUNTRIES, WINTER SEASON (DEC-APR) 2009-201



Source: Visit Finland. Rudolf Statistic Service: Statistic Finland, Statistics Denmark, Norway, and Sweden

CHINESE OVERNIGHTS IN THE NORDIC COUNTRIES, SUMMER SEASON (JUN-AUG) 2009-2017



Source: Visit Finland. Rudolf Statistic Service: Statistic Finland, Statistics Denmark, Norway, and Sweden

Tourism infrastructure between the Nordic region and China

Visa Policies

All Nordic destinations obtained ADS in 2004, which is a permit given by the Chinese authority to allow Chinese visitors travelling to the Nordic region in ADS package groups. ADS agreement is in general considered to be an official start of destinations having the possibility to receive package group travellers from China for leisure purposes.

Chinese citizens need to obtain a visa mandatorily to visit any of the Nordic country and territory, except for holders of diplomatic passports. Chinese visitors can travel to Nordic destinations on approved Schengen visas issued by other Schengen member states. The current Schengen visa allows Chinese tourists to travel freely within the Schengen zone and to stay for a maximum three months.

By the end of 2017, Nordic destinations have established four visa application centres as shown in below table. Dozens of visa application centres of other Schengen countries in China have eased the accessibility of visa to the Nordic region for Chinese visitors.

Destination	Visa application centre in China
Iceland	Beijing , Guangzhou, Shanghai
Finland **Åland Islands**	Beijing, Changsha, Chengdu, Chongqing, Fuzhou, Guangzhou, Hangzhou, Jinan, Kunming, Nanjing, Shanghai, Shenzhen Shenyang, Wuhan, Xian
Sweden	Beijing, Changsha, Chengdu, Chongqing, Hangzhou, Jinan, Kunming, Nanjing, Shanghai, Shenzhen, Shenyang, Wuhan, Xian
Norway	Beijing, Guangzhou, Shanghai
Denmark **Greenland** **Faroe Islands**	Beijing, , Changsha, Chengdu, Chongqing, Fuzhou, Guangzhou, Hangzhou, Jinan, Kunming, Nanjing, Shanghai, Shenzhen, Shenyang, Wuhan, Xian

Flights Connections between the Nordic Region and China

Flight connections between China and the Nordic region are frequent, affordable and reaching Chinese lower tier cities as well as Nordic regional cities. This claim can be substantiated by data from netnography, individual travellers interviews and expert interviews. The well-developed infrastructure is also favourite conditions in developing the market segment of HiSpFITs.

POPULAR GATEWAY CITIES FOR CHINESE VISITORS

Final destination	Final city	Gateway country	Gateway city	City in China
Norway	Aalesund Vigra	Netherlands	Amsterdam	Beijing
		France - Belgium	Paris- Brussels- Oslo	Guangzhou
		Turkey	Istanbul- Oslo	
		France	Paris- Oslo	Shanghai
	Bergen	Russia	Moscow	Beijing
		Netherlands	Amsterdam	
		Turkey	Istanbul- Oslo	Guangzhou
		France	Paris- Oslo	Shanghai
		France - Denmark	Paris- Copenhagen	
	Oslo	Finland	Helsinki	Beijing
		Russia	Moscow	
		France	Paris	
		Sweden	Stockholm	
		Qatar	Doha	Chengdu
		Qatar	Doha	Guangzhou
		France	Paris	
		Netherlands	Amsterdam	
		UAE	Dubai	
		France	Paris	Shanghai
		Russia	Moscow	
		UK	London	
		Netherlands	Amsterdam	Xiamen
Iceland	Reykjavik	Finland	Helsinki	Beijing
		France	Paris	
		Netherlands	Amsterdam	
		UK	London	
		Switzerland	Zurich	
		Germany	Munich	
		Germany	Frankfurt	
		Sweden	Stockholm	
		UK	London	Shanghai
		Finland	Helsinki	
		Belgium	Brussels	
		Netherlands	Amsterdam	
		France	Paris	
		Germany	Frankfurt	
		UK	London	Guangzhou
		Netherlands	Amsterdam	

Final destination	Final city	Gateway country	Gateway city	City in China
Greenland	Nuuk	Finland- Iceland	Helsinki- Reykjavik	Beijing
		Sweden-Iceland	Stockholm - Reykjavik	
		Finland- Iceland	Helsinki- Reykjavik	Shanghai
		Sweden-Iceland	Stockholm-Reykjavik	
	Ilulissat	Finland- Iceland	Helsinki- Reykjavik	Beijing
		Sweden-Iceland	Stockholm - Reykjavik	
		UK-Iceland	London- Egilsstadir	
		Finland- Iceland	Helsinki- Reykjavik	Shanghai
		Sweden-Iceland	Stockholm-Reykjavik	
Finland	Helsinki	DIRECT FLIGHT		Beijing Shanghai Chongqing Xi'an Guangzhou Chengdu Kunming Nanjing
Sweden	Stockholm	DIRECT FLIGHT		Beijing Shanghai
Denmark	Copenhagen	DIRECT FLIGHT		Beijing Shanghai

Nordic destinations' Product Development and Adaptation

Since 2004 when Nordic countries obtained ADS status, the itinerary that includes all four countries (Denmark, Finland, Norway and Sweden) came into shape. Amazingly this "classic" product remains popular even until today, and variations are to add other countries onto the basis of these four countries; for example, Iceland, Estonia (via cruise) and Russia (via high speed train) or Germany (northern regions, such as Hamburg) can be part of the train along with the aforementioned four Nordic countries with more diversity, higher costs and longer travelling time.

The reason that this itinerary has become such a "classic" product can be attributed to the effort that Nordic DMOs have given in promoting this product. It was not an easy job to promote Northern Europe to the Chinese market due to the associated higher travel costs if compared to a similar 10 day trip to the Western Europe. When Chinese tour operators started selling Northern European products, they found the price was high and there was little incentive in shopping commission kick-backs. Furthermore, the Chinese outbound tourists at that time were also less experienced and more price-driven. Northern European products remained being expensive, but "pure" (no shopping) and high-end.

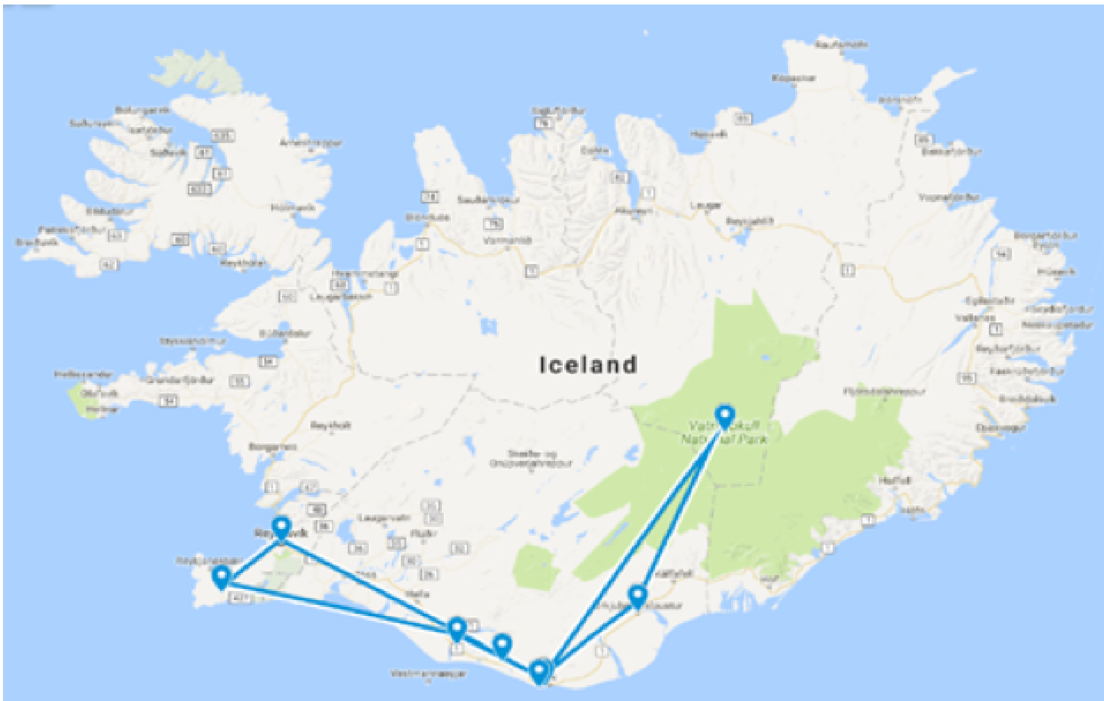
The Chinese outbound travel market has entered a different phase of development, one which started around early 2010. More Chinese visitors are seeking lesser travelled European routes such as those in Northern Europe and Central and Eastern Europe, and this shift was further enhanced with increasingly aggressive destination marketing efforts made by Nordic DMOs. Appendix D shows a collection of itineraries in the market, both for package groups and for customised customers (therefore HiSpFITs).

There is little difference in terms of cities and activities of this itinerary offered by different OTAs (Appendix D); what makes one offer more expensive than another one often depends on whether this itineraries includes shopping (stated as being “voluntary”) and/or optional activities that customers need to pay on their own if they decide to take the optional activities. These optional activities range from rides on certain types of transport to a short trip visiting famous castles or sites; for example, the scenic Flåm train ride, cruises in Sognefjord, the Vasa Museum, a visit to Suomenlinna and Rosenborg Castle and other similar products.

While “Northern Europe” is a strong brand, caution should be taken while promoting it in China at this stage. A number of interviewed tourism experts in this project considered the current offers of Northern European products to be “dull” and many suggested Nordic DMOs should strive to develop “new and interesting” products. To some extent, this perception of lack of innovation in Nordic product offers is unfair, because these tour operators mainly referred to was this “classic” four-country itinerary and those variations derived from it. Nevertheless, these complaints also showed that the perception in the market towards product development is to Nordic destinations’ disadvantage.

Appendix D shows that itineraries for customised tours are more in-depth, covering fewer countries but with longer stays in each destination. A sample itinerary of a 10-day Iceland in-depth tour is depicted in the map below.

TEN-DAYS ICELAND IN-DEPTH TOUR



Discussions in this section in regards to Chinese overnights and current products all provide the very reason that Nordic DMOs need to investigate into alternative market segments and seeking better management of seasonality and tourist dispersal from China.

Nordic Destinations’ Marketing Activities in China

Trade Marketing

Trade marketing efforts of the Nordic countries fall into two categories of more and less advanced.

Finland, Norway, Denmark and Sweden

Finland, Norway, Denmark, and Sweden take active steps towards B2B marketing, focusing on roadshows, workshops, conferences, exhibitions, sale visits, FAM trips, travel and trade shows, training, and seminars. Finland stands out as the destination with the highest effectivity in B2B integration, while Sweden still remains lesser known and understood despite B2B efforts.

Norway, Denmark, and Sweden often work together in B2B promotions and activities, through all of these, Norway overall receives the greatest recognition. The Scandinavian Tourist Board (STB), a joint tourism promotional organisation composed of Innovation Norway and Visit Sweden, is using “Beiou”(Northern Europe) for its website domain name (www.beiou.org). The term “Beiou” when being referred to tourism, is most often associated with all these four countries thanks for Chinese travel agencies’ promotion for many years.

In addition, Sweden, Denmark, and Norway together hold a yearly promotion in Beijing, Shanghai and Guangzhou, and they invite Scandinavian suppliers to meet with Chinese travel agencies. It is somehow confusing to see the annual promotional event reported in Chinese media sometimes as “Scandinavia Workshop” tourism workshop, and sometime as “Northern Europe Workshop”. Nevertheless, this event is fairly successful, ended in 2017 with over 70 suppliers participating.

The four Nordic destinations succeeded in creating substantial buzz around their destinations through, for example, cooperation with Baidu Maps where it was announced that Baidu Maps would add tourist relevant information (such as scenic locations, sightseeing spots, and restaurants) about the four countries on Baidu Maps. This strategic cooperation also led to future collaboration with TripAdvisor and Mafengwo. Other campaigns with B2B efforts included Visit Arctic Europe, which included delegation tours, as well as cooperation with Voyage Caissa tour operators.

Sweden also holds regular training and seminars with Chinese travel agencies; however, based on many of the Chinese agencies interviewed, these agencies still lack in knowledge about Sweden’s specific and unique characteristics outside of Stockholm, and are unable to differentiate it from the other Nordic countries.

In terms of travel agents’ staff training, STB launched online training – corporate version, allowing travel agents’ staff to learn about Denmark and Norway and their tourism resources.

Overall, B2B efforts show inconsistency of destination awareness. Finland and Norway appear better recognised and branded, while Sweden lacks awareness overall in comparison with the other Scandinavian countries.

Greenland, Iceland, Faroe Islands and Åland Islands

Iceland, despite being a destination yet to catch up with the aforementioned four Nordic countries, has exhibited a strong focus on the Chinese market. Promote Iceland, the Icelandic DMO has been involved heavily in trade marketing in China although most work was not in collaboration with other Nordic DMOs. Since 2010 Promote Iceland has organised over 16 workshops in China and Hong Kong, with on average of 60-80 agents attending each one. Other trade fairs that Promote Iceland in relation to the development of Chinese market include CITM in Shanghai and ITB Asia in Singapore.

Greenland, the Faroe Islands and the Åland Islands all relatively lack B2B outreach. Greenland has limited but growing B2B efforts in the form of FAM trips, meetings, and the recent 2018 “Greenland Tourism Day” in China, which all aim to increase awareness of the country as a travel destination and create buzz in the media.

Based on DMO and expert interviews, the lack of B2B marketing by these destinations has resulted in unfamiliarity of the market on both sides. From the destination’s standpoint, DMOs are unable to cater to Chinese tourist needs or peak interest with designated Chinese tourist information.

Meanwhile, local travel agents and tour operators in China struggle with a deficiency of information from these destinations and are thus unable to adequately sell their products in the Chinese market. The absence of a Chinese website and other digital integration into the Chinese digital ecosystem further hinders these destinations’ B2B efforts, making it more difficult for tour operators to find information for themselves on unique products and available services.

Current Digital Performance and Branding

In this section, the current digital marketing and branding of each of the eight Nordic destinations is reviewed. This includes an in-depth look at their websites, WeChats and Weibos in order to determine the success of their current interaction with Chinese FITs as well as brand positioning in the Chinese market.

Methodology

The analysis of the DMO’s current digital performance and branding takes place in two stages. The first stage is digital performance, which is done through analysing each brand on the basis of five key areas: search index, social media, website, campaigns/key opinion leaders (KOLs) and partnerships. Search index here indicates the frequency of the search for the brand and country travel in Baidu search, as well as the relevance of brand-owned assets in search results. Social media performance is analysed through the countries’ WeChat and Weibo platforms. This not only determines the level of interaction with potential travellers (evaluated through views, likes, comments and shares), but also determines the content and functionality of these platforms. Website looks at each DMO’s website, including content, functionality and look and feel. Campaigns/KOLs appraises each DMO’s use of campaigns and KOL to bring attention to its brand digitally. Finally, the partnership section explores each organisation’s partnerships within the Chinese market and the extent to which they have been leveraged by brands to raise consumer awareness. Each of these categories is given a score by our team from 1 to 5- with 1 being the lowest and 5 the highest. The brands are scored relevant to each other in fields such as user interaction, search frequency, and others where a standard basis for analysis applies. The median score is then used as the standard.

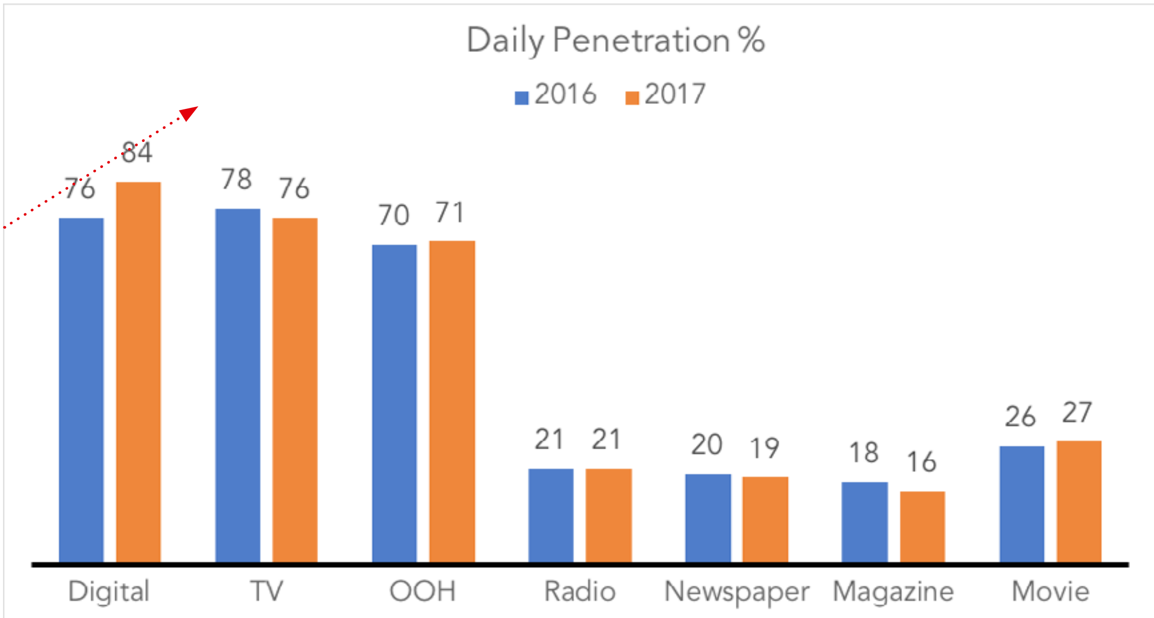
The second stage of the methodology concerns each DMO’s brand positioning in the market. For this section, each brand’s own digital platforms in the Chinese market are first analysed through the eyes of a FIT. The content pushed at and provided for these travellers on these channels was then examined, along with accompanying visuals and emotional messages. Information from the last six months was then sorted into 15 categories covering the three themes of Culture and Lifestyle, Nature and the Great Outdoors, and Metropolitan and Activities. Each of the 15 categories was given a score out of 5 corresponding with the relevancy of the theme in the brand's owned content (with 0 being the lowest and 5 the highest). The results from this analysis show the current branding and USPs of each of the Nordic destinations in the Chinese market.

Additionally, each brand's image communicated through their owned platforms were compared with the public image of the brand in order to get a true reading of the brand in the market. Information from an extensive netnography, high-spending FIT interviews and travel industry expert interviews provide the basis to gain an understanding of the public conversation and help to identify where gaps exist in the branding of each destination.

Part 1: The Role of Digital in Attracting High-Spending FITs

The number of Chinese netizens (net citizens) has grown rapidly in recent years and reached 772 million by the end of 2017. Of these netizens, 97.5% are mobile users. Due to this high permeation of active digital users, as well as the expansion of mobile payment penetration in 2016 from 50% to 65%, the power of digital in China cannot be overlooked.

DAILY PENETRATION OF DIFFERENT MEDIA TYPE, 2017 VS. 2016

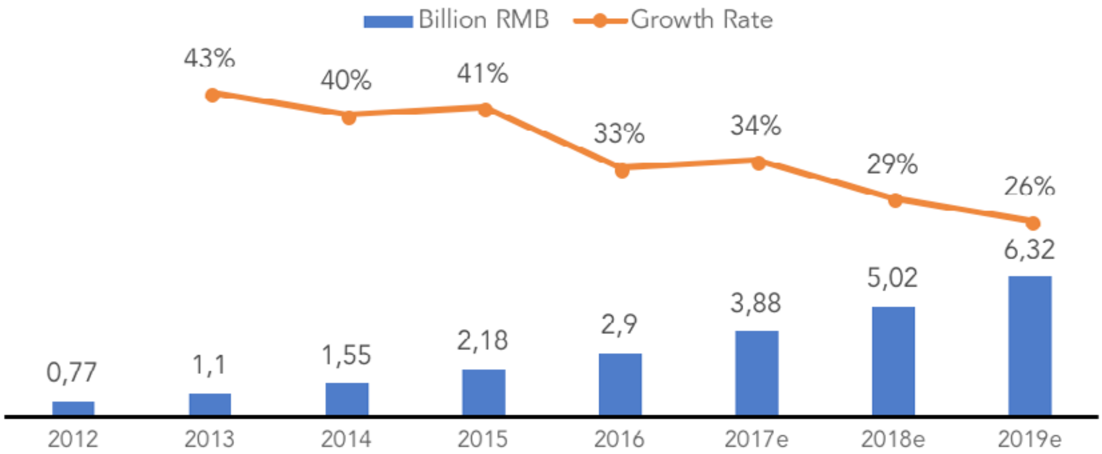


Source: GroupM

In terms of Chinese media consumption, digital penetration increased by eight percentage to 84% in 2017, surpassing television consumption to become the most prevalent media type in China, according to the latest GroupM China Survey (see the graph above). Moreover, the spending on Chinese digital marketing is expected to continue its double digit growth and is estimated to reach 6.32 billion RMB in 2019 (see the graph below).

With the rise of OTAs such as Ctrip and user-generated content (UGC) platforms like Qyer and Mafengwo, China's travel industry is also shifting its focus from more traditional media to digital marketing. Increasingly more NTOs and DMOs are placing their emphasis on digitalisation to obtain more data and understanding of the target audience's travel journey, tendencies, and behaviours. Through the sharing of other partner data, NTOs and DMOs are able to truly engage with Chinese travellers digitally and understand the local market, resulting in the use of official website and social media platforms as key hubs for content and target audience interaction.

CHINA DIGITAL MEDIA MARKET SIZE AND GROWTH RATE



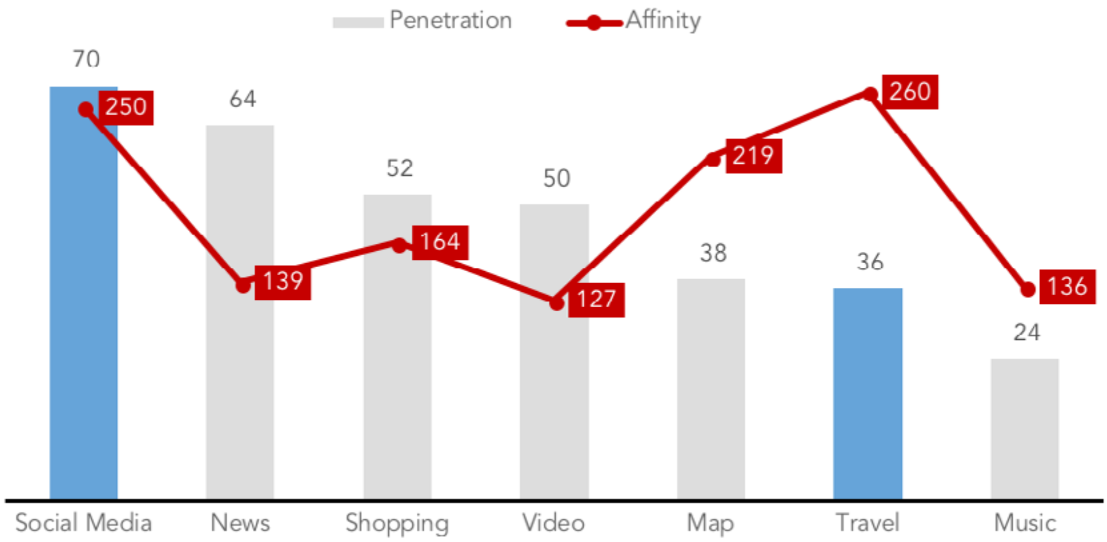
Source: iResearch China

HiSpFITs Media Behaviour Analysis

Among various media types, digital and OOH (Out of Home) are the top two penetrated media types and hold the strongest affinity for HiSpFITs (graph 3). HiSpFITs use mobile daily to access various kinds of apps for purposes such as social, news, shopping, and video. However, they show an even stronger affinity for travel-related apps than their lower-spending counterparts and express significant differences in digital media behaviour across their travel journey.

