

# VISIT ARCTIC EUROPE



Interreg  
Nord  
European Regional Development Fund



An analysis of challenges and obstacles for cross-  
border cooperation in Visit Arctic Europe  
(summary report)

Bente Heimtun, José-Carlos García-Rosell & Hans Gelter



Northern Norway  
Tourist Board

Swedish Lapland  
Visitors Board  
REGIONAL TOURISM ORGANISATION OF  
SWEDEN'S NORTHERNMOST DESTINATION



Finnish Lapland  
Tourist Board

International travellers arriving in Northern Scandinavia are often interested in experiencing wilderness-type nature and indigenous culture. Hence, to these tourists the borders between the three countries are not important. After years of preparation, tourism actors from the region started the joint project, Visit Arctic Europe (VAE), to enhance international tourism. The Finnish Lapland Tourist Board, the Northern Norway Tourist Board and the Swedish Lapland Visitor Board manage the VAE project. It is financed by Interreg Nord for the years 2015-2017. The VAE project consists of partners from the public sector, 90 tourism companies from the VAE area and several international tour operators.

The aim of the VAE project is to develop Arctic Europe into a cross-border, high-quality tourist area that is an internationally competitive and well-known destination. The project focuses on tourism marketing, joint product development and improvement in accessibility. In order to ensure the efficiency of the project and to reach its established objectives, four R&D missions have been undertaken and reported. This report offers a summary of the study conducted in the fourth R&D mission. We hope you enjoy reading the report and we encourage you to join the discussion regarding the future of tourism in Arctic Europe.

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## THE AIM OF THE FOURTH R&D MISSION

“To identify challenges and obstacles for **cross-border tourism cooperation** in Visit Arctic Europe”

# THE STUDY

- ❖ **Interviews conducted September 2016 – March 2017**
- ❖ **Three researchers**
  - ❖ Prof. Bente Heimtun, UIT – The Arctic University of Norway
  - ❖ Senior Lecturer José-Carlos García-Rosell, University of Lapland
  - ❖ Assoc. Prof. Hans Gelter, Luleå University of Technology
- ❖ **30 VAE companies (10 per country)**
  - ❖ 24 service providers
  - ❖ 6 transport companies
- ❖ **10 foreign tour operators**
- ❖ **8 Tourists**

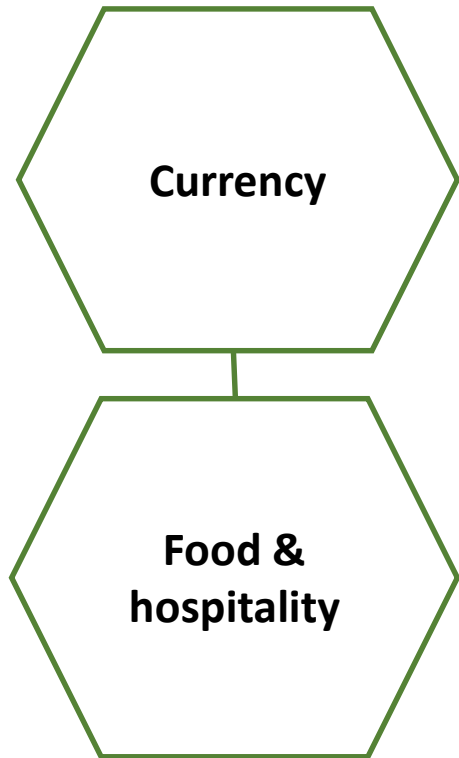
## INTERVIEW THEMES

- ❖ Accessibility
- ❖ Product
- ❖ Service delivery
- ❖ Cooperation
- ❖ Cultural issues
- ❖ Seasonality
- ❖ Sustainability
- ❖ Marketing
- ❖ Financial issues
- ❖ Capacity
- ❖ Safety
- ❖ Legislation
- ❖ VAE project

