

Insights on the US, Chinese and Indian tourism markets

Consolidation and recommendations for Nordic Destinations



Contents

1	PHASE 1 - CONSOLIDATION AND RECOMMENDATIONS	3
1.1	Background	4
1.2	Directions by the Nordic NTOs/DMOs	4
1.3	Methodology/Basis.....	5
1.4	Prerequisites, Definitions.....	5
1.5	Reflection: The need to adapt the perspective on segments and markets	7
1.6	Findings & Recommendations on SEGMENT(S)	9
1.7	Findings & Recommendations on BRANDING/ COMMUNICATION/PRODUCTS	10
1.8	Next steps	13
	Summary of ADDITIONAL DISCUSSION at delivery of this report	14
2	PHASE 2 - CONSOLIDATION AND CONCLUSIONS	15
2.1	Background	16
2.2	Methodology/Basis.....	16
2.3	Definition of HSFIT Explorers by market.....	16
2.4	Profiles of the relevant segment in the three markets	18
2.4.1	Sociodemography	18
2.4.2	General travel motivations	20
2.4.3	Accommodation during last international trip	21
2.4.4	Travel companions during last international trip.....	22
2.4.5	Information source for holiday planning.....	23
2.4.6	Booking & organization of last international trip.....	24
2.4.7	Types of holiday.....	26
2.4.8	Nordics image	27
2.4.9	Nordics barriers.....	29
2.4.10	Nordics as one destination?	31
2.4.11	Nordics inspiration.....	32
2.4.12	Nordics sustainability.....	34
2.5	Summary of Conclusions.....	35

This research was conducted by NIT Institut für Tourismus- und Bäderforschung in Nordeuropa GmbH, in May 2020 and summarises reports that were conducted before the covid-19 virus had had any greater effect on the travel industry. Further research will be needed to confirm the country brand images and travel plans in India, Kina and USA once the lockdown is removed.

Please use the following source when quoting: NIT, Ulf Sonntag on behalf of The Nordic Destination Marketing Organisations, "Insights on the US, Chinese and Indian tourism markets for the Nordic destinations", 2020.

Phase 1



1.1 Background

Visit Sweden has commissioned the Institute for Tourism Research in Northern Europe (NIT) on behalf of the eight Nordic NTOs/DMOs of Åland Islands, Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden with a two-phase project regarding the markets USA, China and India. Phase 1 consolidates available insights and gives recommendations about **promising target groups** in the three markets regarding travelling to the eight Nordic destinations. Phase 2 then **analyses the profiles** of the identified target group(s). The concept of the whole project is based on detailed discussions and briefings between Lena Gunnerhed (Visit Sweden), Hanna Muoniovaara (Visit Finland) and Ulf Sonntag (NIT).

This is the report on Phase 1 of the project.

1.2 Directions by the Nordic NTOs/DMOs

Research questions as stated in the proposal:

- Primary: Is there common target group on all three markets? If Yes, which one?
- Secondary: Are there (cultural) differences within this target group between the three markets? Which differences have to be taken into account?

Additions by the Nordic NTOs/DMOs:

We also need to dive into more about sustainability in order to be able to pick “the right target group” meaning a target group that is sustainable both in economic, social and environmental terms:

- *How is the seasonal travel behaviour?*
- *How is the interregional travel behaviour once they are in the Nordic region?*
- *How interested are the market segments in blending in with/respecting the locals/the environment?*

After listening to all the market insights and taking part in the product development workshop, I think that instead of just finding one common target group, it's more relevant to find the relevant segments in each market and see how they overlap and see how they refer to the Explorer-target group that the Marketing Group have found.

So, what we are looking for is maybe not “one” target group at all, but to analyse how the target groups we have identified overlap, or not. They might also be driver-based groups rather than demography based so while the groups might look different in different markets, they might have the same overall drivers for a Nordic holiday, if we are lucky.

However, I do think the “HSFIT” is a good starting point as the group travel has, to put it crassly, not been seen as very profitable for others than perhaps the bus tour companies. And not very sustainable as they tend to have a bigger impact on the destination but not so much in terms of income (Group travel might also decrease even further now with the corona situation).



1.3 Methodology/Basis

Desk research, mainly based on three reports:

- USA: 2020 compilation report by NIT, commissioned by the 8 Nordic NTOs/DMOs
- CHINA: 2018 report commissioned by the 8 Nordic NTOs/DMOs
- INDIA: 2020 report commissioned by the 8 Nordic NTOs/DMOs
- Additional documents, e.g. the Iceland target group report: <https://www.islandsstofa.is/media/1/targetgroups-iceland.pdf> and the internal document "Nordic Tourism Brand and Communications Platform" of 27/10/2019.

You have to take into account the following characteristics of the reports before going into the detail of finding recommendations for promising segments in the markets USA, China, India:

- In the reports for China and India, there has been already made a first step of a segmentation by focussing on the HSFIT only.
- The objectives of the three reports are very different. Hence the information you find regarding segments is different and somewhat limited. For the US, there are different segmentation models used by the different NTOs/DMOs; for China, there are no further segments identified or described; for India, the HSFIT are broken down in four segments.

1.4 Prerequisites, Definitions

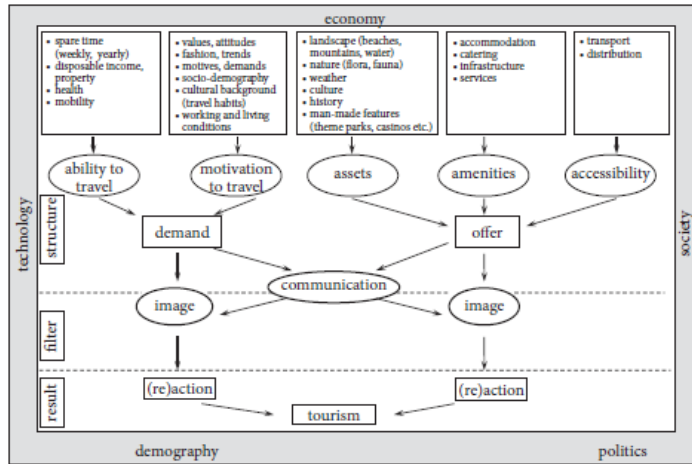
Segmentation: Market segmentation approaches should divide a heterogeneous market in homogeneous segments by using suitable segmentation criteria. The goal is to be able to develop a segment-specific marketing. Different criteria can be used to identify and define a segment.

