

The Norwegian Market

- Estonia

Insights and Opportunities

March 2023



 **related**

Market leading Nordic agency

Related is a Nordic full-service agency founded in 2003, specialized in positioning international tourism brands on the Nordic market.

Our experienced team of 16 members are all experts within their field and everyone holds strong competences, a broad network and a great knowledge of each Nordic market.

Related has offices in Stockholm, Sweden and Aarhus, Denmark. As satellite offices in Oslo, Norway and Helsinki, Finland.



••How we work is Related

Everything we do – from PR and Marketing to trade and MICE – are based on our circular 3 step method:

Insight, Innovate, Impact.

INSIGHT

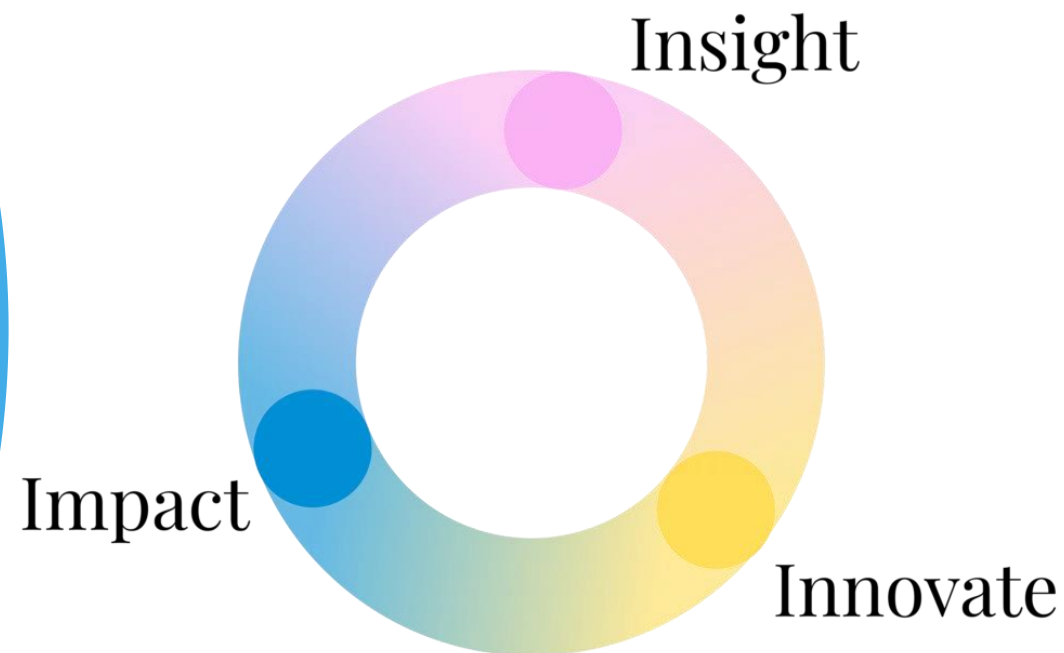
We believe data is essential; both to understand the current situation and to outline the potentials ahead. Therefore, everything we do is based on market intelligence, data, and research.

INNOVATE

We love synergies, efficiency, and high return on investment – but we love new ideas, unusual ways of thinking and taking chances just as much.

IMPACT

Our insights and innovation processes make sure we always target the right audience with the right message at the right time – to create the best possible impact!



Some of our current clients



Snapshot of Norway

Economic outlook, political climate, and general travel trends in Norway

Economic outlook

- GDP increased from 2021 to 2022, despite Covid-19 pandemic and energy crisis. **Minor decline in GDP in the first half of 2023** while experiencing an increase of 3.5% in the second half.
- GDP per capita (PPP) is **well above average** in the EU:
 - Norway: 79,201
 - EU Average: 48,480
- **Consumer spending has been surprisingly high** considering the inflation and interest rate hikes.
- The unemployment rates are expected to rise from 2023 to 2024 from 1.6% to 2.6%. This is still **very low unemployment rates**.



Economic outlook: Spending

- Consumer spending has been surprisingly high considering the inflation and interest rate hikes.
- Employment growth, solid savings, and a desire to return to normality after the Covid-19 pandemic.
- Weaker spending in 2023 is expected, especially in early 2023, which is in line with the anticipated decline in GDP in the first half of 2023.