According to both media surveys and individual travellers' FIT interviews, HiSpFITs travel app usage is fragmented. Before their travel, they will seek relevant travel information from friends or service accounts online. Planning by HiSpFITs is done through Qyer, Mafengwo, and TripAdvisor. For booking, OTAs like Ctrip and Qunar are most used for price comparison and flight booking, most HiSpFITs will switch to Booking.com and Agoda for accommodation booking, even though Chinese OTAs also provide this service. During travel, HiSpFITs will not only continue using WeChat and Weibo to share their travel moments, but they will also switch to global/regional apps like Google Maps & overseas social media platforms such as Instagram and Facebook (see the graph below). TripAdvisor is again used here, though its Chinese counterparts rarely make an appearance. After a trip, these consumers will post moments on WeChat and share information with their friends. Of all of the apps and channels mentioned, WeChat alone is always-on and used throughout the entire travel journey. This comes as no surprise, as WeChat is the most penetrated social app in China with 902 million monthly active users.

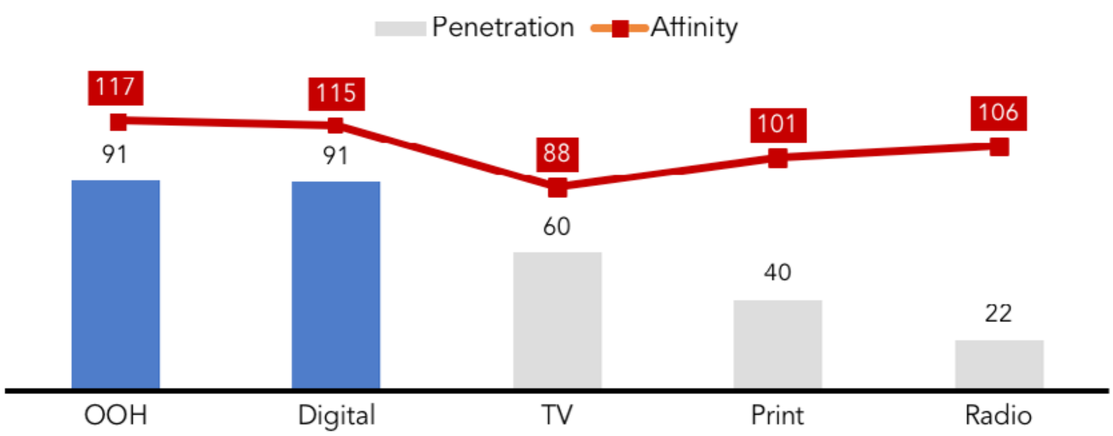
CHINA DIGITAL MEDIA PENETRATION AND AFFINITY TOWARDS HISPFITS



Source: China National Resident Survey

Fragmented digital behaviour across various digital channels tasks NTOs and DMOs with a great challenge: maintaining consistent communication and interaction with HiSpFITs. This is why strategy analysis in the Chinese market is paramount not only to attract more Chinese HiSpFITs, but also to personalise and customise their experience to maintain continued interest.

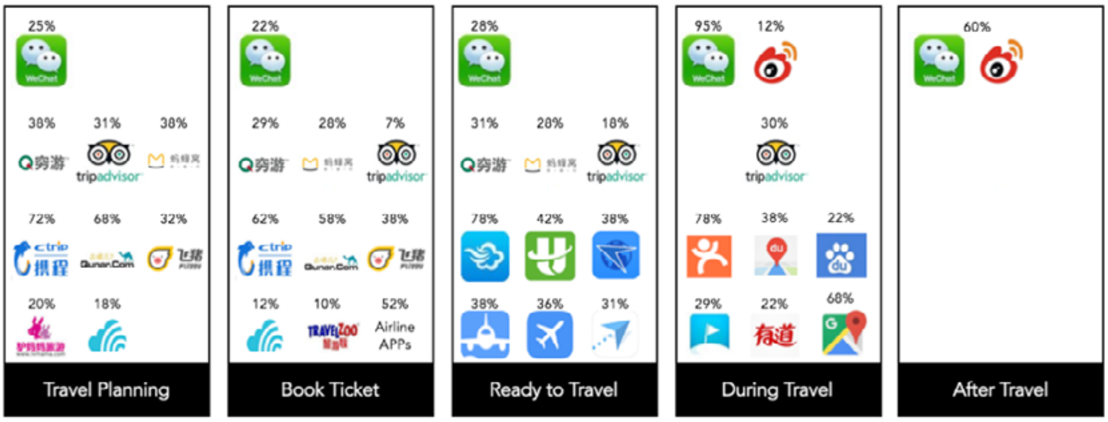
CHINA MEDIA PENETRATION & AFFINITY TOWARDS HISPFITS



Source: China National Resident Survey

The red line in the two above graphs represents the affinity of these media sources towards High spending FITs, meaning the relevance of the media sources to High-Spending FITs compared to the total population. A number of 100 indicates equality between the target audience (HiSp FITs) and the general population, while anything higher indicates a high relevancy for HiSp FITs and lower numbers represent a high affinity in the general population. This red line differs from the vertical bars in that while they compare the target audience to the wider population, the bar only looks at media penetration for high spending Chinese FITs.

HISPFITS DIGITAL MEDIA CONSUMPTION BY VARIOUS PERIOD



Source: China National Resident Survey

PART 2: INDIVIDUAL DMO MARKETING & BRANDING ANALYSIS

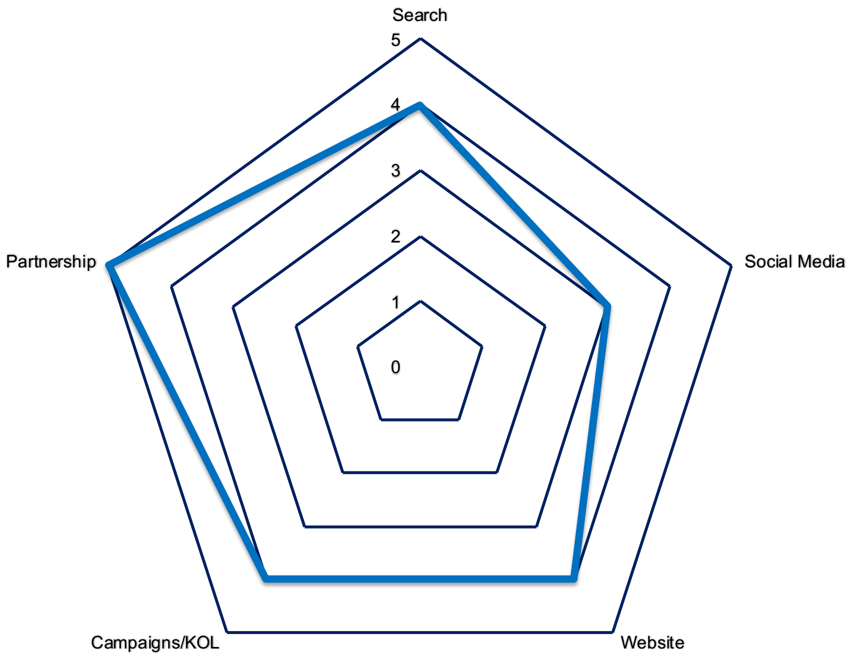
Ville Kangas / Visit Finland

Visit Finland

Part 2: Individual DMO Marketing & Branding Analysis

Finland

Digital Performance:



Search Index:

"Finland Travel" had a relatively median search frequency during the six months examined through Baidu search. It held its position, along with Norway and Denmark, at around 500 searches per day up until mid-April of this year, when search for the destination plummeted to 200 daily searches. Despite decreased search frequency, the official Chinese version of the Visit Finland website has a high Baidu results figure. It is listed at or near the top of the page, sometimes appearing as a Baidu advertisement. This ensures that it is top of search and therefore top of mind for users using the platform. Furthermore, Visit Finland also holds advertisements on Baidu search for other Nordic countries, including Norway and Denmark, which allows them to stay present in all Nordic search.

Social Media:

Finland is the most active of the Nordic destinations on social media, posting twice as many Weibo posts as any of the other DMOs. However, this in itself does not equate to increased views and audience interaction. In actuality, Visit Finland has the lowest interaction rate of the DMOs examined in this study, with particularly limited interaction through its Weibo account.

The official WeChat account of Visit Finland features a relatively simple menu structure, with basic information tabs such with destinations including islands, lake districts, Helsinki and Lapland, as well as tips for planning your trip, useful information, travel notices and national parks. Other than the general information tabs, the menu includes a series of supplemental features, labelled "My Trip" and "Stay in Finland" aimed to further educate readers on

Finnish highlights and facilitate bookings. However, due to broken tabs and links to English webpages, the effectiveness of these programmes is nullified. One feature that does seem to be well received is the “Travel Professionals” tab, which provides courses and in-depth information intended to educate travel agents and operators on their products. While real-time outcomes for professional education are unknown, reviews suggest that readers find it educational and useful for trip-planning.

The Visit Finland Weibo account features a mix of information, including nature, culture and events. However, posts lack a clear direction and are often repetitive, with much of it reposted several times. Perhaps unsurprisingly, Visit Finland’s Weibo in the past 6 months has had relatively low success with an average only 34 likes, 6 comments, and 16 shares.

Website:

Finland’s website, visitfinland.com/zh/, is a direct translation of the international site. The website loads relatively quickly in the Chinese digital space, however, because it has a .com address instead of .cn, it can be temperamental and on some days is much slower to load than others. As part of the .com hub, the Chinese Visit Finland website connects with many international social media platforms, including Instagram and Twitter, but also Weibo. It is important to note that it does not link to the official WeChat account, creating an added step for web users looking to explore more or further interact with the brand. The website itself is visually enticing and showcases unique experiences around the country, including a broad range of destinations and activities. That being said, it falls short of providing a clear journey to booking; directing users to English and even some Finnish websites. These do not provide Chinese booking options and are not in-line with natural booking behaviour.

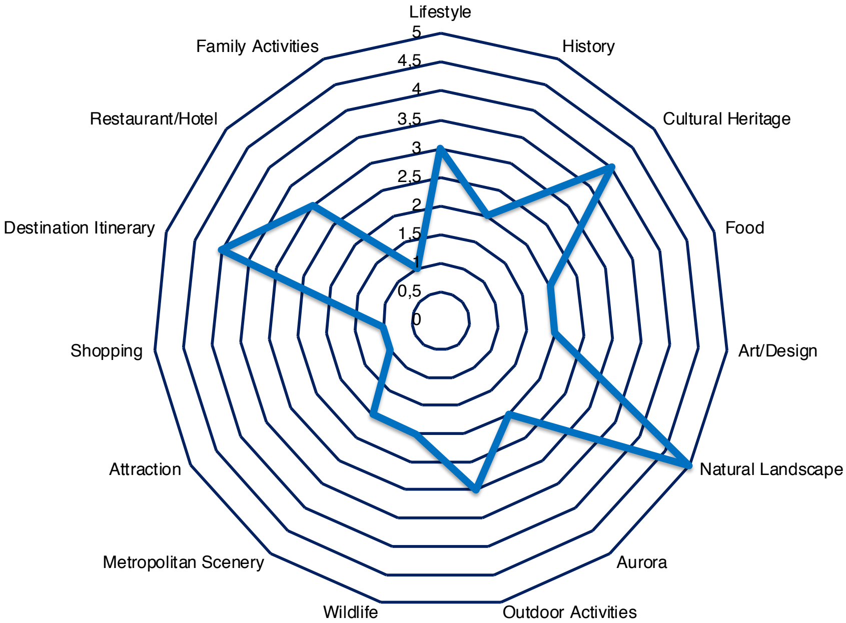
Campaigns/KOLs (Key Opinion Leaders):

The official Visit Finland Weibo account is sprinkled with KOL engagement, making up 11% of total content. No one KOL is dominant, but rather the account reposts relevant Finland content from a mix of travel bloggers and life-style influencers. As for campaigns, the primary campaign featured by Visit Finland during the six months of survey is Finland DNA. This campaign is composed of two parts, firstly, the Symphony of Extremes project aims to create the unique sound of Finland using Finnish DNA as a guide. These videos show different aspects of life in Finland and demonstrate the broad range of landscapes throughout the country. The campaign also features an interactive component that has users enter the birthplace of their father and mother to discover where they would be from in Finland. This function leads to a place name and the ability to share over Weibo. Yet, the campaign could be taken a step deeper by providing some general information on that place and daily life there. Although neither campaigns nor KOLs serve as Finland’s primary strategy for user engagement, they do add a new element to the content and ensure a broader range of readers. In order to maximise these figures, more should be done to promote these strategies and make them known to the target audience.

Partnerships:

Finland had the most comprehensive brand partnerships of the DMOs studied in this section. Official social media accounts feature key partnerships with Mafengwo, Mobike, Putaojimu (a Chinese toy brand), Fliggy and Meitu Phones. These partnership posts consisted of co-branded posts and promotions on social platforms. For example, one joint promotion with Mobike and Putaojimu offered readers the chance to win 5000 buildable block pieces, as well as a trip to Finland. Meanwhile, shared content with Mafengwo and Fliggy pushed for travellers to plan their trip to Finland using these popular platforms, as well as promote discounted flight fares. Multiple posts and content on Weibo show Meitu phones being used to take beautiful photos in Finland's Lapland. Not only are each of these brands popular and relevant in the Chinese market, but they each offer a slightly different message for user engagement, as well as actively encourage travel to Finland.

Branding and USPs:



The Visit Finland brand in China is the most diverse of the Nordic brands examined. As seen in the graph above, the brand's strongest focus is on natural beauty. Looking at the other strong identifiers, it is important to notice that many of them are also related to nature. Outdoor sports and activities such as skiing, ice-fishing and dog-sledding are featured predominately. However, nature is not all that is advertised. Cultural heritage is the second strongest theme. In the case of Finland, this section is largely composed of Santa Claus and traditions surrounding him and his village.

Destination itineraries, which makes up the last major theme of Visit Finland, are largely composed of information on Helsinki. While other destinations are mentioned, especially on the website, Helsinki stands out in particular as a top destination on Finland's own owned platforms.

The brand features a diverse range of topics in addition to its aforementioned major themes, including lifestyle, food, art and attractions. These themes create more comprehensive and all-encompassing branding. As identified in the expert interviews, the diversification of Visit Finland branding leads Finland to be seen as the Nordic destination with the most to offer in terms of activities and traveller experiences. It is continually referred to by both travel industry experts and the public as the destination with the most to offer all year round, making it the top choice for tour operators. While the natural scenery and Northern Lights still resound as the primary reason for travelling to Finland during off-peak seasons, the other diverse activities provide reasons to stay and increase the amount of nights spent in country.

Strong USPs:

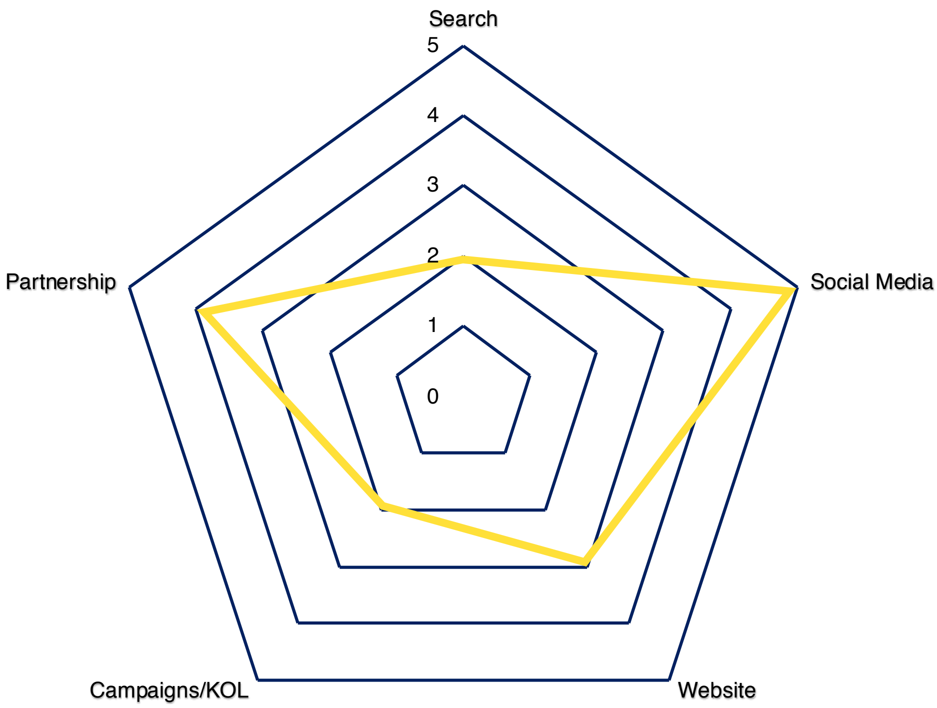
- Nature & Scenery: Lakes, Islands, Forests, Lapland
- Unique outdoor Sports & Activities
- Santa Claus and Santa's Village

SWEDEN

Henrik Trygg/imagebank.sweden.se

Sweden

Digital Performance:



Search Index:

Sweden has the lowest search frequency of the five Nordic brands with active digital marketing in China. During the last six months, searches for Sweden travel bounced between zero and 250 searches per day. This low search frequency can likely be tied to the low campaign volume and low usage of influencers in the Chinese digital market.

Baidu search relevancy is also low. When searching specifically for "Visit Sweden" 瑞典旅游局the official website did not appear until half-way down the page and the key phrase "travel to Sweden" 瑞典旅游 produce the website at all. These low positions in search keep the site from being found or seen, and therefore impair the effectiveness of the platform. Furthermore, because Baidu search results and positions change on a daily basis, the lack of an advertisement or Baidu Brand Zone can negatively affect the position of Visit Sweden official brand platforms in the results.

Social Media:

Sweden's WeChat account, 瑞典旅游局 or vschina, posts between once and twice a week. It differs greatly from the other Nordic brand accounts in that it focuses primarily on culture and lifestyle, as opposed to nature. The posts are varied and cover a large range of topics under this heading, including art and design, food, the Nobel Prize and healthy living. The menu structure of the account is easy to navigate and includes tabs for destinations, year-round travel, holidays, food, lifestyle and shopping, as well as driving in the country. Each tab pushes multiple posts for users to read through to gain more knowledge on the subject. One interesting feature to note on the menu is the travel professional's course, which like the one featured on Visit Finland's account is essentially a B2B course developed for tour operators to better understand the country. The feature, if marketed and used properly, can help travel agents and operators better sell Sweden as a destination. However, the current course available is for the years 2015-2016 and has not been updated. Thus, it can be assumed that it is not an active part of the country's marketing strategy.

Much of the content on the official Weibo account is similar to that on WeChat in that it focuses on culture, with posts on Swedish traditions, festivities, art and design. A broader range of topics is added to this, as well as a slightly stronger focus on nature through the form of scenic photos from around the country. The account received the second lowest follower interaction numbers during the past six months, with an average of 59 likes, 33 comments and 58 shares. However, this is somewhat overridden by user interaction on its WeChat account, which is the highest of the accounts featured, with an average of 5835 views, 45 likes and 15 comments.

Website:

Visit Sweden's Chinese website, Sweden.cn, is hosted within Mainland China and therefore loads quickly on Chinese servers, at an average speed of 2 seconds. Though the website's running performance is up to consumer expectations, other aspects of the site, including user journey and look and feel, are far inferior to their international site. The layout requires constant scrolling, creating difficulty in finding information. Though the site features more content and information on cultural heritage than the other Nordic brand sites, the story is diminished by a lack of emotional response. Moreover, there does not appear to be a clear path to booking. Restaurants and activities are discussed in the articles yet no information is given on how to find or book them.

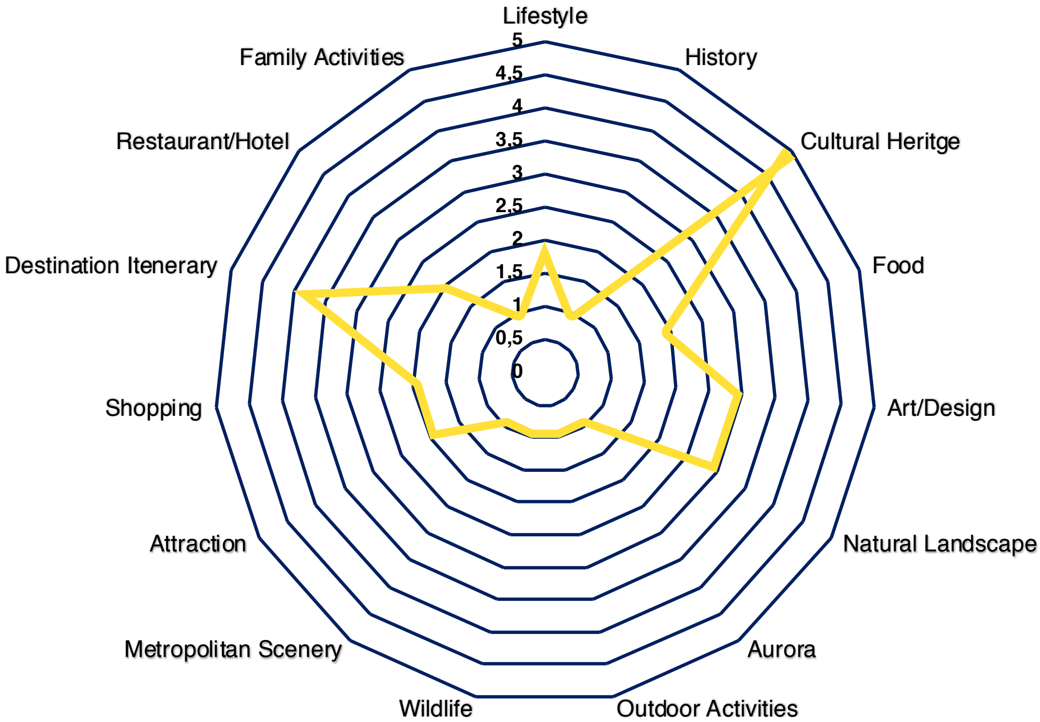
Campaigns/KOLs:

The majority of Sweden's Campaign and KOL posts concern UGC reposts of popular destination information as well as discounted flights and fashion outlets. On Weibo, most KOL/UGC posts were re-posts of normal Chinese tourists visiting well-known tourist locations. While these posts are fun, they are not quality controlled. Furthermore, the average Chinese tourist's digital reach is relatively low, making a KOL a useful controlled option to show both tourist attractions and garner more loyal fans. For campaigns, through both Weibo and WeChat, the majority of posts concerned discounted flights or outlet stores. These did not seem to excite users. Well-chosen times should be found to promote discounted flights or outlet stores in order to lead to better booking rates. Most KOLs and campaign posts were below Sweden's overall average likes and shares for both platforms.

