

Market insights

Estonia in the Swedish market

March 2023

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visit estonia



What?

How?

Why?

- Collecting opinions from people in the trade & who know Estonia & Sweden well
- Some survey results from published surveys
- Mixed with some of my own views and opinions
- Some coverage of travel trade in general
- Feel free to draw your own conclusions!

Overview of Swedish economy

- -0,8 negative growth forecasted 2023
- +1,2% growth forecast 2024
- Inflation 11,7% (JAN 2023)
- Unemployment 7,6% (Jan 2023)
- All-time-low SEK versus EUR

MONEY

Swedish economy to see worst downturn in EU: 2023 forecast

Sweden's economy is the worst in the EU and is predicted to shrink in 2023 alongside decreasing inflation, according to new winter predictions from the EU Commission.

Published: 13 February 2023 12:04 CET



Overview of Swedish economy

The same levels as before the pandemic

- "It is quite unusual. Historically, travel is usually one of the first things you save up for," says Adam Györki , communications manager at TUI
- In recession – travel to destinations closer to you – increases (True/False?)
- "Despite the recession, we do not see a decrease in the number of people plan to travel during the year": Ticket travel agency chain

Swedes would rather travel than buy a new TV

Isabel Hallqvist March 7, 2023



Swedes would rather travel than buy home electronics (Photo: Pixabay).

The travel industry is booming right now - the slower it is for the electronics companies, which are grappling with major challenges due to a reduced purchasing power of Swedish consumers.

The war in Ukraine could change everything

- A majority of Swedes (69 percent) plan to travel exactly as usual.
- 20 % answer that they plan to travel in a more environmentally friendly way.
- “The war in Ukraine puts the finger on our dependence on oil and fossil fuels. Together, the pandemic and the war have upset the entire system and led to the environmental issue gaining ground, says Peter Fredman, professor of tourism science at Mittuniversitetet i Östersund”.

Swedish market trends

- Booking closer and closer to departure – last minute choices.
- Sustainable and Responsible travel (choice of transport and offsetting carbon)
- Trains...trains....trains
- Only 9 percent say they will fly less in the future
- City Breaks & Beach Getaways increase in popularity
- Unique accommodations
- Active travel (sports, hiking, training, yoga, golf, cooking etc)
- Online booking
- Longer stays (no evidence?)
- Changing preferences in choice of destination & distribution – be there and harvest!

Swedish market trends - by Visit Sweden

1. Safe travel – people continue to value safety and security highly.
2. Make up for lost time - catch up for lost vacations and to spend time with loved ones.
3. Health tourism – For example, veganism, mindfulness, sleep training and forest bathing
4. Stimulate the senses – the pandemic has led to an extra strong desire to stimulate all the senses; light, sound, smell, touch. Something that is well experienced in nature.
5. The new and authentic – demand is increasing for unique, new experiences and places. For example, contact with the local culture and getting to know it a little more in depth.
6. Digital horizons - a combination of digital and "real" experience, to market via digital channels has increased.
7. Optimized experience – digitization has also led to higher expectations that "everything works" without friction.
8. Make maximum use of time - for example, in traveling and working at the same time, or want to customize your experiences, in micro-trips and mini-adventures.
9. A better world – not a new trend but it has been going on for a long time.

Image of "Estland" in Sweden?

- Historical ties
- Well known Swedes with Estonian roots: Kristian Luuk, Lena Endre, Ilon Wikland etc.
- Idlaflickorna
- "Tallinn is Estonia"
- Estonia ferry
- Independence movement
- Many have visited – thanks to Tallink's large volumes
- Affordable destination
- Ranges from Positive to Neutral – less Negative opinions



