



Optima report Russia

Short version

Vi gir lokale ideer globale muligheter

Background to the Optima studies

- Over the years, Innovation Norway has conducted several Optima studies across different markets. The main objective of these studies is to get a better understanding of Norway's key markets. This insight is used in both marketing and product development to be able to work more efficient and targeted
- This study is conducted using Censydiam, a tool for identifying main motivations and needs for travelling abroad on holiday. The research also identify the role of holidays in people's life, their perception of Norways as a tourist destination and the competitive landscape. We have also defined a target group for Norway based on this research
- The research was conducted in Germany, Russia (Moscow and St. Petersburg) and the Netherlands in 2011/2012.
- We have conducted four focus groups and 1,200 web interviews in each country with respondents that have been on holiday abroad during the last two years.

For more info about the survey:

<http://www.innovasjon norge.no/Reiseliv/Markedsdata/Optima-Rusland/>

Executive summary

- Fundamental meaning of going on holiday - Holidays abroad must always help people to escape from their daily lives! The core of all holidays is about escapism, discovering new and interesting places and being together. All holidays must fulfil these criteria regardless of the type of holiday
- The proportion of people who have ever visited Norway is low compared to other competing destinations and repeat visits is also lower than average. However Norway is the most frequently considered Scandinavian holiday destination in Russia. This demonstrates that Norway has unrealized potential
- Norway does not have a good fit with any of the motivational segments identified in the study, but is best positioned in two segments: Exploration and Broadening my Horizon
- All the Scandinavian countries are seen as expensive, environmentally friendly and safe, and Norway is also seen as unique, adventurous, explorative and active
- The main target group is Explorers. They are looking to discover new territories and gain new energy. At the same time, broadening their horizons and feeling enriched. Broadening their horizon and feeling enriched is more important for our target group in Russia than the other countries researched

Fundamental meaning of going on holiday

In the research, we found that there are some common denominators across all types of holidays and across all segments and markets:

Holidays abroad must always help you to escape from your daily life!

The core of all holidays is about:

Escapism

**New and
interesting
places**

Being together

In Russia it's also about learning

All holidays must **always** fulfill these criteria irrespective of the type of holiday – Then we can start looking into how we should position Norway to be unique, relevant and attractive (in relation to our competitors)

Why identifying main motivation for travelling?

The same person, but different situations and different motivations

As consumers, we often have different needs depending on the situation. This also applies to holidays. A weekend getaway with a partner has to fulfil different needs than a skiing weekend with friends. This report is, therefore, based on **different occasions** – by occasion we mean **different holidays**.



Why identifying main motivation for travelling?

To get inside the consumer's mind,
we need to go **deeper**

20% Conscious

80% **Sub-conscious**

80% of human behaviour is explained by the sub-conscious. We therefore need to use methods that enable us to dig deeper into consumers' minds, to identify those layers of information that really govern human behaviour.

This is why we have chosen the Censydiam model for this project.

The Censydiam model

Main motivation for travelling abroad

We have identified eight motivational segments.
 They represent the different basic motivations for why people go on holidays.



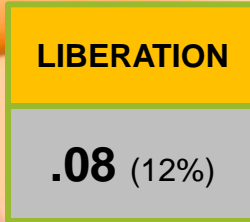
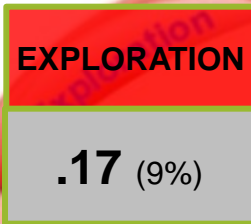
Norway has a fragmented brand footprint – Not perfect fit with any segments

Fit (from -1 to +1) of the perceptual profile of Norway with what each of the segments are looking for. A score of 1 means that Norway delivers exactly what the segment is looking for; a score of -1 means Norway represents the exact opposite of what people are looking for in that segment.