Key insights

Rankings: How do Norwegians see Estonia

Image: #29 of 111 countries (+5.0% compared to 2022)

- Estonia's **image index** is 304.3; the average image index of all countries in the Norwegian market is 251

Awareness: #36 of 111 countries

- 71.1% have heard about Estonia as a travel destination (+2.9% compared to 2022)
- Estonia's **awareness index** is just above the average of 66



Rankings: How do Norwegians see Estonia

Perception: #28 of 111 countries

- 86.8% have a **positive perception** of Estonia (not visited yet) (+5.3% compared to 2022)
- 44.9% would like to **visit one day** (not visited yet) (+11.1% compared to 2022)
- 13.2% would like to **visit within 3 years** (-9.6% compared to 2022)

Experience: #29 of 111 countries (+1.3% compared to 2022)

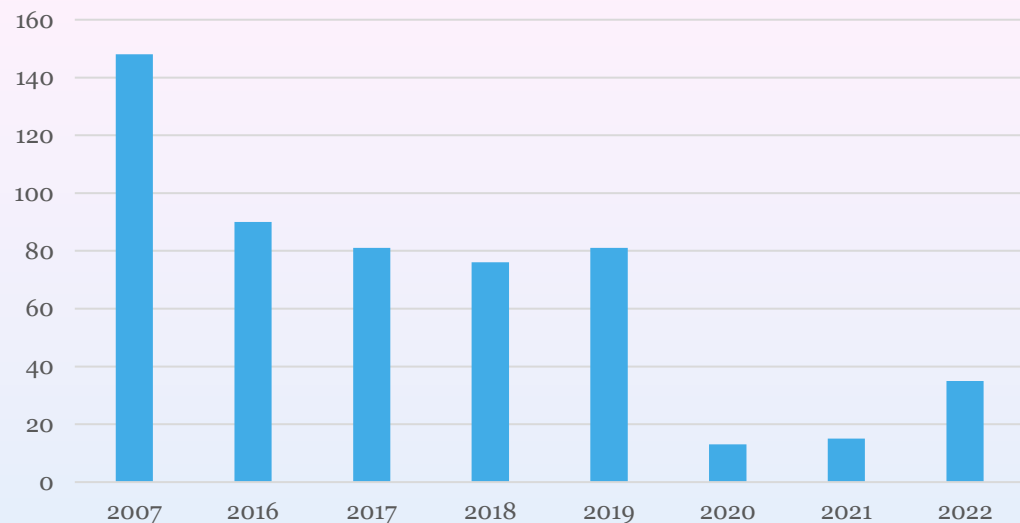
- 84.0% had a **positive experience** when visiting Estonia
- 35.6% would like to **visit Estonia again** (-6.8% compared to 2022)



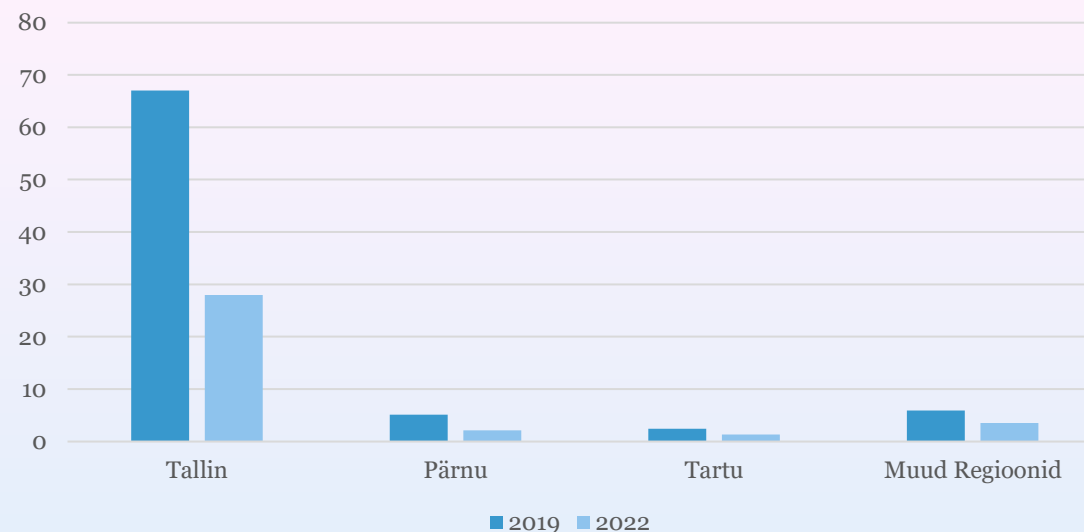
Nights spent by Norwegian tourists in Estonian accommodation establishments

