

Baltic Sea Tourism Centre – Sustainable Development Structure for active tourism

MARKETING STRATEGY FOR
BALTIC SEA TOURISM CENTER - SUSTAINABLE DEVELOPMENT STRUCTURES
FOR ACTIVE TOURISM

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INTRODUCTION

The material below presents the marketing strategy for the BSTC region built on the marketing analysis of the selected markets (UK, Austria), the expertise of the 2mgroup consultants with a view to the strategic marketing goals. The research allowed for determining the consumer insight and building the target markets profiles. To our best understanding of both, the insight and the buying persona, we proposed the Big Idea for the BSTC region which should constitute the background for all promotional effort, making it consistent and engaging for the target groups in the B2C markets. Following the brand communication pillars we proposed the communication matrix for each target group. The strategy would in the future facilitate the preparation of detailed marketing plan and schedule, as well as some creative concepts for marketing activity.

THE GOALS OF MARKETING STRATEGY AND PLAN

1. **POSITION** the area internationally, especially on the UK and Austria markets
2. **GROW** visitors economy (especially from UK and Austria) by growing the number of tourists and reducing seasonality in the Region
3. **BUILD** and raise **AWARENESS** of the Baltic Sea region as a SMART Destination

SETTING THE SCENE

Promising trends

Growth in the travel and tourism sector outpaced the global economy for the sixth consecutive years in 2016, rising to a total of 10.2% of the world GDP. Throughout 2016 and 2017, a number of challenging headwinds emerged, but the sector has remained resilient, weathering currency fluctuations, political uncertainty and terror incidents. Despite these factors, Europeans remain eager to travel both returning to perennial favourites such as London and Paris.

The future looks promising for the sector as forecasts over the next ten years predict growth rates of 3.9% annually. However, concerns over currency fluctuations and interest rates are already affecting consumer spending habits, and many travellers will be looking for ways to get more bang for their travel buck. (1)

For many years “sun and beach” were main drivers and motivators for Europeans to travel abroad (48%). However, the analysis of trends over the last four years shows growing share of respondents

indicating “nature”, “culture” and “city trips” as the reasons to travel . In 2016 the “nature” was mentioned by one third of respondents while a little over a quarter of respondents mentioned culture (27%) and city trips (25%). The Austrian and UK markets look even more promising. Nature was an important reason for 40% of Austrian tourists in 2016 (30% in 2012), along with culture (36%) and city trips (37%). Brits are slightly less motivated by these factors with answers remaining on the European average (23%, 22% and 26% respectively).(4)

The number of international tourist arrivals to the whole Baltic area has increased by 50% since the millennium. The destination is benefitting from an increased number of low-cost flights from across Europe. Out of the cities within the BSTC Region, Gdańsk enjoyed the big increase in travelers in 2017 compared with last years, with passenger arrivals up 835.

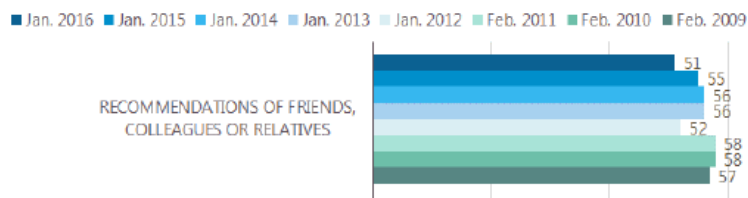
Safety

The Baltic sea region as a whole is perceived as a safe area with regard to the threats of terrorism activities.

Recommendation as a strong source of information

Long trends show that the importance of recommendations of friends, colleagues or relatives has remained consistently high, exceeding 50% over the years.(4)

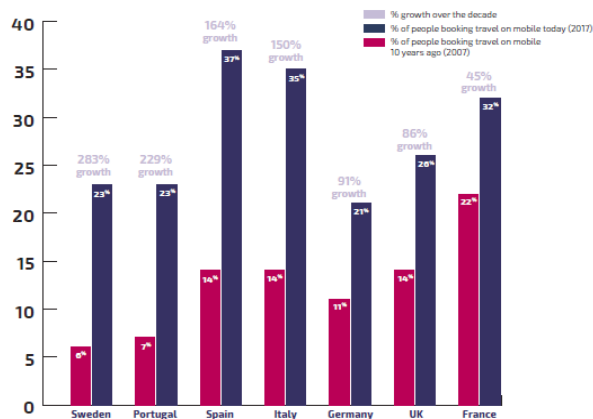
Q9 Which of the following information sources do you think are most important when you make a decision about your travel plans? (MAX. 3 ANSWERS)
(% - EU)



Mobile on the rise

Counters of travel agencies and tourist office have become less important over time (by 9%), while social media pages have become more important (up by 7% up since 2012). Still, traditional channels gained popularity with newspapers, radio and TV gaining 4% more in 2016 results. Paid guidebooks and magazines role decreased by 3% (were mentioned by 9% of respondents only).