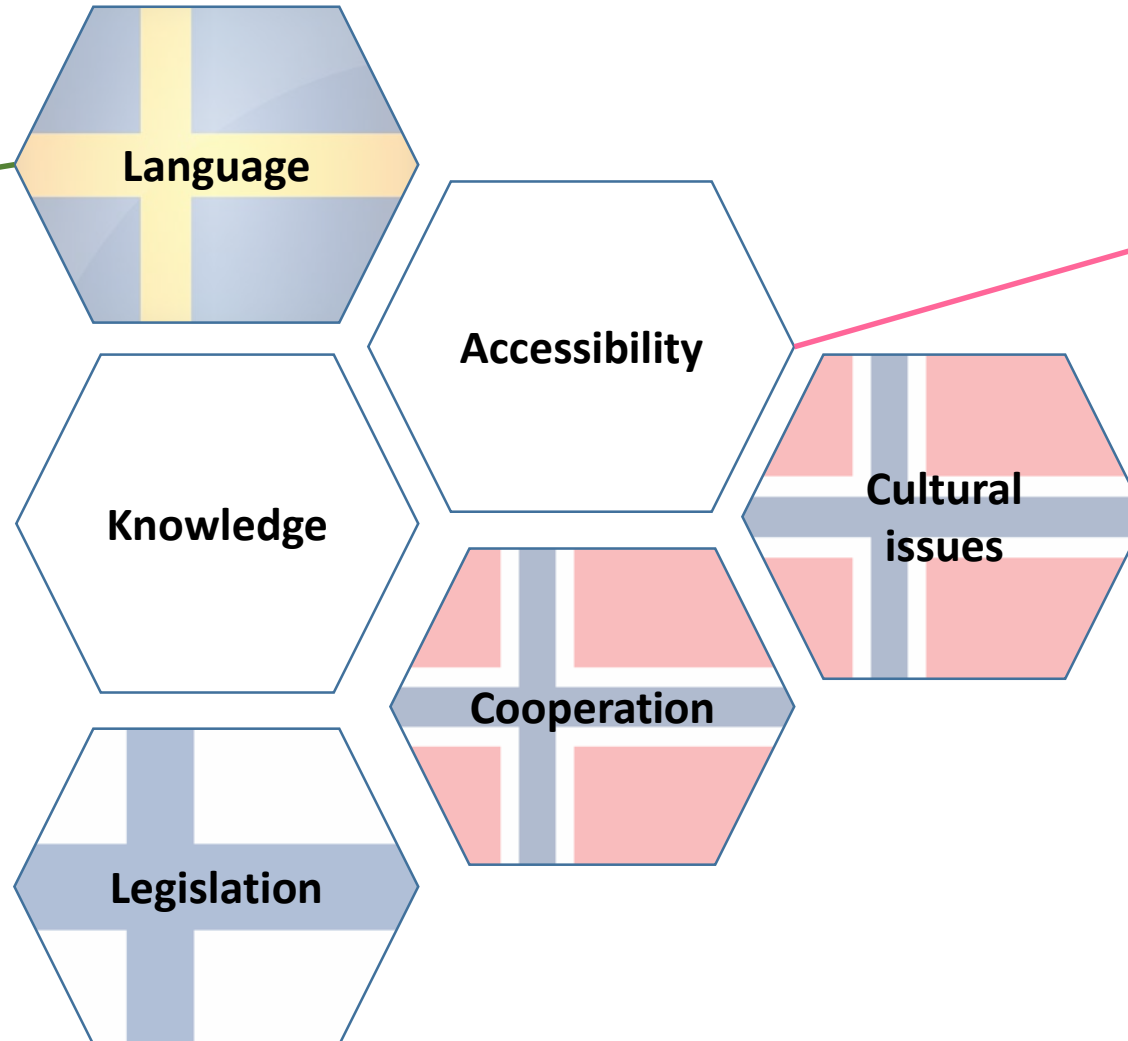
# THREE MAIN CHALLENGES BY GROUP

VISIT ARCTIC EUROPE    

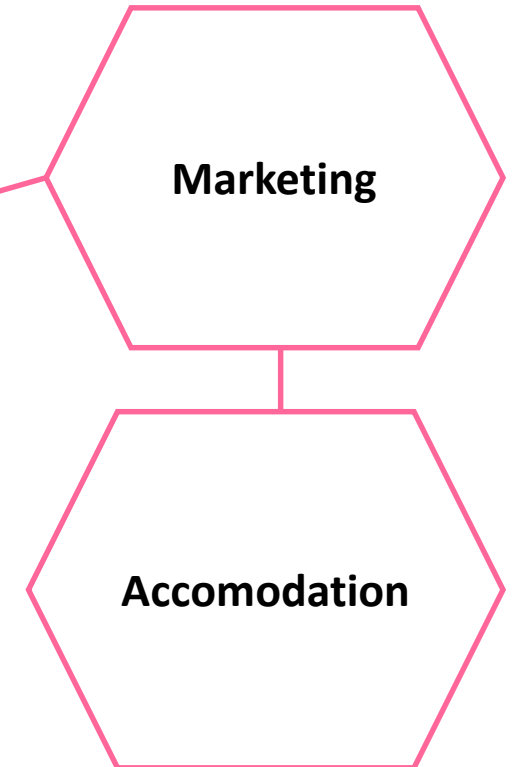
## TOURISTS



## VAE COMPANIES



## TOUR OPERATORS





# ACCESSIBILITY

VISIT ARCTIC EUROPE 

VAE COMPANIES

TOUR OPERATORS

- ❖ Lack of direct flights to VAE airports
- ❖ Lack of flight connections between VAE airports
- ❖ Limitations in organizing flight tickets with arrivals & departures from different VAE airports (Oneworld vs Star Alliance)





# ACCESSIBILITY

VISIT ARCTIC EUROPE 

VAE COMPANIES

TOUR OPERATORS

- ❖ Low frequency of cross-border bus schedules
- ❖ Lack of information about timetables & transport modes
- ❖ Lack of synchronization between cross-border transportation
- ❖ Lacking railway connections (east-west/north)
- ❖ Long distances & challenging road conditions (winter/summer)





- ❖ Unawareness of products & destinations in other VAE countries
- ❖ Unawareness of potential contacts in other VAE countries

“... I don't really know these areas and their companies and services... This lack of knowledge determine what we are able to develop... If one doesn't know potential partners, it is difficult to think about who to include in the package” **(VAE company)**





- ❖ Different taxation systems (impact on pricing)
- ❖ Different national vehicles tax legislation (return & use of rental cars)
- ❖ Differences in driving license legislation
- ❖ Different legislation concerning snowmobile driving & track maintenance
- ❖ Animal-related custom regulations



