

2.3. Assessing of stakeholder needs and expectations for tourism development in the Barents Region

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I. Statistics on tourism in Northern Norway

II. The survey

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I. Statistics on tourism in Northern Norway

January-November 2011 vs. 2010

Total of guest nights

Northern Norway : +10%

Finnmark: +13%, Troms: +14%, Nordland: +6%

Norway: +5%

Source: *NHO Reiseliv* (Norwegian Hospitality Association)



Total of guest nights related to conferences and seminars

Northern Norway: +12%

Finnmark: +34%, Troms: +8%, Nordland +8%

Norway: +1%

Total of guest nights related to business-travel

Northern Norway: +9%

Finnmark: +24%, Troms: +9%, Nordland: +3%

Norway: +4%

Source: *NHO Reiseliv* (Norwegian Hospitality Association)



Total of guest nights related to leisure tourism

Northern Norway: +12%

Finnmark: +5%, Troms: +20%, Nordland: +10%

Norway: +6%

Income pr. available room

Northern Norway: +9%

Finnmark: +14 %, Troms: +9%, Nordland: +4%

Norway: +4%

Source: *NHO Reiseliv* (Norwegian Hospitality Association)



Status report on tourism in Northern Norway (Jan.-Feb. 2012 vs. 2011)

- 272.000 guest nights: = a 18,4% increase
- 180.000 millions NOK in accommodation income:
= a 20,8% increase

- A 55,7% increase of the number of foreign tourists
- A 12% increase of the number of domestic tourists

Source: *NHO Reiseliv* (Norwegian Hospitality Association)



II. The survey

Additional regional questions

- To what extent do you use the region's border to Russia in your advertising and your development of tourism?
- To what extent do you use the region's Arctic and High North location in your advertising and your development of tourism?



-To what extent do you use the Barents Region identity in your advertising and your development of tourism?

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- a. Not at all
 - b. Sometimes
 - c. Often



The interviewees

Tour-operators, hotels and tourism development organizations

In Finnmark:

Rica hotels Kirkenes

Thon Hotels Kirkenes

Barents Safari

Privjet

Pasvik Turist

Visumformidlingen

In Troms:

Visit Tromsø-Region

Tromsø Event

Visit Bardu

Natur i Nord





PRIVJET ПРИВЕТ

Oslo, Kirkenes, Stockholm, Murmansk





VISUMFORMIDLINGEN



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Companies interviewed

Time of establishment

-Established in the period 2000-2005 **(6/10)**

Size of company

-1-5 employees **(4/10)**; 5-10 employees **(3/10)**

-Turnover pr. year: 1-5 million NOK **(4/10)**; more than 20 million NOK **(2/10)**.



Economic situation

- Characterize their economic situation as “good” or “very good” **(8/10)**
- Feel that they are in a vulnerable situation from an economic point of view **(3/10)**

Operational level

- Operate on all 4 levels: local, regional, national and international **(6/10)**



Target group

- Both leisure- and work-related tourism **(5)**
- Mainly people aged 50 + **(2)**

“Our customers are mostly people over 50 years old, because those who are younger do not have either time nor money to come here; our excursions are quite expensive.”



Cooperation

-Important cooperation at the local level **(8/10)**

Barents cross-border cooperation

-Considerable cross-border cooperation within the Barents Region **(5/10)**

-Little cross-border cooperation within the Barents Region **(3/10)**



-Great potential and many possibilities in (further) developing Barents cross-border cooperation **(6/10)**

“I think the market is interested in experiencing the whole Barents Region”

“Cross-border cooperation is essential”



“I would like to learn from those with best practices”

“To develop dialogue in order to be able to sell a cross-border product”



Obstacles and challenges to further cross-border cooperation within the Barents Region

-Language **(3/10)**

-Bureaucracy **(2/10)**

-Political obstacles **(1/10)**



-Strict border regime (Norway/Russia) **(2/10)**

“There are more Russian tourists coming to Northern Finland than to Norway (...) the Finns have been much better in removing border-related obstacles ”

“Everything depends upon it becoming easier to cross the border; less bureaucracy”



→ But:

“What I see as very positive in the future is that, over time, the visa-barrier will be gone”

“What could happen in the near future is that it will become easier to cross the Russian border, and that will be very beneficial to the region”.



Russian-Norwegian cooperation

-Difficult cooperation with Russia **(4/10)**

-Have no or little cooperation with Russia, but wants to develop it **(4/10)**

“I know very little about Russia, but I’m very interested in the Russian market”

“It’s a pity to live in a border-region without fully using the potential it has”

-Find it important to follow the political development in Russia and of Russian-Norwegian relations **(2/10)**

“There is so much going on politically that one has to follow this in order to further develop this cooperation”



Challenges, problems and obstacles for tourism development

-Non sufficient regional infrastructure / in a vulnerable situation in terms of infrastructure **(4/10)**

“ A huge threat is that public infrastructure isn’t good enough today”

→Dependence upon the airports and *Hurtigruten* **(2/10)**



“I see that there are great possibilities in developing more extensive cooperation within the Barents Region, but this depends upon, among other things, a better developed infrastructure (...) This will be crucial in order to fully use the potential that lies here”