Which criteria are there to define segments?

socio-demographic e.g. <ul style="list-style-type: none">• age• gender• education• profession• employment relationship (self-employed, salaried)• income• size of hometown• marital status• size of household• size of apartment• confession• ethnic groups	psycho-graphic e.g. <ul style="list-style-type: none">• motives• opinions/attitudes• values• self-perception• how easy to influence	needs/behaviour: e.g. <ul style="list-style-type: none">• smoker• car driver• house owner• computer user• hobbies• pets/other animals
--	---	--

Fundamentals of tourism (<https://www.ebr.edu.pl/volume13/issue4/abstract-83.html>): There are five factors that can be considered to be a prerequisite for tourism:

- **ability** and **motivation** to travel on the demand side
- **assets, amenities** (or facilities) and **accessibility** on the side of a potential destination



This implies multiple assumptions that need to be taken into account during the segmentation process.

The HSFIT market: The reports in China and India focus on the High Spending Free and Individual Traveller. Profile of HSFITs:



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

- know each other before departure and travel together (family, friends, colleagues, expert groups, pilgrim groups, etc.) for the whole trip and
- 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.
- are open to new experiences and ready to pay some extra than most Chinese first-time visitors in Europe travelling in package groups.
- travel predominantly for non-business purposes.

The Nordic Tourism Brand and Communications Platform: The vision of a joint Nordic tourism branding in the frame work of the platform “the Nordics” that has been developed by the Nordic Marketing Manager’s Group (all NTO’s), taking into consideration the brand work previously developed by the Nordic Council of Ministers.

- Target group: “Explorers” who travel to broaden the mind bring back new perspectives.
- Core values: Open, creative, natural and sustainable
- USPs: Nature, people/lifestyle, food, - delivered creatively
- Tone of voice: Surprising, fresh, playful, bold
- Branding: “Human Nature Moments – inspired by Nordic Lifestyle”

1.5 Reflection: The need to adapt the perspective on segments and markets

In my perspective it is time for a paradigm change. This is even more imminent due to the present Corona Virus situation.

- The question should no longer be: How can I attract more and more visitors from these markets? (for no market, but even more so for long-haul markets)
- Instead, a destination should ask: What do I need these visitors/markets for? When do I need them and where do I need them? – You want the right amount and the right kind of visitors at the right time and place ...

The central goal of public sustainable destination development should be to attract visitors (in numbers and in segments) that maximize the positive impact (economically, but also respect for nature and inhabitants of the destinations) and minimize the negative impact on the destination (CO2 footprint, disturbance to residence, taking advantage of un-social employment schemes). The vision of “Flourishing Destinations”, as e.g. pursued by Visit Flanders can be a guiding principle (<https://www.traveltomorrow.be/future-vision/>).

For segments this means: A segmentation always means selection and hence disregarding the segments that you have not selected. If the empirical evidence of the reports confirms the “Explorer” of the Nordic Tourism Brand and Communications Platform or similar segments that fit with your overall tourism development strategy, that means that you concentrate on this segment and that in consequence no public money is spent to attract other segments, e.g. bus groups or cruise tourism. On the contrary, you may even implement public regulations to limit forms of tourism that do not fit with the selected segments and your overall strategy.

For markets this means: If you take the implications of the concept of sustainability seriously, priority should always be given to the domestic market and proximity markets – the further away, the smaller the priority (and the smaller the amount of public money spent to work in these markets). Public money should only be invested in long-haul markets if you need them strategically “to fill in gaps” that the domestic and proximity markets cannot cater for.

FINDINGS IN DETAIL



1.6 Findings & Recommendations on SEGMENT(S)

Step 1: Requirements on the segments (considering the fundamentals of travel).

The future Nordics travellers need to have:

- Enough money and be ready to spend it for travelling (ability to travel)
- A passport to be able to travel (ability to travel)
- A certain level of education to have the phantasy and desire to travel (motivation to travel)
- Some knowledge and a positive perception about the Nordics as a travel destination (to find it **attractive** to travel there and to have trust that there are fitting tourism amenities)
- Easy **access** to transport to travel to the Nordics

This shows that the focus on the HSFIT in China and India is a good idea. This should also be taken into account for the work on the US market. You could also consider to limit your scoop geographically to those living close to the main airport hubs towards the Nordics (both direct and indirect flights).

Step 2: When bringing in the core values of the Nordic Tourism Brand and Communication Platform and also consider the kind of tourism experiences where the Nordics are outstanding, we see that it becomes necessary to sharpen the profiles of the HSFIT and redefining them a bit:

- They should be open to the residents and lifestyle of the destination they visit.
- They should be interested in the nature of the destinations they visit.
- They should acknowledge the principles of sustainability, even if it is not a decision factor for them.
- They should spend their money not only on shopping for luxury brands but especially for local experiences and products.
- The “Free” and “Individual” should not be interpreted too narrow and include customized group travel in small groups (by specialist tour operators in the markets or DMCs in the destinations).

Taking into account these presumptions, we end up with the profile of our “segment of desire” that the Nordic Tourism Brand and Communication Platform describe as the “Explorers”. These are basically the HSFIT with the right set of personal values and drivers to travel.

Step 3: Checking with the findings of the three studies, we see that this segment of HSFIT Explorers can be found in all three markets, under slightly different names (due to the different characteristics and authors of the studies):

- USA: As this study is a compilation of national studies, there is a variety of names which at the core all describe the HSFIT Explorers. They are all of substantial volume (e.g. “Globetrotters” of Visit Greenland, “Adventures of the World of Natural Beauty” and “Broadening my Cultural Horizon” of Innovation Norway, “Curious Explorers” of Visit Sweden and “The Independent Explorer” by inspired by Iceland).
- China: The report suggests that this segment can also be found in China and that the trends are showing increases of this kind of travel. Unfortunately, the report does not quantify or describe any specific segments within the HSFIT.