“... if we have many Finnish and Norwegian cars and the traveler is going to Sweden, then she can only hire a Norwegian car, not the Finnish...” (VAE company)

“... a rental car with Swedish registration needs a temporal register in order to be brought to the car wash in Finland...” (VAE company)



# COOPERATION

VISIT ARCTIC EUROPE 

VAE COMPANIES

- ❖ Competition between VAE members & tour operators
- ❖ Lack of trust, openness, respect & patience
- ❖ Lack of time, human resources & capacity
- ❖ Resistance towards cross-border tourism cooperation
- ❖ Animal welfare-based biases as an obstacle for cooperation (e.g. huskies)





“... It is a question of trust when we bring our customers to another VAE country. It could happen that the Swedish service provider decides to drop our firm and suggest the TO to do business directly. The TO may accept the offer, because it brings cost-benefits. The final customer doesn't benefit from the deal; neither does the Swedish service provider. Only the TO's share grows...” (VAE company)

# CULTURAL ISSUES

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VAE COMPANIES

- ❖ Different tourism industry cultures
- ❖ Differences in the decision making process & its timing
- ❖ Differences in the level of planning & public control
- ❖ Weak communication (SE & NO low response rate concerning calls/emails)



"...A Finn is straightforward, they have a module from here and here, so and so, and here is the package and know let's price and start selling it. A Swede doesn't work in the same way. They will say ok let see, probably it will work, but let's talk later or have a meeting to discuss it further..." (VAE company)