Nights spent by Norwegian tourists in Estonian accommodation establishments (thousand)

In 2022, 16,000 Norwegian tourists stayed in Estonian accommodation establishments, spending 34,600 nights there.



Overnights in cities: 2019 vs. 2022



The Estonian Norwegian traveler

The following insights are based on Travellyze data with a **focus on Norwegians** who have a **positive perception** of Estonia, **wish to visit**, have had a **positive experience** visiting Estonia, or would like to **revisit**

The Estonian Norwegian Traveler

- **The Norwegian travelers who desire Estonia** are typically aged 35 or older and are either married or in a cohabiting relationship.
- Many of them have completed **higher education** or **vocational education**.
- They are regarded as generally **high earners**.
- Consequently, they have a **similar travel budget** as last year, despite economic uncertainties.
- They **prioritize environmental** concerns when making travel decisions
- Are also known as the Free Independent Traveler (FIT)



Current travel trends

- 60.1% of **Norwegian travelers who wish to visit Estonia** perceive family and friends as significant sources of travel inspiration – followed by search engines (40.3%) and OTAs (31.2%)
- 51.3% prefer 3-4 star hotels – holiday homes (27.3%) and city hotels (25.6%) are also preferred to some extent
- Nearly half plan to spend the same on vacations as last year, while 12.3% plan on spending more
- 45.5% prefer to book separate flights and hotels online via different booking portals/TAs



Current travel trends

- “Living new experiences” is the main motivational factor among **Norwegians with a desire to visit Estonia** – 41.4% find new experiences to be an important aspect of a vacation.
- **Food experiences** are also crucial to many: 36.4% see this as a significant part of a vacation
- Nearly one-third (31.6%) of Norwegians who have expressed interest in Estonia consider **cultural and historical experiences** as noteworthy factors when choosing a destination
- Almost the same percentage (31.3%) prioritize nature and outdoor experiences



Key themes to focus on for the target group

Key themes



New experiences



Culture and history



Gastronomy



Outdoor experiences

Living new experiences

- The opportunity to gain new experiences are the most significant influence for Norwegians' destination choice
- In 2023 we will be focusing more on new and authentic offerings that many travelers are not aware of.
- Travelers want to come closer to the locals, explore their culture and to try something new, different, and authentic. We need to make them aware of what Estonia can offer besides from the obvious.
- Sauna Year 2023 has great potential of drawing attention to the destination. The Estonian sauna culture is also something unique and new for travelers.



Cultural travelers

- 41.4% find cultural and historical experiences important factors of a vacation.
- Cultural and historical experiences have the third highest impact on Norwegians' destination choice
- Focus on Tartu that will be **European Capital of Culture in 2024**. Tartu also offers something new and different and has not got same attention as Tallinn.
- Focus on new ways of exploring history and culture
fx promote Kihnu island and other hidden culture treasures.



Nature and outdoor experiences

- 31.3% prioritize nature and outdoor experiences. Norwegians are fond of outdoor experiences.
- Focus on the bogs and meadows – and the many hikes that are available
- Canoeing during fifth season
- National parks



Gastronomy

- Food experiences are the second most influential factor of Norwegians' destination choice. 36.4% find it important.
- We will focus on gastronomy and Michelin featured restaurants in general
- Show a more **authentic and traditional** side of culinary experiences
- **focus on Estonian food traditions**; where the food comes from, who has produced it and how it has been made
- **Attracting travelers to try something different** within the theme such as a dinner in the bog, traditional cuisines and collecting herbs in the nature.