Growth in bookings with an online travel agent via a mobile device

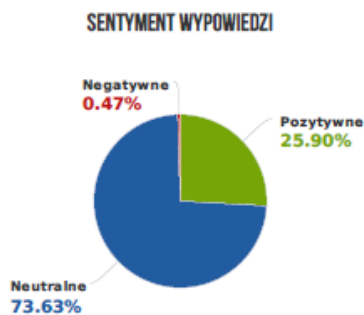


* OnePoll research undertaken in May 2017, polling 11,000 European consumers across 7 countries UK, France, Germany, Italy, Spain, Portugal and Sweden.

The drive toward mobile technology continues and the number of consumers who are booking travel through their mobile devices grows over the years in all countries. Mobile phones are the ultimate travel companion and are crucial for all tour operators to provide best possible customer experience through mobile platforms. (1)

Baltic Sea – emotionally neutral

The Baltic Sea is a subject of thousands of photos and posts posted in the Internet. The average number of “clippings” during off season months amounts to over 1 600 monthly. However, posts are emotionally neutral, the most used words refer mainly to the name, location, time of the year, but bear no emotional description (such as for example: beautiful, unforgettable). Since the marketing effort aims at crafting the best possible customer experience, it is important to create emotional bond between the visitor and the Region. Then there will be a stronger possibility for recommendation encouraging others to come and visit. Therefore emotional aspects of brand image are important goal of the communication strategy.



THE BALTIC SEA REGION

The destination constituting the Baltic Sea Region have quite diverse/different features to offer to the tourists. Still, SWOT analysis for each region allows to establish a common ground for all of them comprising among others:

- The beauty of the nature, untouched nature, seaside and beach
- Cultural & historical heritage
- Local food and beverages

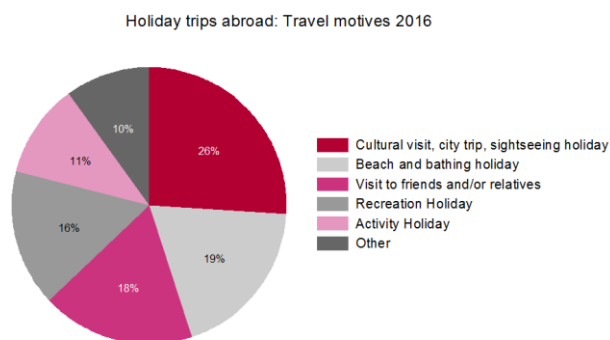
On the other hand, the destinations vary quite significantly with respect to local events and activities offered to tourists, as well as variety of leisure activities.

Denmark and Germany are on the lead when local events are concerned and also offer unique possibilities for bikers. Poland and Lithuania's offers are less advanced as far as events are concerned. Still very good exchange rates support the "good bargain" position for both countries. Spa and wellness of eco style could be also a strong feature of their touristic offer.

TARGET GROUPS

Tourists from Austria

In 2016, 5.7 million individuals living in Austria (15+) undertook at least one holiday trip within Austria or abroad. This represents a travel intensity of 76.8%, with 15 to 24 year olds being the most avid tourists (travel intensity: 86.2%), and persons aged 65 and older travelling less (59.7%). The car remains the most popular means of transport : 64.8% of all holiday trips were made by car, for domestic travel the proportion (80.1%) was even higher. Considering holiday trips abroad, the aircraft (34.3%) took the second place after the car (48.8%). Holidays abroad averaged 6.7 nights. Austrians travel abroad to: Croatia, Italy, Germany, Spain, Greece and Turkey. Poland, and Lithuania are off the TOP TEN destination list.