Partnerships:

The primary partners promoted in Visit Sweden's content are Mafengwo, China Air and ZuZuChe. Each of these are popular travel brands in China that are well-known to consumers. Co-branded content is also overtly travel-based and encourages readers to use travel partners in planning and travelling to Sweden. This includes discounted flights and promotions for flying with China Air direct to Sweden, as well as promotions for renting cars from ZuZuChe for in-destination journeys. Though these Chinese travel partners exist, their content and promotions are used sparingly, appearing only three times on social platforms during the six months of review.

Branding & USPs:



Sweden differs drastically from Finland in its branding and USPs to Chinese FITs. Though it also features natural landscape and scenery, Sweden's main brand column is its cultural heritage. Cultural topics include customs, design, health and happiness, and the Swedish people themselves. There is not one specific aspect of this heritage that stands out among the rest on Sweden's branded information, but rather the general feeling of a sort of freedom and a healthy and happy people, which comes through the posted content. It is interesting to note here that although the Visit Sweden website is the weakest of those surveyed for this report, it also puts a stronger focus on the people and activities, as opposed to nature. This comes through in the layout and design, which mainly features the Swedish people themselves and is in stark contrast to the other destinations.

The cultural-focused messaging that exists in the Chinese digital marketing is also noticeable in the public opinion of Sweden, which particularly identifies the country with design and brands like Ikea, Volvo and the Nobel Prize. Though this cultural heritage is strong, it does not translate into traveller understanding of the destination or reasons to travel there. This is again made clear when listening to Chinese travellers, who are unsure of what activities are available to them and equate travel to Sweden to travel to Stockholm. This branding can limit the nights spent in the region and should be expanded out slightly to create a more comprehensive experience for travellers. For example, providing information on key activities that help people experience that unique culture that Sweden is so proud of.

Strong USPs:

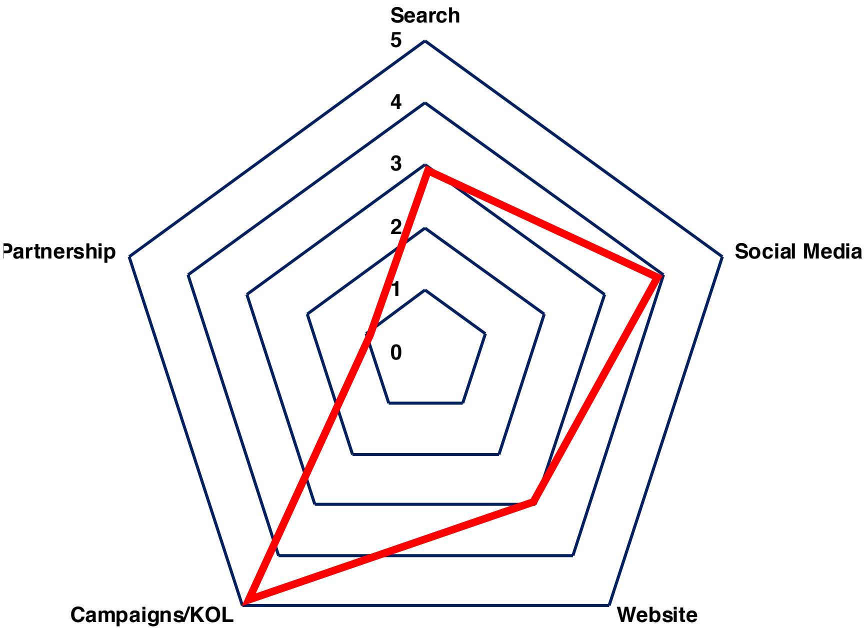
- Cultural Heritage
- Healthy and Happy Lifestyle

NORWAY

Thomas Rasmus Skaug / Visit Norway

Norway

Digital Performance:



Search Index:

Norway travel maintained a relatively stable search frequency of around 500 daily searches since November of 2017. Moreover, it has a fairly high Baidu positioning, appearing directly under advertisements for results on “Norway” (挪威) and “Norway Travel”(挪威旅游). However, higher volumes of advertisements on the platform result in links for official digital assets being pushed halfway or farther down the page, ending in low search results. Another thing to note is that an advertisement for the official Visit Finland page appeared in the advertisements above Visit Norway in a search for Norway travel information. This phenomenon can have a negative impact on destination searches, as well as tourism to the country.

Social Media:

The Visit Norway WeChat menu structure is extensive, with tabs for a range of topics, including multiple different destination locations, useful information, food and accommodation, as well as in-destination travel information. What’s more, each of these tabs pushes a selection of different articles to the user, allowing readers to explore each topic from different angles. The menu also includes special content around New Year’s Gift Promotion, allows users to create their own Holiday card to send to friends using inspiring pictures from around Norway. It also features a promotion where readers can follow the Visit Norway WeChat account and win a Norway-themed umbrella.

Though the account is interactive in nature, it does not have particularly high interaction rates, averaging at 4443 views, 83 likes and 9 comments. This is likely linked to the search and connectivity of the account. The Visit Norway WeChat account can only be found under the English name “Visit Norway.” Because of this, only English searches yield results, while Chinese searches only lead to other tourism boards. Furthermore, English searches must be specific, as a search for Norway alone fails to produce the Visit Norway account. This is hindering to Chinese users looking for the account, especially due to the fact that other Norway branded platforms, including official website and Weibo, do not connect users to the official WeChat account.

The Visit Norway Weibo account is the newest of the existing Nordic branded accounts, having launched in January of this year. To date, it is also the most popular, receiving the highest user interaction over the past 4 months (836 likes, 351 comments and 2978 shares). This is largely due to its content, which features a heavy focus on KOLs and short videos to add interest and attract followers. The majority of the content is nature-based, featuring winter snow and Fjord views. The account's most prominent hashtag further illustrates this natural focus, with the slogan of "Norway, the Gift of Nature." Another aid in the popularity of the account is undoubtedly the assistance from the Visit Denmark WeChat and Weibo accounts, which educate their readers on Visit Norway and encourage them to follow their social channels. Lastly, unlike the accompanying WeChat, the Visit Norway Weibo has a Chinese name that allows for easy Chinese-language search and facilitates follower conversion.

Website:

The Chinese version of the Visit Norway site is a close replica of the international hub, with similar articles and functions. While some of these functions, such as video, have been optimised for the Chinese market, others remain aimed at the international market. For example, links remain for Pinterest and Facebook pages, which are not widely used and are unable to open without a VPN, while there are no connections to the brand's WeChat or Weibo accounts. The path to booking is another example of this, with the site currently leading visitors to pages with specific trip and hotel information that then allow them to book directly with suppliers. Although this user journey is relatively clear, it is almost completely in English, with English TripAdivsor reviews, English language links and in some cases even English descriptions of the experiences themselves. Though some high spending FITs are proficient in English, this is certainly not the case for the majority. English language booking options therefore hinder bookings made through the site and add extra steps to conversion.

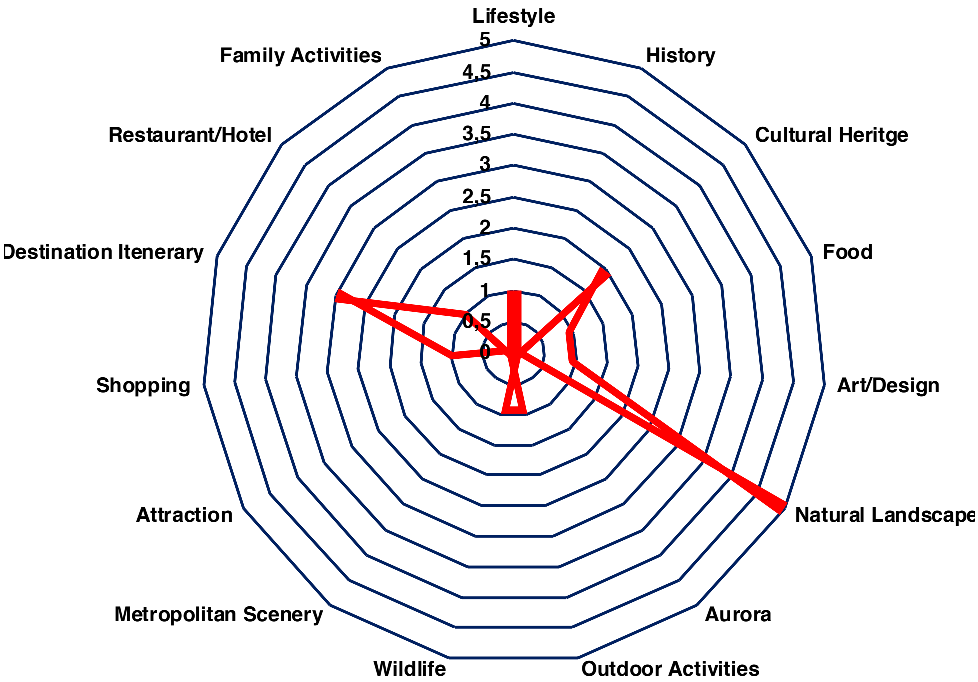
Campaigns/KOLs:

Visit Norway has a high affinity for campaigns and KOL interaction. As noted in the social section above, their media platforms are bursting with KOL content. This is primarily due to their partnership with Chinese boyband member WangYuan, who was announced as the Chinese ambassador of the brand earlier this year. Both Visit Norway and his personal social platforms contain fun content and short videos about the destination, as well as hashtags to gather and store this information. Another example of both campaign and KOL content from in the past four months is the King of the Fjord campaign, which was featured predominately on both the Norway and Denmark accounts. This campaign revolved around short videos of three Chinese digital influencers who travelled around the Fjords, experiencing the unique landscape and culture. Users were encouraged to watch the video and then vote on who of the influencers should be named King of the Fjords. All of these KOL and campaign-based content garnered high viewership and audience interaction, attributing to the astounding success of the brand's official Weibo launch.

Partnerships:

No partnerships were discovered during our research into the Visit Norway digital brand in China. If the brand has existing partnerships, they have not leveraged them for the Chinese consumer.

Branding and USPs:



Norway had the most homogenous branding of the Nordic destinations examined. As seen in the chart, natural landscape and scenery was by far the largest focus of the country's branding. This is not only seen in their posted content, which puts a high emphasis on the Fjords, but also echoed on the website. Photos focus on the natural wonders of the country and show people witnessing it in awe, as opposed to interacting with it as they do in Visit Finland's posts. The indisputable message of Norway rings out to readers as "come see what nature can do."

Destination itineraries and cultural heritage, which both come up as distant but noticeable secondary brand platforms, also tie back to natural themes. For example, catching and eating salmon and fresh king crab, skiing and dominating the Winter Olympics, as well as happiness attributed to nature and a natural lifestyle.

Though Visit Norway's messaging is distinct and unforgettable, it provides a one-sided view of the country and what it can provide in terms of traveller experience. High-spending FITs and tour operators alike reiterated that the Fjords, although a bucket-list item, are seen as the only thing to do in the country. This Fjord focus can be limiting to tourism in Norway in terms of places travelled, nights spent, and seasonality of travel. We therefore recommend that Norway work to expand out its branding to include a more comprehensive view of the country and what it can offer to travellers.

Strong USPs:

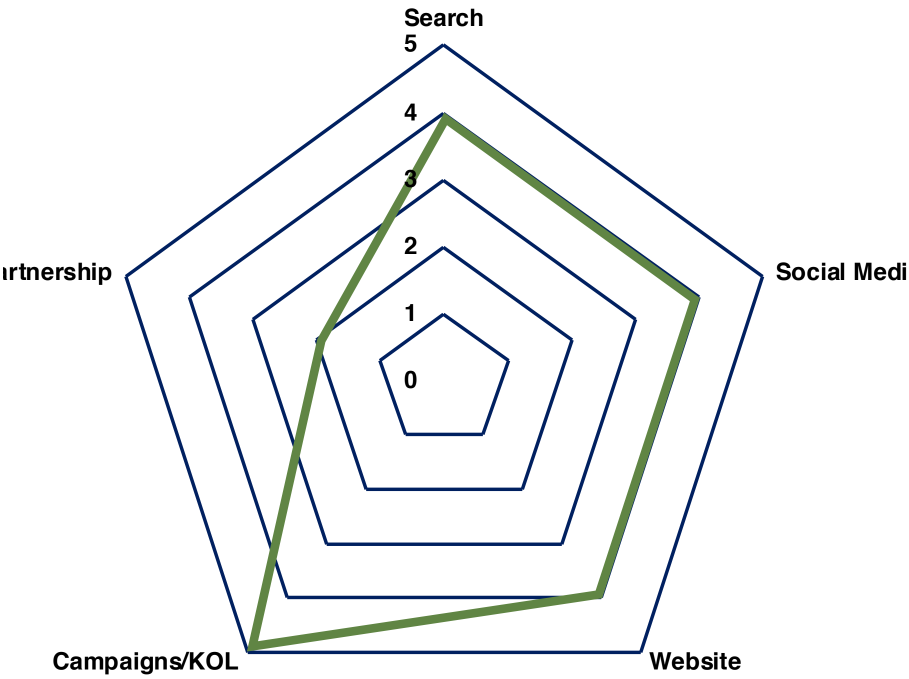
- Nature and Scenery- Fjords

DENMARK

Lennard Nielsen / Visit Denmark

Denmark

Digital Performance:



Search Index:

Denmark travel remained close to Norway travel in terms of search frequency during the last six months. The destination maintained daily Baidu search figures of around 500, with small peaks and valleys all relatively close to this number.

The .cn site for Visit Denmark appears as a Baidu ad for all searches of "Denmark" (丹麦), "Denmark Travel" (丹麦旅游), and "Visit Denmark" (丹麦旅游局), thereby appearing at or near the top on all searches conducted. Unfortunately, because Finland also has ads out on their search, the Visit Denmark site sometimes appeared below Visit Finland's official content, compromising the effectiveness of the ad but still allowing the platforms to gain high result positioning.

Social Media:

The Visit Denmark WeChat account can only be found under the English name "Visit Denmark." Because of this, only English searches yield results, while Chinese search results only include other tourism boards. Furthermore, English searches must be specific, as a search for Denmark alone fails to produce the VisitDenmark account. This is hindering to Chinese users looking for the account, and can decrease Chinese traveller awareness and interaction.

The Visit Denmark WeChat menu structure includes a range of tabs that push relevant information at users, allowing readers to explore each topic. While information is plentiful, some tabs are not optimised. For example, the Prize Activities tab leads to a network error, and the Signature Routes tab provides a 10 page PDF brochure-style explanation of various thematic routes through Denmark. While the information in Signature Routes is plentiful and includes maps, photos and detailed descriptions of destinations along the way, the sheer quantity of information and its presentation is slightly overwhelming. This information could be better integrated into WeChat through features such as a mini-programme or an interactive WeChat page that allows users to virtually go through selected routes, which would give users more engaging, accessible, and interactive information. Under the Exclusive Recommendations tab, a string of information is pushed at users, including visa application information. This is not only important information, but also something many Chinese travellers would specifically look for on the official account.

Visit Denmark's WeChat received an average of 4,170 views, 59 likes and 6 comments per post and averaged about 6 posts per month. Almost 50% of all posts are about Denmark's culture and history and 35% of all posts are destination specific travel information. The most popular of these posts featured information on culture and lifestyle, such as happiness and the Happiness Museum, women's rights and kindergartens with interesting architecture.

The Visit Denmark Weibo is relatively successful, with an average of 440 likes, 228 comments, and 2,546 shares. The average content of Visit Denmark's Weibo does a great job of finding activities exclusive to Denmark and celebrities that help present the country as abounding in happiness, activities, and culture. Posts such as those concerning the Danish Badminton Stars, Pride Fest, and books on Danish happiness or hygge work as great country-specific examples to reinforce these ideas. Somewhat conversely, the largest proportion of posts in the account, at 26%, are actually about Visit Norway as opposed to Denmark.

Website:

Visit Denmark owns a Chinese consumer-facing website that is hosted within Mainland China. The site, visitdenmark.cn, differs slightly from the international site in terms of look and feel, but functionality remains essentially the same. The main page includes useful information such as a map and real-time weather report, as well as links to both WeChat and Weibo. This provides users with a connected ecosystem in which to learn more and become inspired. One key difference between the Chinese and international sites is in the call to action. While the international site has a "book now" section, which links users through to partners for instant booking, the Chinese-facing site does not include next steps. While not completely necessary, links to Chinese partners and OTAs reduce the number of steps in the user journey and allow for an increased rate of traveller conversion.

Campaigns/KOLs:

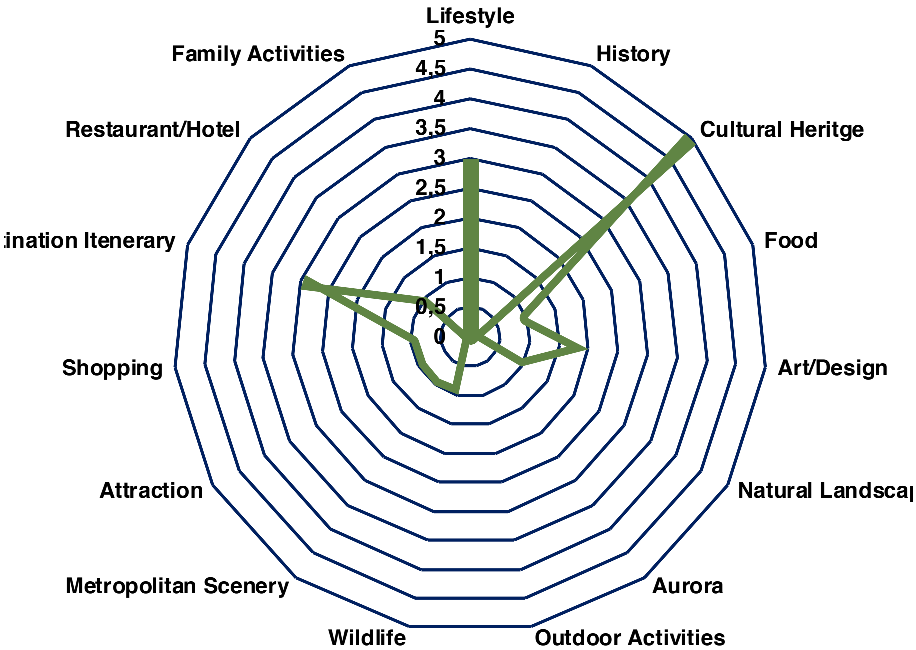
The most prevalent campaign and KOL activities featured on official Visit Denmark platforms relate to not their own promotion but rather Norway travel activity. This includes the Lord of the Fjords campaign mentioned above, as well as their partnership with WangYuan. However, there is also a fair number of posted KOL content featuring influencers around Denmark. During the timeframe of this research, their own KOL content involved YiYangQianXi (易洋千玺- English name Jackson), who is a member of the same boyband as Norway's WangYuan. Posts on Weibo featured him enjoying different experiences around Denmark, including visiting the Happiness Museum.

The most widespread campaign for Denmark in China is undoubtedly its oyster campaign, which called on Chinese travellers to eat the oysters seen as polluting Danish seas. Although this campaign did not take place in the past six months, its relevance in speaking with high-spending FITs, as well as throughout our netnography search, warrants its mention here and shows that it still has a sizable effect on tourism to the country.

Partnerships:

A few partnerships were found in the Chinese market, including with 中信出版集团, a publishing company, China Merchants Bank and BoCencept- a design company with a branch in Shanghai. These partners were featured in Weibo posts pushing shared published content, celebrating the partnership, reminding users about convenient payment options, and promoting their products respectively. Although these partnerships exist, none of them received higher user interaction or appeared to ignite action. It can therefore be concluded that partnerships in the Chinese market should be leveraged more effectively in order to attract readers and build cross-border relationships.

Branding and USPs:



Denmark's branding is unique in that its primary focus is culture and lifestyle. This differs from Sweden in that while Sweden's emphasis is on its people, Denmark stresses the culture itself. This takes many forms, from Hans Christian Anderson's fairy tales to biking and healthy lifestyle choices to music festival and art museums. It's clear that Denmark has abundant cultural experiences and diverse undertakings for every interest.

Unlike the other destinations, Denmark puts almost no emphasis on nature or the natural scenery of the country, instead focusing on Copenhagen and the metropolitan area. Nevertheless, the city and the country come across as green and natural.

Background research in the form of interviews and a detailed netnography show that this "cultural hub" brand has resonated in the Chinese FIT community. Travellers see it as the home of Hans Christian Anderson, as well as a place for great shopping, food and museums. However, as the content of Visit Denmark's official platforms suggest, Copenhagen dominates the conversation, with few topics around areas outside of the capital city.

Strong USPs:

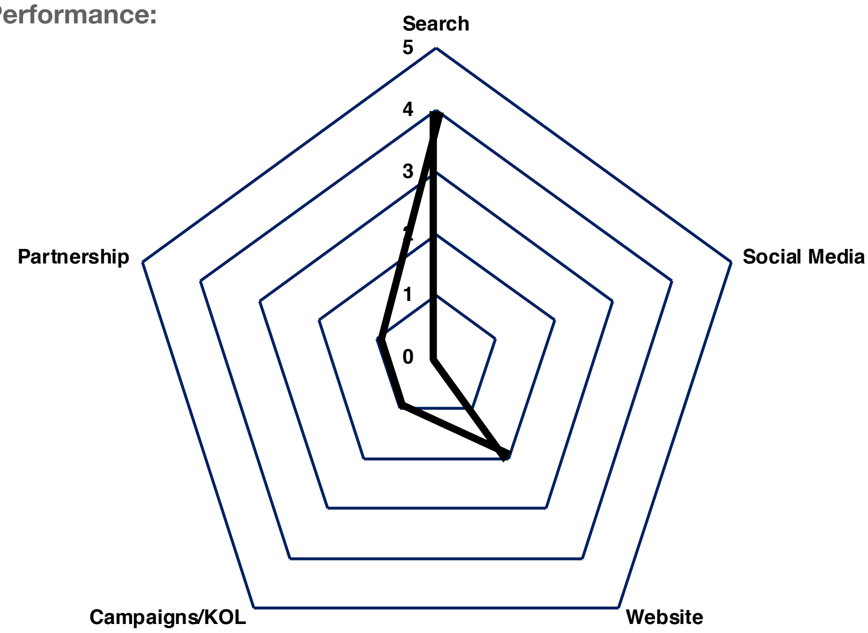
- Metropolitan lifestyle – healthy, happy lifestyle
- Abundant cultural experiences

ICELAND

Visit Iceland

Iceland

Digital Performance:



Search Volume:

Iceland Travel currently has the highest search volume of any Nordic country on Baidu, at almost double the average search of any other individual country. Its figures fluctuate dramatically on a daily basis, leaving search figures anywhere from 400 to 700 per day. December of last year held the only major outlier in comparison to these figures, when frequency spiked and peaked at 1,776 searches on the 28th. The most likely reason for this uptick in search is the activity of the Northern Lights during this time, which were more visible during this period and led to an increase of tourist interest.