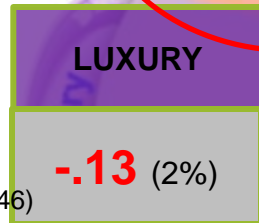
Perfect fit (>0,60)
Good fit (0,30-0,60)
Neutral fit (-0,25-0,29)
Negative fit (<-0,25)

China (.63)
Georgia (.47)
Kazachstan (.40)
New Zealand (.36)
USA (.36)

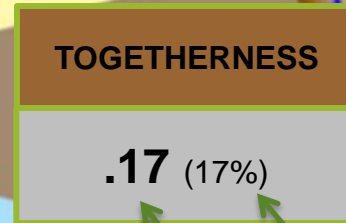
Sweden (-.43)
Finland (-.49)



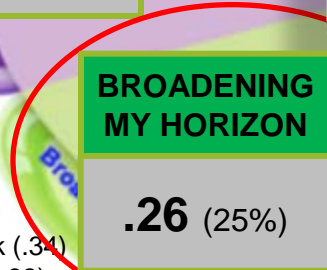
Ukraine (.66)
Georgia (.47)
Spain (.38)
Croatia (.34)



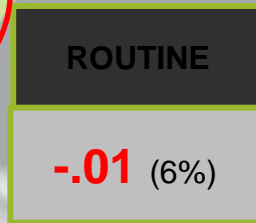
What we do here is allocate people's perception of Norway to their dominant idea of each segment. The slide shows a index number that indicates the fit between Norway and each segment compared with competitors



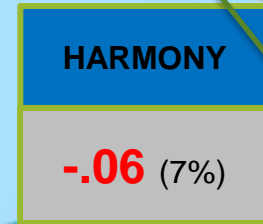
Finland (.72)
Croatia (.71)
Sweden (.46)
Denmark (.33)



Denmark (.34)
Finland (.32)
Sweden (.31)



Germany (.73)
Canada (.54)
Finland (.41)
Sweden (.37)
Austria (.34)



Market size

Perceptual fit

n = all respondents aware of the country in the quantitative sample

For more info about the survey: <http://www.innovasjon Norge.no/Reiseliv/Markedsdata/Optima-Russland/>

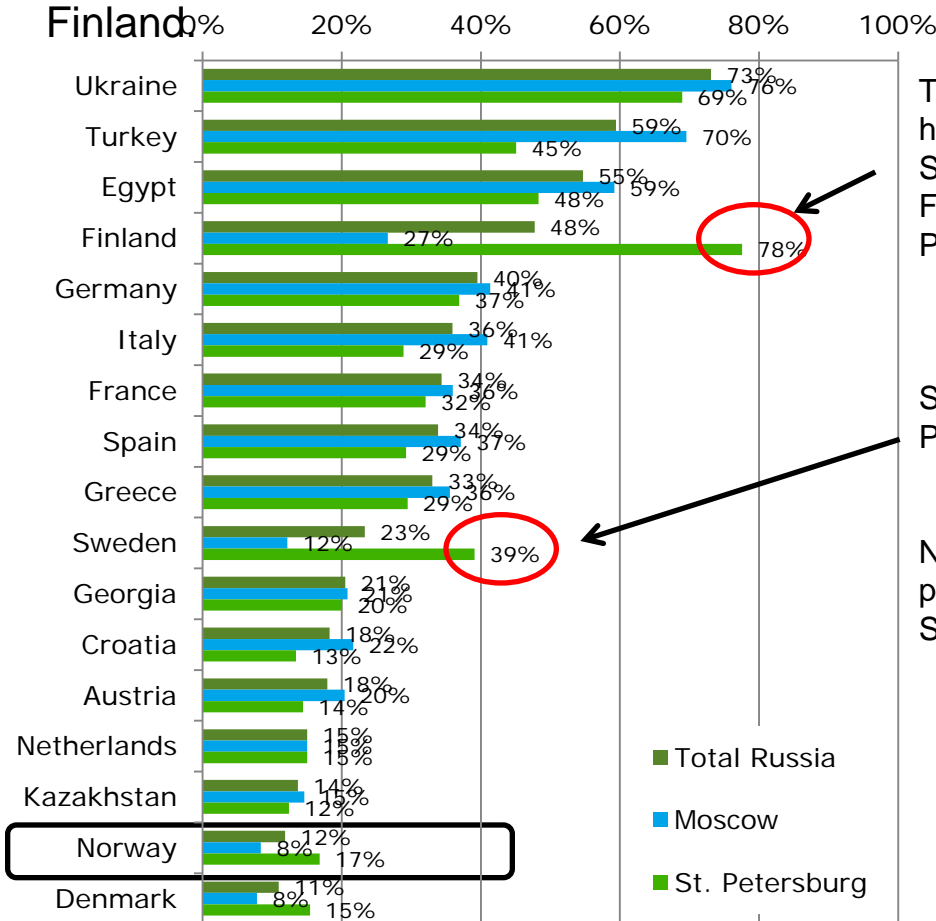
Norway is best positioned with Exploration and Broadening my horizon



