

**KIINA**

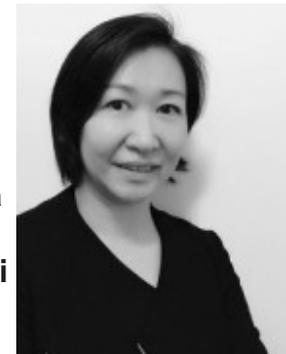


# China Market Report

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Visit Finland, Hong Kong and Southern China

**Aster Lai**



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# 1. Analysis of summer season 2016

**What factors have affected the results of the summer season, especially with regard to Finland?**

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

The series of terrorist attacks in Western Europe and it affect Chinese travellers' intention to visit. It is believed that there will be a significant drop of Chinese arrivals to these destinations. Finland and Scandinavia get benefit from this as it is considered to be a safer place to travel for long haul destination

- **Economic situation**

- HK - Hong Kong's economy expanded by 1.2% year-on-year in real terms in the first half of 2016. For the rest of the year, the external environment is expected to stabilize whereas domestic demand will be supported by the largely stable income and employment conditions. In the latest round of review in August, the government maintained its forecast of Hong Kong's economic growth at 1-2% for 2016.
- Euro € continue to maintain in its lower level, and the exchange rate between HK\$/RMB and € has dropped around 2% in this six months
- China - The growth of China Outbound Tourism slowed down at present. The outbound tourists reached 59.03 million in the first half of 2016, which witnessed an increase of 4.3% over the same period of 2015

- **Changes in holiday periods/timing**

There are not many changes on the holiday periods, but consumers are getting smart and price sensitive and they may get use of some shoulder season to travel to Finland eg. end Aug, Nov to mid Dec and end March to mid April

- **New target groups**

Young/Mid-career families with children/Middle-aged couples/office ladies (20-40s)/ Wedding couple/honeymooners / Photographers / Sportaholic (Marathon runners)/Students study camp

## Reasons for the increase in travelling to Finland?

- **Campaign results**

There are six trade coop starting by this summer till end of the year. Major objective to showcase our summer scenery/activities and to introduce “Stopover Finland” to local market through digital platform. We don’t have the final report yet till end Nov, and one campaign just kick off on 24 Oct.

- **Products or destinations that have been successful**

- Family products like Angry bird amusement park/Moomin World/Fiskars Village and new destination – Kuusamo have been featured during campaigns. Wildlife (bear watching) and eco tourism (berry and mushroom picking) in Finland are being well received
- Market Finland as a diversify destination with other product such as East Europe, Russia and Baltic countries

## Changes in demand

- More Chinese people are looking into in-depth travel and spend more time in one country/destination instead of multi countries/destinations.
- Booming economy and a rapidly expanding middle class are making the increase in demand for luxury travel products, tailor-made products and thematic tours such as honeymoon, self-driving, gourmet, golfing etc.
- According to the findings from travel expo, 84% of visitors prefer to go as a FITs/Private tour, they are well educated and frequent travellers with 3-5 trips per year
- Europe is still a favorable destination for Chinese despite safety concern much higher in this year
- Silver hair group stabilize the outbound figures by traveling all year round
- In Guangdong, they were prone to pursue good quality tours such as living better, eating better, seeking more fun and spending more time in exploring attraction sites; they were more willing to experience the daily life of the locals and know more about local customs and cultures.

## Changes in distribution or accessibility

- LCC (Low cost carrier) have a big impact to outbound market, and there are big increase for FITs due to higher frequency and availability at lower price
- Online shopping for travel products are getting popular, aggressive approach by LCCs, OTAs, airlines and hotel portal websites with fierce promotion in the market guide this changes
- By survey, it conveys that 47% of FIT travellers bookings go through OTA, while only 37% via traditional agents

## 2. Winter season 2016-2017 prospects

### What are the prospects for the coming winter season?

- Very optimistic for the upcoming winter season as Finland has dominant products for winter season such as Ice breaker, Glass igloo, Santa Claus, Aurora and winter activities. The branding of Finland as a winter destination is very strong in local market with higher perception that Aurora, glass igloo are " MUST" products to experience once in a life time.
- The capacities for igloos and ice breakers products are increasing in this winter season
- Air space for Finland out of China and HK are increasing with Qatar and Finnair, SAS support, the average air fares drop a bit with the competition between these carriers.
- Stopover Finland campaign/concept is getting well received by trade and consumers through a series of promotion locally.
- Kuusamo is the new focus during this winter season, with some good products in relatively lower price to compete with Rovaniemi and Kemi region. Such as icy river floating experience.