# MARKETING

VISIT ARCTIC EUROPE    

TOUR OPERATORS

- ❖ Lack of a common marketing strategy (joint brand)
- ❖ Different brand strategies in the VAE area (national & regional brands)
- ❖ Lack of an organization responsible for selling VAE products
- ❖ Unawareness of markets & potential customers for cross-border tourism
- ❖ Differences in booking & cancelation practices
- ❖ Perception that the VAE area is very far away





# ACCOMMODATION

VISIT ARCTIC EUROPE    

TOUR OPERATORS

- ❖ Accommodation allotments (small vs large TOs)
- ❖ Differences in the hotel quality standards
- ❖ Limited accommodation capacity during high season
- ❖ Differences in accommodation capacity in the VAE area



"If you have 200 seats filled, you need accommodation for them... In Levi is a challenge in February. Lofoten in June and July, there are just a few 3- or 4-star hotels. In North Cape, there are only a few hotels... You have to reserved well in advance, which makes it less flexible. The demand is higher than the number of beds..." (Tour operator)

"I see a huge potential in combining Lofoten with Sweden and Finland, but Lofoten is such a small place regarding the number of beds (3-4000)... if you want to bring people from Finland in Winter, then Lofoten will be full in a few years..." (Tour operator)



# LANGUAGE

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VAE COMPANIES

TOURISTS

- ❖ B2B Communication challenges
  - ❖ Still tourism professionals who are not able to communicate in English
  - ❖ Communication works better between Norwegian & Swedish companies
- ❖ Information provided to tourists is not always in English
- ❖ Not always service personal have good English skills





# CURRENCY

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TOURISTS

- ❖ Different currencies
  - ❖ Not clearly expressed in the marketing material
  - ❖ Concerns about exchanging currencies when crossing borders
  - ❖ Inconvenience for tourists coming from the Euro-zone





# FOOD & HOSPITALITY

## TOURISTS

- ❖ No luggage help in the hotels
- ❖ Lack of different types of coffee (usually only one)
- ❖ Differences in the quality of food
- ❖ Service providers are usually young & lacking hospitality skills
- ❖ Lack of hospitality among road services (e.g. coffee/souvenir shops)
- ❖ Different check-in practices
  - ❖ Keys were given by the guide in a very efficient & practical way (fast check-in)
  - ❖ Lining up in the hotel reception (slow check-in)