- Norway does not clearly 'own' any motivational segment
- However, both in Russia and across all the three markets researched, Norway is often associated with Exploration and Broadening my Horizon
- Our neighboring countries have a weak association for these 2 segments
 - ⇒ But the strength of these associations for Norway is also relatively weak
- Exploration:
 - Emotional benefits sought by the tourist: Gives me rich experiences, Discover new and interesting places, Escape from my hectic daily life and Enrich my view of the world
 - Personality of the destinations: Adventurous, Explorative, Unique, Active and Friendly
- Broadening my Horizon:
 - Emotional benefits sought by the tourist: Discover new and interesting places, Broaden my horizon, Broaden my knowledge, Enrich my view of the world and Rich experiences
 - Personality of the destinations: Friendly, Authentic, Open-minded, Relaxed and Cultivated

Where do Russians go? - Regional differences but Norway fails to attract a lot of Russian visitors...

12% of Russians have ever visited Norway, which is lower than Sweden and Finland

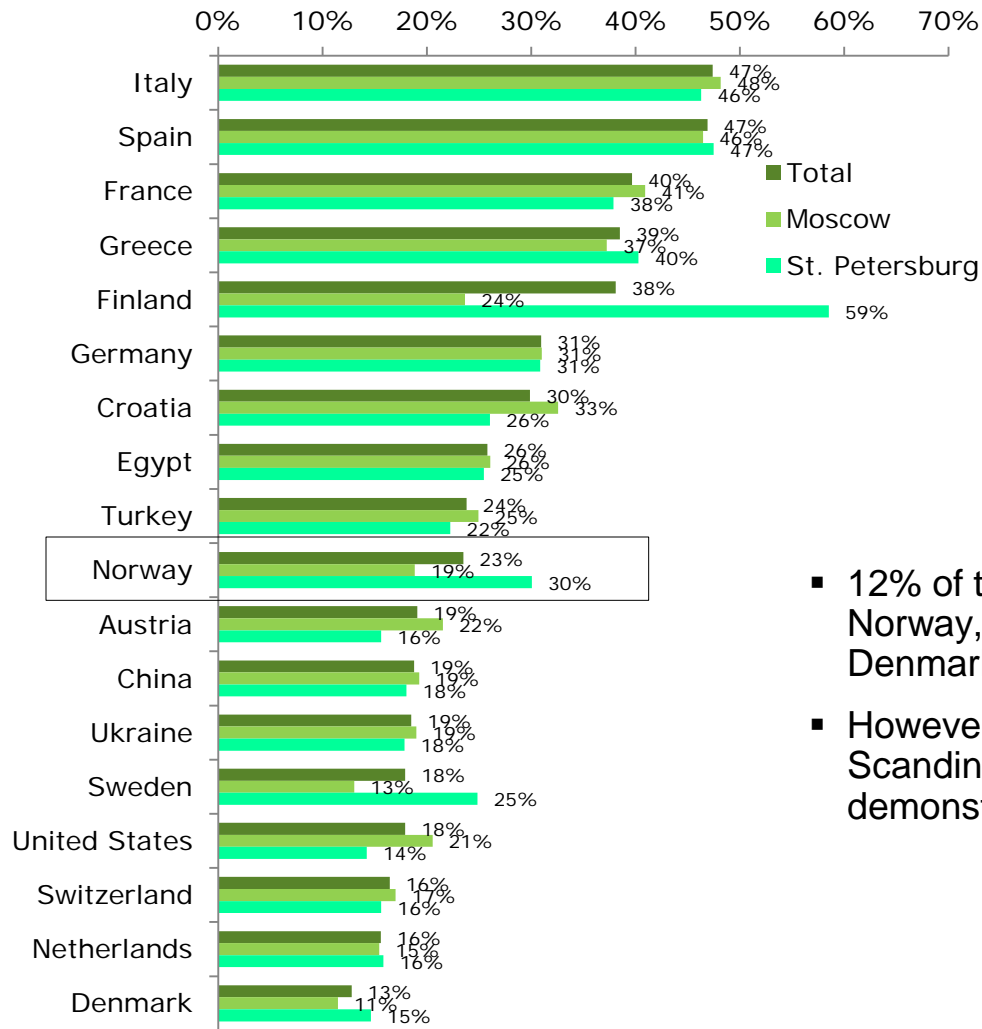


The Finnish penetration is extremely high in St. Petersburg. As a matter of fact; Finland is #1 destination in St. Petersburg.

Sweden has also a strong hold in St. Petersburg.