Overnights from Sweden 2014-2023

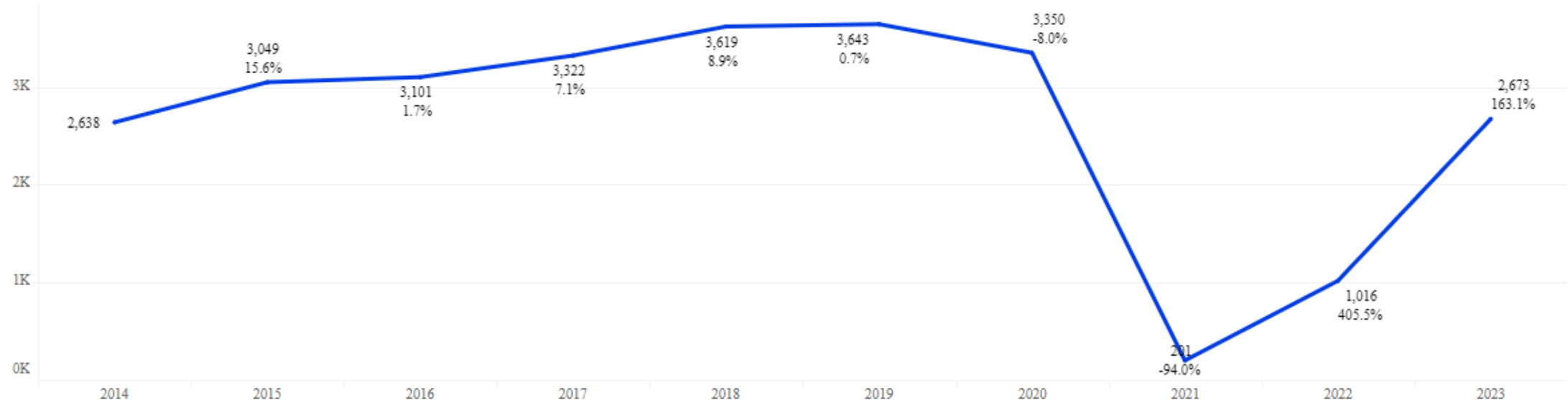


Accommodated tourists and nights spent

☒ Number of accommodated tourists
☐ Number of nights spent

Country of residence: Sweden
County or city: Estonia
Period: January

Number of accommodated tourists in accommodation establishments: years compared (Sweden, Estonia)



Source: Statistics Estonia

Transport

"The trend of increased need for flexible, safe bookings will continue into 2023-24":

Ticket travel agency press release

Ferries & Baltic Sea cruises:

- Tallink: hopefully back to daily soon on STO-TLL route
- Tallink/Silja Line: possible to route pax via HEL
- Viking Line: via HEL
- DFDS: Kapellskär - Paldiski

Air connectivity:

- SAS (interlining connectivity from many Swedish airports)
- Ryan Air
- Air Baltic via RIX
- Finnair via HEL
- Skåne/Southern part of Sweden is part of CPH catchment area

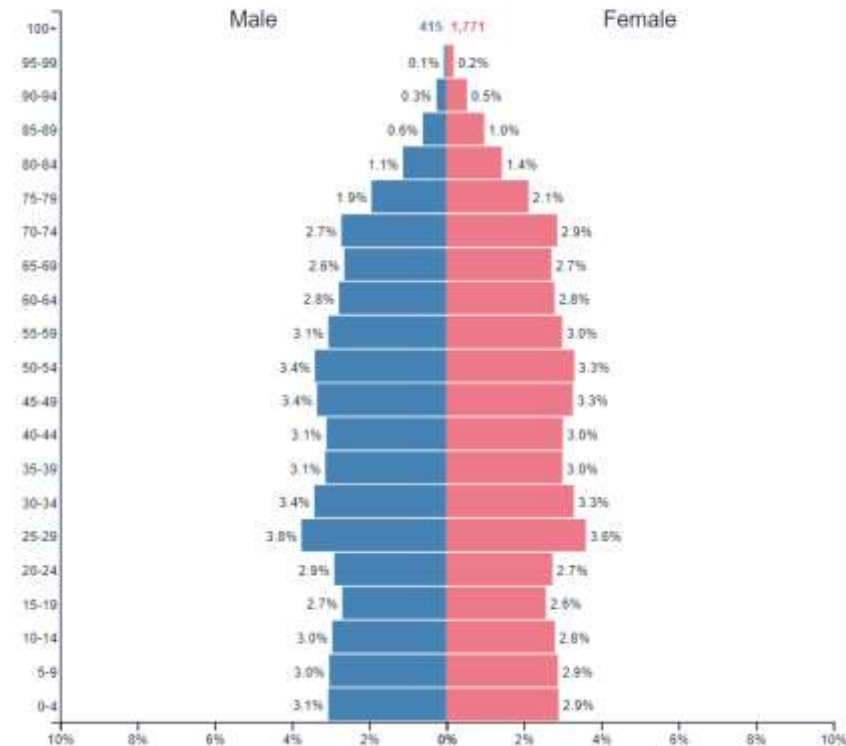
Is there a target group we do not speak to? Or focus on enough?

- Estonia for younger generations and "digital Estonia" – is that a reason to visit? What else do they need and like?
- Digital Nomads
- Retired – with money and time
- Families – Tallink does a lot here, how about the rest?
- Beaches – family vacation – drive around Estonia?
- Activity based travel
- 20% of the population in Sweden is born abroad: 700.000 with Finnish ancestry, Arabic is the largest foreign language group, Lots of Indian IT workers.
- "väliseestlased" – 30.000 (??)