Despite this high search frequency, little effort has been made in terms of Baidu search, which does not feature official Visit Iceland platforms at all without a specific search for "Visit Iceland DMO" (冰岛旅游局).

Social Media:

Visit Iceland does not have any official social platforms geared towards Chinese FITs.

Website:

Visit Iceland has a Chinese language version of their international website. Because the website itself is for the international audience and not specifically hosted in China, it loads extremely slowly within the Mainland, at around 1.5 minutes[2]. This is far slower than the 3 seconds expected by Chinese internet users. Just as significantly, the website includes large chunks of English language, including the search function and About Iceland page. Moreover, as part of the international site, the Visit Iceland website only includes connections to international social platforms, including Facebook, Instagram, Twitter and YouTube, none of which can be accessed in China without the use of a VPN.

Campaigns/KOL:

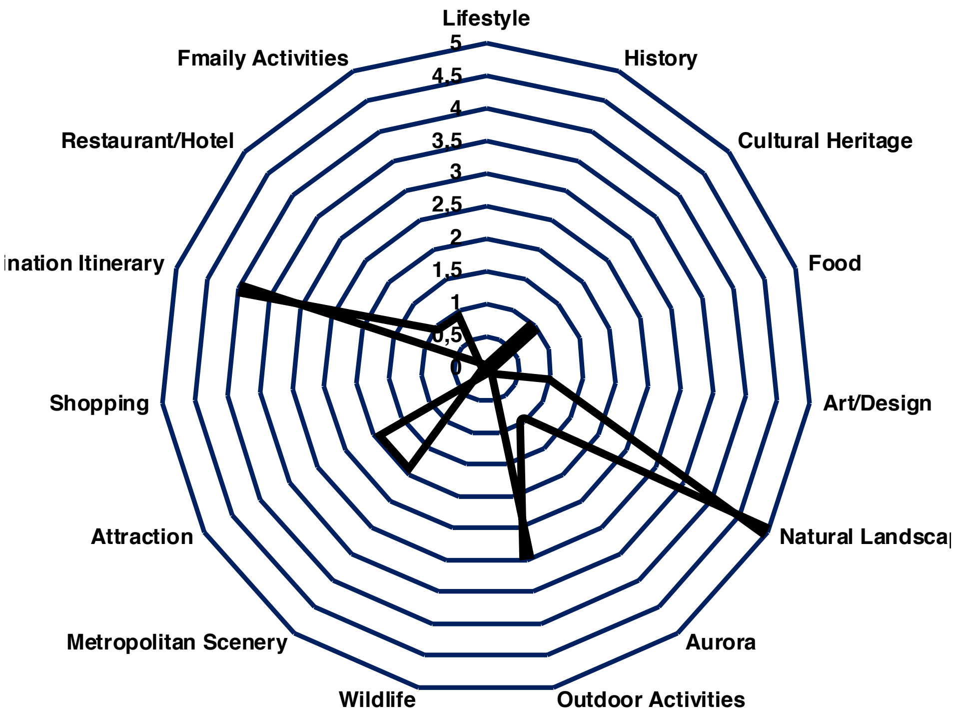
There were no signs of digital campaigns or Chinese KOL integration geared towards Chinese travellers in the digital search.

[2] Average of 5 website loading tests run on March 16th from 2 internet servers.

Partnerships:

No Chinese partnerships or brand collaborations were found during the digital search. While this may or may not be the reality of the situation, it does tell us that any partnerships which do exist are not being leveraged to attract the Chinese FIT market.

Branding and USPs:



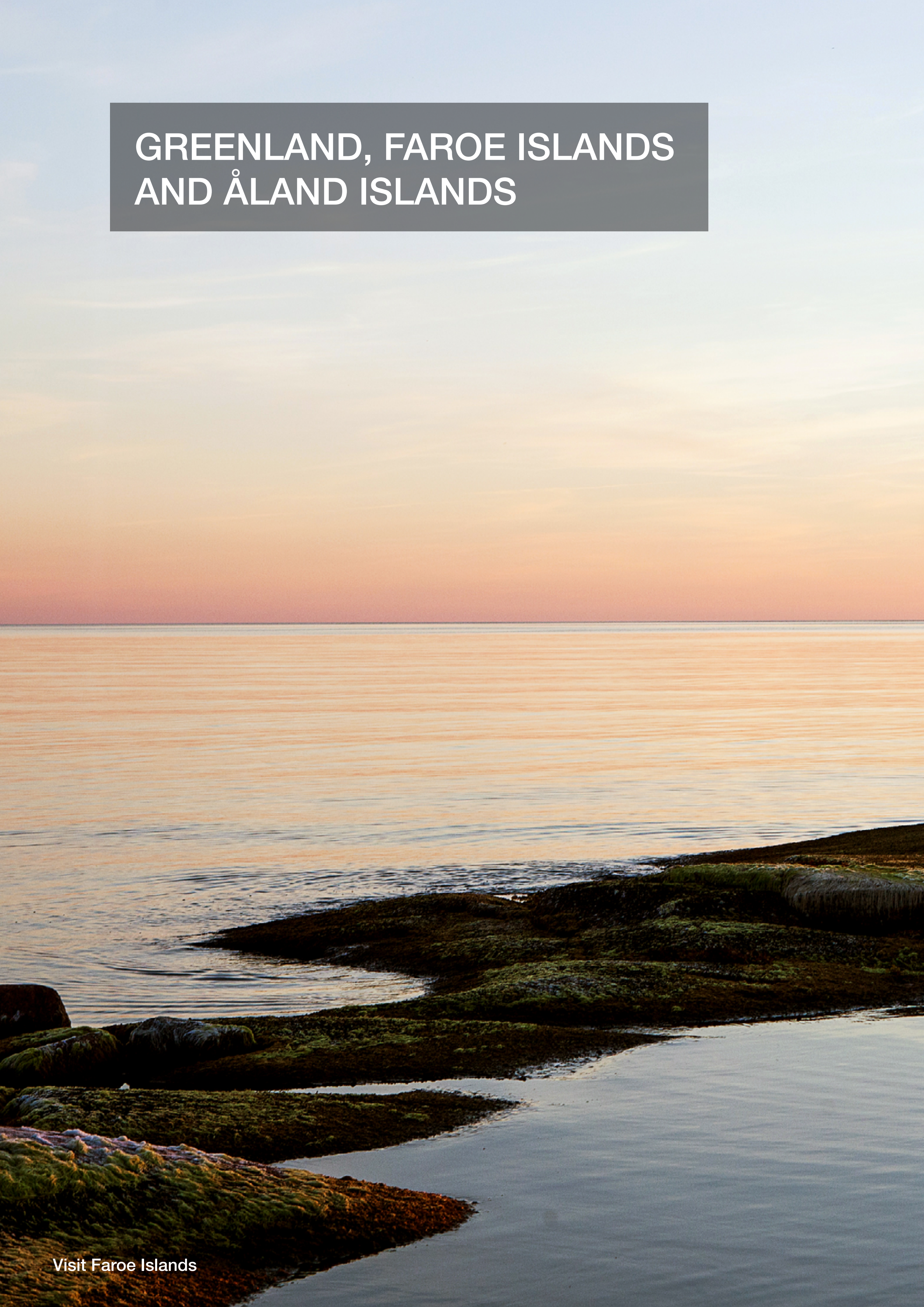
As discussed above, Iceland does not have branded social platforms in the Chinese market. Therefore, our analysis of their branding comes solely from the articles featured on their Chinese language website. From these, as well as the look and feel of the website, it was apparent that their strongest brand pillar is natural landscape and scenery. Iceland supplements this theme with supporting experiences, both involving and away from nature. Examples include hot springs, camping, driving and visiting a handful of smaller towns outside of the capital Reykjavik.

Chinese opinion of Iceland is a close match to the official branding of the country. FITs had the strongest feelings towards the natural landscape and activities offered on the island. Like the brand chart seen above, Chinese travellers had little opinion of Iceland's history, culture, food or shopping.

Strong USPs:

- Dramatic landscapes – Glaciers and Volcanoes
- Quaint towns and villages

GREENLAND, FAROE ISLANDS AND ÅLAND ISLANDS



Visit Faroe Islands

Greenland, Faroe Islands and Åland Islands

The remaining destinations of the Faroe Islands, Greenland and the Åland Islands do not currently have any Chinese language assets in the market. Though both Greenland and the Faroe Islands have English websites which appear at the top of Baidu search, they both require over one minute of loading time—too slowly to be a valuable resource to Chinese travellers. Due to this lack of presence, these DMOs also lack official positioning in the market above what the travel blogs and private friend groups are spreading. This absence of representation is noticeable in speaking to the public about these destinations. The majority of FITs interviewed for this project reported knowing nothing about the Faroe and Åland Islands, and though 80% of these interviewees recognised Greenland, their knowledge of Greenland came from sources such as "The Secret Life of Walter Mitty" movie starring Ben Stiller, and the fact that it is a large country somewhat isolated on the globe. However, this does not equate into much more than name recognition, and branding for the 3 countries remains unidentifiable.

We recommend that each country take steps to operate digital assets and put out official messaging in the Chinese market in order to promote conversation about travel to their destination and steer bookings.

Faroe Islands' strong USPs:

- Unexplored and Isolated

Greenland's strong USPs:

- Arctic Exploration

Åland Islands' strong USPs:

- Currently no strong USPs in the Chinese market

DEMAND ANALYSIS – FROM CHINESE CONSUMERS' PERSPECTIVE

Ulrik Jantzen / Visit Denmark

DEMAND ANALYSIS – FROM CHINESE CONSUMERS' PERSPECTIVE

Netnography Analysis and Individual Travellers' Interviews

Social media netnography provides a tool which allows market researchers to listen to the unfiltered voice of travellers, especially in China, where sharing impressions and information with fellow virtual traveller peer groups is seen almost as a duty.

COTRI's research team and ASAP+ have used netnography as a tool in a big number of previous studies. In this project we analyse the postings of Chinese travellers who have been to the Nordic region as well as those who are planning to or are interested in travelling to the Nordic region by identifying, clustering and analysing posts.

Listed sources in the table below are key sources which were used to collect and analyse social media items from. These sources have covered major types of Chinese social media platforms that generate the majority of results based on our experience in previously conducted projects on similar scales.

Major sources generating the majority of social media items

Minor sources generating additional results

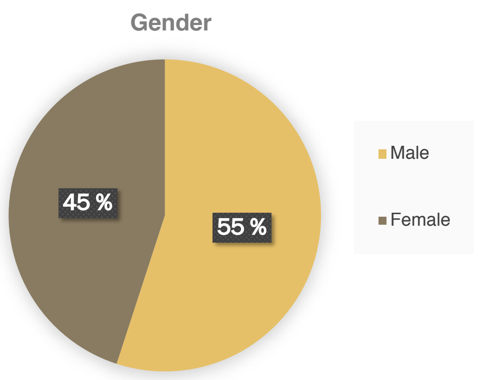
USED MEDIA SOURCES FOR NETNOGRAPHY

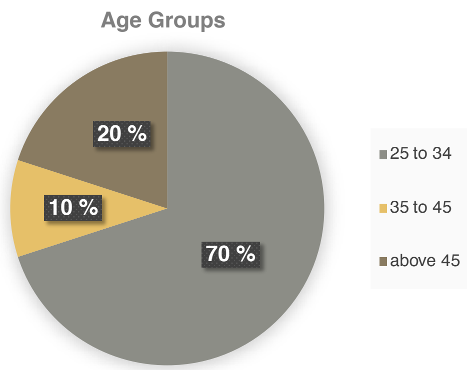
Type of platform	Sources	Comments
User Generated Content Platforms	Qyer Mafengwo	Key Chinese travel UGC platforms for sharing users' reviews, tips, experience, travel diaries and blogs, photos, itineraries, etc.
	You.ctrip Bread Trip Chanyouji	Market followers to Qyer and Mafengwo in providing UGCs.
Social network sites	Weibo	Most popular Chinese micro-blogging website.
	Zhihu	Major Q&A social network site
	Tiaya (Lvyou)	Popular internet forums with a dedicated tourism-related area
	Douban	Social media platform featuring culture and arts topics (movies, books and music)
OTAs	Ctrip Tuniu	Major OTAs (Online Travel Agencies)
	Fliggy	Leveraging Alibaba's large user base and aim particularly at younger users
Search engine	Baidu	China's #1 comprehensive search engine, with its own travel section

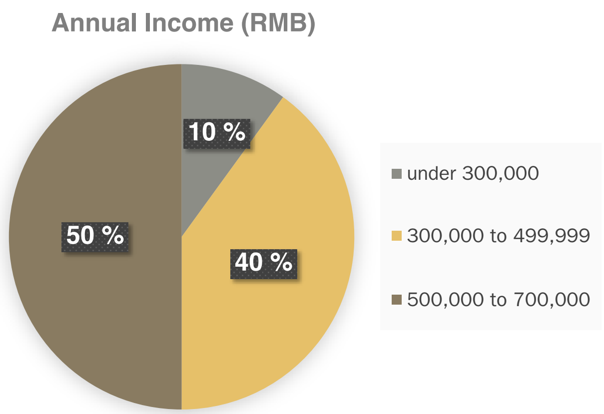
400 social media items, posted within the past 2-3 years on aforementioned Chinese social media platforms by HiSp Chinese FITs were collected between March and April 2018 (Appendix A). All were translated and clustered into themes such as "Motivation", "Experience", "Information Source" and "Barriers". The analysis of these collected items was conducted by discussing the Northern Europe as a whole destination, and each Nordic destination on its own to demonstrate HiSpFITs' demand in China.

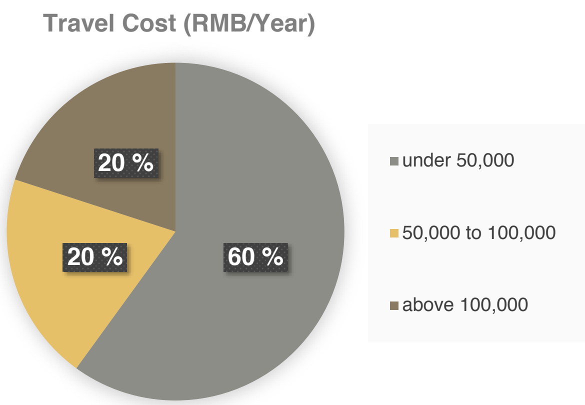
20 individual HiSpFITs travellers were interviewed between March and April 2018. These all travelled to Nordic countries in the past 24 months as FITs or in customised groups with their friends, families or colleagues. Their spending during Nordic trips were on average of 15,000 to 20,000 RMB per week. Other data of these 20 individual interviews is demonstrated in below graphs.

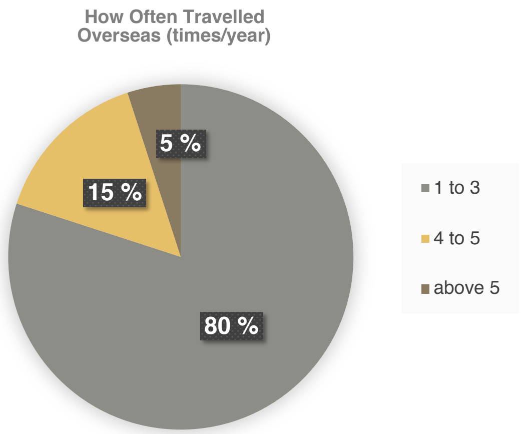
Interviewees were recruited through WeChat groups and friends referrals in that WeChat friend groups is widely used among friends and families or acquaintances with similar-interests. Most of these interviewees live in first tier Chinese cities and a smaller percentage live in second tier cities, Hong Kong and Europe, which is consistent with the distribution of current source markets for the Nordic destinations. Individual travellers interview transcripts are enclosed as Appendix B.

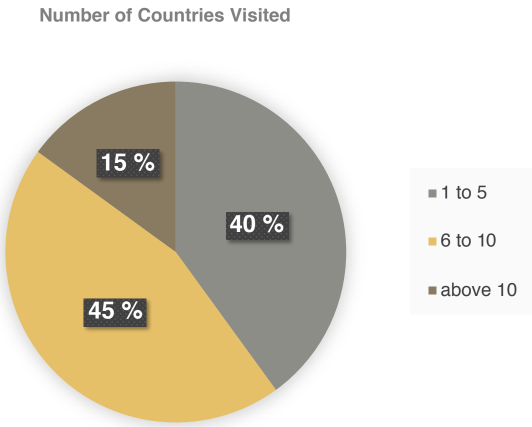


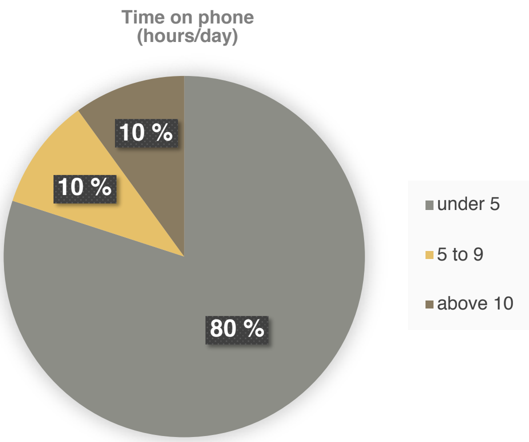


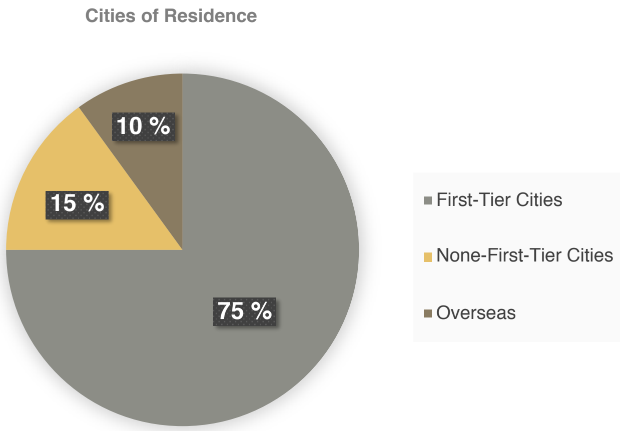












Relevant data was extracted from collected social media items and individual interview transcripts, clustered and quoted under themes of travel “motivation and information source” and “travel experience and barriers”. The analysis is provided to show how Chinese HiSpFITs learn about Nordic destinations, what they expect to see and do there, what their experience was and what problems might prevent them from going there or visit again. The demand analysis identifies challenges and opportunities that Nordic destinations face in sustainably developing the Chinese HiSpFITs market segment.

Travel Motivations and Information Source

Qyer is a dedicated outbound travel-only UGC platform and contains large amount of shared destination information, travel tips and pictures from well-known countries, destinations and activities, to much less known destinations and activities. Consequently, a significant amount of collected social media items for netnography analysis are from Qyer.

> *"I go to Qyer for information every time before a trip. And this time the preparation was quick. I only read about 10 travel notes and got everything done."*

Additionally, movies, TV shows and reality shows are increasingly becoming Chinese HiSpFIT travellers' source and inspiration. Iceland, in particular, has benefited from Game of Thrones, Kiki's Delivery Service and The Secret Life of Walter Mitty, despite the fact that sometimes the inspiration is only fragmented or even distorted as the quote states below:

> *"I think a lot of people going to Iceland and Greenland had been asked to watch The Secret Life of Walter Mitty. The story started in Nuuk. However, the movie pictured Nuuk as a town of few residents, which was wrong."*

Chinese HiSpFITs' travel inspirations to Northern Europe are even more highly diversified: they are not limited to current media digestions of TV shows, movie and sports events, but also can also trace back to classic music composers (Jean Sibelius and Edvard Grieg) as well as ABBA, books (e.g. Norwegian Wood by Haruki Murakami), and tales of Vikings and fairy tales written by Hans Christian Andersen.

> *"Northern Europe, a magic region I've dreamed for long. There is fairy tale kingdom and pure nature everywhere. Anderson wrote beautiful stories here, Ibsen wrote plays here, Sibelius and Grieg created musical pieces here, Karl and Munch painted beautiful paintings here."*

Some claims, interestingly, are not substantiated with one specific reason, but rather some emotional drives that are derived from an overall impression of the Nordic region.

> *"I choose Sweden and Norway to spend New Year. I don't know why I have a feeling of a special relationship toward Northern Europe, maybe it's because Northern Lights, or snow which is rarely seen in south of China, or purity. I can't explain. I just want to come."*

Importantly, some Chinese HiSpFITs also stress their wish to get inspiration and information during their trips, as being stated by one interviewee in this report below.

> *"I like local culture and history. I go to art museum and history museum every time I go to a new country. I also like talking to local people. That's why I don't like staying in hotels. I prefer apartment. I'm confident of my language abilities so I like to get information from conversation."*

Destination Image and Brands

Northern Europe As A Whole

The destination image of Northern Europe among Chinese social media users is positive and, to Nordic DMOs' advantage, is perceived to be trendy.

> *"My husband said one morning "Even though there are so many places that you could avoid the peak season, Northern Europe is not one of them." China outbound travel is so hot but the price of Northern Europe is only going to rise, not cool down. Why don't we go there first?"*

There are a number of “signature attractions” that represent the typical image of the Northern Europe.

> *“Most people go to Northern Europe in winter is for Northern Lights. Our itinerary also focused on that. The light was the only priority; we could change or even cancel other activities.”*

> *“I loved the blue sky and clear water when walking down from my hostel to Tórshavn. No traffic, no tall buildings. Coloured buildings lined up on the street. This is a typical Nordic city. Copenhagen is the same, Stockholm is the same, so is Tórshavn.”*

Nevertheless, these “signature attractions” pointed out by Chinese social media users are not limited only to landmarks or seasonal offers – besides Northern Lights, Northern-European style buildings, Scandinavian designs and beautiful villages on Faroe Islands are listed, just to name a few. These attractions as well as themes that can also be identified in individual travellers’ interviews analysed in later section of the report, and can lead to potential solutions to ease seasonality and facilitate tourist dispersal in the Nordic region.

> *“Northern Europe doesn’t only have amazing views, but also neat designs. From architecture, furniture to art design, are all impressive and amazing.”*

> *“I had some thought about the Northern Europe in the airplane – every building in these countries shows the Scandinavian design: strictly careful, high class but distanced.”*

Besides specific attractions or activities one can experience in the Nordic region, another important pulling factor that draws Chinese social media users is the reputation that Northern European countries are safe, people are happy and enjoying high welfare benefits and the society is well organised. A good amount of Chinese social media users expressed that they want to witness on their own, to see the real Northern Europe on their trips.