-Difficult cooperation on all levels **(4/10)**

-Lack of finances **(3/10)**

-The global economic and financial crisis **(2/10)**

“ The tourism business is very vulnerable to any economic recession ”



-High price level (1/10)

→ But:

“The most important challenge is not that our region is far-away and expensive, but rather to break the myth that this region is far-away and expensive”

-A lack of promotion and economic backing of tourism development at the national level (1/10)



Competence needed

....in order to further develop your business

- Sale and marketing **(5/10)**
- Information Technology **(2/10)**
- International competence and experience **(1/10)**
- Project management **(1/10)**



...about the Barents Region

-Competence on Russia: cultural knowledge and knowledge of the Russian market **(7/10)**

“I need a better cultural knowledge when it comes to Russia”

-Language **(3/10)**

“Knowledge of Russian language is a key factor”



-Competence on other Barents countries' tourism activities and businesses **(2/10)**

“If I had a better knowledge of what they did in the other countries, of their best destinations and products (...) I could more easily sell our region as a whole”

- Competence on other Barents countries markets and economies **(1/10)**



M.I.C.E. and work-related tourism

- Familiar with the MICE-concept **(10/10)**
- Involved with the MICE target-group (in different degrees) **(8/10)**
- Interested in (further) developing it **(10/10)**



-Future prospects: believe in MICE-potential in the Barents Region **(10/10)**

“I see a very bright future for MICE-tourism in this region. There has been a considerable increase in this kind of activities over the last couple of years”

“I strongly believe in it, because this region is easily accessible and still very exotic”



“I feel that MICE-tourism will increase a lot”

“If I were to further develop MICE-tourism, it would have been on the “I”, the Incentive-part, where you actually have companies that are willing to spend a lot of money (...).”



Obstacles and challenges to development of MICE-tourism in the Barents Region

- Travel costs **(2/10)**
- Capacity **(2/10)**

“The obstacles are still those related to capacity and financing”

“The biggest challenges are travel costs, flight capacity and prices”



-Need more varied activities to offer **(2/10)**

“We need new attractions in order to increase the volume of tourism in the region”



The role of regional development organizations in tourism-development

- They are not so important **(1/10)**
- They have a very important role **(8/10)**

“The municipalities have a huge responsibility”

“Cooperation with the public sector is an absolute necessity”



-Having a good cooperation with them **(1/10)**

-They are important but their current actions are not good enough **(3/10)**

“There are no municipalities today that have a real strategy for tourism development (...) and this is alarming”

“In fact no one, neither the county nor the municipality, is backing us financially”



Development of Barents tourism

The Barents Region as an international tourist destination today and in the future

-Interesting destination; great potential **(9/10)**

“This region is very interesting, and especially in winter-time. We see a huge increase in winter-tourism, especially related to the northern lights”.

“I think it will become an interesting destination, and that a new market is emerging in Asia”



-Great potential but we need better quality and capacity **(1/10)**

“We have to get better on quality and capacity”

-We haven't managed to use all the possibilities of this region **(1/10)**

“I have the impression that today we haven't fully exploited the possibilities of this region”



How do you understand the Barents Region?

-Northern Norway, Northern Sweden, Northern Finland and North-Western Russia **(4/10)**

-Problems of using the Barents Region-concept in tourism development **(4/10)**





-Not really used in tourism

“This concept hasn’t been much used in tourism development”

“From the point of view of tourism, no one understands what the Barents Region is”

“Barents Region is a non-concept when it comes to tourism”



-Related to politics and petroleum-industry

“For me, Barents Region is more of a political term”

- Not well known outside the region

“It is a concept that is unknown for many people”

“No one cares about the Barents Region-concept in Europe”

→ *“We do not use Barents Region in marketing”*



Regional questions

-To what extent do you use the region's border to Russia in your advertising and your development of tourism?

- a. Not at all **(3/10)**
- b. Sometimes **(3/10)**
- c. Often **(4/10)**



-To what extent do you use the region's Arctic and High North location in your advertising and your development of tourism?

- a. Not at all **(2/10)**
- b. Sometimes **(3/10)**
- c. Often **(5/10)**



- To what extent do you use the Barents Region identity in your advertising and your development of tourism?

- a. Not at all **(5/10)**
- b. Sometimes **(4/10)**
- c. Often **(1/10)**



III. Conclusions

- Great potential and many possibilities in (further) developing Barents cross-border cooperation **(6/10)**
- The current state of regional infrastructure as an obstacle to further development **(4/10)**
- Need sale and marketing competence **(5/10)**



-Need a better knowledge of the Russian market **(7/10)**

-Familiar with MICE-concept and strongly believe in the Barents Regions' MICE-potential **(10/10)**

-The very important role of the municipality- and county-administrations **(8/10)**



-The great potential of the Barents region as an international tourist destination **(9/10)**

-Problems in using the Barents Region-concept in tourism development **(4/10)**

-The great use of the Russian border and the High North location of the region in advertising; and the little use of Barents Region identity for this purpose



-Growth of tourism in Troms and Finnmark is based on other factors than Barents identity

-Great MICE-potential for small tourist operators in Troms and Finnmark



Thank you for your attention!

Barents Institute - University of Tromsø