## Marketing opportunities

### Hong Kong

- Specialized niche travel agents are growing in the market catering to a specific target segment promoting experiences such as golf, skiing, luxury, wedding photography, honeymoon, diving etc.
- Major travel agents are also looking into developing new and themed itineraries, such as EGL Tours, Wing On Travel and Hong Thai Travel are promoting culinary & gourmet, photography, international marathons and cycling tours.
- Travel agents have increased their focus online in order to capture a larger market share of FIT travellers.
- Family (with kids) vacations are drawing big attention from the trade due to higher profit margin.
- Recent years, OTA and airlines taking an active role in the market. There are few OTA set up and have a strong promotion campaign. Eg. Zuji.com , Hutchgo.com (Priceline.com), Expedia.com.hk, Hotel.com, Agoda.com, Trivago.com, lastminute.com , cheapticket.hk , flightcentre.com.hk
- Airlines selling their own ticket directly to consumers at their website with big discount weekly, together with hotel offers. Eg. Fanfares.com (Cathay Pacific, Dragonair, Hong Kong Airlines)
- Typical agents setup their own booking portal for tour groups, air ticket, hotels and tours selling platform, and the highlights are instant confirmation upon booking.
- Hong Kong people are strong advocates as they enjoy sharing experience with others either through word of mouth or digital platforms.

- Facebook and Instagram are the most welcomed social media platforms.
- Social media plays an important role in marketing promotion on all sectors. Customers will take reference from the posts with images to drive their travel willingness
- Digital marketing is the trend for tourism marketing and many regional tourism offices will set up local version account to execute campaigns and postings

### **Guangdong:**

- Besides using online platforms to search for tourism information, social media, media advocacy and word of mouth are becoming more powerful sources of information to assist Chinese travellers to plan their holidays and make their purchase.
- According to the official China Internet Network Information Centre, the number of internet users accessing the web from a mobile device surpassed that of personal computer users for the first time in June 2014, with 527 million people accessing the internet through a smartphone.
- Wechat is the major and most popular social media platform in China, ahead of Weibo. Most tourism offices set up their own account, to promote their product and draw product exposures and attractiveness
- OTA is getting more and more in China. And Ctrips has emerged as the dominant leader in China's online travel market that is stabilizing after an intense battle the past five years against top competitors that also included eLong and Qunar.

# 3. Other important factors

## New distribution channels

- Conduct a regular sales visit, PR events to collect marketing intelligence and maintain market presence
- Conduct training/product seminars to enable travel agents product knowledge
- Trade/Media famils quarterly to keep them aware our product and unique selling points
- Build up a Chinese/HK version of website and social media account (Wechat, Facebook and Instagram) through appealing images and a channel for dissemination of tourism information.
- TVC and travelogue helps much for penetrate into the market
- Explore opportunity with airlines / Finland travel trade for value added offers as a stopover destination

## Online channels

- Visit Finland should be present strongly at local digital platform such as mobiles apps, TV apps (ViuTV, NOW TV), NEWS apps (Next Mobile Limited / On.cc limited) on top of Social media. Our targeted audience are the active viewers in these apps with a strong consumption power.
- We may have our VF apps to feature a lot of new happening and product, and to conduct games to attract viewers and downloader.

## Competitors actions

- Iceland and Scandinavia are our major competitors and they have conducted marketing coop with local trade partners. Iceland work closely with British Airways, while Scandinavia partner is STB.
- Iceland featured themselves as the best place for Aurora and its stunning landscape all year round. Norway keep pushing their glaciers in the summer time and igloos and king crab catching in the winter.
- Sweden and Denmark are not that active in the market.

## 4. Themes

What program themes / marketing themes are the most interesting in your market area?

- Cruise holiday
- Nature encounters – Aurora
- Sport Tourism – Marathon
- In-depth culture / history
- Students study camp
- Overseas Wedding and Honeymoon
- Eco tourism / Wild Life
- Self Drive
- Travel Photography
- Food and Wine / Gourmet
- Wellness/Medical Tourism

## 5. Free word

### What themes we still need development with? Why? Suggestions regarding product development?

- Young traveller under 30 with female majority, family with kids, photography and marathon are the themes that we may have more focus on, as these consumers have strong consumption power with higher penetration at social media.
- Internet booking continued to increase with over 50% via internet from airlines direct or OTA, these booking from segment below 40 and they are frequent travelers. More activities have to generate from local office to get the message deliver directly to this segment effectively
- Although there are a lot of travellers obtain information online when purchasing with over 50% will look into non-Chinese websites. However it is always the case that they would have something in local language – a guide book/tips available for them to do some planning before or during the journey. It is essential to have an informative and comprehensive Finland travel guidebook working with local publisher to feature Finland in depth, especially if we would pitch the FIT market

### What's hot right now on your market (BtoC and/or BtoB)?

- BtoC : Japan, Korea and Taiwan are the hottest destinations due to the LCC promotion together with some hotel portal.
- BtoB : Understood that FIT/smaller group is a major trend for the market, agents put a lot of effort and resources online, develop their own portal.

### Something else that you would like to say to the Finnish travel trade or Visit Finland

- There is a significant figure (62%) showing that consumers prefer to make booking direct from airline and service providers. Finnish trade need to invest more on their portal for consumers booking, instant enquiry (live chat) thereafter to cope with Chinese market trend.