> *“It’s our first trip to Europe and we decided to drop South, East and Central Europe and go to Nordic region which is safer.”*

Due to the distance and lack of direct flights to some Nordic destinations, it has actually triggered Chinese social media users’ decision to broaden their trip to include more Nordic countries than their targeted destination. For example,

> *“I came to the conclusion that Ilulissat was the best place in Greenland, also a World Heritage site. I certainly don’t want to go to Greenland alone, so the whole Nordic plan came up.“*

Despite a number of Chinese social media users describing the weather and climate in Northern Europe as being “gloomy”, “low temperature” and “cold”, there are also many simply disregarding such concern and embracing the weather.

> *“Better wear skiing pants. Doesn’t look good but it can shield wind and humidity. I bring the feather coat I wear in Beijing and it’s enough. Don’t need to buy new ones. Northern Europe isn’t that cold.”*

USPs of Individual Nordic Destination

The USPs of each Nordic destination extracted from social media items within the netnography are provided below.

Åland Islands

Åland Islands do not stand alone as a single destination but can be part of a rather in-depth visit to Finland.

> *"I'm taking my mum to Finland from late September to early October 2017… Maybe Turku+ Åland 2 days, Vaasa and Kvarken 2 days, Oulu 1 day, Kemi 1 day."*

Faroe Islands

Faroe Islands are described by Chinese social media users as being a wonderland with "gloomy beauty"; meanwhile, they find the Faroe Islands to be exactly as what the promotional slogan by Visit Faroe Islands saying, "unexplored and isolated".

National Geographic, as well as Lonely Planet, are highly regarded publications that Chinese HiSpFITs follow and get inspiration of their travels, particularly to those niche and less known destinations. The inclusion of Faroe Islands in National Geographic's Chinese edition and the description of Village Gasadalur has become strong inspiration for some Chinese social media users.

> *"What motivated me to go to Faroe Islands dated back to 3 years ago when I read an introduction of Gasadalur, the world's most isolated village. The picture intrigued me. I'm always fascinated by the road less travelled and I had decided to visit Gasadalur someday."*

They are willing to trace and experience what has been described in the National Geographic article. Although, during their trips on Faroe Islands, they not only tried to verify the image they had of Faroe Islands, but also often discovered new attractions to share with other social media users. This kinds of users to users shared information is important asset for DMOs to explore.

> *"Gasadalur used to be the most isolated village. Postmen had to use a path that crossed over the lowest and flattest point of the mountains. You can drive now but you can still hike via the old postal route."*

> *"Gjogv is beautiful, but not as great as its fame. In fact, many villages in the Faroe Islands are very beautiful too and Gjogv is definitely not the only one."*

Architectures and colourful façade of villages on Faroe Islands have been mentioned frequently, and self-driving is also recommended by Chinese social media users. Similar comments are consistently emerged in other destinations.

Iceland

Iceland, despite only emerging as a "hot" destination in the recent two to three years, has caught up with many of its Nordic neighbours and even become one of the most desired destinations on Chinese visitors' bucket lists. Many Chinese social media users used the word "unique" to describe Iceland.

> *"Iceland has been my dream for long. I got a one-year validity visa when I applied for Schengen last time so that I could take an impulsive trip to Iceland."*

The diversity of attractions that Iceland offers also gives Iceland the advantage of being both a summer and winter destination – as described by Chinese social media users.

> *"Endless glaciers, grassland and cute Icelandic horses, Northern Lights, No.1 Road. There were all my motivations and reasons why I took the trip."*

"It's a country of ice and fire. Totally out of our expectation. I wish I could visit Iceland both in summer and winter. Our trip was in summer. The view was breath-taking. I kept wondering what it was like in winter."

Some Chinese social media users consider the travel cost to Iceland to be prohibitively high; therefore, to include another destination to Iceland is not only necessary to get flight connections, but also is a good value add at this stage when there is no direct flight connection to Iceland.

Expensive, really expensive. Crazy, really crazy. Those were what I kept mumbling when I booked Iceland hotels. 80% of the population lives in Reykjavik. Most parts of the country are uninhabited areas. You couldn't find hotels but only B&B outside the capital. Even the B&Bs were ridiculously expensive.

Greenland

Greenland is a household name in China due to almost everyone's geography studies in school. A trip to Greenland can be prestigious; however, as a more recently known destination, many Chinese social media users consider there is only inadequate destination information.

"Greenland is a well-known place. I guess many people had these questions from childhood when reading the map."

Despite that Nuuk is one of the most visited areas among Chinese visitors who have been to Greenland; Ilulissat, as many other World Heritage sites hold high reputation and is considered as a must-see in Greenland.

"Based on the blogs on qyer.com, most tourists go to Nuuk, the capital and largest city of Greenland. It's the most developed area. The infrastructure and service is good. And there are many hiking routes to surrounding destinations. The easiest way going to Greenland is from Reykjavik, better than going from Denmark."

Norway

In Chinese social media users' comments, Norway has a wide range of elements and attractions – besides many magnificent Fjords, to experience the polar night or midnight sun in Lofoten and to watch Northern Lights in Tromso are also popular among Chinese visitors. These attractions are recommended in collected social media items as established brands of Norway.

"Norway, the origin of Nordic myth and hometown of Vikings, has been on my dream list for long. It has mountains and fjords. Most importantly, Northern Lights. It's so beautiful, mysterious and fascinating. In summer the sun doesn't go down till midnight."

"I have three dreams about Norway, Fjords, Lofoten and Northern Lights. If I were lucky I could realize the last two dreams at the same time. I planned a long time for Lofoten. There are so many islands and things to do."

"Norway tasty food: salmon, shrimp and all kinds of seafood. But we didn't find local seafood market, we only bought salmon and shrimps in the supermarket. We made salmon sashimi. It tasted very fresh."

"Polar Park, the world's northernmost wildlife park. Polar wolf, polar bear, fox and bobcat are the "Four Treasures". It's an eye-opener experience."

The wide distance between Norwegian cities and the range of activities emerged in social media items collected for this report is a positive sign of tourist dispersal both spatially and temporally. It is important though, for Nordic DMOs to understand how to further facilitate such dispersal in order to be able to provide more precise destination marketing, further research is required.

"My original plan for the winter trip was Finland + Sweden + Norway + Arctic circle. But it would cost too much time. And Norway is worth a separate. So I went to Norway solely for 10 days in November."

Sweden

Stockholm is highly regarded and known as the Venice of the North among Chinese social media users; in addition, they call Stockholm as "Sijing" (the Capital of Sweden - 斯京 as similar to Beijing - 北京). Stockholm is perceived as being culturally rich.

"Scandinavia is on the northwest part of Europe. From a tourism point of view, Sweden has comparatively rich resources, especially Stockholm which is most culturally unique city in Nordic region."

"Every metro station (in Stockholm) has a theme and different interior design. I spent a whole day on subway, waiting for the surprise from each stop. I didn't leave until the battery of my camera died."

However, the appreciation of Sweden's culture is not extended to other part out of Stockholm; instead, tourism attractions and activities in Northern Sweden were recommended but with certain level of reservation.

"I saw the Northern Lights yesterday at north of Sweden, Latitude 67.18. We were going south today and passed the Arctic Circle milestone. The road conditions in the mountain area of Sweden and Norway was bad. We could only go 60 miles an hour."

Finland

Finland started gaining much stronger attention after focusing on promoting Finland's signature attractions in the Chinese outbound market - Northern Lights, Santa Claus Village, snow and winter. These established brands of Finland are well known for Chinese social media users.

"I finally realised my dream in the Northern Lights peak year. When I first hear Aurora, I had no idea until I saw a picture taken in Lapland. I was so attracted and determined I would chase the magic light once in my life time."

"If you talk about snow, Finland must be mentioned. It's a place with Northern Lights floating in the air."

In particular, Finland is strongly associated with Rovaniemi and Lapland.

"Rovaniemi is a quiet town. It has summer breeze, winter snow, spring flowers and autumn moon. What a nice place. Most importantly, it has Santa Claus Village and Northern Lights. What else do you want?"

Denmark

Denmark is perceived to be a destination that is similar to others in continental Europe: its canals, modern architectures and shopping opportunities are praised by Chinese social media users.

"Like a fairy tale, canal/out town is a long lost dream with colours, surrounded by modern buildings. What a magic place. Architecture fans must come."

"My shopping mode started after visiting City Hall. I only had half a day so I had to squeeze every second! The main Copenhagen shopping street starts from City Hall and ends at New Harbour; it's a very good place for shopping."

Denmark is well-known as the hometown of Hans Christian Andersen, therefore the famous Little Mermaid's statue is almost a must-do among Chinese social media users who travelled to Denmark. However, the Legoland has increasingly attracting both Chinese family visitors with kids and young visitors who grew up with Lego – together with the Tivoli Garden and easy flight access, Denmark is labelled as for family visitors.

"Denmark is Lego's home. Lego toys are a dream for children. Every man wants to receive a Lego technical product as birthday gift. We didn't have Denmark in the trip originally, but to realise my husband's dream, we added Billund's Legoland into itinerary."

Travel Experience and Barriers

Northern Europe As a Whole

A unanimous impression among Chinese social media users of the Northern Europe is that the travel cost to Northern Europe is high. This point emerged a number of times and is also persistent with views of Chinese travel experts and individual travellers.

"For tourists, obviously we are not the ones to enjoy good social welfare. Scenery wise, everyone has different standard and preference; History wise, Middle East has more to offer. So what's the most impressive thing of Northern Europe – the cost! Everywhere is so expensive."

In addition, some Chinese social media users complained that despite of high travel costs, some tourism resources are also limited and hard to book, which can be even exacerbated during peak seasons.

"The Nordic hotels are driving me crazy, so expensive and hard to book. Glass Igloo in Finland, Santa Claus hotel, Grandpa hotel in Abisko...you need to book at least 6 - 7 months. And you can only book via official website but not Booking or Agoda. And the website is in English."

However, Chinese social media users also give compliments to tourism services they received during their trips to Northern Europe, considering product and service quality worth the price.

"The whole of Northern Europe is expensive, especially Iceland and Norway. You can hardly find hotels except in big cities. But there is homestay, which provides everything and comfortable. Some homestay doesn't have private bathroom, but the public bathroom is clean."

Interviewed individual travellers in this report all rated their experience to the Northern Europe quite high, resulting in an average of 4.5+ out of 5 as the full mark.

Collected social media items show the experience of going to and moving within the Northern Europe was in general positive. Flights bookings and visa application to visit the

Northern Europe can be quite easy. The different means of transportation, such as cruise trip between Finland and Sweden, can be an extraordinary experience by itself.

> *"The easiest way to go to Stockholm from Helsinki is taking Silja Symphony. You can have a good night sleep, do shopping in the tax free shops, eat all kinds of food and enjoy all kinds of entertainment."*

Self-driving enables Chinese travellers to go from one point to another point within the Northern Europe with considerable level of freedom. Therefore the news that Finland joined other neighbours in the Nordic region in allowing Chinese driving licenses was very warmly received.

> *"China isn't in the United Nation Road Safety Collaboration programme, so technically we are not allowed to drive in Finland with a Chinese driver's license. Don't worry, you can still rent a car at Hertz by providing your original license and notarised document. Renting a car is more expensive in Finland than in Sweden or Norway."*

> *"Norway and Sweden both accept Chinese driver's license. As long as you have a translated or notarised document, you can rent cars."*

> *"Fortunately they cleared snow very quickly in Northern Europe. And all the cars had snow tires so driving didn't feel any different, even more comfortable."*

Some interviewed Chinese HiSpFIT travellers expressed their appreciation that English is widely used in Nordic countries, and considered this serves as an advantage to these destinations.

> *"They speak good English. You can communicate in English in almost anywhere in the Nordic region, which is not the case in other part in Europe. At least I couldn't use English in Italy, Greece or Poland. So it's easier to travel in Scandinavian countries."*

Weather, as well as other features of Polar nights the Nordic region can be rather unpredictable factors that impact Chinse visitors' experience in the Northern Europe. Season-wise,

> *"I reckon that night time in Nordic region is too long – Please plan and arrange your night activities wisely. We got back to the hotel at 5 and finished dinner at 6 and were sleepy. And we woke up 3am in the morning. And bad cycle continued until we came back home. This is the most difficult jet lag I have endured."*

Another theme that emerged during netnography analysis was Chinese social media users' compliment to "friendly locals".

> *"My expectation was wrong. People were not cold but surprisingly warm-hearted, - some would even walk me to the address when being asked for directions; bus drivers would send us to the right station; and dog owner would brag about his pet training with us on the street."*

The possibility of repeat visits to the Nordic has emerged both in collected social media discussions and traveller interviews, which should be something that Nordic DMOs work on how to facilitate it to happen.

> *"Self-driving and see the Northern Lights again. And I want to go to the fjord in summer or autumn. My last trip was in winter, so I'd like to see what summer is like. And I've heard the Norwegian seafood is good."*

Åland Islands

Being in Åland Islands, Chinese social media users generally not very impressed by the Islands.

> *"It's a ghost island! I can't even see one person. Very boring. Don't be tempted by the low price."*

> *"The little towns in Åland Islands are no different from ordinary towns in the US."*

Faroe Islands

Most of Chinese social media users who have been to Faroe Islands are amazed by its extremely beautiful natural scenery.

> *"I can't forget Faroe Islands for a long time. I watched the video I shot there. I hope that more people will know this beautiful and lonely place."*

Faroe Islands' "gloomy beauty", tranquillity and extraordinary encounters with nature together frame out what attract Chinese visitors = a chance to escape one's mundane

> *"Gasadalur is a quiet village. Water is clear and the sky is blue. I like everything about it. Are you interested?"*

> *"I arrived in Klaksvik in a drizzle. It caught my breath by its gloomy beauty. They offered free wifi in the Information center."*

Some Chinese social media users specially mentioned about their pleasant experience of interaction with the local. Such experience is essential for DMOs to promote as this is not only a gesture to intended Chinese visitors that you are welcomed here, but also to be able to interact with locals is also highly desired travel experience among Chinese visitors.

> *"I arrived in Klaksvik in a drizzle. It caught my breath by its gloomy beauty. They offered free wifi in Information center. And the staff tried to help me out even though we couldn't speak the same language."*

Iceland

The uniqueness of Iceland is of course Iceland's main draw card to Chinese visitors. It is so unique that some Chinese social media users are considering visit it again (see below text)

> *"Iceland is a very unique country, no tall buildings or busy crowds. Only the volcano rocks on both sides of the road and gloomy weather. Blue Lagoon Spa is my favorite so far. We didn't see the Northern Lights because we went in the summer. I wish we could go again sometime soon in winter."*

> *"You will never regret your trip and want to come back!"*

Some travel tips were share about Iceland's famous itineraries, including where to do, what to see, what to eat and how to go around.

> *"Self-driving is highly recommended. 2. The Golden Circle doesn't worth too much time. There are many other attractions better than it to see in Iceland 3. If you only want to see the Northern Lights, go to Nordic. Iceland has a lot more to offer 4. The hotdogs taste mediocre."*

> *"You will never regret your trip and want to come back! Most Chinese visitors that I've seen in Iceland agree."*

Norway

Despite being an expensive destination, Norway has been given positive comments by Chinese social media users. They appreciated Norway's signature attractions – Fjords, exciting activities, city architectures and still, the tranquillity that remains within all the hustle-bustle of tourism boom.

> *"Even though it's so expensive, it's all worth it when you stand by the fjord and on top of the mountain. There's no better place than this on the earth. Any precious diamond loses its beauty compared with the nature in Norway."*

> *"We joined a few tours in Tromso, whale watching is one of them. The official website said possibility of seeing whales is 99%, almost guaranteed! It had become a popular local activity."*

> *"You must have heard of huskies. Here in Finland, huskies don't only play the role of being funny and cute, but also transport and hunting. And this time we can ride the sleds by ourselves, which is different from Finland."*

> *"I only visited Oslo and it was impressive – the theatre, the sculpture park, the Munch Museum, the palace, the harbor and the pirate ship. I don't think 4 days are enough for this city. I wish I had more time."*

> *"You will miss the fun activities if you stay in hotel in Narvik. We thought of it no more than a stopover town. But it was in fact impressive. I wish we had more time there. You can get on the cable and wait for the Northern Lights on top of the mountain. We also tried cross country skiing from top of the mountain."*

> *"I got on a jet boat in Lofoten. I did the same thing in Vuokatti. It was too thrilling to forget, 500 hp. Both are very good outdoor experiences. Both places have untouched nature, clean lake and modern facilities."*

Chinese social media users' footsteps are widely spread in Norway, which is facilitated by the convenience of being able to rent cars. As mentioned earlier, to be able to drive and control the pace to travel more slowly.

> *"Now renting cars becomes easier, and I guess it's because of competition. Companies are upgrading their service. We booked via Avis and picked up from Tromso, then dropped the car at Evenes airport."*

> *"Norway is good for a relaxed trip. Every village near the fjord is worth staying. Self-driving plus trekking is the best way to travel in Norway."*

While self-driving in Norway as part of interviewed HiSpFITs, there are complaints about parking emerged from all data sources in this project.

> *"Some direction signs were not very clear. I felt difficult sometimes to find the right place. And their accent was quite strong, so English communicate was hard. I'd rather type than speak. One more thing, it was very hard to park in the northern area of Norway. Parking was very limited. We wasted a lot of time trying to find where to park. Petrol was fairly expensive. My friend said it was more expensive than other Scandinavian countries."*

Sweden

Sweden holds a very positive reputation among Chinese social media users as being a country with quality life, well-educated citizens and beautiful architecture.

> *"Sweden, an amazing country; Swedish people, highly civilised. It's almost perfect except the cold weather."*

> *"I'm sure you will be impressed when you walked out of the subway in Stockholm. It's not only the most beautiful city in Northern Europe, but the entire world as well!"*

However, Stockholm is the most frequently mentioned city, but it is hard to find many other Swedish cities or regions mentioned by Chinese social media users. The tourism dispersal needs to be improved.

There is a message with complaints from one Chinese social media users, accusing

> *"I want to complain about Sweden Visa Center. So many additional fees, delivery fee, messaging fee…And as stated on internet, even though you provide your photo strictly by their standard, it can't pass. You have to take a photo there."*

Greenland

Tourism services provided by service providers in Greenland seem not meeting the standards of Chinese visitors – as explained by some Chinese tourism experts explained in interviews: when the cost of travelling to Greenland is almost prohibitively high and only affordable for those well-off Chinese visitors, their expectation is thus accordingly high.

> *"About East Greenland tours (including Iceland self-driving), you can find information online. The price is ranged from 60,000 - 80,000 RMB with air ticket and everything included. Not many travel agents have East Greenland routes."*

> *"Very inconvenient wifi connection and it is yet expensive to get online."*

Finland

Helsinki and Finland seem giving Chinese social media the impression of two extremes.

> *"The city center of Helsinki is very small; one day is enough. There is free city walk every week and you can meet people from all over the world. Renting a bicycle and ride along the coast is a good idea. There are big shopping malls and night clubs. What I like the most is the wide and clean street."*

> *"Helsinki is a bit disappointing. Prices are high. The city and its people seem inactive. It doesn't look like a rich country with good social welfare and high happiness index."*

> *"A country of two extremes, it can be quiet and fresh or it can be wild and hot."*

> *"The sky is so blue that it's like in the fairy tale in summer. The winter snow and lake are so beautiful and vast. But sometimes I feel bored because it's too quiet. Finnish people are open and friendly. They are reserved in the day and loud when they start to drink on weekends. Their love for alcohol is rooted in genes. But I think it's cute."*

Positive dining experience was shared among Chinese social media users after their visit to Finland, which is worth further exploration by DMOs.

> *"My daughter likes Helsinki. Mei Lin Chinese Restaurant has authentic Sichuan food, especially fried spicy pork and pickled fish."*

“I have heard of the grilled salmon in Santa Claus Village. So we decided to try. The tent was in a corner, only 6 tables. We sat down near the fire and each ordered a grill salmon set.”

“I never tried reindeer meat. So I bought a pack.”

“The most northerly-located McDonald’s is in Rovaniemi. I ordered a meal for lunch.”

A wide range of activities were recommended by Chinese social media users, giving the impression that Finland has more to offer than Northern Lights, and visitors can enjoy an active winter there.

“You can see polar bears at Ranua Wildlife Park. It’s the most popular place for family trip in Lapland. The wildlife looked so energetic there. I thought they must be sleeping”

“Our itinerary is so full! It has activities for all ages. Snowboarding, downhill skiing, cross-country skiing, ice skating, snowmobile cross-country, Icelandic horse/husky experience, Angry Birds Paradise... You can find all those in Vuokatti.”

“We were tired from a whole day tour. So we went back to our room and rest after dinner. We needed energy for tonight’s ice floating which was booked on Zuzuche.”

“One day in Santa Claus Village: Get on a reindeer ride, receive Arctic certificate, go to Santa Claus Post Office, take picture with Santa Claus, try Lappish grilled salmon.”

“I booked dog-sledding 6 months ago when I booked hotel… Length: 3 hours”

“Ice floating – recommendation rating: Five stars, highly recommended. Imagine yourself floating on the freezing lake in Arctic. No matter is day or night, you can enjoy the polar views around you and experience the thrill.”

Rovaniemi, Vuokatti and Lapland have become known names with certain associated activities among Chinese social media users.

“Finland is romantic and charming, like a fairy tale.”

“My first encounter with the country happens at Vuokatti, a town by the lake.”

“Dog-sledding, skiing resort where the national team train in, Finnish sauna, and the ray when I look up into the sky.”

Denmark

Copenhagen is commented as a lovable city offering diversified elements.

“I love Copenhagen, every side of it. It gives you surprise from time to time. It’s energetic but also can be quiet. The beauty is mixed with classic and modern elements. Plus, the boiled cot is very tasty at the Chinese restaurant, south of central station.”

Chinese social media users enjoy sharing their experience of how they interact with the local, and some of their experience in Denmark praised warm Danes that they met.

“We could communicate with Danes in English but the road signs and tags in supermarkets were in Danish. We couldn’t read it. The platform of taking trains could change at any time, so ask locals for help. They were warm and friendly.”

Denmark is associated as the home of Hans Christian Andersen and welcomes large number of Chinese tourists to visit of the Little Mermaid or hometown of the famous author; however, there needs to have more and fresh elements to offer to draw more arrivals and to go further beyond Copenhagen.

> *"I knew the little mermaid was a boring attraction. There were so many people. I heard the rustle hustle as I walked closer. I didn't get too close, just took a picture from distance and left."*

Tivoli Garden and Legoland are considered to be fun attractions.