- India: The report breaks down the market of HSFIT into four segments. Here the “Discover & Authenticity” segments fits best with, but also with in the “Social & Scenic” segment, we still find a lot of overlaps between with the HSFIT Explorers.

This means that we can in fact identify one central segment in all three markets, that we can further analyse in order to draw conclusions for the strategic planning of branding, product development and communication.

Step 4: Checking for cultural differences between the markets. By looking at the studies in the three markets, the similarities and shared values are more important than the differences (and also a quite common perception of the Nordics as a travel destination). There are of course a few things that should be taken into account:

- Different maturity/priority of the markets: 1. USA, 2. China, 3. India (far behind)
- The markets seem to have different seasonal preferences: USA more summer, China and India more winter. (this observation is based on the products that the potential travellers in the different markets state to prefer for travelling to the Nordics. The actual travel patterns in the single Nordic countries may differ)
- Differences in socio-demography with the USA being the oldest and India the youngest market.
- Some cultural needs, e.g. vegetarian food for Indians
- Different country specific preferences for travel information, booking, travel behaviour

This means that for branding and positioning you can aim your activities in all markets towards the HSFIT Explorer. When working on product development or product selection and planning of marketing and sales activities you have do take into account the differences of the markets.

1.7 Findings & Recommendations on BRANDING/ COMMUNICATION/ PRODUCTS

It will be a good idea to differentiate between branding and product development. In branding, you should streamline your communication towards one segment (which needs to be large enough to be addressed and small enough to ensure the homogeneity of the segment). Here the HSFIT Explorers seem to be very fitting!

This segment can be further broken down in sub-segments for product development, marketing and sales. These sub-segments should be agreed upon (they depend on your overall strategy, on the available products and the empirical evidence of the market research available). The main segment and the sub-segments should then be valid for the joint work of the Nordic NTOs/DMOs in the selected markets. *(Of course, the individual NTOs/DMOs can apply a different marketing outside the joint work of the Nordic NTOs/DMOs, where they work with different segments in other markets)*

Branding/communication: On all three markets, the HSFIT Explorers seem to perceive the Nordics in a similar way, which should then be transferred by the communication. First of all, they all rather see the Nordics as one destination rather than as separate countries. In the centre there is the perception of Uniqueness, Safety and Exoticness of the Nordics. These are enriched by the values of Purity, Nature, Freshness, Calm and Quiet. The report on the Chinese

market suggests that there is a certain danger that the Nordics might be perceived as “dull” – this means in communication Amazement and Energy have to be transmitted: Especially on pictures and videos: Don’t only show nature; nature has to be experienceable, so put people in the picture who enjoy being outdoors. As the knowledge about the Nordics is not very extensive (in all three markets), you also have to provide factual information, e.g. about clothing, weather, food.

To work with the markets, according to the reports, a mainly B2B marketing approach seems to be appropriate. B2C marketing (if deemed necessary) seems to be most appropriate by social media (e.g. with partners in the country). On the long term, it could be a good idea to work with the official film funding agencies in the Nordic countries or even consider to have a Nordic cooperation in attracting international filming. In all three markets, movies and TV series seem to play an important role in putting travel destinations on the map and making it attractive to go there.

Product development: If you follow the reasoning of chapter 1.5, don’t invent new products. Use and slightly adopt the products that you have to address the segment and sub-segments. If what you have is not fitting with the market, go for another market and don’t try to make artificial products that do not fit with the reality and authenticity of your destination (Example: If the Indish only come if you offer Indian food – then do not try to attract these travellers. This is what Switzerland does, don’t copy that). If on the other hand you can embrace the needs of the travellers by improving your product with an authentic touch that may also work in other markets, go ahead! (Example: Offer more vegetarian food, but Nordic style, not Indian or Chinese style).

Don’t let them decide too much about the pace of travel. Offer trips that ensure that people stay long enough in one country to actually experience and learn about its character. If the market does not like it, go for another market.

When developing products, it is right to stress nature and lifestyle but do not forget about the cities and the cultural attractions. Make sure that on all three markets the activities that you are offering are not involving too much physical effort. Do not overestimate the role of food as a decision factor for a destination. Almost nobody chooses a destination because of the food (exception: NOMA in Copenhagen) but food is an important way of experiencing the uniqueness and authenticity of a destination!

With the products and experiences, have the “Instagrammability” of the key sights/moments in mind.

Focus on the seasons, when you need these markets (on top of domestic and proximity European markets) and when it is comparatively easy to attract them (USA: rather summer and shoulder season; China/India: Mainly winter; based on the product preferences stated by the potential travellers in the three markets for the whole Nordics). Here, the seasons when you need these markets and when it is comparatively easy to attract them may differ between the Nordic countries.

You should agree on a joint definition of luxury: E.g. Rather not high spending in multinational 5-star hotel brands. Rather not luxury brand shopping. But luxury “local style” is welcome of course (e.g. Ice hotels, Aurora Bubbles, Ilimanaq Lodge) and buying of local products and take sustainability seriously – this is why you have chosen and we have confirmed the HSFIT Explorer.

Be aware that sustainability is not a decision factor – but that empiric evidence (in other markets) suggests that if you put sustainable products on the market, the demand will follow. It is the obligation of the destinations and the industry to change the standards here, it is not the customer who has to ask for it.



1.8 Next steps ...

Post-COVID-19 recovery: The COVID-19 crisis gives you a unique opportunity to strategically reposition your goals and activities in general, and specifically on the US, Chinese and Indian markets – to attract the “right” travellers in these markets.

Following the Post-COVID-19 recovery, the focus has to be on the domestic market first and nearby European markets second. The outlook for intercontinental travel is grim at the moment, with no real signs for recovery before 2021 (and this realistically only if there is a vaccine available).