# OVERVIEW OF CHALLENGES

|                  | Norwegian service providers  | Swedish Service providers   | Finnish service providers   | Tour operators   | Tourists  |
|------------------|--|---|---|--|---|
| Accessibility    | <ul style="list-style-type: none"><li>- Few direct international flights. Fee train connections from Stockholm.</li><li>- Lack of local transportation.</li><li>- Lack of adjusted schedules. Lack of accessible information. –</li><li>- Rental car return fees. Lack of available rental cars.</li></ul> | <ul style="list-style-type: none"><li>- Infrastructure for transportation between destinations.</li><li>- More flights between destinations.</li><li>- Too few international flights to Swedish airports.</li></ul> | <ul style="list-style-type: none"><li>- Too few international flights to Finnish airports.</li><li>- Lack of public transportation and flights between VAE airports.</li><li>- Demanding winter driving conditions.</li></ul>   | <ul style="list-style-type: none"><li>- Lack of direct flights, lack of capacity of scheduled flights.</li><li>- Lack of public transportation systems within the VAE area. Seasonal ferry connections (Lofoten).</li><li>- Lack of adjusted timetables.</li></ul>                                       | <ul style="list-style-type: none"><li>- Fear of snowstorms.</li><li>- Inefficiency at Tromsø airport.</li></ul>   |
| Product          | <ul style="list-style-type: none"><li>- Challenge of producing two-way packages.</li><li>- Many arrival/departure airports limit rental car pools.</li><li>- Lack of product knowledge and human resources. Mass tourism versus small-scale.</li></ul>   | <ul style="list-style-type: none"><li>- Transportation and distances.</li><li>- Knowledge of others’ products.</li><li>- Quality of products.</li></ul>   | <ul style="list-style-type: none"><li>- Inability to differentiate due to lack of knowledge about the VAE area.</li><li>- Lack of balance in the number of rental cars flowing in and out of VAE airports.</li><li>- Restrictions due to legislations concerning snowmobile routes and the movement of animals.</li></ul> | <ul style="list-style-type: none"><li>- Few choices in accommodation and a generally low standard (Northern Sweden).</li><li>- Low quality of food and development of packages that entail a full week stay (Finnish Lapland).</li><li>- Lack of focus on the needs of international tourists.</li></ul> | <ul style="list-style-type: none"><li>- Lack of snow.</li><li>- Different currencies.</li></ul>   |
| Service delivery | <ul style="list-style-type: none"><li>- Lack of similar quality/ understanding of quality.</li><li>- Lack of control of other providers’ quality.</li><li>- Seasonal employment and understaffing.</li></ul>   | <ul style="list-style-type: none"><li>- Quality and standard of service.</li><li>- Knowledge of each other.</li><li>- Standard of hostmanship.</li></ul>  | <ul style="list-style-type: none"><li>- Different quality levels.</li><li>- Lack of joint quality standards.</li><li>- Coordination of programme schedule.</li></ul>  | <ul style="list-style-type: none"><li>- Mismatched price and quality.</li><li>- Quality challenged by seasonal staff.</li><li>- Lack of storytelling (Northern Norway and Northern Sweden).</li></ul>  | <ul style="list-style-type: none"><li>- Different check-in routines at hotels, lack of help with luggage.</li><li>- Lack of English skills.</li><li>- Low hospitality in restaurants.</li></ul> |

# OVERVIEW OF CHALLENGES

# VISIT ARCTIC EUROPE

|                        | Norwegian service providers   | Swedish Service providers   | Finnish service providers   | Tour operators  | Tourists   |
|------------------------|---|---|---|---|--|