S: STATISTICS AUSTRIA. Holiday and Business Travel. Compiled on 27 April 2017.

Tourists from Austria are more likely to buy holidays over the counter at the travel agency/travell office. They would also more often relay on the information in the press and TV (17%), however the recommendation of friends and family (60%) as well as Internet websites collecting and presenting comments (39%) are highly influential. Similarly to other Europeans, Austrians will use the website run by destination or by service provider (26%) while choosing the place for holiday. The tourists from Austria value good sightseeing tours, good food and appreciate good

planning of the tour. (2) (4)

Austrian tourists (demographic/behavioural) profile/buying personas

For the purpose of marketing activities promoting the destinations and the whole region, we propose the following behavioural segmentation of the customers:

1. **Special interests mid to up-market travellers:**

- Often travel by car (even long distances). Interested in active leisure. Ready to travel to pursue their hobby /passion or to discover new places

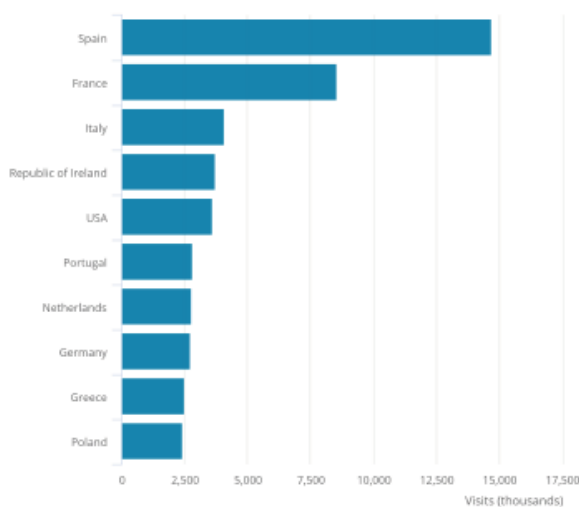
2. **Nature lovers, later lifers**

- Appreciate undiscovered regions, appreciate good food. Comfort zone is important, not ready to take the risk/challenge of completely unknown. Would follow recommendation or and advice from tourist office

Tourists from UK

2016, saw a record number of visits abroad by UK residents. There were 70.8 million visits overseas by

Figure 13: Top 10 countries visited by UK residents, 2016



Source: International Passenger Survey (IPS), Office for National Statistics

Source: International Passenger Survey (IPS), Office for National Statistics

UK tourists visiting Germany came from other England, followed by those from London, while Denmark is visited most often by Londoners, as well as tourist from other England.

While choosing the destination, tourist from UK would rely mostly on the recommendation from friends and family (61%) and websites collecting and presenting information (42%). As opposed to tourists from Austria, they will less often buy their holiday trip over the counter at the travel agency/office (9%). English tourists are more interested in spending good time, having fun combined with a little shopping. Even though they are interested in other cultures, they are rather traditional and value high their personal comfort.(4)

UK tourists (demographic/behavioural) profile/buying personas

1. Active and youthful seniors

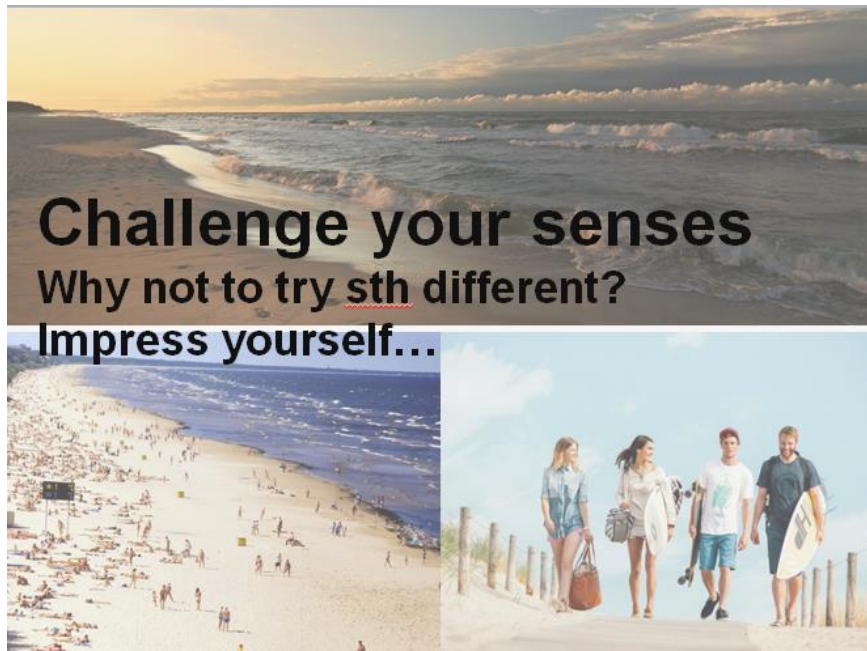
- a. Empty nesters, active leisure time. They are interested in culture and they like to discover new things. They enjoy life and they are seeking for knowledge. Appreciate wellness and SPA services. Rather rely on some advice from tourist office.
2. Adventurous youth (with a hint of a hipster attitude)
 - a. Bored with „the obvious” (i.e. Spain, sun, beach). Limited financial resources. Love to show off, make impressions. Seek information on-line, heavy social media users. Organise the trip by themselves. Well aware of all new trends (Eco, slow food, slow life etc.)
1. Fuss – free value and experience seekers
 - They are interested in new places, dispose of rather limited budget. Appreciate the nature. Ready to take the challenge.