> *"Compared with Louvre and Notre Dame, the royal palaces in Northern Europe seem losing its charm. I spent 2 hours on bike and did little mermaid, the Gefion Fountain, the Frederik Church, the Amalienborg Palace and the Newport. I spent another 3 hours in Tivoli Gardens."*

> *"Tivoli is my only favourite. I went during Christmas, the decorations made it into a fairy tale world. It was beautiful like heaven, not the childish beauty."*

Copenhagen holds a reputation as being a shopping heaven with a wide range of well-known Danish brands among Chinese consumers. When compared to other Nordic cities, the travel cost is also perceived to be more acceptable by Chinese social media users.

> *"I bought so many stuff for my friends, B&O, Pandora, Moohko and Lego. They were so happy and asked me when I would go to Denmark next time. God! Stop asking me to bring stuff. How about you going there some day. You will be impressed by the view, food and people."*

> *"The travel cost in Denmark is acceptable and reasonable."*

COMPETITION ANALYSIS – TOURISM INDUSTRY EXPERTS' PERSPECTIVE

Tiina Tahvanainen / Visit Åland

COMPETITION ANALYSIS – TOURISM INDUSTRY EXPERTS' PERSPECTIVE

Nordic destinations, collectively and individually, are facing ever increasing competition from around the globe. While Nordic destinations' tourism supplies and Chinese HiSpFITs' demands are both strong, the analysis of tourism experts' interviews in this section helps to put the discussion of supply and demand into a context revealing where Nordic destinations stand in competition. Relevant comments from individual travellers are also quoted where these comments can substantiate tourism experts' comments. Destinations' strengths and weaknesses as well as opportunities are discussed under themes of branding, marketing, product development within each expert's knowledge and field of business operation.

Justification Of Industry Expert Selection

20 industry experts were recruited and interviewed in March and April 2018. To be qualified as an industry expert, they

- have been managerial positions and direct involvement of organising Chinese outbound travellers to the Nordic region;
- are major decision-makers with good knowledge of Nordic destinations and the Chinese outbound market;
- cover a wide range of business catering to different Chinese market segments: FITs, customised travellers and package group travellers;
- cover a wide range of industry sectors including tour operation, travel studio, hotel, cruise line, airline, travel B2B platform and blogging;
- are in different sizes: from one person freelancer to mega large one with 31,000 employees;
- are based in various locations: Beijing, Shanghai, Shenzhen, Hong Kong, Nanjing, Suzhou, Chongqing, Ma An Shan, Finland and other Nordic countries.

Details of these experts' companies and their positions are listed in the following table, and the justification of their inclusion and a brief summary of the interview is also provided. Interview transcripts are enclosed as Appendix C.

LIST OF EXPERT INTERVIEWED

No.	Companies	Positions of Interviewees	Justifications for Recruitment as Industry Experts
1	Qyer	VP of Qyer and GM of Destination Marketing	Leading travel related UGC platform dedicated for outbound travel. The interviewee gave examples of successful destination marketing cases through Qyer.
2	Ctrip	GM Destination Marketing (EMEA)	Largest Chinese OTA. The interviewee provided comments in the perspective of destination marketing and comparing the Nordic region to competitors.
3	LvMama	A: Destination BU Overseas Product Manager B: Administrative Deputy General Manager	Major OTA. Two interviewees discussed both group and FITs market segment from China to the Nordic region.
4	TongCheng (Suzhou)	A: Europe SBU Department Manager B: Europe SBU Line Manager	Major OTA. Two interviewees explained their needs to cater to a growing HiSpFITs market in their business.
5	CITS Headquarter	Director of Europe Department	One of the largest Chinese state-owned traditional brick-and-mortar travel agents. The interviewee is in charge of its newly established customised travel department.
6	Beijing Albatros Travel Service	General Manager	One of the very few Wholly Foreign-Owned Enterprise and specialised in luxury, customised tours and special interest travel. The interviewee provided insights of where Nordic destination stand for luxury travellers.
7	BM Trip	Outbound Long-haul Product Manager	Leading customised tours provider. The interviewee explained what interests clients taking customised tours.
8	Unique Way	Product Manager	Leading customised tours provider. The interviewee explained what interests clients taking customised tours.
9	Finnair	Global Sales Director	Nordic destinations' key strategic partner in developing the Chinese market. The interviewee specified what they have done to cater to the Chinese market.
10	Orange Way	Product Manager	Small business group and MICE organiser mainly having groups to Europe. The interviewee identified some difficulty for Chinese visitors travel on their own to the Nordic region.
11	Nordic Choice Hotels	Key Account Manager (China)	Chain hotel group with hotel properties across several Nordic destinations. The interviewee noted they have small share of FITs but expected to see strong growth.

No.	Companies	Positions of Interviewees	Justifications for Recruitment as Industry Experts
12	Jetour	A: Senior Planning Manager B: Product Manager C: General Manager (Planning)	Major Hong Kong based tour operator supplying Nordic products. Interviewees revealed the development of Nordic products and the changing taste of Hong Kong visitors towards the Nordic.
13	GuoGuo Travel Studio	Founder and General Manager	Catering to customised and small family travellers, based in Chong Qing. The interviewee supported more product training from Nordic DMOs.
14	Mioji – B2B meta search	Vice President of Public Relations	Leading platform providing B2B services, signing destination suppliers directly. The interviewee stressed the limited capacity of tourism infrastructure in the Nordic region.
15	Shile Life	Founder and Director	Leading customised tours providers based in Shenzhen. The interviewee expressed the necessity to receive more product training in order to develop more Nordic products for their customers.
16	Tallink Silja Line	Country Manager (China)	A major cruise service provider in catering to the Chinese market. The interviewee observed the difference between FITs and group travellers' difference in demands in their products.
17	Tuniu (Nanjing)	European Product Manager	Large Chinese OTA in vacation products. The interviewee identified the importance of developing products with themes for Nordic destinations.
18	Blogger	Freelancer	A travel and lifestyle blogger. The interviewee explained what his followers expect to read about the Nordic region.
19	WeGo Outbound Customised Travels	General Manager	Luxury and customised tours provider, based in Ma An Shan (3rd tier city). The interviewee provided the insights of what customers from lower cities require to travel to the Nordic region.
20	Mustard Seed	FIT Segment Product Manager	Leading tour operator focusing on product and services to Northern Europe. The interviewee revealed there are lots of space to develop the HiSpFITs market segment further.

Design Of Interview Questions

Interview questions were designed in order to cover a range of relevant aspects, including:

- HiSpFITs market segment: experts were encouraged to describe their organisations' target group and specific their views on the HiSpFITs whenever applicable.
- Competition: experts were prompted with questions asking them to identify Nordic destinations' strength, weakness and opportunities, collectively and individually. Experts were also requested to compare the Norther Europe with other destinations, particularly with other European ones.
- Branding and marketing – experts were asked to provide their views of whether to use a common brand of "Northern Europe" or individual brands in approaching HiSpFITs.

As the majority of the respondents are Chinese speaking, Chinese language versions were used for interviews with Mandarin speakers.

LIST OF EXPERT INTERVIEW QUESTIONS

1/ What Nordic products/services do you provide to your higher spending (and/or FIT) customers?

2/ How do you market to and attract these higher spending (and/or FIT) customers?

3/ Which Chinese cities/regions are your current major source markets? Will this change in the next 3 to 5 years?

4/ If you are also selling products/services of other destinations, how do you compare Nordic region to other international destinations? What are Nordic countries' competitive advantages? What are their weaknesses?

Interviewees can consider and comment on destination image(s), customer experience, visa policies, flight connections, Nordic products and services, accommodation, restaurants and food, transport, attractions and entry tickets, information and tour guides, Chinese-friendly amenities (or lack of) – payment methods, Chinese information, hot water, acknowledgement to special Chinese events such as the Chinese New Year, etc.

5/ What opportunities and challenges do you consider that Nordic countries face in attracting higher spending (and/or FIT) customers in the near future?

6/ Please make some comments about individual Nordic destinations when relevant.

7/ Do you think Nordic destinations should market under common brand(s) or promote individually in order to attract higher spending (and/or FIT) customers?

In order to maximise the depth of each interview, questions are also customised to suit different organisations when necessary. For example, below is a questionnaire customised to interview the VP of Qyer and General Manager of Destination Marketing.

EXAMPLE OF MODIFIED QUESTIONS FOR CHINESE SPEAKING EXPERTS

1/ 穷游是出境游旅行者分享目的地信息和游记攻略的最有名的平台。你们是如何吸引潜在的旅行者使用穷游的?

2/ 请描述一下穷游的用户 ——年龄、性别、受教育程度、所在城市（一线、二线、三线及以下）、出行目的（休闲、商务、探亲等）、跟团与不跟团游的比例。

3/ 北欧目的地如何能够通过穷游的平台让更多的中国高端非团体游客了解到他们的目的地信息? 并如何让这些感兴趣的游客将兴趣转换为购买行为呢?

4/ 和欧洲其他目的地相比，你认为北欧目的地的优势、劣势和机会在哪里?

5 /以上所列出的北欧的目的地中，部分为比较大众的目的地，部分为非常小众的目的地（如格陵兰岛、法罗群岛以及奥兰群岛）。如果北欧旅游局联合体为了吸引更多的中国高端非团体游客，你认为他们应该联合使用“北欧“作为共同的品牌，还是有分别使用自己的目的地品牌（如芬兰、冰岛、挪威、法罗群岛等）?

6/ 中国出境游市场发展变化很快，你认为目前的高端非团体游客的市场比例是多少? 在3-5年之后呢?

7/ (时间允许的情况下）你可以分别评论一下每个北欧目的地的优势、劣势和机会吗?

Expert Interview Data Analysis

High Spending FITs

Interviewed experts were requested to describe Chinese HiSpFITs. Some comments re as below:

- Package group remains important segment while FITs and Customised tours grow extremely fast.
- HiSpFITs do not often require expensive products, but are rather often attracted “uniqueness, service and details”.
- HiSpFITs often have a clear mind of how their trips should be.
- Some HiSpFITs search destination information online by cities rather than countries, which shows they are taking a more specific approach of query than a general search.
- HiSpFITs like to use tools that facilitate their creation and realisation of itineraries (product-oriented) – prefer to have outcomes rather than collection of information only.
- HiSpFITs can travel in smaller sized groups, and the maximal length they are willing to stay at one destination are no more than five days.
- HiSpFITs do not include too many countries into one single trip, as they exhibited in trips to nearby neighbouring destinations.
- HiSpFITs’ needs are better defined based on their information search and as being more experienced and better-off travellers.
- The frequency of travelling overseas is visibly increasing among HiSpFITs.
- HiSpFITs have high level of learning and acceptance for new things and niche destinations.
- The attitude and level of services in Scandinavia needs to be improved to welcome more FITs.
- Distinguishable destination marketing can be effective and helpful for travel service provider to target HiSpFITs.

Competition – Strengths, Weakness and Opportunities

Strengths

Interviewed experts agreed almost unanimously that Nordic destinations' strength is its unique nature, and a number of signature activities such as chasing Northern Lights, taking an icebreaker cruise, riding the scenic train viewing Norwegian Fjords or staying in glass igloos.

> *"If we see Europe as a whole, Nordic region's biggest advantage is natural resources. It's very unique. Western and Eastern Europe doesn't have that. Also, the Northern Lights tour has gained popularity since 2016. Santa Claus Village and snow related activities are very attractive too."*

These aforementioned activities take place in both winters and summers, challenging and also exciting Chinese visitors' usual view that winter travel can be dull. With younger travellers becoming capable to afford long-haul trips such as those to the Nordic region, Northern Europe will continue to see increases from China. In addition, a Nordic summer trip can offer cool temperatures, natural sceneries, stylish architectures and non-ordinary activities, which are appealing to all age groups.

> *"The peak season is the hottest period in China, so people are willing to go somewhere cool to avoid the heat. In winter, a lot of snow-related activities can be arranged at Rovaniemi and North Pole."*

> *"Nordic region has many unique villages, theme parks and national parks, which I think high-end customers are interested in. They can even host activities like fishing and farming. Education has huge potential. Parents like to send their kids abroad for a summer camp and learning an interesting skill."*

Additionally, even the diversified means of transportation in the Nordic has become part of the indispensable Nordic experience during a trip.

> *"I think it (the way to connect and transport in between of cities and regions in the Nordic) is an advantage. Driving and taking coach can be exhausting while in Nordic region, you have many choices, vehicle, train, cruise and flight. Our customers found it fun to get on the ferry boat because it's not common in China."*

> *"Chinese travellers are following the "travel like locals" trend, especially FITs to experience the local culture. We can see growing number of Chinese travellers onboard our cruise ships are enjoying the cruise, such as watching onboard entertainment, visit the bars and club, shopping for local souvenirs, etc."*

Besides these tangible tourism attractions and activities, the Nordic culture and lifestyle also attract Chinese HiSpFITs – travel is the means to be able to experience and feel these intangible attributes of a place. However, there is no recipe of how to successfully transfer these experience into a marketable destination image or even tangible tourism products.

> *"Speaking of advantage, their culture is attractive, such as the high index score of happiness and Nordic design. They are born with these advantages."*

Interviewed Chinese experts also pointed out that the Northern Europe is perceived to be safe thus attract Chinese HiSpFITs and, in particular, families travelling with their children or sending their children for summer/winter camps to Nordic destinations. Such a view is also shared by Hong Kong experts.

"Safety is a big advantage. It's safe to travel here. The populations are smaller which means the traveling experience is better."

"Hong Kong trends have moved down to Europe in recent years because of terrorism in Central Europe. So now we moved up more to Scandinavia."

In addition, Nordic destinations have good connections with China – both from the perspective of tourism infrastructure (visas and flights), and the perspective of political and economic relations.

"We use Finnair and SAS most of the time. Both of the airlines have office in China so our communication is easier. Visa process is quick."

"Nordic countries hold a friendly relationship with China. Safety is ensured. Chinese run business in Nordic region. There are Chinese restaurants and shops in 1st and 2nd tier cities in the Nordic region."

A number of interviewed experts stressed that their companies focus on providing excellent customer service. As they stated, currently the Nordic products are relatively more expensive than other long-haul or European ones, therefore their customers also have a higher level of expectation. HiSpFITs, in interviewed experts' view, are generally more experienced travellers and having more specific requirements. Such commitments may have led to actions, and experts revealed that customer satisfaction level is high. This result is consistent with the 4.5+ rating that interviewed individual travellers gave.

Weakness

Most interviewed experts pointed out that Nordic products are expensive ones, which is consistent with findings in demand analysis.

"(Their disadvantage is the) high cost. Northern Europe is "notoriously" expensive for everything, from service to commodity if compared to other parts of Europe. This may not be something that they can change, but we do feel it makes our job more difficult to sell products to these destinations."

"(Finland)'s popularity got undercut by Russia last year. Why is that? The traveling expense has remained high. They need to dig more into their resources. There are so many competitors on the market, why do customers choose you?"

Interviewed experts further pointed out that the seasonality of Nordic products and the inadequate capacity of tourism infrastructure that exacerbate the issue of travel costs.

"Seasonality is another problem. We can promote year round products to the rest of Europe but there is no consistency when it comes to Nordic region. Only Finland is fine."

"I think the reception capacity of Northern Europe is limited, like Iceland, so are Fjords in Norway, or glass houses in Finland and the accommodation in winters. It leads to, for example, having to book a lot of rooms in summer in advance, because we know, in one city, there are only three or four hotels above three stars. Once we book them, we don't need to worry about selling them out to our customers. The capacity of accommodation is limited! It is a disadvantage for Nordic countries - more tourists cannot get in, but the price still goes higher. A room cost 100 Euros in normal days will cost 500 Euros on December 24th and 25th. It is crazy. So Nordic's tourism infrastructure is a significant bottleneck."

However, when seasons, climate and seasonal phenomena form part of the consumable tourism products and attraction, seasonality seems to be a natural result and necessary costs the industry has to bear. What can be changed, or to be decided to change, is tourism infrastructure. Interviewed experts mentioned a number of aspects of the Nordic tourism infrastructure should be given attention to, if HiSpFITs are targeted.

> *"Transportation is another problem. I've talked with some rental car companies in the Nordic region and learnt that driving by oneself could be difficult due to unfamiliar road signs. The signs are not in English. I've heard tourists say they are stressed when it comes to parking because they don't know where to park."*

> *"People also know very little what they can buy during their trip to Northern Europe. But for Chinese, visiting somewhere and buying some souvenirs and luxury brands is a normal part of their trip and they do expect this happens."*

> *"And the closing hour in Scandinavia is quite early. People are left by themselves. So the service caters to a very small population of Chinese. Especially if you are a high-end traveller, you want to get what you pay for and this is not the case in Scandinavian countries. Like in a restaurant you are not supposed to close someone over and in hotels, there is no quick checkout. And the opening hours are very strict, 9 -6. If you are late, there's no way you can get in."*

> *"Some solutions to these concerns may be advancement of technology in providing better navigation apps or destination information apps. But when the concern is caused by the difference of lifestyle between China and the Nordic region, there is less need for Nordic destinations to make changes but rather provide creative alternatives and facilitate cultural communications. In South Korea, for example, Chinese visitors are provided with shopping apps through which they can order goods online during evening time, then pick up their orders in the next day from department stores."*

A number of interviewed Chinese experts remarked that the work with Nordic service providers was not successful. Others pointed out that the quality of services that Nordic suppliers provides may suit other European or American clients well, but such quality of service is considered inadequate among Chinese visitors, if compared to what Japanese or Australian suppliers can provide.

> *"Communication with local hotels wasn't successful. We don't have direct connection with local operators… They (Nordic suppliers) have good products and want to promote it, but they worry too much if they can get enough customers. And the communication is so complicated because of the time difference."*

Despite there is an outcry among some interviewed Chinese experts that new and interesting Nordic products should be developed, and current Nordic products are identical and lack of novelty. Nevertheless, one expert whose company is dedicated to quality travels to Northern Europe exemplified how to make changes through their cooperation with regional tourism boards and product development.

> *"We started cooperation with Visit Vuokatti last year. They signed a contract with China about the training grounds for Winter Olympics. Chinese athletes will go to Vuokatti for training, such as skiing. Vuokatti is famous for being a training ground for China for Winter Olympics. Ten years ago, Vuokatti was very popular for Russians, so they have solid infrastructure. But these years saw a drop as the Russians do not go there anymore. Then Vuokatti has to look for other markets."*

Finally, while most discussion of HiSpFITs are within the first tier cities and most advanced second tier cities, there are also travel demands in lower tier cities, in spite of small volume. Issues that travel agencies in lower tier cities face when they want to sell Nordic products can be technical issues such as the lack of access to visa services, or the low market awareness of the Nordic region.

> *"Visa could be a problem because they need fingerprints. If I'm from Henan, I have to go to the visa center in Beijing to record my fingerprint. Some countries such as France and Italy, they have 48 hours express visa. You can go to visa center two days in advance before your departure date and get your visa in time. Right now only Sweden opens more than one visa centers that records fingerprint. Finland's express visa is 72 hours. From my end, I can see why some clicks didn't convert to purchase, visa is one of the most common reasons."*

Opportunities

Some interviewed experts attributed the honeymoon period of high growth of Chinese arrivals to the Nordic region to its novelty (being relatively "new" destinations). Despite the truth is that many Nordic DMOs have invested for years in cultivating the Chinese market and the success is not a coincidence, Nordic DMOs should take advantage of such novelty factor in continuing to invest and promote new products and in-depth experience to HiSpFITs.

> *"But the opportunities also lay there. More Chinese travellers are going and every five to ten years, they get new visitors and repeated visitors. So these new destinations have great potential. The competition is going to be intense too. So it all comes down to who would invest in Chinese market first. There are so many destinations already, why do I go to a specific country? Maybe I want my friends to know, or I know that place well in regard to history and culture. Or simply it's fun. It's good value for money. If a destination has all these motivations, it's not far from success. If they are not doing anything and expecting people to come, I think opportunities will slip away."*

> *"The Nordic region has museums, Legoland and IKEA. They can learn from Germany which has built a series of car museums. I think they should brainstorm what do they have and what do Chinese tourists like, and then find a promotion key message for different segments."*

Themed tours, Arctic products and business groups can all be some areas that the Nordic DMOs can give more efforts in product development and promotion.

> *"The Northern Light is a sales point but it's not as a highlight as it used to be. It got destroyed by too many guests. We don't use it very much, we use Arctic culture and Eskimos. Fliggy sells about 1,400 -1,500 USD to Finland. It brings 4,000 -5,000 people."*

> *"It was a buyers' group and they demanded us to make a customised travel. They went for local stores to choose products because they are buyers. They went to Denmark and wanted to go to some stores for design. I have also done a trip for an investment company for the tour to Iceland and Denmark as a prize for their employees."*

Some interviewed experts suggested that if Nordic destinations can integrate more Chinese friendly amenities – such as online payment, Chinese-speaking experts and basic equipment such as slippers and water boilers – it will ease the way to be integrated into Chinese travel agents' inventory systems. Or, simply find a way, literally, to cater to Chinese stomachs.

"So our opportunity lies in if we can integrate Nordic high end resources, like wooden houses, lake resorts and family villas. For activities, can they provide Chinese-speaking guide in museums, or provide slippers and kettles in hotels? That shows it's truly Chinese-friendly."

"I will talk about food. Chinese care about food very much are not satisfied by a simple meal. If they could provide decent and creative local food, I think it would attract customers. Again our clients are high-spending FITs, so they have high expectations in regard to arrangement and service."

Finally, Nordic DMOs have more powers in China in changing the market than they may have in other source markets. Destination DMOs are deemed by Chinese agents as at the same level of China's CNTA (China National Tourism Administration) which can exert influence on Chinese tour operators' choices of destinations and products. More frequently and targeted road shows, product training, joint marketing campaigns can support Chinese travel agents to sell products better to HiSpFITs.

"If they aim to bring up the level of their tourists, there has to be some change. Can they give us their quality operators? And all three parties focus on high end customized trip. Then we can see how the result is. Now we are doing too much talk but no action. We all know the need exists, but no one does anything."

Branding and Marketing

Branding and Marketing

Interviewed experts – both Nordic and Chinese – concurred that brand building is a long term commitment, so is product marketing.

"Destination marketing is something we have been doing since the beginning. We have a large database which enables us to target the specific group because we can find people who are the high-spending FITs, who like to book 5-star hotel, to fly on business class and who frequently take long-haul trips. So we can help SLB to reach the target audience and make their campaign more effective. For conversion, it's more complicated and takes time. You need to build your awareness first. If a product is good value for the price is another factor. In other words, once a consumer is interested in the Nordic region and we promote relevant information to him. Whether or not he will convert his interest into buying depend on if we provide enough products to him and if those products are attractive that he is determined to go to that destination. So it's long process and doesn't happen after one or two campaigns. Many tourism boards keep building brands so that there's a change to grow the conversion."

The key branding and marketing message to Chinese trade needs to be more clear and better specified. For example, Denmark, Finland, Norway and Sweden had been called "the four countries in Northern Europe" since 2004 when all Nordic destinations made ADS Agreements to visit these four countries. Since then this label was promoted by Chinese tour operators until 2017, DMOs of these four countries continued to promote it with Mafengwo.