If you take sustainability seriously and consider the “food for thought” as expressed in chapter 1.5, you should use the long-haul markets in the future strategically “to fill in gaps” that the domestic and proximity markets cannot cater for. From as things appear now, this could be a best-case “re-opening” strategy:

- Winter 2020/2021: Chinese market
- Summer 2021: US market
- Winter 2021/2022: Indian market (*if necessary, at all: If you consider sustainability seriously, maybe you should not put a lot of public money in a new long-haul market that will need a lot of investments to attract the right Indian visitors*)

Working with branding and product development: The work that has started by the Nordics (supplied Hanna Muoniovaara) regarding product development and co-operations in the markets and destinations should proceed. This paper might give you some more guidance for selection, finetuning and communication of products and also for the selection of cooperation partners.

Further research: A further analysis of the HSFIT Explorer based on the written reports on the US, Chinese and Indian market as originally foreseen as a possible phase two of this project seems not really appropriate, because the reports do not give much more detail than is taken into account in this paper already. What could make sense, is a re-analysis of the raw data that was collected as a basis for these reports, in which we would try to define the HSFIT Explorer as detailed as possible and extract in the three markets precisely the structure, needs, perceptions and behaviour of your core segment. This could then be a valuable input for sub-segmenting the HSFIT Explorer, to identify product requirements and ideas for communication strategies.

Summary of ADDITIONAL DISCUSSION at delivery of this report (Amended to fit the format)

Page 7, “For markets this means”:

Here a conclusion is that one should only look at longhaul if these markets fill a gap in demand that other markets cannot fill. While this makes sense (and this is why we also already in the briefs for the main country research stated for example “to extend holiday seasons/low seasons” for these markets), we have also seen a small separate need for these markets, which is that we think (if the world returns to a post corona situation that has any resemblance with the pre corona world), that travel from these longhaul markets and especially China and India WILL increase whether we communicate to them or not, due to their economies developing and middle class growing.

So we see a need to influence WHO comes from these markets to do WHAT in the Nordics. E.g. Very simplified it could mean communicating to FITs interested in local activities rather than groups that spend less in the destination. And while it is a challenge to impact such a huge market, our communication there could be aimed at building the right expectations/ the right kind of image, rather than at attracting MORE visitors. Which also fits with your recommendations later on.

NIT:

Yes, that is a very valid and good point, that I did not express in the paper. But I think it fits well to what I had in mind when saying that your work in the markets should align with your overall strategy. In any case, this chapter is very much my personal view, which is of course subjective – it hopefully contributes to your internal discussion, but of course there are more aspects that you need to take into account.

Page 9, “Step 3” re. the HSFIT Explorers segment identification:

Just to comment: The reason the China report did not try to segment HSFITs any further is that choosing the HSFITs was already a pretty tight but good segment to focus on in China. And as you say in the recommendations, the Explorer target group can be identified in the China report as well through what they want to do, although not labeled as Explorers.

NIT:

Yes, I understand that the all the reports had slightly different objectives – so as you say, even as the Explorers are not mentioned as such in the China report, you can see that they are part of the HSFIT segment as defined in that study. Maybe if you would dig deeper in the original data you would find that the HSFIT in China can be split in a similar way as in India.

Phase 2



2.1 Background

This is the report on the second phase of a two-phase project, commissioned by Visit Sweden to the Institute for Tourism Research in Northern Europe (NIT) on behalf of the eight Nordic NTOs/DMOs of Åland Islands, Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden. The first phase of the project has identified and confirmed the **HSFIT (High Spending Free Individual Travelers) Explorers** as a very promising segment for joint marketing activities of the Nordic NTOs/DMOs in the USA, China and India. As agreed between Lena Gunnerhed (Visit Sweden), Hanna Muoniovaara (Visit Finland) and Ulf Sonntag (NIT) after discussing the results of the first phase, the second phase should provide detailed profiles of the **HSFIT Explorers** in the USA, China and India to be used mainly in product development, but also give some clues regarding branding and communication.

2.2 Methodology/Basis

Desk research, mainly based on three reports. The challenge of the second phase of the project was to find detailed data about the **HSFIT Explorers**. As we base our research on existing reports, we could not define the segment ourselves but had to rely on the best available data in each of the markets. Here, the data basis was best in India and most limited in China. In the USA, we had to make a selection of the many available national reports. Here is the overview of the reports that we have used in this report:

USA

2017 Innovation Norway report „Activating the Norway brand – a report on holiday needs and segments in the US market”, by Ipsos.

We have chosen this report, because of all the reports available in the Nordic countries, this was the only one with both a fitting segment and detailed general data about the segment. Sample: n=2,158 US people that have been abroad for holiday last 3 years in total (convenience sample); therein n=233 in the relevant segment **ADVENTURES IN THE WORLD OF NATURAL BEAUTY**

CHINA

2018 report commissioned by the 8 Nordic NTOs/DMOs, by COTRI.

Chinese **HSFITs** views were examined through collected results of netnography and individual travelers' interviews: 400 „social media items” collected in March/April 2018 on Chinese travel related social media platforms for netnography analysis and interviews with 20 individual Chinese HSFIT travelers.

INDIA

2020 report commissioned by the 8 Nordic NTOs/DMOs, by Kubi Kalloo.

Quantitative interviews in February 2020 of n=1,020 Indian HSFITs in New Delhi, Mumbai, Hyderabad, Chennai and Bangalore (representative sample of the group 18-64 years, holiday decision makers, open and able to travel abroad beyond Asia, do not prefer group travel with set itinerary); n=233 in the relevant segment **The Discovery and Authenticity group**.

2.3 Definition of HSFIT Explorers by market

Here you find an overview of the definition of the selected segments in the three markets that we have used in this report. They are closely related to the general travel motivations, so you will find some overlap with the results in the profiles about general travel motivations. Whenever detailed data could be accessed, it is shown for the segment – significant positive and negative deviations compared to the market average are marked in **green** and **red**.