Swedish pensioners are wealthy and they are many

Sweden ▼
2019

Population: 10,036,391



New figures: Wealth six times greater among pensioners



Image: Mostphotos

Today's pensioners generally have a good economy compared to the rest of the population. This is stated by the Swedish Pensions Agency in a new report. Among other things, pensioners have a fortune that is six times greater than those aged 20-64.

Source: TN.se please click on the picture to view the article

Voices from those who know Sweden and Estonia well

Toomas x 2, Lottie, Håkan, Irene, Carita, Signe, Pamela and Oktay

What do you think Swedish people should see/visit/experience/buy – in Estonia. Why should they visit? Your hidden gem?



Estonia and Sweden – close and similar

General positioning / mind set:

- To present and tell how different/similar is Estonia compared to Sweden, landscape, forests, seashore, towns
- The well preserved local architecture, high level of culinary options and hotels.
- Just like Sweden – with less negative sides (?)
- Swedish heritage - historic places - Narva, Tartu, Laiuse, Tallinn + islands, Western-Estonia
- The versatile Estonia, being a comparatively small country. Compare South and North, the islands and shores of lake Peipsi

Reasons to visit Estonia

Culinary experiences:

- Develop vandringar / walks – very popular in Sweden: beer walks, champagne walks etc
- Endless supply of restaurants – now on White Guide and Michelin, BUT also find more affordable options now when we have economic crisi.
- Examples: Kohvik Narva, Kompressor Panncake pub, Hell Hunt, Must Puudel, Dagestan
- Telliskivi quarters with Fotografiska obviously – also good restarurants Lendav Taldrik and Kivi Paber Käärid – all gluten free!
- Good selection of vegan restaurants and vegan alternatives
- Very important for Swedes with alternative dishes
- Discover also the variety of Tallinn: Kalamaja, Kopli
- **My message is – that people who have been there already need to see more – and the above is an example of what to discover more!**

Reasons to visit Estonia

Design:

- Discover Estonian design – very interesting and lot to offer – several good design shops in Solaris and Rotermanni
- Handicrafts – and al the events and activity around the theme
- Lilli Jahilo & other

Arts & Museums:

- Kumu
- Aibolands museum

Reasons to visit Estonia

Activities:

- "Theme walks" – very popular in Sweden: from Tallinn to Piritä, city walks, beer walks, champagne walks, walks on the islands?
- Also hiking – a bit longer distances in nature.
- Sauna – Iglupark – very popular in Sweden at the moment, also winter
- South Estonian smoke saunas, Narva Jõesuu SPA, Peipsi "onion villages"
- Golf – definitely golf! (57 golf courses close to Stockholm)
- Festivals and events – we never heard of them but they sound very interesting!

Reasons to visit Estonia

- History, culture, nature – the islands especially, a lot to discover when you leave Tallinn.
- Fly + rental – to get so more time in destination.
- “People do not know how close it is, the ferry trip makes it feel further away – I love cruises to Tallinn, but sometimes I want to go deeper”

A well known Swedish tour operator employee – first time in Estonia in December 2022 – upper market/luxury tour operator said...

- There are many great SPAs in Tallinn region - with 1/3 of Stockholm prices
- It is promoted how very modern Tallinn and Estonia are – but I am more interested in how old they are
- I think that you should promote more about how close this real medieval city is.
- What I liked most about Tallinn was how creative the Estonians are and how much craftsmanship there is – with events around it. This is a big thing in Sweden!
- Tallinn has fantastic restaurants!!
- It's rare that you come on a study trip where all the meals are super, like we experienced in Tallinn - Fantastic food everywhere.
- There should be a calendar where you promote operas, fairs, medieval week, festivals, the Christmas market, etc with dates.

Reasons to visit Estonia

Things that are already promoted – more pressure and focus on;

- Tallinn Old Town
- Noblessner
- Iglu park
- Lauluväljak
- Narva Linn
- Saaremaa SPA hotels
- Bog visits

Reasons to visit Estonia

How to get there & move around?

- Love the ferry and Tallinn after that – so do our clients!
- Bringing a car along on the ferry is a great opportunity to discover the country deeper
- Can you travel by train in Estonia? I would recommend that.
- Potentially interesting for MICE groups
- Good and priceworthy in general
- Medical tourism
- Close by!

Challenges

- Understanding of product: example different versions of "SPA" in Estonia and on Swedish market
- The Russian aggression in Ukraine – focus on closeness
- Close-out dates for allotments/group bookings – as travel decision and purchase is closer and closer to travel date – be flexible when you can!
- Knowledge of wine – even in more simple restaurants; family fathers need to discuss and show the rest of the group how much they know about wine ;-)
- Price level – that still seem to be lower than Sweden – do not hide it!