Norway also holds it's strongest position in St. Petersburg

... but Norway is on the Russian consideration list



Which of the following countries would you consider going on holiday to (any kind of holiday) the next three years?

- 12% of the Russians in the sample have visited Norway, which is lower than for Sweden and Denmark. Finland is the strongest competitor.
- However Norway is the most frequently considered Scandinavian holiday destination in Russia. This demonstrates that Norway has unrealised potential.

Russians perception of Norway as a holiday destination

This is irrespective of segments or what type of holiday in Norway they prefer or consider

DESTINATION FEATURES

(functional)

- Has beautiful nature
- Is not too warm
- Has environmentally friendly offers
- Has unspoiled nature
- Has quiet environments

ACTIVITIES

(functional)

- Observe the beauty of nature
- Discover local culture and lifestyle
- Discover local history and legends
- Experience wildlife
- Attend sightseeing tours

EMOTIONAL BENEFITS

(emotional)

- Allows me to discover new and interesting places
- Allows me to broaden my horizon
- Enriches my view of the world
- Helps me to escape from my hectic daily life
- Allows me to broaden my knowledge

PERSONALITY

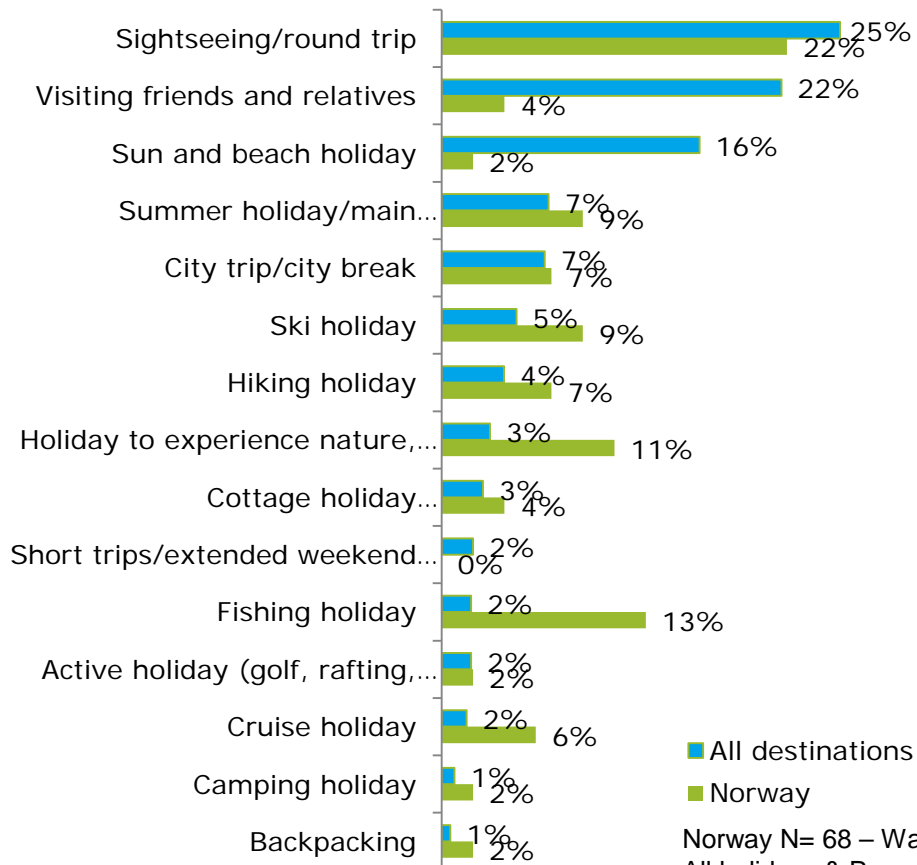
(emotional)