"The Nordic tag is nature, but it doesn't give tourists a strong reflection. The views in four Scandinavian countries are similar. They don't make themselves stand out. So nature is originally an advantage, but overusing turns it to a disadvantage."

"Through my conversion with clients, I learned that the nature views, architecture, even food are very similar."

More specifically, some interviewed experts suggested that each destination holds specific unique sales proposition, so marketing and product development should cater to different destination accordingly.

"Norway has the best nature view in the world. Denmark is the hometown of fairy tales. Through Finland, people can go to Sweden and Russia. Sweden is famous for IKEA, Volvo and the Nobel Prize. Iceland has three glaciers and offers 72 hour free transit visa."

"We have regular routes such as four Nordic countries, – Denmark, Sweden, Norway and Finland. For family trips we recommend Sweden + Denmark; for sight-seeing, we recommend Norway + Iceland; for single country in-depth tour, we have Norway, Iceland and Finland where customers can choose to go in summer to avoid the heat, or in winter to see the Northern Lights."

Themed tours can attract customers who are interested and some themed tours can offset seasonality.

"I guess we have to be more focused on habits again. To look more closely what the clients want, photo or education or Arctic food. Boost brand awareness, Arctic brand. We have like a photography association for serious amateur photographer. The Arctic and Scandinavian are becoming more popular and Scandinavia is welcoming the mass travel."

The importance in deciding on marketing strategies – while some suggested to holistically approach all channels, others utilised specialised sales channels for special interest market segment.

"If you'd like to promote a destination, we recommend integrated marketing. We have a lot of experiences in this area working with tourism board. Our successful cases include Iran, Palau and Kamchatka. What we usually do is we have a content pyramid, we create content of a new destination and we do forum engagement with users. And in business area, we provide products. And we encourage users to write more blogs after their trips. So it becomes a cycle.

That means it take more specialised work. We have companies in China that specialise in education. And they have license. That's a 15,000 - 16,000 USD product."

Regardless about marketing strategies, experts pointed out that content is important for attracting HiSpFITs to the Nordic region.

"We write original articles for our WeChat accounts and treat content as important. We haven't invested too much in advertisements but concentrate on content creation. We think the transformation from market to consumption is decided by, for example, when you want to stay in glass house, you will find information provided by Mustard Seed, then you know what we have written is good, then you know our service is good."

Common Brand or Individual Brands

When it comes to answering the question whether Nordic destinations should have a common brand as "Northern Europe" or have individual brands to market to HiSp Chinese FITs, there are different voices.

Most experts voted for a mixed branding strategy to have both a common brand and individual brands; more specifically, the umbrella (common) brand can be useful for package group segment, and individual brands to make Nordic destinations appealing out of competitors.

> *"Personally I wish to see each country has its own theme so that the traveling experiences are more in-depth. I've got inquiry from FIT clients that they just wanted to visit one country for seven to ten days. And branding under a big umbrella sounds like a good idea for group tour."*

> *"I would say both, maybe mixed. Scandinavia should be the ground for this kind of communication. And under this base of course you can list some specific destinations or experiences that would create interest. And when they come, they will visit as many Scandinavian country as possible. Or if some people who really focus on something. In Scandinavia, they now stop, try to settle, to explore more, e.g. of Stockholm more, of Copenhagen. To do more activities. So to all sides it's beneficial. If they decide to travel in Nordic countries or just one city and do things around, any way it's beneficial to us. So I think we need to pick story about specific destination definitely, not only talk about general Scandinavia."*

There are also voices that voted for a combined tourism board in order to create a stronger brand, but these experts also expressed that there will be danger of prioritising tasks and budgeting for each DMO stakeholder.

> *"Sweden wants to do social media, intimate focus on FIT directly. And Norway wants to do B2B. That means they want to do studio for agents, because Norwegian structure is more catered to B2B. So the big problem is how both of them can achieve their goals under the same umbrella."*

There is not lack of voices supporting to go completely individual brands, and interestingly, both voices are opinion leaders (one blogger and one ex-journalist who is running a travel studio now).

> *"Faroe Islands and Åland Islands are not as well-known as Greenland. I think Greenland can stand up and do their promotion alone, like Iceland. Iceland is really popular around the globe. There are all kinds of products, Scandinavia plus Iceland, UK plus Iceland, Southern Europe plus Iceland, just to name a few. So Greenland can learn from Iceland. I think marketing individually is a better way. Finland is an example. They have done so much in recent years, regardless of online or trade fair. "*

FINDINGS AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

Strategic Questions to Ask

How to sustainably grow the Chinese market

Economically, to sustainably grow the Chinese market means that, the Nordic DMOs need to sustain the economic benefits brought by Chinese visitors. Numbers of visitor overnights produced by Chinese visitors in Finland, Iceland, Norway and Sweden have undergone a fast growth period since 2014, so has the Chinese arrival number to Greenland. Denmark appears to be an exception, while DMOs in the Faroe Islands and Åland Islands acknowledged the Chinese market is not their primary target market.

Undoubtedly, Chinese package group tourists have contributed largely to the absolute number of visitor overnights. Majority of Chinese visitors to the Nordic region came as group tourists, who contributed significant economic benefits to the Nordic economy and local communities with benefits such as tourism revenues, employment, improvement of infrastructure and the diversification of source market. This is mainly because tourism resources in Nordic destinations have strong seasonality and the arrival of large amount of package group tourists can only exacerbate the severity of seasonality. Major destination marketing done by Nordic DMOs in China so far has focused on increasing the awareness of each Nordic country of its most famous landmarks, must-see and must-do in the Chinese market.

In order to sustainably grow the Chinese market, the package group market segment should continue to be maintained and grown in a balanced manner along with the High Spending FITs segment.

However, the issue of having large percentage of Chinese package group arrivals is not only putting heavy strain on tourism resources during peak seasons, but also the Nordic host destinations see lower yield to local economy and arrival concentration in mainly capital and gateway cities. Despite Chinese group visitors spend generously on shopping, collected group itineraries in this project show that these shopping are done mainly in department stores where Chinese visitors buy luxury brands just as what they would do in Paris or Tokyo, while their tour operators press every cent to save on accommodation, foods, entry, etc. There are indeed “optional activities” listed out in Chinese group tourists’ itinerary contracts such as entry tickets to for example, Drottningholm Palace or additional charge of taking a cruise in the Sognefjord. However, many group visitors opt for not spending on them because they wish not only to save money for shopping in department stores or airport duty-free stores slater, but they also have a long list of such kind of “optional activities” to decide which ones to take or skip.

Chinese group tourists’ concentration on visiting capital and/or gateway cities and landmarks can be more severe in some Nordic countries such as Denmark but a lesser issue to, for example, Finland.

Therefore, Nordic DMOs need to strategically promote their destinations and products to other target groups, such as the identified High Spending FITs than the package group market segment in order to sustainably grow the Chinese market.

How to better manage the seasonality of the Chinese market?

Firstly it should be acknowledged that issues of having strong seasonality is part of the path in building brand awareness and market education. The successful unique selling propositions of the northern part of the Nordic countries as winter destinations and Norway, in particular, as summer escapes have contributed to the concentration of arrivals. Addition, special events such as Chinese visitors' safety concerns over terrorism attacks in Western European countries lead to Chinese visitors' destination shift to the Northern Europe which is perceived to be peaceful, safe and trendy in the most recent couple of years. Therefore, the Chinese market is still flexible in the way that Chinese travellers are not strangers to changes in destination images and can embrace novelty as far as it is marketed successfully in an already known destination. When Chinese visitors come to the Nordic region, they anticipate travelling from country to country, participating in activities and "wait to be surprised".

It is also important to understand that the seasonality issue is mainly caused by large amount of package group tourists who visit the Nordic region in specific periods concentrating on of certain periods of time due to a lack of paid leave but having to travel mostly during public holidays – for example, the Chinese New Year (between January and February) and summer holidays (between July and August). For this part, Nordic destinations can have little influence on.

Nevertheless, there are potential ways to manage the seasonality of the Chinese market:

Focusing destination branding and marketing strategies in educating the Chinese market of Nordic's off- and shoulder-season attractions and activities:

- Trade marketing to the industry: provide product training and workshops to Chinese tour operators (online and in-person), organise roadshows and participate in key trade fairs, organise FAM tours, manage marketing campaigns together with Chinese tour operators, airlines, hotels and other service providers.
- Consumer marketing: manage contents and market through Qyer and Mafengwo, manage one's WeChat and Weibo accounts, live-stream through KOLs, movie/TV productions, etc.

Developing products and services that contain specific themes and activities that can be impacted less by seasons/climate, for example:

- Photography (in any season)
- Northern European architecture and Scandinavian design
- Foodies' trip to taste and learn healthy Scandinavian way of cooking
- Self-driving

Developing the market segment of HiSpFITs, aiming at having higher yield customers and tourism nights but not necessarily contribute to increase in arrival number.

Developing marketing strategies aiming at attracting repeat travellers, who tend to visit Nordic destinations in non-peak seasons, go further away from main gateway cities and stay longer in one destinations.

Developing the market segment of Chinese senior travellers, connecting Nordic destinations with Baltic States or Russia.

Investing in expanding carrying capacity – more qualified Chinese speaking staff and tour guides, suitable hotel rooms and (Chinese) restaurants in order to provide quality services and achieve high traveller satisfactions.

How to better facilitate geographical dispersal of Chinese tourists?

The current issue of having Chinese visitors mainly concentrated in capital and major cities is caused by a number of factors. Firstly, similar to the cause of seasonality, Chinese visitors learn about the Nordic region through a wide range of media, from WeChat, Weibo, to including designation marketing by Nordic DMOs to inspiring TV, movies and other friends and families. Fundamentally Nordic DMOs need to consider marketing through all these channels with information that demonstrate and encourage tourist dispersal.

Secondly, where Chinese visitors travel to is also related to how tour operators package products. Through trade marketing and joint campaigns, Nordic DMOs should be able to launch new routes and products that showing the feasibility of desired routes.

Self-driving is not only a popular transportation means among Chinese FITs, but also driving through the country side, along lakes and mountains is considered widely by Chinese FITs as a symbol of freedom and is an essential part of their travel experience. While the desire to travel in the Nordic by self-driving a car, it is also widely commented by individual travellers and also industry experts in interviews that due to a lack of road signage in English language, they found it is inconvenient navigate their ways or to find appropriate car parks. The recent move by the Finnish government in February 2018 to allow Chinese driving licence in Finland made waves in Chinese travellers' community – this is a policy change will be helpful for Chinese tourists' dispersal, although relevant facilities, such as English signage, downloadable navigation maps and apps, information of parking and road safety should also be provided to Chinese drivers.

Nordic cities that Chinese travellers visit the most are either getaway cities are those that serve as flight hubs, such as Copenhagen, Helsinki and Stockholm. Others that are included as important attractions themselves are Rovaniemi, Reykjavik, Bergen, etc.

Potential ways to encourage Chinese tourist dispersal include:

- Improvement in trade marketing and consumer marketing to educate Chinese tour operators and travellers of products outside of major cities.
- Developing products and services that educate Chinese tour operators and travellers of products outside of major cities.
- Improve conditions and safety for Chinese self-driving visitors.

How to increase awareness of the Nordic region and individual destinations

China is a diversified market with the complexity of outbound tourism development varying largely between first tier cities and lower tier cities. Residents in first tier cities and lower tier cities differ in terms of:

- The desire to visit Northern Europe (with lower tier city residents may only have started travelling outside of China, or only having been to nearby Asian destinations)
- The ability to afford a Nordic trip (with residents in first tier cities having more disposable income on average)
- Access to visa application centres and flight connections (with first tier cities having better infrastructure)
- The development stage of HiSpFITs vs. groups (with lower tier cities having more package group tourists on average)

Consequently, the actual departure, as well as comments made by interviewed experts in this project both show that Chinese first tier cities are the major source markets to the Nordic region currently. Nordic DMOs' strategy of brand building should also differ – when FITs and customised tours are on rising from Chinese first tier cities to the Nordic region, many second tier cities are only making their first visit to Europe and the Nordic in the form of package groups.

Findings in this project let travel experts vote for three options: Northern Europe as a whole, differentiating each individual brands, and a mixed branding approach while promoting the Northern Europe as a whole, emphasising themes and activities to differentiate as well combine individual brands, country and region's strength.

Chinese public generally thinks of Northern Europe as one region (excluding Greenland and the Faroe Islands) and looks into travelling to this region as a whole as opposed to individual countries. However their perception of Northern Europe is changing and increasingly recognising the Nordic countries individually. These FITs are opting to spend more time in fewer destinations in order to gain a deeper understanding of each country and what it has to offer.

Finally, COTRI's initial consultation with each Nordic DMO and desktop research result show a significant level of disparity in each Nordic destination's

- Intensity and depth of marketing development activities
- Market presence
- Understanding of the Chinese outbound market

Therefore, we recommend to take a mixed approach in marketing and branding – while promoting Northern Europe as a whole, differentiating individual brands by emphasising on activities and themes. Branding and marketing strategies should be reviewed every two years to ensure they remain relevant to the development of the Chinese outbound market.

Business Ecosystem of The Chinese Outbound Tourism Industry

Still young and developing, the Chinese travel industry has evolved from practically zero to a highly sophisticated ecosystem in just three decades. 30 years ago, China did not have conventional travel agencies and their function was fulfilled by governmental foreign affairs offices that predominantly served visitors from outside China. Some of these organisations eventually developed into modern state-owned and commercially self-sustained travel agents.

A key distinguishing factor of the Chinese market is the fact that there is only a thin line between wholesale tour operators and travel retail agencies. Overseas, "travel agencies" are typically companies with physical retail stores, while tour operators are those that primarily develop travel packages and manage tour operations. In the Chinese market, however, these two terms are effectively interchangeable. Chinese tourism wholesalers, for example, may often not only create tour packages, but also sell their products directly to buyers online, via media advertising or even in their own retail stores.

In addition, the Chinese government can exert strong influence on, and sometimes even interfere in the industry's commercial activities through the previous CNTA (China National

Tourism Administration) and trade associations (such as the CATS, China Association of Travel Services). CNTA, for example, used to maintain control over issuing licenses that allow outbound tour operation and only Chinese tour operators that can fulfil certain requirements of deposits for liability insurance, office set-up and staffing can obtain such licenses. CNTA has recently merged into China's new Ministry of Culture and Tourism and its role and power may be adjusted.

By 2017, there were around 3,000 Chinese licensed travel agents that can organise outbound trips. In general, group travel still plays relatively large part of the Chinese outbound travel industry, however HiSpFITs (including individual FITs and customised tours) is growing at a faster rate.

Wholesaler/Large Tour Operators

Wholesale travel agencies cater mainly for package group business. Many of them are expanding their distribution networks by setting up branch offices or sales representatives in secondary and other third tier cities.

There is a growing trend that some wholesalers also penetrate to retail operations within the same business and are recognised as both wholesalers and retailers.

Retail Agents

Many retail travel agencies have been expanding their outlets or stores within China and are beginning to focus on FIT and customised tour products (thus HiSpFITs).

But as mentioned earlier, there is often a blurred border between Chinese travel retailers and wholesalers.

Online Travel Agencies

Online bookings are increasing at a greater rate than traditional channels, and the main service providers in serving HiSpFITs.

Some online travel portals such as Ctrip.com, Qunar.com, Tongcheng.com and Tuniu.com have been successful in the market, particularly with air ticket sales and hotel accommodation bookings.

Traditional travel agencies, either wholesale or retail, are making use of third-party portals to promote their products, such as Ctrip.com, Alitrip.com, fliggy.com and Tuniu.com

International suppliers who are willing to work with Chinese OTAs often are often required to make a refundable deposit bond to the OTA as a guarantee to ensure disputes with customers can be solved in a timely manner.

Inbound Tour Operators

Inbound Tour Operators (ITOs) are a vital link in the travel ecosystem for the Chinese market. Traditionally ITOs served mainly package group business. Increasingly ITOs based in the Nordic region have started catering to HiSpFITs either directly through online bookings, or working in partnership with OTAs and China-based travel services providing customised tour services.

Recommended USPs and Branding

Summary of Findings

Our search analysis (Appendix E) shows that the Chinese public generally thinks of Northern Europe as one region (excluding Greenland and the Faroe Islands) and looks into travelling to this region as a whole as opposed to individual countries. However, when solely looking at FITs and high-spending FITs, as seen in the netnography and traveller interviews, it is clear that their perception of Northern Europe is changing. Even though this group finds it somewhat difficult to differentiate between the countries and their characteristics, they are increasingly recognising the Nordic countries individually. These FITs, like their Western counterparts, are opting to spend more time in fewer destinations in order to gain a deeper understanding of each country and what it has to offer.

Due to this increased desire for individual country understanding, as well as the dominance of "Northern Europe" (北欧) in the current Chinese terminology and understanding of this region, we believe that the question of marketing in the Chinese market should follow a two-pronged approach, with both a joint "Northern European" brand and individual country brands. This branding strategy emphasises the different brands working in harmony in order to raise general awareness of the Nordic region while simultaneously maintaining individual brand messaging and objectives to promote high-spending FIT travel.

Based on our previous analysis, we categorise the Nordic brand and Individual DMO brands into 4 groups:

Category	Includes	Remarks
A: Northern Europe Brand	Nordic Region as a whole, including the eight countries of this study	Suggested brand for the Nordic region
B: Relatively Mature in China	Demark, Finland, Norway, Sweden	Currently popular and extensive marketing efforts in china
C: On the rise in China	Iceland	Rapidly increasing awareness, though few marketing under-takings
D: Starting ups	Greenland, Faroe Islands, Åland Islands	Low awareness in China and no visible marketing

The Goal of Nordic Brand

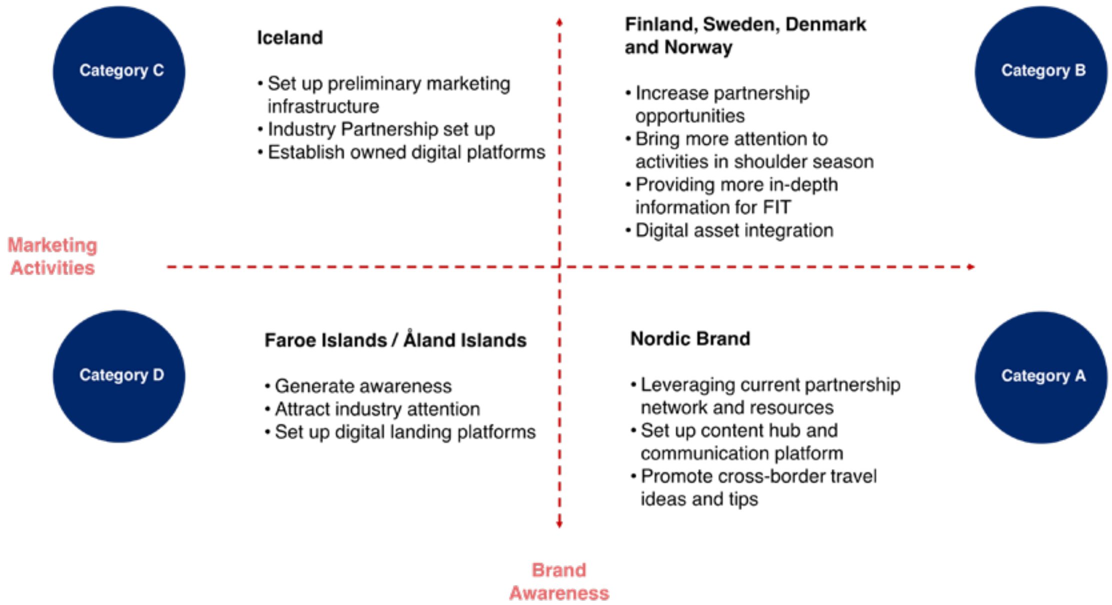
The Nordic brand, incorporating the eight brands of Finland, Sweden, Norway, Denmark, Åland Islands, Faroe Islands, Iceland and Greenland, should serve as a central brand hub for the region. This brand will focus on promoting awareness of the Nordic area as a whole, as well as cross-border and themed travel. Brand messaging should focus on Nordic USPs as a whole, such as the Northern Lights, winter wonderland, clean and pure environment and outdoor activities, to showcase the unique and diversified Nordic region and serve as a gateway to the region as a whole. The Northern Europe brand will work to open up conversations around individual countries by introducing individual destination USPs on a regular basis.

Goals of Individual Country Brands

As reviewed in the individual brand positioning section of this paper, each of the Nordic destination holds a specific positioning in the Chinese market as well as its own unique selling points. However, in reviewing the netnography and interviews surrounding the Nordic region, it is evident that many Chinese FITs fail to see clear distinctions between the destinations, often muddling them together as “Northern Europe.” Moreover, when speaking about specific destinations, many travellers fail to identify more than one or two selling points or experiences for each place. We can therefore conclude that more still needs to be to done to effectively brand and market to the Chinese consumer to ensure that each unique voice is heard; individual countries need to take a lead in the Chinese market and work to stand out from their Nordic neighbours.

Brands should work to not only emphasise their unique selling points and display them for Chinese FITs, but also show them how to best experience these selling points themselves, as well as emphasising their place in the Nordic experience. Keep in mind here that the information provided to travellers will have a direct effect on traveller trends. If destination itineraries are only provided for hub cities, travellers cannot be expected to spread their itineraries to cover different areas of the country. This holds the same for seasonality and activities. DMOs need to ensure that their brand positioning in the market is broad enough to accommodate sustainable travel to their destination.

Recommended Marketing Strategy



Brands should have a presence on the same spaces and platforms where their target audience is already located and create a marketing plan which fits in seamlessly with their natural routine. In the case of China's high-spending consumers, this routine is largely centred around digital. Our interviews and extensive experience in the Chinese market show that whether it be through website, WeChat or other travel platform, digital plays an active role in the lives of Chinese high-spending FITs and is a main contributing factor to their trip planning. We therefore recommend that all Nordic DMOs work to have an active presence on these digital channels, including owned assets such as a brand website, WeChat and Weibo, as well as specific travel platforms like Qyer and Mafengwo. That being said, digital is only one part of destination marketing and should be integrated with a holistic marketing approach, including B2B and other more traditional forms of marketing.

B2B and offline marketing, though losing attention to digital marketing in China, still play a critical role in the Chinese travel market. B2B marketing, though more effective for the market as a whole, also contributes to high-spending travellers who go through tour operators to plan and book individual activities or segments of their trip or complete customised tours according to their specific requirements and interests. Moreover, guides and itineraries from tour operators make up a large section of the itineraries seen on popular online travel platforms, including Qyer and Mafengwo. As seen through the FIT interviews, these are key sources of trip planning information. Offline marketing also plays an important role in destination marketing in China, and can be especially effective for high-footfall events. However, it's important to note that these offline activities in China include online elements and should connect the target audience back to the online space for booking if suitable. This is most commonly seen through the use of QR codes, which prompt consumers or B2B partners to scan the code and enter the digital space for more information and a call to action.