THE BSTC BIG IDEA

For the purpose of careful and effective planning of marketing activities, we propose to use the Big Idea concept. *Big Idea* in marketing and advertising is a term used to symbolize the foundation for a major undertaking in these areas - an attempt to communicate a brand, product, or concept to the general public, by creating a strong message that pushes brand boundaries and resonates with the consumers.

The context and connotation born by the Big Idea are to be transferred coherently through all the communication channels.

For the purpose of creating a consistent marketing plan we propose the Big Idea as follows:



The “challenge” in the Big Idea refers to all possible customers’ experiences ranging from the foreign “strange” language to local food or activities. In fact, all features of the destination could be presented as tempting, interesting, achievable, but still constituting some holiday challenge for the visitors. The challenge could also be the foundation for emotional communication.

Taking into account the variety of the destinations’ offers with some similarity at the same time, the Unique Selling Point for the individual client might be worded as:

The right mix for a different holiday

The mix might be understood as a mix of tourist attractions both within one destination or within the whole BSTC area (trans border travel). Therefore it is important for the whole communication to:

2. Keep the tone of voice responding to the mix (energetic, challenging, with a hint of adventure, intriguing, engaging)
3. Use pictures (as the strongest tool) reflecting the USP
4. Ground the communication on four pillars (reflecting “the Right Mix”)
 - Challenge
 - Beauty
 - Heritage (cultural&historical)
 - Good bargain

GENERAL RECOMMENDATION FOR B2C COMMUNICATION

Use the channels favoured by the customers:

- Social media (FB, Instagram, website)
- Amplified by cooperation with...well known bloggers.. well known people from the region

Engaging and two-way communication:

- prosumers not consumer orientation in communication via the Internet (all channels)
- Co-operation with groups sharing the same interest:
 - Bikers
 - Beer drinkers
 - Health freaks ☺
 - Regular press releases about the region

Advertisement and publicity

- Print, Internet and TV destination awareness ads across main markets
- Editorial coverage across all media

Media and operators familiarization visits

- Individual and group media trips to experience different aspects of all destination within the Region

Public Relations

- Regular issuing of press releases and feature stories on BSTC region
- Building the BSTC „corporate” image to the media and public

Internet presence

- Website maintenance, updating and monitoring
- Search engine optimization, Ad-words campaigns + remarketing campaigns
- Google network banner campaign
- Social network presence (FB, Instagram)
- YouTube
- Cooperation with bloggers and vloggers