- Fresh
- Cultivated
- Explorative
- Peaceful
- Harmonious

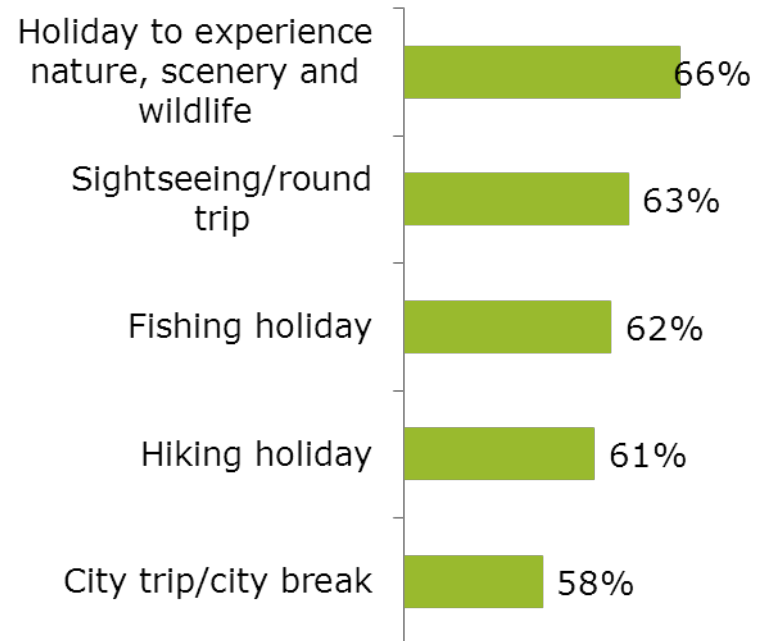
Travel behavior vs. perception of Norway

Norway is mostly associated with holidays to experience nature. In terms of actual behavior sightseeing/roundtrip is the most important holiday type. Norway does not have such a strong association with ski (alpine skiing = 56% and cross country skiing = 53%).

BEHAVIOUR



PERCEPTION



■ All destinations
■ Norway

Norway N= 68 – Warning: Low sample size for trips to Norway

All holidays & Perception N = All holidays to any destination in the quantitative sample

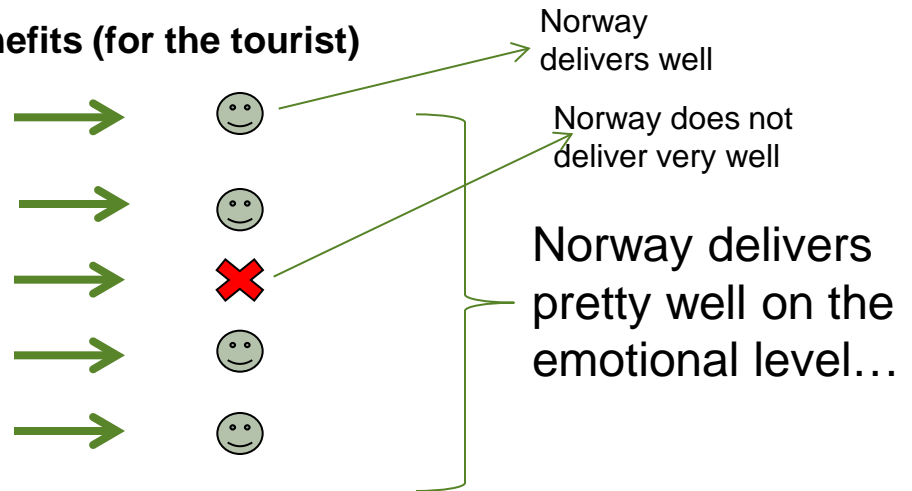
What Russians want vs. perception of Norway

What Russian tourists want in general while on holiday:

How Norway delivers (based on how they see Norway):