Other focus areas

- Sustainability is becoming more important, and Estonia has great offerings within this field to focus on. We should promote Tallinn being European Green Capital this year.
- Trade partners report that Spa is popular in the Norwegian market.
- Focus on Estonia as a **value for money destination**, especially **within gastronomy**. Even though the target group is not too affected by economic challenges in the society, we still believe it's an advantage.



Flight connections

Direct flights

Oslo (direct flights)

- Air Baltic flies twice weekly from Oslo to Tallinn in May-October. Duration 1:25

Connecting flight 5-7 times weekly from Oslo-Riga-Tallinn. Duration: 3.10.

- Norwegian flies 4 times weekly between Oslo and Tallinn, and 5 times in May/June and September/October. Duration: 1:30



Flights from other cities (1 stop)

Bergen (1 stop)

- SAS: Bergen-Copenhagen-Tallinn. Duration: 3:55
- Norwegian: Bergen-Oslo-Tallinn. Duration: 3:35
- Finnair: Bergen-Helsinki-Tallinn. Duration 4:05

Stavanger (1 stop)

- SAS: Stavanger-Copenhagen-Tallinn. Duration 4:20
- Air Baltic: Stavanger-Oslo-Tallinn. Duration 4:50

Trondheim (1 stop)

- Finnair: Trondheim-Helsinki-Tallinn. Duration 4:55
- SAS: Trondheim-Stockholm-Tallinn. Duration 3:20



Comments from tour operators (voices from the Market)

*"We see an **increasing demand to Tallinn as city-break destination**, mainly due to cultural reasons as well as the very good value-for-money and gastronomy offering"*

"We see a demand for short haul destinations – they are constantly increasing"

*"We see Estonia as an **upcoming summer destination**, with nature hiking in the bogs, spa-hotels and beach holidays"*

*"Our clients are cautious about travelling to Estonia because of **the war in Ukraine**"*

"We are very positive about the future travelling to Estonia and Tallinn"

*"**sustainability is a very important** for our clients"*

"Specially themes like history, culture and new things to explore are important"

*"**history, food and culture are really trending** - so Estonia is a great country for that"*

*"Estonia has a **great reputation among our 50+** travelers and many are requesting trips"*

Concluding remarks

- Norway's Economy has been doing better than expected and GDP is above average in the EU.
- Norwegians want to travel despite inflation.
- **86.8%** have a **positive perception** of Estonia and **44.9%** would like to **visit one day**.
- "Living new experiences" is the main motivational factor among Norwegians.
- Important themes are cultural and history, outdoor and food experiences.
- Family and friends are still significant inspirational sources to Norwegian travelers.
- Lack of direct flights and the war in Ukraine are the main threats for growth.