USA

The segmentation is based on the Censydiam approach which *“offers a validated approach to understand the different roles brands can play in the category. Censydiam captures the needs & motivations that drive relevance in the category, while acknowledging that these needs & motivations can differ across various situations and occasions.”*

Adventures in the world of natural beauty: Exploring the world of natural beauty is about feeling unique, daring and adventurous. The segment reflects the need to see something new, something spectacular like a natural phenomenon. It also connects with the need to immerse in unspoiled nature and travel to a destination not ruined by tourism. Staying ahead of the “charter pack”. The segment is all about being proud of one’s ability to “go where no one has gone before”.

CHINA

High Spending FITs (HSFITs) are travelers who spend considerably higher amounts compared to the average of Chinese outbound travelers spending in a destination, by spending more per person per day and/or by staying longer in the destination.

FITs: The term FIT (Free Individual Traveler) is used to refer to those who take their trips in all forms that are NOT “package group tours” 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 program 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.

INDIA

The Discovery and Authenticity group (25% of HSFITs) – are motivated by uncovering sights and experiences that their friends / family have not yet discovered. They are willing to ‘rough it’ on holiday in order to achieve an authentic experience and seek out action and excitement in the places they visit. In such a way, they consider themselves to be risk takers. This group actively seek an immersion in nature, and time in the countryside is their preference over city living on holiday. In a wider sense, this group is fashion-focused; conscious of the way they appear to their peers. This is an open-minded and adaptable group that offers great interest for Nordic marketing initiatives.

2.4 Profiles of the relevant segment in the three markets

2.4.1 Sociodemography

USA

Gender: 56% male, 44% female

Age:

18-24	16%
25-29	15%
30-39	24%
40-49	12%
50-59	14%
60-65	6%
Older than 65 years	12%

CHINA

No main quantitative survey was conducted in the China research so an age and gender profile of the target group is not available.:

INDIA

Gender: 56% male, 44% female

Age:

18-24	5%
25-34	35%
35-44	40%
45-54	8%
55-64	11%

Conclusion: The gender distribution is very similar in the USA and India, with slightly more men than women in the relevant segment.

The age distribution on the other hand is quite different, probably due to the different general demographics in the three markets.

The US is the “oldest” market with a quite balanced age structure, 31% are 18-29 years old, 36% are 30-49 years old, 32% are 50 years and older.

India, the vast majority of 75% of the segment is 25-44 years old. Chinese outbound travels took off only 20 years ago. This also means that the travelers from China are often younger than from many other markets. McKinsey found that in the United Kingdom, more than half of Chinese visitors were aged 16 to 34 years old, which is younger than most visitors to all the other destinations analyzed. In Japan and South Korea, 63 and 70 percent of outbound Chinese travelers, respectively, are less than 40 years of age. (Source: McKinsey, 2018: “Chinese tourists: Dispelling the myths”)

The differences in the age structure (and hence with the travel parties) in the three markets will make it necessary to adapt the product according to the needs of the different age groups.



2.4.2 General travel motivations

USA

Exploring the world of natural beauty is about feeling unique, daring and adventurous. The segment reflects the need to see something new, something spectacular like a natural phenomenon. It also connects with the need to immerse in unspoiled nature and travel to a destination not ruined by tourism. Staying ahead of the “charter pack”. The segment is all about being proud of one’s ability to “go where no one has gone before”.

The segment is important for brands which try to position themselves as creatively individualistic, unconventional, trendy and ahead of the rest, or as a tool for consumers to express their uniqueness, seeing something others has not seen. Also act as a tool for consumers to express their environmental awareness. A sustainable destination, not ruined by tourism.

CHINA



FIT travel requires great effort on the part of the traveler 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).

INDIA

This segment is motivated by uncovering sights and experiences that their friends / family have not yet discovered. They are willing to ‘rough it’ on holiday in order to achieve an authentic experience and seek out action and excitement in the places they visit. In such a way, they consider themselves to be risk takers. This group actively seek an immersion in nature, and time in the countryside is their preference over city living on holiday. In a wider sense, this group is fashion-focused; conscious of the way they appear to their peers. This is an open-minded and adaptable group that offers great interest for Nordic marketing initiatives.

Conclusion: It seems that the general travel motivations of the segment in all three markets are very similar. They are looking for something new and unique – to go where others have not gone (yet). They consider themselves as risk takers and adventures (even though in the end most of them prefer “soft” adventures by Nordic standards) and are prepared to leave their personal comfort-zone (but on the other hand not too much). They want to immerse into the nature and authenticity of the places they visit.

There are some slight differences, though:

Travelers from the US seem to look for a purpose for themselves and tend to (also) look for sustainable experiences, and not so much for instagrammability.

For travelers from China and India, it is very important how they appear to their peers, e.g. by sharing the experiences on social media.

2.4.3 Accommodation during last international trip

USA

Hotel (medium standard)	38%
Hotel (high standard)	31%
Hotel (budget)	18%
Guest house / Bed & Breakfast	15%
Airbnb or other types of sharing services	12%
Rented cabin / holiday home / flat	9%
Stayed with friends / acquaintances	8%
Stayed with family	6%
Borrowed cabin / holiday home / flat	6%
Camping cabin	5%
Owned cabin / holiday home / flat	4%
Tent	4%
Don't know	3%
Caravan / camper van	3%

CHINA

No specific data available.

The definition of the HSFIT and some quotes of the clients and the industry suggest that there is a quite high share of the segment booking 5-star hotels and also interested in buying luxury brands.

Here you have to be aware again, that we are not able to focus on the Explorer segment. This segment should be by definition be more open to authentic style accommodation but probably preferably with some comfort and luxury if possible.

INDIA

5-star hotel	46%
4-star hotel	30%
Super luxury hotel or villa	21%
3-star hotel	16%
Budget hotel	12%
Private room, villa, apartment or house 1	2%
Stayed with family or friends	10%
Unique accommodation (e.g. tree house, igloo, tent, etc)	6%
Other (specify)	1%
Caravan, mobile home	1%

Conclusion: It seems that there are substantial differences between the US market and the two Asian markets. The US travelers seem to put the destination into the center of their holiday experience and tend to find a fitting/authentic accommodation. On the other hand, the Asian markets seem to be more demanding regarding the standard of the accommodation (despite claiming to be willing to 'rough it' on holiday in order to achieve an authentic experience). So, there is a certain contradiction in the travel desires and the travel behavior of the Chinese and Indian travelers that also shows in the data regarding other topics.