While digital is a vital factor of marketing to high-spending FITs, its exact role and context compared to other more traditional marketing forms varies depending on what stage destinations have currently reached in terms of brand awareness and penetration in the market, as well as budget and goals. The marketing strategy for Nordic destinations is therefore broken down as follows:

Category A. Nordic Brand

From a B2C prospective, the presence of a Nordic Brand website as its own entity is a must have, while an accompanying WeChat account is optional. The Nordic Hub website should be hosted in China and searchable on Baidu, providing general Nordic and multiple-destination travel information. Content should include visa application and flight information, as well sample itineraries and ideas for themed travel. This platform will also serve as a channel to promote cross-border journeys and function as a starting point for Nordic travel, which can then narrow down to the nitty-gritty of each country by leading back to individual country sites. The WeChat account is labelled as optional primarily because although it could be beneficial to the development of a strong Nordic brand and establish a closer relationship to FITs, it is secondary to the website, which would serve as the primary hub for information. Therefore, it is best to first focus efforts towards a website hub and then expand out into a WeChat during later stages of brand development.

A platform matching all of these criteria does not currently exist. The Scandinavian Tourist Board website, beiou.org, comes close in that it is searchable on Baidu and loads smoothly in China. However, this site only encompasses Norway and Denmark only and essentially serves as a portal to their individual Chinese websites. Though there is some information on these destinations on the site itself, there is a clear split between the two countries with little to no crossover, making it largely indistinguishable from the owned country platforms themselves. The Nordic Surprises website, nordicsurprises.com, is another example of this. Though this site has more advanced branding than the Scandinavian Tourism Board and incorporates each of the four Scandinavian countries, it serves only to lead users back to the individual websites, with no information on the site itself. Moreover, it is not searchable on Baidu even when using the exact English phrase of “Nordic Surprises.”

Leveraging current partnership network and resources of the individual brands, communication of the new Nordic brand towards the B2B market can be fast-tracked. Press releases and government relations are two important considerations here in introducing the new regional brand to the market.

B2B marketing should also be used by the Nordic Brand in order to promote cross-border travel and content. Ideas about themed travel trips as well as low and shoulder season travel should be shared with tour operators and cooperation between the two sides should be prioritised to guarantee that the message is well-received and translates into new and interesting trip itineraries. In order to facilitate this, consider setting up FAM trips that follow new routes based on themes and activities, as opposed to specific destinations, and take place during different times of the year.

Category B. Relatively Mature in China

The four countries of Finland, Sweden, Denmark and Norway have relatively well-developed trade marketing and partnership resources in the Chinese market, especially Finland. The goal in this area is therefore twofold: first, to increase partnership opportunities in order to spread awareness on a wider basis to second and lower tiered cities. This can be achieved through partnerships with regional tour operators and the inclusion of more destinations in travel road shows. Through these means, these destinations can take advantage of up-and-coming FITs and high-spending consumers in these lower-tiered markets. Secondly, for higher tiers and more developed markets such as Beijing, Shanghai, Guangzhou and Shenzhen, these four DMOs should focus on bringing more attention to activities in shoulder and off-peak seasons, as well as provide more detailed information on things to do outside of popular traveller hubs. Based on expert interview feedback, more support is needed for tour operators, including more diverse product options which allow travel operators to create itineraries based around one or two key countries. This can be done through the use of online destination courses for travel professionals that allow them to learn more about each destination through a travel perspective. A version of this can be seen on the Visit Finland and Visit Sweden WeChat accounts, however, more should also be done to ensure that this information is read and understood, perhaps by offering certification or other rewards to tour operators or agencies who are able to pass the course.

From a B2C perspective, these more mature Nordic brands need to again focus on providing more in-depth information for FITs. In order to spread tourism and diminish seasonality, relevant content should be communicated directly to consumers. Content should focus on more niche activities and experiences that are away from central hubs, as well as travel ideas and inspiration for all times of year. This is in line with the needs of Chinese HiSpFITs, who are searching for more unique experiences that allow them to delve deeper and stay longer in each destination.

Another important factor to consider is digital asset integration. Digital channels should work together as one seamless ecosystem, as opposed to separate platforms. This includes linking the digital assets not only to each other, but also existing and popular travel platforms in the Chinese market, such as Qyer and Ctrip. As an example, destinations can create co-branded content with Ctrip that leads viewers of this larger platform back to specific DMO landing pages. The goal of this digital ecosystem should be not only an increase in awareness and understanding of each country and what it offers, but also to generate leads and facilitate bookings.

Category C. On the Rise

Iceland features as its own category. Iceland has made active B2B outreach despite without collaboration with other Nordic DMOs. It still enjoys high awareness and a relatively large market share of FITs. Therefore, the goal for Visit Iceland should be to first set up preliminary marketing infrastructure, including both B2B and B2C, and then use this infrastructure to communicate detailed messaging around activities and themed travel, as well as seasonality.

B2B infrastructure should include travel trade shows and conferences geared toward the Chinese market, as well as industry and general China partnerships. B2C infrastructure, on the other hand, should focus on owned digital platforms, including WeChat and Weibo, as well as a website hosted and specifically designed for Chinese consumers. These owned assets allow the DMO to take control of the conversation around their destination and steer it towards a direction that suits them, and are therefore vital for effective B2C marketing.

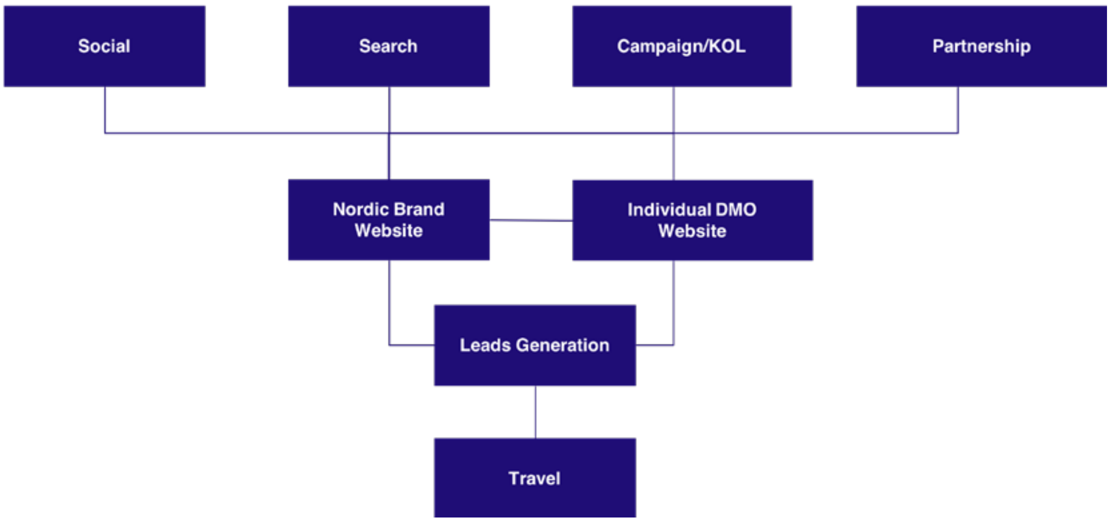
Category D. Starting ups

The goal for these lesser known and under-represented destinations in the Chinese market should first and foremost be to generate awareness. B2B marketing should be prioritised here in order to quickly increase individual DMO awareness and attract industry attention. These brands should consider increasing participation in travel conferences and shows, such as the upcoming ITB China. Another initial step is to set up partnerships with key players and strong influential powers in the Chinese travel market, including Qyer and Mafengwo, who are able to initiate conversations among the general public. Once a demand is created, DMOs are then able to form closer working relationships with tour operators to create unique destination itineraries.

From a digital prospective, the first step into the Chinese market is recommended to include an official WeChat account, which can be set up as the landing platform for both online and offline marketing activities and create awareness digitally. The launch of an official website for individual DMOs can come later, as key content and information can be integrated under the Nordic brand hub website during this initial stage. Awareness campaigns across key digital channels are also encouraged, while KOLs can expand the DMO awareness with relatively lower costs compared to traditional media methods.

Digital Ecosystem

The recommended digital ecosystem can be seen in the flowchart below; it includes a Nordic digital hub, which works together with the individual DMO channels to enhance leads and promote travel. As seen in the chart, each level of digital marketing is interconnected to form one unified system that inspires interest, increases understanding and facilitates booking and travel.



Recommendation of Marketing Strategy

Category		Communication	Marketing
A: Main Brand Pillar	Northern Europe	Serve as the main brand pillar, communicate Nordic brand as a whole and increase Nordic brand awareness among Chinese outbound travellers. Provide emotional communication touch points, e.g. explore the mysteries of Northern Europe, Motherland of Norse Mythology, embrace the friendliness of Nordic people	HiSpFITs: Focus on promoting travel to the region as a whole, with detailed information on themed travel and niche experiences. Promote individual DMO USPs on regular basis in order to facilitate discussion around specific destinations. Group Travellers: Serve as the primary messaging house and touchpoint for group travellers and the market as a whole through joint B2B marketing and close working relationship with tour operators.
B: Relatively Mature DMOs in China	Finland	Promote unique destinations and local Finnish activities as well as culture. Continue to expand communication on year-round travel. USPs include Santa Claus, Lapland, artic Christmas and year-round activities	Expand conversations around the destination on digital channels. Enhance the partnership with Chinese travel/booking platforms to further facilitate traveller experience.
	Norway	Expand communications not only limited to nature scenery, but more local experience and less seasonal related.	Create and communicate partnership with Chinse travel platforms both online and offline and provide more local adapted content. Work with tour operators to increase awareness on different activities and experiences available in the country, aside from Fjord travel.
	Sweden	Enhance cultural heritage communication through more emotional/story telling way in order to bring it up the standard of Visit Sweden's international branding communication. Expand the conversation to include areas and activities away from Stockholm.	More seasonal campaigns towards Chinese travellers to further improve awareness. Increased B2B marketing to increase awareness in the industry on what Sweden has to offer.
	Denmark	Emphasise lifestyle related communications and differentiate with other Nordic destinations. Expand the list of activities known to Chinese travellers and let them experience more than the Little Mermaid	Enhance Partnership with Chinse brands travel platforms both online and offline and provide more co-brand and locally-adapted content. Work with tour operators to expand itineraries outside of Copenhagen, and send a dual message through digital channels.

Category		Communication	Marketing
C: DMO On the Rise	Iceland	Dramatic landscape and active volcanos enable Iceland to become a nation of adventure. Safety and comfort should also be emphasized. Moreover, there remains untapped value in Icelandic culture and heritage, such as fairy tales.	Set up preliminary official WeChat account, more niche travel recommendations and inspiration, as well as itinerary structures
D: DMO needs to start up	Greenland	Increase brand awareness by providing basic itinerary information to Chinese travellers, e.g. visa applications, flight information, local destinations etc.	Focus on B2B marketing to increase awareness in the market Option 1: Set up preliminary official communication platforms both website and WeChat, provide basic travel information and recommended itinerary structure Option 2: Set up official WeChat account to serve as a brand landing page and provide consumers with destination information. Other information to be included on separate page under the Nordic brand hub website.
	Faroe Islands	Increase brand awareness by providing basic itinerary information to Chinese travellers, e.g. visa applications, flight information, local destinations etc.	Focus on B2B marketing to increase awareness in the market Set up official WeChat account to serve as a brand landing page and provide consumers with destination information. Other information to be included on separate page under the Nordic brand hub website.
	Åland Islands	Increase brand awareness by providing basic itinerary information to Chinese travellers, e.g. visa applications, flight information, local destinations etc.	Focus on B2B marketing to increase awareness in the market Store destination information, including unique activities and experiences, on a separate page under the Nordic brand hub website.

Recommendation of Action Plan

	PHASE I	PHASE II	PHASE III
NORDIC BRAND	Set up the basic foundations	Cooperate with the broader travel industry	Further develop and expand the Nordic Brand, including into lower-tiered cities in China
RELATIVELY MATURE BRANDS	Deeper integration and engagement	Always-on and seasonal campaigns	Customised themed trips to various tour operators
ON THE RISE/ STARTING UP BRANDS	Develop the foundations	Joint marketing activities with Nordic brands	Further develop individual marketing strategies

Recommendations in Product Development

Current Offers

There are already a number of Nordic joint products in existence (e.g. Finland, Sweden, Norway and Denmark four countries, or these four countries Iceland). Having this kind of “cover all” or “comprehensive” products serves both as an advantage to Nordic destinations and, as well a disadvantage: it is necessary for travellers to move around different countries, therefore the diversity of means of transportation makes trips to the Nordic region interesting and unique. Some even call such kind Nordic trips as “once-in-a-life-time” trips. However, long trips also make travels from China far expensive than similar emerging long-haul destinations – such as the Balkan States or an Arctic trip to Russia. These destinations are much affordable, and have become even more appealing due to new policies streamlining visas applications.

Consequently, when most of the current trans-national products cover too many countries, they appear to be less attractive for FITs who have less means to arrange all transfers by themselves. Although this is less a problem for small customised groups and those FITs having Ctrip organising flight tickets, train tickets, cruise bookings and airport transfers.

Seasonality is another double-edged sword – on one hand it awards the Nordic destinations with distinguishable products featuring the Northern Lights, snow and winter activities; on the other hand, it creates issues in capacity and availability of tourism resources, high travel costs and the discontinuity of visits (or the perception of such).

Meanwhile, there is an outcry of product fatigue among a number of interviewed Chinese tour operators that the most commonly sold and promoted the product of “Northern Europe Four Countries” are perceived by Chinese tour operators as lack of ingenuity. Additionally, this kind of cover-all products are helpful to create strong overnights in capital and gateway cities, but mean much less for regional destinations.

Opportunities in product improvement

The potential solutions to the aforementioned issues can be the promotion of carefully-woven already-existing themed tours as well as activities organised into shorter trips with clear focus. Winter themes continue to grow – such as skiing after Beijing won the Winter Olympics bid and experiencing destinations with real cold winters with snow are getting popular. Other potentially interesting season-related products for Chinese HiSpFITs include White Night, but this should be connected with local cultural or musical events, or connected with in-depth city tours.

Education is always a strong theme for Chinese families – to either go on family trips to spend quality time together or to send children to summer/winter camps on their own to learn more. The perception that Northern Europe is safe and offers good infrastructure should be further explored and promoted along with educational products in China. For example, some ideas for product development and adaptation can utilise current product and modify them to suit Chinese HiSpFITs:

Fairy tales in Denmark – not only just to visit the statue of the Little Mermaid, but also to organise children theatre visits, workshops for storytelling, story writing and drama. Furthermore, children can 'become' the character in a castle for half day.

Bake-your-own Danish cookie. Children's days can be arranged and facilitated by trained organisers, parents can go shopping or visit other cites that interest them more.

While still enjoying sightseeing, Chinese HiSpFITs are seeking to further engage in trendy experiences focused on activities and themes. Almost all soft Nordic adventures are attractive and considered as interesting to do by Chinese HiSpFITs visiting the Nordic region. Some of them are must-do, while some are just learnt by Chinese visitors:

- Photographing the Northern Lights
- Dog sledding or reindeer sleigh rides
- Staying overnight in glass houses and ice igloos
- Kemi icebreaker cruises and ice swimming
- Finnish saunas and Iceland's Blue Lagoon geothermal spa
- Hiking
- Whale watching
- Hot air ballooning
- Ice karting
- Riding sightseeing helicopter
- Riding a snowmobile on glaciers
- Silfra fissure snorkelling
- Icelandic horse-riding
- Ice fishing
- Voukatti Lakeland bear watch evening tours
- Tromso puppy training at the Husky Home
- Frozen Olokolo Safari in Kemi
- Fishing for king crabs
- Feeding elk
- Snowshoe walking
- Berry and mushroom picking in forests

Finally, products can be developed under specific themes and activities that can be impacted less by seasons/climate, for example:

- Photography (in any season)
- Northern European architecture and Scandinavian design
- Foodies' tasting trips and learning the healthy Scandinavian way of cooking
- Self-drive tours

Chinese friendly amenities (online payment, Chinese language information signage or apps, Chinese speaking staff, Chinese restaurants, water kettles and slippers in hotel rooms, etc.) are highly appreciated although the development and investment required may not directly lead to increase of arrivals. In addition, providing these amenities and integrating them into the travel industry's daily execution successfully requires the collaboration of both the private and public sectors.

Despite all the complexity, showing the Chinese market that Nordic destinations are acknowledging the importance of the Chinese outbound travel market as well as committed to providing better travel experiences can not only establish a leading edge and media coverage – such as that already achieved by Finland – but also can eventually lead to higher travel satisfaction and thereby fulfil Nordic DMOs' long term goals.

Compared to developing itineraries, the facet of this side of product development is more intangible but equally important for improving Nordic destinations' competitiveness in the future. Recommendations include

- Continuously providing workshops to empower the Nordic travel industry;
- Cooperating with major Chinese online payment operators to ease potential policy and finance hurdles of adoption;
- Collaborating with Nordic government departments and ministries to implement recommendations in areas such as: road signs, visas, Chinese restaurants, Chinese speaking staff and other such topics.

In the next pages, we develop and adapt 15 products to demonstrate some already successful Nordic joint products, and some potentially appealing to Chinese HiSpFITs. The principle in product development is to integrate themes and activities in order to facilitate tourist dispersal and to elevate seasonality for achieving goals of sustainability development form China.

SAMPLE ITINERARIES AND PRODUCTS DEVELOPED WITH FOCI ON THEMES AND ACTIVITIES

No.	Sample Itineraries Developed	Theme	Activity	Cities/regions	Destinations
1	Family summer in Northern Europe 10 days	Family trip - (education, fairy tale, animals, make-your-cookie workshop, theme parks)	Kids spend a day in Experimentarium, parents go shopping. Tivoli Gardens, The Tinderbox, LEGOLAND, Arrhus Art Museum, The Iceberg, farm work and animal care, baking bread, IKEA museum, crafting workshop	Copenhagen, Odense,Billund,Aarhus, Småland, Almhult	Denmark Sweden
2	Winter camp of nature and happiness - Voukatti	* Student camp (Mustard Seed)	Crafting class, Geography class, cooking workshop, skiing class, Angry Bird Activity Park, Ranua Zoo,, ice fishing, sauna	Helsinki, Vuokatti, Rovaniemi	Finland
3	White Night (or cool summer) in Northern Europe 8 days	Summer - White Night (event, nature, activities) or simply cool summer	Alta Museum - World Heritage Rock Art Centre, Viking Line, Michelin restaurant, Midsummer's day, live show, flea market, golf, canoeing	Bodø, Pohjan Lahti, Rovaniemi, Finnmark, North Pole, Lofoten, Abisko, Stockholm, Soderkoping, Copenhagen, Helsinki	Sweden Norway Finland
4	Essence of Lapland - 13 days or Ultimate Lapland - 20 days	Winter - Lapland and the Northern Lights	Reindeer ride, Santa Claus Village, Snow mobile, Northern Lights, Ice fishing, ice BBQ, Catching crab, Cable car to see city view at night, Whale watching, chase northern lights with city view, Summit viewpoint, Polar Zoo, World's No.1 northern light observation point, Stockholm (Royal Palace, metro, art)	Rovaniemi, Saariselka, Kirkenes, Tromso, Narvik, Abisko, Kiruna, Helsinki	Sweden Norway Finland
5	Lapland and Nordkapp 16 Days Round Trip	Nordkapp catching King Crabs	Ice Bar, catching crabs, Sami tent and Sami-themed park, White night, reindeer farm, Santa Claus Village	Tromso, Alta, Nordkapp, Ivalo,	Norway, Finland
6	White Night (cool summer) Cruise	Summer - White Night celebration - Finland Lake District - cool summer, cruise	Midsummer's Day, campfire dancing, BBQ, Finnish sauna, crafting, wood carving, picking fruits, fishing, yachting, canoeing, cycling	Stockholm, Malmo, Skåne, Helsinki, Seurasaari, Lappeenranta	Sweden Finland Åland Islands
7	Iceland in-depth 10 days or South Iceland 7 days	Geographical wonders - Arctic / glacier / volcano / activities + City	Glacier Hiking, Eldheimar Museum, Blue Lagoon spa, photographing, whale watching, Myvatn spa, ranch, Skaftfell art centre, crafting-making your own souvenir,	Reykjavik, Golden Circle, Vik, Kirkjubæjarklaustur, Westman Island, Snaefellsnes, Akureyri, Húsavík, Seydisfjordur, Djupivogur	Iceland plus Sweden, Finland or Denmark

No.	Sample Itineraries Developed	Theme	Activity	Cities/regions	Destinations
8	Northern Europe art and design	Northern Europe art and design, museums, art studios, local bar	Finland design forum, Metro station, crystal factory, DR Concert Hall, Danish Centre of Architecture, Design House Stockholm, making Dala Horse	Helsinki, Stockholm, Kosta, Porvoo, Dalarna	Denmark Sweden Finland
9	Encounter interesting souls	Culture and lifestyle - young city hipsters - art, design, architectures, bars	Rooftop walk, cooking class, cycling, taking ferry, fancy hot dog, Carlsberg beer	Copenhagen, Aarhus, Stockholm	Denmark Sweden
10	Classic four light tour in Norther Europe- the pursuit of happiness	Culture and lifestyle - cuisine, Fjords, (kids, families, young couples)	Students go to class while parents do free activities, Ravnsborgade flea market, s, Sampo Icebreaker, FAZER chocolate factory	Copenhagen, Stockholm, Helsinki, Rovaniemi, Kemi	Denmark Sweden Finland
11	Family in Northern Europe	Fairy tales and Santa Claus	Helsinki Cathedral, Santa Claus Village (dinner with Santa Claus), Angry Birds Activity Park, Tivoli Gardens, snow mobile, Husky/reindeer ride, skiing, outdoor skiing class, Northern Lights, Torvehallerne food market, Stroget shopping	Helsinki, Vuokatti, Rovaniemi, Copenhagen	Denmark Finland
12	Iceland and Greenland photographing trip	Photographing	Route-design considering the light, colour and contrast in photography	Snæfellsnes, Hraunfossar, Vik, Vatnajokull,	Greenland, Iceland plus Sweden, Finland or Denmark
13	Atlantic Ocean Road drive	* Self-driving - Atlantic Ocean Road, Fjords, Hiking	Driving through fjords, Glacier Walk, Flam Railway, fjord cruise, Bergen fish market, tasting king crab	Oslo, Bergen, Tromso, Molde	Norway
14	** Cruising in Northern Europe and Estonia	Cruise - Finland and Sweden, Finland and Estonia	Cruising and Sightseeing, 14 days cruise in Northern Europe, Silja Line Cruise from Stockholm to Åland, Viking Cruise from Helsinki to Tallinn	Stockholm, Oslo, Copenhagen, St. Petersburg, Tallinn, Åland	Sweden Finland Åland Island
15	Whale-watching and Arctic - Greenland and Denmark	Whale-watching and Arctic	Four hours' whale safari, watching several kinds of whales	Illulisat, Arveprinsens Ejland, Disko Bay	Denmark Greenland

* The trip is only within one Nordic country

** This can stand alone or become part of other longer journeys.

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THE NORDICS

#thenordics

STARTING CONVERSATIONS