| <b>Cooperation</b>     | <ul style="list-style-type: none"> <li>- Rivalry and competition. Lack of trust, openness and respect.</li> <li>- Lack of time, human resources and capacity</li> <li>- Lack of knowledge about products, people, and destinations.</li> </ul>      | <ul style="list-style-type: none"> <li>- Distances.</li> <li>- Language.</li> <li>- Trust and knowledge.</li> </ul>   | <ul style="list-style-type: none"> <li>- Lack of knowledge about the VAE area.</li> <li>- Lack of contact with Norwegian and Swedish companies.</li> <li>- Trust and language.</li> </ul>   | <ul style="list-style-type: none"> <li>- Allotments in key destinations.</li> <li>- Small providers not responding in time.</li> <li>- Lack of common objectives and lack of patience.</li> </ul>   | <ul style="list-style-type: none"> <li>- Lack of efficiency.</li> </ul>  |
| <b>Cultural issues</b> | <ul style="list-style-type: none"> <li>- Different tourism industry cultures.</li> <li>- Finns more professional, then Swedes with Norwegians last.</li> <li>- Finland's mass tourism, Norway's authentic products.</li> <li>- Language.</li> </ul> | <ul style="list-style-type: none"> <li>- Special versus mass tourism.</li> <li>- Differences in involving locals.</li> <li>- Food culture differences.</li> </ul>   | <ul style="list-style-type: none"> <li>- Different decision-making practices.</li> <li>- Slow communication in Sweden and Norway.</li> <li>- Finns more flexible than Swedes and Norwegians.</li> </ul>   | <ul style="list-style-type: none"> <li>- Different tourism industry cultures.</li> <li>- Mass tourism and small-scale tourism destinations require different customers.</li> </ul>  | <ul style="list-style-type: none"> <li>- Lack of preparation.</li> <li>- Unwelcoming staff in Finland.</li> </ul>  |
| <b>Seasonality</b>     | <ul style="list-style-type: none"> <li>- Unpredictable snow conditions, warmer winters.</li> <li>- Early winter/late autumn less-attractive outdoor products.</li> <li>- Lack of beds in Finland, Lofoten and North Cape.</li> </ul>                | <ul style="list-style-type: none"> <li>- Lack of knowledge about off-seasons in other countries.</li> <li>- Open facilities on low seasons.</li> <li>- Quality of delivery and delivery capacity of low season products.</li> </ul> | <ul style="list-style-type: none"> <li>- Norwegian companies lack interest in developing summer travel packages.</li> <li>- Lack of services in Finnish Lapland in summer.</li> <li>- Incompatibility between tourism seasons and school holidays.</li> </ul> | <ul style="list-style-type: none"> <li>- Cross-border packages not in demand in winter.</li> <li>- Spring difficult to sell as nature is not at its best.</li> <li>- Lack of accommodation in key destinations in summer and autumn (Northern Norway and Finnish Lapland).</li> </ul> | <ul style="list-style-type: none"> <li>- Bad weather in summer.</li> <li>- Autumn/early winter too much darkness and cold weather.</li> <li>- Lack of knowledge of what to do except in winter.</li> </ul> |
| <b>Sustainability</b>  | <ul style="list-style-type: none"> <li>- Transport emissions.</li> <li>- Travelling long distances.</li> <li>- Different stands on sustainability</li> <li>- Lack of volume for economic sustainability work places.</li> </ul>                     | <ul style="list-style-type: none"> <li>- Lack of knowledge of other countries.</li> <li>- Different level of developed sustainability.</li> <li>- Lack of common platform/certification.</li> </ul>                                 | <ul style="list-style-type: none"> <li>- Long distances/increase of carbon emissions.</li> <li>- Letting external actors define sustainability in the VAE area.</li> <li>- Lack of regulation for foreign tourism investment.</li> </ul>                      | <ul style="list-style-type: none"> <li>- Lack of sustainable Swedish providers.</li> <li>- Sustainability and mass tourism not compatible.</li> <li>- Travelling long distances.</li> </ul>   | <ul style="list-style-type: none"> <li>- Too many tourists impact upon environment.</li> <li>- Idling bus.</li> </ul>  |