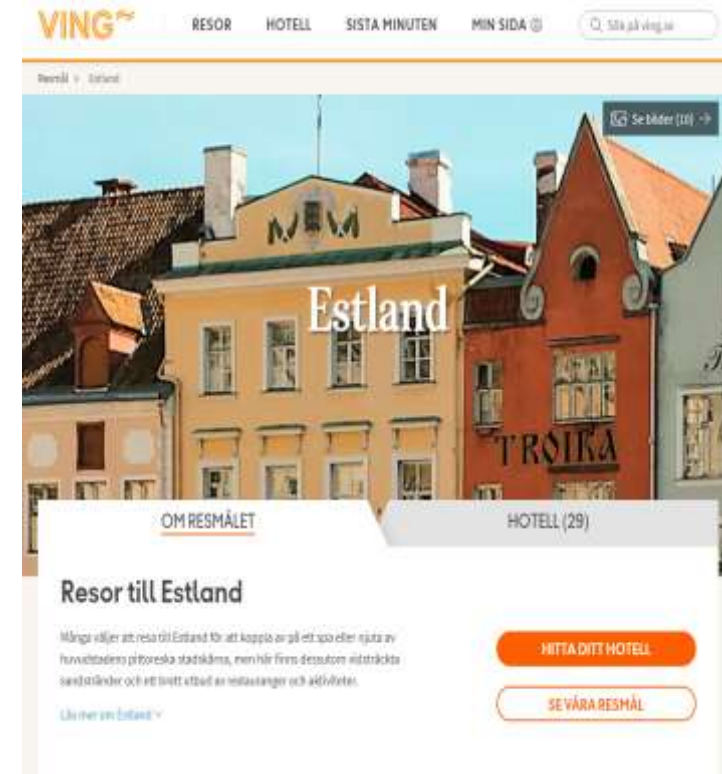
Production Analysis: Air travel & packages

The air travel-based packages are mostly dynamic, where the passenger is encouraged to choose the items he/she needs.

Tour Operator examples



OTAs examples



Source: please click on the brand picture to view agency Estland's product

Production Analysis: Ferries & Cruises

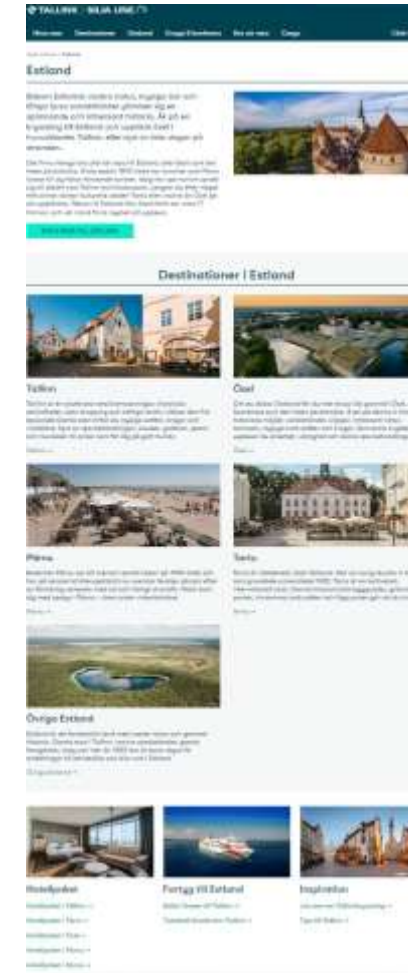
Tallink: 40 hour cruise with a day in Tallinn (top volumes) and hotel and SPA packages

Traffic every second day for the moment.

Hotel packages with one or more overnights, Tallinn, Tartu, Pärnu, Narva, Saaremaa:

DFDS: mainly concentrating on the actual crossing, offering Estonia travel guide online.

Viking Line: seasonal traffic STO-TLL / daily via HEL (29th Jun-5th Aug 2023)



Production analysis: Bus

Bus travel / SPA / Baltic Tours

There are/has been several producers of bus travel packages to various parts of Estonia, Pärnu in top – but also other destinations:

Rolfs Flyg & Buss, Hallens Buss, Byberg & Nordin, Resemakarn, KJ Buss, Peters Buss, Vega Resor, RK Resekomnsulterna (consolidators/whole saler).

Try to encourage them to develop the product content – individual add-ons etc.



Christmas is coming - are you ready?



Ticket press release OCT 2022:

Christmas is approaching and with it the time to bring out the Christmas spirit. A safe bet is to visit one of Europe's Christmas markets, where the atmosphere is hard to resist. Lübeck, Berlin, London, Vienna and Copenhagen are always popular – or why not look east towards cozy, affordable Tallinn?