2.4.4 Travel companions during last international trip

USA

Spouse/partner	63%
Friends	17%
Other family/relatives	16%
Children 7-14 year	15%
Alone	12%
Children 0-6 years	12%
Children 15 years and above	10%
Other people	7%

Number of Travel companions:

1	3%
2	11%
3	31%
4	14%
5 or more	31%

CHINA

No data.

Following the observations by McKinsey, 2018, as displayed on page 4 in this report, we can assume that probably travelling with the partner (plus more members of the family or friends) will be the dominating kind of travelling.

Still, there will also be a significant market for families with children (estimation 15%-25% of the Chinese HSFIT Explorers).

INDIA

My partner	71%
Children or grandchildren	32%
Other adult friends	19%
Siblings (sisters, brothers, etc.)	14%
Parents/grandparents or older relatives	6%
No-one, just myself	5%

Number of Travel companions:

1	5%
2	29%
3	23%
4	26%
5 or more	17%

On average 3.3 persons

Conclusion: It seems that despite the differences in age structure, the travel companions of the last international trip are quite similar between the three markets. Almost no one is travelling alone. For a majority, the partner is travelling along. As travel parties seem to be bigger than two in most cases, we can assume that the segment is then divided in families with kids (around 20-30%) and fixed groups of friends and/or family without kids. For India, the average party size is 3.3 persons, for the US 31% of the segment travels with 5 and more persons.

2.4.5 Information source for holiday planning

USA (time of interviews: 2017)

Internet in general	69%
Homepages for the destination	31%
Homepages for accommodations	30%
Travel apps/portals like Tripadvisor	30%
Reviews from other travelers online	29%
Advice from friends / family	29%
Homepages for attractions and sights	26%
Homepages of carriers, airlines etc.	25%
Guidebooks	23%
Booking sites such as Expedia	19%
Catalogs or brochures	18%
Social media or blogs	17%
Newspapers or magazines	12%
Travel agent in homeland	12%
TV or radio	6%
Other	5%
Travel fairs	3%

CHINA (time of interviews: 2018)

HSFITs Media Behavior Analysis:

Digital and OOH (Out of Home) are the top two penetrated media types and hold the strongest affinity for HSFITs. HSFITs 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 behavior across their travel journey.

According to both media surveys and individual travelers' FIT interviews, HSFITs travel app usage is fragmented. Before their travel, they will seek relevant travel information from friends or service accounts online. Planning by HSFITs is done through Qyer, Mafengwo, and TripAdvisor. For booking, OTAs like Ctrip and Qunar are most used for price comparison and flight booking, most HSFITs will switch to Booking.com and Agoda for accommodation booking, even though Chinese OTAs also provide this service.

INDIA (time of interviews: 2020)

Travel sites such as Expedia or booking.com	49%
Social media	47%
Advice from friends or colleagues	46%
Advice from family	41%
Random web searches	38%
Travel companies direct, such as airline or hotel sites	33%
Travel agents	32%
Inspiration from films or TV programmes	31%
Articles in on- or off-line newspapers	28%

Conclusion: While in all three markets the internet dominates as the premier “source” of information, each country seems to have its very characteristic way of using the internet for travel planning. Also, the role of advice from family and friends (via offline and online communication) seems to be important in all three markets.

In the US, destination websites dominate together with accommodation websites and travel company websites. Traditional sources like guide books and brochures are still (in 2017) more important than social media. In China and India on the other hand, social media seems to be much more important than in the US. Travel company websites are as important. Destination & accommodation websites are not even mentioned as a source of information. In India there seems to be preference for the big international travel portals like booking.com and Expedia. In China, Chinese platforms dominate.

2.4.6 Booking & organization of last international trip

USA

I/we organized the trip myself/ourselves and travelled independently	49%
I/we travelled in a group with an organized tour	40%
I/we had the trip organized by others and travelled independently	10%

CHINA

No specific data available.
By definition, travel in larger groups is excluded.

INDIA

Accommodation for the whole trip	53%
Transportation (e.g. plane ticket)	43%
A package deal (e.g. accommodation + transport + possible other things)	41%
Activities and excursions	39%
Accommodation for parts of the trip	39%
Events and festivals	33%
Restaurants	30%

Conclusion: In all the markets, there seems to be a split of the travel organization preferences into individual travel (slightly more than half of the segment) and professionally organized (package travel), slightly less than half of the segment. One can assume that these are general preferences – meaning you can reach one part of the segment well with packages, the other one with individual offers – probably there is not much going back-and-forth between the two preference groups.



2.4.7 Types of holiday

(USA: last international trip; CHINA: suggestions for products in the Nordics; INDIA: fitting with Nordic destinations)

USA

Visits to historic sites	82%
Sightseeing/round trip	65%
Cultural experience	64%
Nature, scenery and wildlife	56%
Visiting friends and relatives	45%
Sun and beach holiday	42%
City break	40%
Culinary trip	29%
Party & fun	26%
Sports/active holiday	23%
Event holiday (festivals, sports etc.)	20%
Countryside holiday	18%
Travel to cottage/holiday home	18%
Cruise	18%
Ski holiday	18%
Other winter holiday with snow	18%
Health travel	13%

CHINA

No data but ideas for products in the Nordics:

Winter themes continue to grow. Other potentially interesting season-related products 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, e.g. Fairy tales in Denmark or Bake-your-own Danish cookie.

While still enjoying sightseeing, Chinese HSFITs are seeking to further engage in trendy experiences focused on activities and themes. Almost all soft Nordic adventures are attractive and considered as interesting.

Finally, products can be developed under specific themes and activities that can be impacted less by seasons/climate, e.g. Photography (in any season), Northern European architecture and Scandinavian design, Foodies' tasting trips and learning the healthy Scandinavian way of cooking, Self-drive tours.