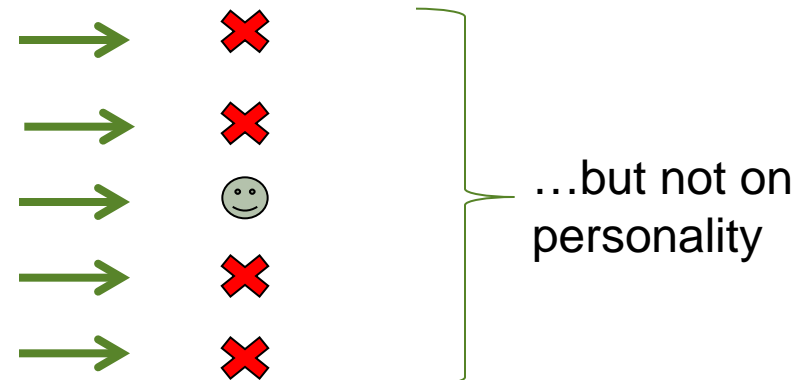
Emotional Benefits (for the tourist)

Allows me to discover new and interesting places
Allows me to broaden my horizon
Helps me live life to the fullest
Enriches my view of the world
Helps me to escape from my hectic daily life



Personality (for Norway)

Friendly
Cozy
Harmonious
Outgoing
Authentic



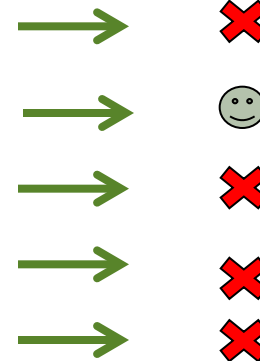
What Russians want vs. perception of Norway

What Russian tourists want in general while on holiday:

How Norway delivers (based on how they see Norway):

Product characteristics (for Norway)

Has friendly people
Has beautiful nature
Has interesting sights
Is safe
Has good service