Tourists from UK– communication matrix

• Target group UK	• Key message	• Channels	• Key words
<ul style="list-style-type: none"> • Adventurous youth 	<ul style="list-style-type: none"> • Sea coast • Slow and eco life, eco food, agriculture • Nature and wild life • Romantic getaways 	<ul style="list-style-type: none"> • FB • Instagram • Website/Internet • Blogs and bloggers • Vlogs • Internet adwords campaign +remarketing 	<ul style="list-style-type: none"> • Adventure/challenge • Wild life/Nature • Eco life style • Local concerts (music) • Safe and civilized
<ul style="list-style-type: none"> • Fuss – free value seekers 	<ul style="list-style-type: none"> • As good as somewhere else but cheaper (PL, LI) • Reach history and culture – interesting sightseeing • Good bargain – food, beverages, small shopping (PL, LI) 	<ul style="list-style-type: none"> • Bloggers • Tourist magazines • Airlines free magazines • Free leaflets and brochures at the tourist office • FB, Websites comparing offers • Internet adwords campaign +remarketing 	<ul style="list-style-type: none"> • Bargain • Challenging trip • Unique activities (cycling routes, bird watching, local cooking lessons etc.
<ul style="list-style-type: none"> • Active and youthful seniors 	<ul style="list-style-type: none"> • Peaceful and nice sea coast with sandy beaches • Inviting for long walks, hiking at any weather conditions with the clean air • Wellness and spa services available at good rates • Value for money 	<ul style="list-style-type: none"> • Brochures and magazines – tourist and healthcare • Website/internet 	<ul style="list-style-type: none"> • Value for money • Health/ medical tourism • Leisure activity in an open air

Tourists from Austria– communication matrix

Target group Austria	Key message	Channels	Key words
Special interests mid to up-market travellers	<ul style="list-style-type: none"> • Unique conditions for your passion (biking, fishing, hiking, wellness, food) • New challenges (new distances, new routes, new historical places etc.) • Undiscovered (not crowded) regions • Beautiful landscapes 	<ul style="list-style-type: none"> • Press (tourist, wellness, hobby) • Internet (website) • Internet banner campaign in google+ network+ remarketing campaign • Social media (FB) dedicated Fanpages • You Tube • Brochures and catalogues at travellers office/fairs 	<ul style="list-style-type: none"> • Related to passion (Nordic walking, biking routes, events, music, culture etc.) • Unique features,
Nature lovers, later lifers	<ul style="list-style-type: none"> • Off-the beaten roads trip • Comfort and tranquillity • Welcoming culture • Good local food • Eco life 	<ul style="list-style-type: none"> • Press • Internet (Website) • Internet banner campaign in google+ network+ remarketing campaign • Brochures and leaflets 	<ul style="list-style-type: none"> • Wellness • Health • Clean air • Tranquillity • Good standard

COMMUNICATION B2B TO TOUR OPERATORS

Tour operators act as traders seeking the best offers to drive their sales, income and revenue. To make their business profitable they have to optimize the sales effort therefore they will be naturally interested in selling tourist offers/packages that correspond well with their client's needs. However, some operators, probably those with a stable and loyal customer database, will be willing to expand their offer by adding a new tourist proposition to the BSTC region. Two types of promotional activities from the BSTC side may help them to effectively inform the clients, rise the interest and sell effectively:

1. Well thought and prepared marketing materials (free brochures, maps video materials, good packages, i.e. theme trips)
2. Bigger scale promotional activity undertaken by the BSTC region

Additionally, in order to generate closer cooperation, it is worth considering to build "the BSTC sellers exclusive network" – a group of selected tour operators which will be given additional support such as visits to the region, training to the staff and maybe even some incentive schemes encouraging sales. The key task and key message for this group will be as follows:

The South Baltic region is the destination which helps your business grow

B2B – tour operators– communication matrix

Travel agents/tour operators	Key message	Channels	Key words
<ul style="list-style-type: none"> • Tour operators 	<ul style="list-style-type: none"> • New destination to Central and Eastern Europe (PL, LI) • Different packages (hobby/passion) to Denmark and Mecklenburg region 	<ul style="list-style-type: none"> • Direct presentation • Tourist Fairs • Familiarization visits • Add materials (brochures, catalogues) • Internet: • Groups to exchange opinions, ideas, • Webinars and online presentations • Newsletters 	<ul style="list-style-type: none"> • Top trends • Points of interest • Adventure/challenge • Wild life/Nature • Eco life style • Safe and civilized

BSTC STAKEHOLDERS COMMUNICATION

The purpose of communication of the BSTC stakeholders should be aimed at:

- Creating a consistent flow of information to the market
 - Coordinating marketing efforts of all destinations within the Region
 - Assuring consistency with the Brand pillars and B2C Unique selling Point
- Promoting the region with an emphasis on the unique values of each region orchestrated with the Big Idea
- Coordinating and strengthening the understanding of benefits among all partners

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