# OVERVIEW OF CHALLENGES

# VISIT ARCTIC EUROPE

|                  | Norwegian service providers   | Swedish Service providers  | Finnish service providers   | Tour operators  | Tourists   |
|------------------|---|--|---|---|--|
| Marketing        | <ul style="list-style-type: none"> <li>- Agree on joint brand, too many existing brands.</li> <li>- Agree upon markets, messages and distribution of costs.</li> <li>- Identifying new markets.</li> </ul>  | <ul style="list-style-type: none"> <li>- Difficulties to market other destinations.</li> <li>- Lack of common market strategy.</li> <li>- Unequal marketing within cross-border products.</li> </ul> | <ul style="list-style-type: none"> <li>- Different brand strategies (regional and national).</li> <li>- Lack of market and customer knowledge.</li> <li>- Uncertainty about the organizations responsible for selling VAE travel packages.</li> </ul>                                   | <ul style="list-style-type: none"> <li>- Lack of awareness of VAE area. Need to develop joint messages.</li> <li>- Lack of long-term funding and cooperation.</li> <li>- Fear of being left out.</li> </ul>                         | <ul style="list-style-type: none"> <li>- Create awareness of uniqueness.</li> <li>- Developing brand for different seasons.</li> <li>- Do not appeal to target markets.</li> </ul> |
| Financial issues | <ul style="list-style-type: none"> <li>- Lack of capital/ human resources to participate in VAE project.</li> <li>- Different pricing structures. Packages too expensive.</li> <li>- Lack of system for distributing work, costs and income.</li> </ul> | <ul style="list-style-type: none"> <li>- Challenges for small companies with financial resources.</li> <li>- Difficulties for risk investments and bank loans for cross-border products.</li> </ul>  | <ul style="list-style-type: none"> <li>- Limited amount of capital and human resources.</li> <li>- Lack of understanding of pricing.</li> <li>- Lack of flexibility in the renting of parking spaces in Norwegian airports.</li> </ul>  | <ul style="list-style-type: none"> <li>- Risk of losing money.</li> <li>- Exchange rates.</li> <li>- Cross-border packages are expensive.</li> </ul>  | <ul style="list-style-type: none"> <li>- Expensive food, drinks and excursions.</li> <li>- Different currencies.</li> </ul>  |
| Capacity         | <ul style="list-style-type: none"> <li>- Lack of beds in key destinations in high season.</li> <li>- Lack of staff to tackle more traffic.</li> <li>- Lack of rental cars in summer.</li> </ul>   | <ul style="list-style-type: none"> <li>- Knowledge about others' capacity.</li> <li>- Transport capacity between destinations.</li> <li>- High season versus low season capacity.</li> </ul>         | <ul style="list-style-type: none"> <li>- Lack of beds in Finnish destinations.</li> </ul>   | <ul style="list-style-type: none"> <li>- Lack of accommodation in key destinations.</li> <li>- Lack in variety in types of accommodation.</li> <li>- Different capacity in VAE area makes it difficult to make packages.</li> </ul> | <ul style="list-style-type: none"> <li>- No challenges.</li> </ul>   |
| Safety           | <ul style="list-style-type: none"> <li>- Winter weather conditions.</li> </ul>  | <ul style="list-style-type: none"> <li>- Lack of knowledge about the other countries' legislation.</li> <li>- Validity of insurance cross-borders.</li> </ul>  | <ul style="list-style-type: none"> <li>- Individual travelers lacking driving experience under VAE road conditions.</li> <li>- Lack of experience among individual travelers.</li> <li>- Entering wilderness areas.</li> <li>- Different safety regulations in the VAE area.</li> </ul> | <ul style="list-style-type: none"> <li>- Winter weather conditions and driving.</li> <li>- Customers not wearing right clothing in winter.</li> </ul>   | <ul style="list-style-type: none"> <li>- No challenges.</li> </ul>   |



|             | Norwegian service providers  | Swedish Service providers   | Finnish service providers  | Tour operators   | Tourists   |
|-------------|--|---|--|--|--|
| Legislation | <ul style="list-style-type: none"><li>- Different interpretations of license for traffic tourists.</li><li>- Different laws for rental cars.</li><li>- EU's free labor market policy (transportation companies).</li></ul>     | <ul style="list-style-type: none"><li>- Different taxation systems.</li><li>- Knowledge about other countries' legislation.</li></ul>   | <ul style="list-style-type: none"><li>- Different vehicle-tax legislation.</li><li>- Differences in driving license legislation.</li><li>- Norwegian legislation concerning the maintenance of snow mobile tracks.</li></ul> | Different rental car legislation in VAE area.  | <ul style="list-style-type: none"><li>- No challenges.</li></ul> |
| Markets     |  |   |  | <ul style="list-style-type: none"><li>- Dislike travelling long distances in winter. Limited time for outdoor activities in winter.</li><li>- Mismatched quality and price.</li><li>- Lack of understanding that different markets have different preferences.</li></ul> |  |
| VAE project | <ul style="list-style-type: none"><li>- Running out of time, cooperation ending with the VAE project.</li><li>- Lack of action and concrete results. Too much bureaucracy.</li><li>- Lack of priorities of measures.</li></ul> | <ul style="list-style-type: none"><li>- Time too short, what is next? How to continue cooperation.</li><li>- Unclear role of tour operators in the project.</li><li>- Few developed cross-border products within the project.</li></ul> | <ul style="list-style-type: none"><li>- Activating companies to continue the process started by the project.</li><li>- Too many actors involved.</li><li>- Lack of a specific focus of development.</li></ul>                | <ul style="list-style-type: none"><li>- Less success in Sweden.</li><li>- EU projects are inflexible and limited for time to succeed.</li><li>- Lack of prioritizing certain measures.</li></ul>   | <ul style="list-style-type: none"><li>- No challenges.</li></ul> |

**Difficulties strengthen the mind, as labor does the body.**

*Lucius Annaeus Seneca*



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