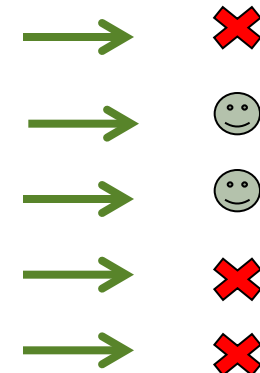


Norway does not deliver very well

Norway delivers well

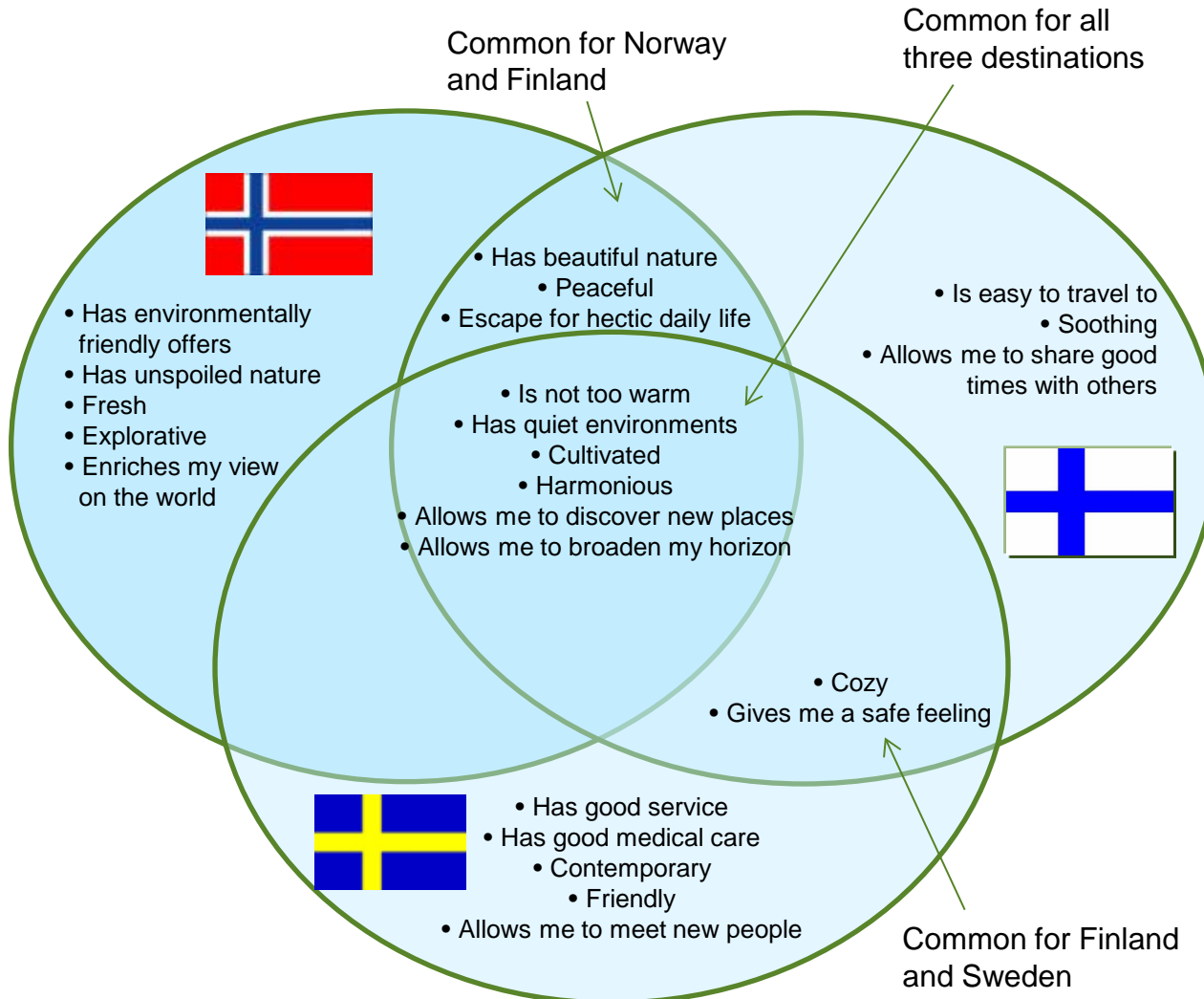
Activities (in Norway)

Taste local food and drink
Attend sightseeing tours
Observe the beauty of nature
Visit historical buildings/sites
Discover local history and legends



Norway does not deliver optimally on the functional level
 - Lack of social element, food and culture/history