INDIA

Multi-Stop Tour	57%
Winter sports (e.g. skiing)	52%
Extreme Adventure	51%
Roughing it (e.g. camping, etc.)	48%
Family	47%
Safe Adventure	46%
Relaxation	45%
Romance	44%
Cultural Immersion	44%
Luxury	43%
Boys' holiday	43%
Girls' holiday	43%
Outdoor/nature Based	42%
Short Break	41%
Foodies' holiday	39%
Non-Winter sporting activities	38%
Safari	38%
Cruise	38%
Wellbeing	36%

Conclusion: Regarding the preferred types of holidays, there seem to be some differences between the markets – but please be aware that there is a somewhat limited comparability of results as the questions asked in the markets were quite different (see above).

It seems that the US are (generally) first and foremost looking for sights and cultural experiences before thinking about nature and scenery. The seasonal focus seems to be on the summer. For India (and China) it seems that the winter is in focus (for travelling to the Nordics), they are looking more for unique experiences than sights.

Regarding the purpose of travelling, all markets (in the HSFIT Explorer segment) agree that they are looking primarily to personally widen their horizon/education.

2.4.8 Nordics image

USA

No data about the Nordics in general, only about some of the countries:

By analyzing relevant country specific information, we are able to find common ideas of marketing the Nordic destinations in the US in a multinational approach.

We see similar desires and similar activities – often a combination of nature and culture, city and country with a genuine interest to immerse into local lifestyle and food.

On the other hand, we get insights about USPs in each destination (e.g. sauna in Finland, icebergs in Greenland, volcanoes/hot springs in Iceland).

CHINA

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

Nevertheless, "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 travelers' interviews analyzed in later section of the report, and can lead to potential solutions to ease seasonality and facilitate tourist dispersal in the Nordic region.

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 organized.

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.

INDIA

Opportunity to learn and grow	55%
Push you outside of comfort zone	54%
Experiences to share on social media	52%
Offers a 'wow' factor	52%
Offers a relaxing holiday	51%
Unique experiences	49%
Winter experiences, e.g. North. Lights	48%
Has particularly welcoming people	48%
Has historic towns and cities to explore	47%
Is a fashionable place to go right now	47%
Is a luxury destination	47%
Offers good value for money	47%
Is a place full of iconic sites to see	46%
Has great cuisine	43%
Allows you to get close to nature	43%
Good for holiday with family & friends	43%
Concerned with sustainable practices	43%
Is an expensive place to travel	42%
Is an easy place to organize a holiday to	41%
Is great to visit at any time of year	41%
Connected to history & local customs	39%
Modern arts and music scene	37%
Vibrant & buzzing cities to explore	33%

Conclusion: The Nordics are perceived as a special/unique destination outside of the "ordinary". The region is considered as very safe in all three markets and is trusted to offer great experiences, nature & culture, city & country, authenticity & immersion into local life. Some differences can be found, that are connected with the types of holiday

and general preferences on how/why to travel: The US seem to have a very general approach towards the Nordics with a focus on cultural experiences. China is looking firstly to check bucket list boxes of the “signature attractions” (e.g. Northern Lights, Scandinavian design). India is mostly after the uniqueness and the “wow” factor of (outdoor) experiences in the Nordics.

2.4.9 Nordics barriers

USA

No data about the Nordics in general, only about some of the countries.

These results suggest, that high cost, somewhat limited accessibility, climate/weather and (to a lesser extend) doubts about the tourism offer can be considered as barriers for US travelers to consider the Nordics as a travel destination.

CHINA

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.

A unanimous impression among Chinese social media users of the Northern Europe is that the travel cost to Northern Europe is high.

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.

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.

INDIA

The visa process	30%
The cold weather	28%
The cost of holidaying	28%
The type of accommodation available	26%
Level of service provided	24%
The ease of getting there from India	24%
The ease of travelling around	24%
The ease of conversing with people	22%
The complexity of a multi-country trip	21%
The type of cuisine available	21%
The suitability of the destination to the whole group with whom I would travel	21%
Nothing would concern me	15%
The way in which local people would receive us	14%

Conclusion: There are some aspects which seem to put doubts about travelling to the Nordics in all three markets, like high cost, cold weather, access and some doubts about the tourism products and quality standards. A lot of the doubts can probably be solved by providing the right information, some cannot be changed and some can be dealt with by small-scale investments in the product (e.g. cater for the Indian need for vegetarian food).



2.4.10 Nordics as one destination?

USA

No specific data available, but general conclusions are possible:

The comparison of the images of the Nordic destinations on the US markets show a lot of similarities with some ideas for differentiation of each destination. This again confirms that a lot of the Americans seem to perceive the Nordics rather as ONE destination and not so much as separate countries.

CHINA

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.

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 HSFITs, 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 recognizing the Nordic countries individually. These HSFITs, 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.

INDIA

Focus on individual Nordic countries; Finland vs. Greenland vs. Sweden etc. meaning you feel you have a good level of knowledge about the individual countries in this region

61%

Focus on the region as a whole; Nordics vs. other regions. Meaning you feel you have a top-level understanding of this region and would rather focus on more general questions

39%

Conclusion: There seems to be the same mechanism in all three markets. The general perception of the Nordics is that of one destination, with limited general knowledge about the single countries. BUT: Once a person in the segment becomes interested to travel to the Nordics and this way is looking for more information, this person is much more likely to see the different countries with an different offer – in the end, a decision is taken, which of the Nordic countries to visit on one trip. Here you can assume for all three markets that there is a tendency that travelers in the HSFIT Explorer segment will stay longer in one country and travel less different countries during one trip.

2.4.11 Nordics inspiration

USA

No data available.

CHINA

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.

Additionally, movies, TV shows and reality shows are increasingly becoming Chinese HSFIT's source and inspiration. Iceland, in particular, has benefited from Game of Thrones, Kiki's Delivery Service and The Secret Life of Walter Mitty.

Other sources of inspiration are 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.

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.

INDIA

This means that the associations that Indian HSFITs hold of the Nordics are very top-level, and somewhat reliant on stereotyping. There is confusion about the countries that form the region and very limited understanding of individual Nordic country offerings.