- We want to recommend to visit Tallinn, Riga and Vilnius this Christmas. Beautiful Christmas towns with tradition - and affordable! Here you come home with all the Christmas presents bought without having to turn your wallet inside out, says Sofia Eddelid.



Tour operator feedback....

Culture, history – round trips in the region: very good demand! Estonia is interesting and see no major problems in demand (this is a small niche operator)



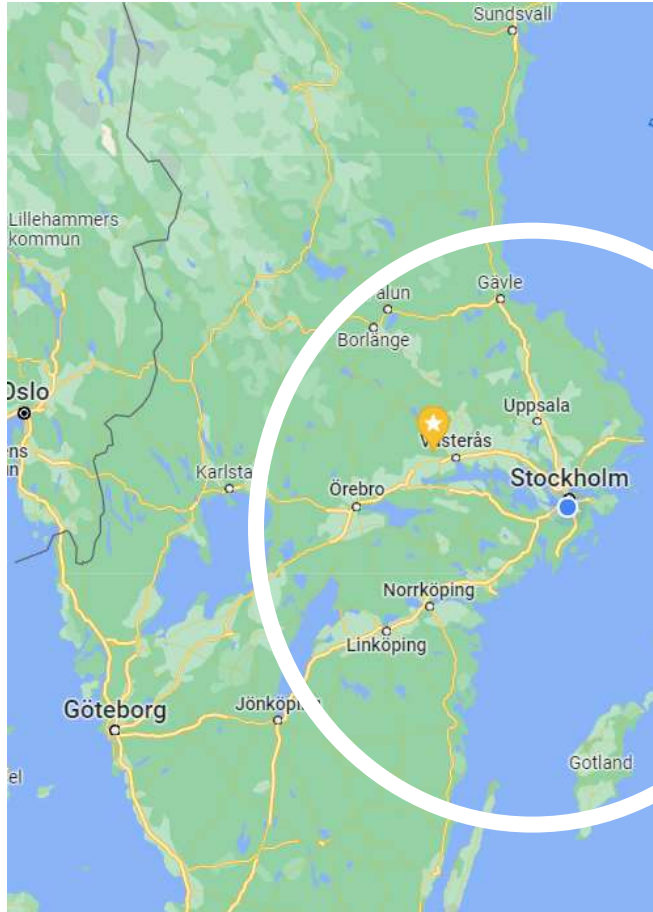
Tour operator feedback....

One of the largest in Sweden;

- as shipping companies have less staff after the pandemic – there is more for them to do
- 60+ a good target (time and money) – probably even more so in the close future as often no bank loans.
- Safety (trygghet) more in focus
- European FIT sales no good, group sales go very well
- The Baltics tour 2023 is despite all this selling quite ok.
- **Conversion very close to departure / last minute!**
Flexible quotas needed and appreciated.
- Price tag has less importance, people understand the pressure to charge a bit more – having good margins



Baltic Sea cruises



- Catchment area for cruises: around 300km around Stockholm
- Cruises with destination / hotel package longer and seasonal
- 50% of the adult population can consider a cruise ferry leisure trip (give or take)
- Entertaining cruise ferry visitors is still a potential niche – reaching them online?

What the researchers say: Fredman & Remviq

- The interest in forest and nature has been basically constant since the seventies.
- The increase in various forms of activities has increased exponentially.
- The way we travel may change. (more by train)
- The war in Ukraine has made the forecast for how we will travel in the near future more uncertain.
- Uncertainty in the world leads to us booking holidays that feel safe.
- Fewer long-distance destinations outside Europe.
- “The fact that we choose destinations that are perceived as safe in the short term may mean that we are looking west, away from the war,” says Peter Fredman.

How did you travel abroad?

- By air 55%
(scheduled traffic 35%)
(charter 20%)
- By car / camper: 22%
- By ferry/cruise: 9%
- Train: 5%
- Bus: 3%



With whom do you travel?

- Only with people from the own household: 54%
- With friends 17%
- With relatives 14%
- With a group of friends 4%
- With partner (living inseparate housefold) 4%
- With association/club 1%
- With colleagues 1%
- Other 1%



Where did you stay (overnight)?

- Hotel, B&B	47%
- With relatives	13%
- Own holiday home	10%
- Rented house/apartment	10%
- With friends	5%
- Camping	4%
- Cruise ship	4%
- Ferry, train, car or bus	3%
- Recreational boat ("yacht")	2%
- Conference hotel	1%
- Youth Hostel	1%



Thank You