Competitor analysis - Comparison between Norway, Finland and Sweden



Positive and distinguishing features for Norway

- Beautiful nature
- More adventurous
- More of an experience

Negative and distinguishing features for Norway

- Less social
- Less comfortable

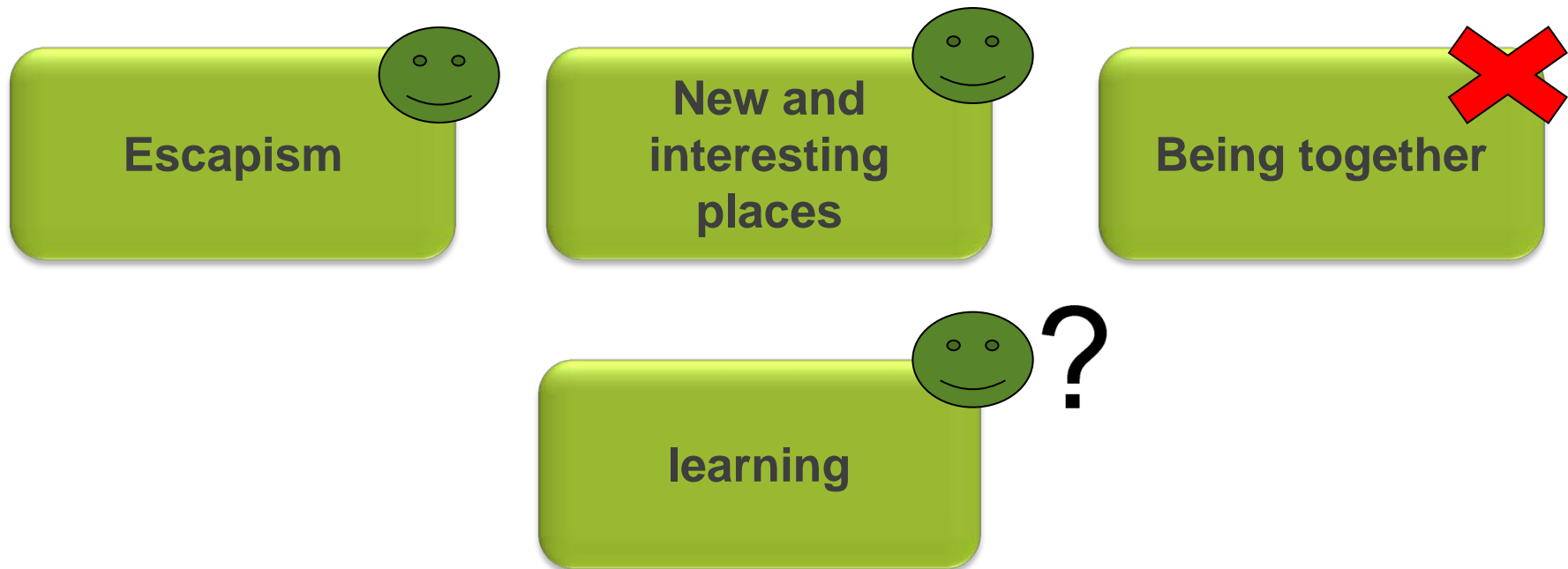


Optima report Russia

Conclusions

Vi gir lokale ideer globale muligheter

How do Norway meet generic expectations for holidays?



Norway mostly meet these expectations, except the social element

MEET GENERIC HOLIDAY EXPECTATIONS

Address the basic expectations that Russian have when going on holiday, including basic comfort, a more social experience and more cultural content.



A comfortable experience

- Ease travel experience
- Easy of booking
- Take away fears of being a bit lost, left on their own



A social experience

- Communicate lively towns & villages
- 'Populate' the isolated scenes
- Tackle language barrier by group travel



Good food, drinks and local culture

- Talk about local food & drink traditions
- Interstring sights and local culture
- Communicate tax free on arrival

Main target group in Russia

- Explorers

Main motivation for travelling:

- **Exploration** & **Broadening my horizon**



Key competitors

Strong competitions from many markets, especially Finland and Sweden

Unique selling points

- The uniqueness of Norway – Only in Norway!- Spectacular fjord, coast and natural treasures

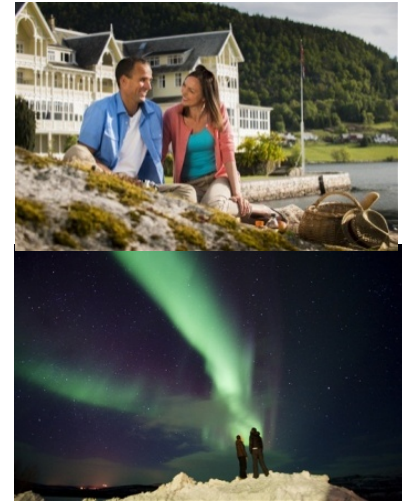
Highlight in communication

- Show active engagement with nature, culture, local communities and people
- Accessibility: Infrastructure and products and services that make things easy for the tourist

Common features for explorers in Russia

- Late bookers – Need for accessibility and tactical offers
- Great interest for history, culture and intellectual enrichment
- Language barriers
- Strongest position in St Petersburg (geographic, cultural and historical closeness)
- Greater interest for Norwegian cities in Russia than other markets
- In general the Russians are not very interested in nature holidays, but Norwegian natural phenomena as an exception!

The russian explorer in Norway in a nutshell



Who they are:

- A couple between 30-60 (younger during winter)
- Higher education and above average income
- Likely to have children
- Travel with their partner, with friends or with their kids (more likely to travel with kids during winter)

How they travel:

- They use more sources of information than the average russian traveler, especially before the trip.
- Internet is their most important source of information before the trip, where as during the trip both internet and guide books are used
- They would typically plan their trip about 1-3 months in advance
- Likely to stay in a medium standard hotel
- Some will travel independently whilst other will travel in an organized tour
- They look for unique experiences and they are willing to pay for it
- During summer they both drive and fly, where as winter is dominated with flights

Why they travel:

- Looking to discover new territories and gain new energy. At the same time, broadening their horizons and feeling enriched