Where Indian HSFIT tourists do have a perception of the region as a whole, it is to do with snow and ice related nature experiences, the Northern Lights especially, as well as a connection with history (Vikings), offering unique and sometimes challenging experiences, and as being an area which is at the forefront of sustainability efforts.

There is a competitive challenge posed by the limited image the Nordic region currently holds in Indian HSFITs' minds (of exciting snow / ice adventures), in that Switzerland also occupies a very similar perceptual space. However, Switzerland enjoys a far deeper relationship with the Indian consumer, due to its longstanding partnerships with Bollywood. A big task will be to drive a perceptual wedge between the Nordics and Switzerland.

Conclusion: While there is no data about the US, the data from China and India suggests that inspiration about the Nordics is often found in social media, through movies/TV, music and books – especially if they emphasize the destination image of the Nordics or the different Nordic countries.

Especially in India, lots of the experiences and values connected with the Nordics are already “occupied” by Switzerland (in the minds of the Indian travelers) but there is also room for positioning of the Nordics as much more authentic, than the Swiss product on the Indian market.

GREENLAND, FAROE ISLANDS AND ÅLAND ISLANDS



2.4.12 Nordics sustainability

USA

Sustainability is widely accepted but not an important decision factor for the traveler. But: Findings from other countries show that when you include sustainability in your standards and offer more and more sustainable tourism products, the demand will follow fast.

Here you can see a few selected results of different 2019 studies regarding the perception of climate change in the US population as well as opinions regarding sustainable travel.

We can see that a majority of 70% acknowledged human responsibility of climate change and almost as many believe that own behavior can make a difference. Around 30% are interested in travelling on ecological trips. 24% state that they have been using the plane less because of ecological reasons. 11% say that they really consider the ecological footprint of a trip when planning.

CHINA

Not really mentioned in the report. Only one reference regarding sustainability:

Further results (particularly those in netnography and individual travelers' interviews) point in the direction that HSFITs 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.

Other global studies suggest, that there is also a quite wide and growing awareness regarding sustainability, but the behavior is so far lacking behind ...

INDIA

Where Indian HSFIT tourists do have a perception of the region as a whole, [...] and as being an area, which is at the forefront of sustainability efforts.

Sustainability, while associated with the Nordics, is not a driver to destination choice amongst the Indian market at present.

Other global studies suggest, that there is also a quite wide and growing awareness regarding sustainability, but the behavior is so far lacking behind ...

Conclusion: While there seems to be a growing and substantial general awareness regarding sustainability being an important topic for all our future, it so far plays a very minor (US market) to almost-not-existing role in holiday travel planning.

But: Findings from other countries show that when you include sustainability in your standards and offer more and more sustainable tourism products, the demand will follow fast.

2.5 Summary of Conclusions

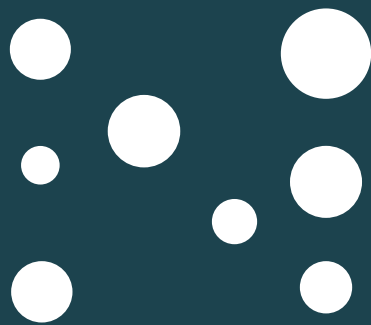
Sociodemography: The gender distribution is similar in all three countries, with a slight dominance of male travelers. Age wise, China and India seem quite young (predominantly 45 years old and less). The US market is also represented in older age groups.

Travel inspiration & planning: While in all three markets the internet dominates as the premier “source” of information, each country seems to have its very characteristic way of using the internet for travel planning. Also, the role of advice from family and friends (via offline and online communication) seems to be important in all three markets. Concretely, inspiration about the Nordics (in China and India, with no data available for the US) is often found in social media, but also through movies/TV, music and books – especially if they emphasize the destination image of the Nordics.

Travel behavior: Regarding accommodation, the US travelers seem to put the destination into the center of their holiday experience and tend to look for a fitting/authentic accommodation. The Asian markets seem to be more demanding regarding the standard of the accommodation (despite claiming to be willing to ‘rough it’ on holiday in order to achieve an authentic experience). Regarding travel organization, there seems to be a split of the travel organization preferences in all three markets into individual travel (slightly more than half of the segment) and professionally organized (package travel), slightly less than half of the segment. The travel companions of the last international trip are quite similar between the three markets. Almost no one is travelling alone. For a majority, the partner is travelling along. In all three markets, often parties of 3+ persons travel together, divided in families with kids (around 20-30%) and fixed groups of friends and/or family without kids.

Travel motivation and perception of the Nordics: By definition the HSFIT Explorer are similar in the three markets regarding their general travel motivation, they are looking for something new and unique – to go where others have not gone (yet). They consider themselves as risk takers and adventures and want to immerse into the nature and authenticity of the places they visit. The Nordics fit well into these motivations, as they are perceived as a special/unique destination outside of the “ordinary”. The region is considered as very safe and is trusted to offer great experiences, nature & culture, city & country, authenticity & immersion into local life. The general perception of the Nordics is that of one destination, with limited general knowledge about the single countries. BUT: Once a person in the segment becomes interested to travel to the Nordics and this way is looking for more information, this person is much more likely to see the different countries with their different offer. There are some aspects which seem to put doubts about travelling to the Nordics in all three markets, like high cost, cold weather, access and some doubts about the tourism products and quality standards.

Of course, there are some differences between the markets: The US seem to have a very general approach towards the Nordics with a focus on cultural experiences before thinking about nature and scenery; the seasonal focus seems to be on the summer. China is looking firstly to check bucket list boxes of the “signature attractions” (e.g. Northern Lights, Scandinavian design), India is mostly after the uniqueness and the “wow” factor of (outdoor) experiences in the Nordics. In Asia, the seasonal preference seems to be winter. Travelers from the US seem to look for a purpose for themselves and tend to (also) look for sustainable experiences, and not so much for instagrammability as for China and India.



THE NORDICS

#thenordics

STARTING CONVERSATIONS