PR & Trade activities supporting our strategic focus

A few examples

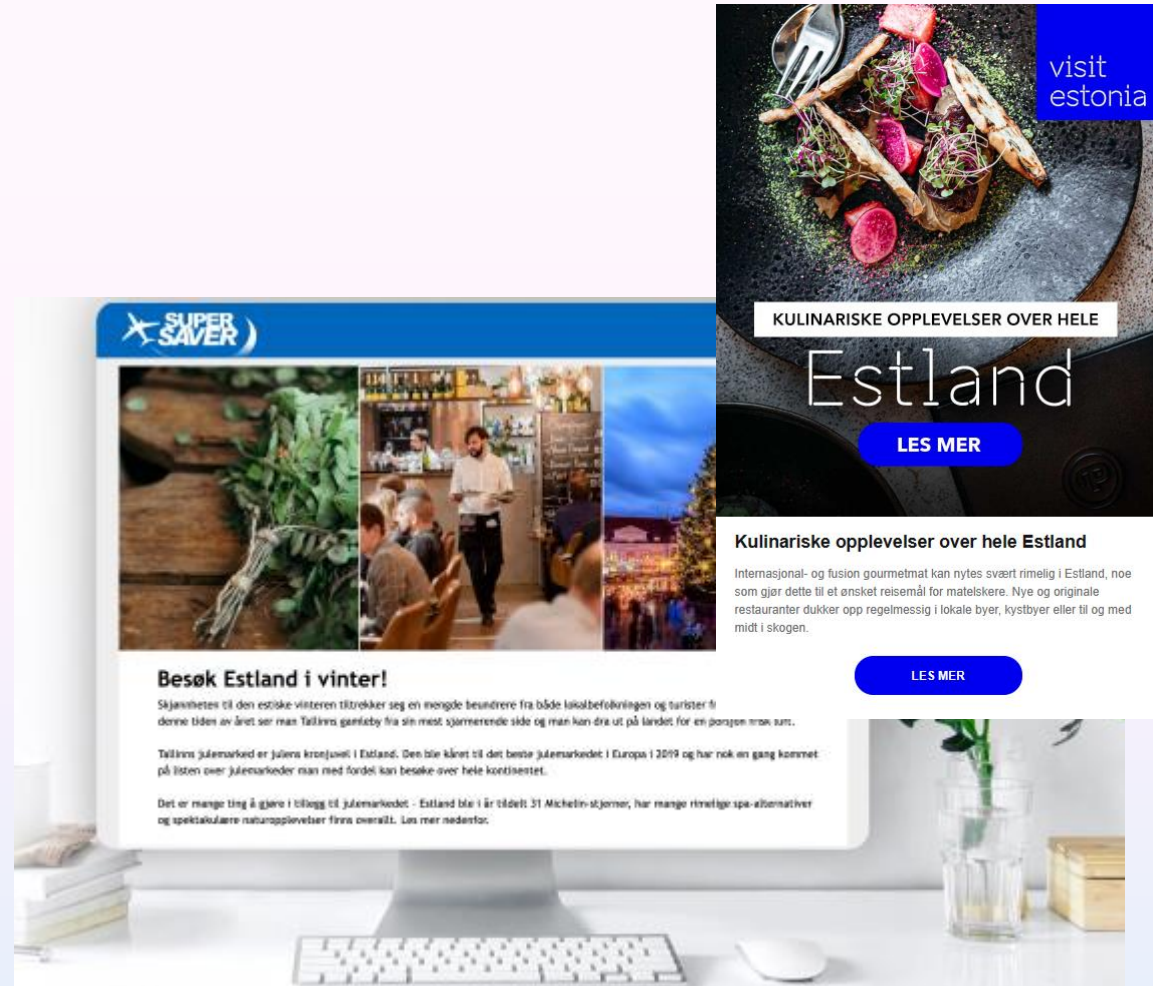
Connecting with trade and airlines

- Ongoing dialog with SAS, Norwegian and Air Baltic in terms of getting direct flights from other Norwegian airports than Oslo
- 15 sales meetings, 3 FAM trips and 28 tour operators for dinners In Norwegian cities has taken place to strengthen and built relationships.
- Participation in ANTOR Norway Regional Workshops – being the main sponsor.
- Participation in Travel Match and grand travel awards – inviting tier 1 trade to join Estonia at a VIP table.



Cooperation with Etraveli – the leading Online Travel Agent (OTA) in the Nordic region

- To create sales and awareness among the Fully Independent Traveler (FIT), we did a campaign with leading OTA Etraveli.
- The campaign gained 271 893 Impressions and a total flight bookings of 2080 in 2022.
- The 3 standalone newsletters had a great opening rate of 21,8% - 23,6% in all three send outs, compared to Etraveli's average of 17% for other destination campaigns during the period.



Trade and PR event on April 27, with focus on new experiences within Outdoor, spa and sauna

- To create more awareness and strengthen trade relationships we are hosting a VIP event with TOP trade decision makers and Tier 1 media.
- We will be focusing on "living new experiences" in the theme of nature/outdoor, spa and sauna. We will also be promoting the year of the Sauna.
- The event will contain a destination presentation, networking dinner, demonstration of authentic Estonian spa products and the possibility to go to the spa.
- The event will be hosted at the trendy and brand new hotel, Sommerro, in Oslo.



Culinary cooking class event in October with focus on gastronomy and unique culinary treasures

- To create more awareness about culinary experiences in Estonia, we are **hosting an Estonian cooking class event** for both PR and Trade and bringing in an Estonia chef.
- We are inviting Tier 1 trade and media to strengthen relationship and create awareness among relevant travel media.
- We want to showcase a more **authentic and traditional** side of culinary experiences and offerings in Estonia.
- **We will focus on Estonian food traditions;** where the food comes from, who has produced it and how it has been made



Read more about us here

www.related.dk