

Opportunity Catalogue

Turning Nordic Tourism
Challenges into Opportunities



Looking for Trouble!

This catalogue summarises the results of 1st project phase of the innovation project: X-Nordic Travel Contest. Group NAO has been commissioned by Nordic Innovation to lead the project in collaboration with consortia partners, Happy42 and DesignNation.

As part of the 1st project phase, from late 2022 to end of June 2023, Group NAO has mapped the most important challenges and problems faced by Nordic tourism through six workshops, a cross-Nordic industry survey, interviews with different representatives of Nordic tourism and with input from an Academic Panel consisting of leading Nordic tourism experts.

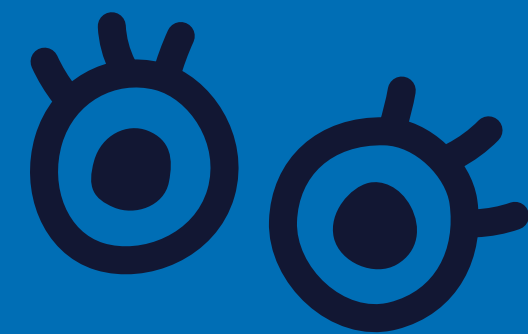
The objective of this Opportunity Catalogue is to provide an overview of the key challenges identified and shared by the Nordic tourism sector and industry. These will form basis of the 2nd phase of the project, where challenges will be turned into quests for solutions.



Reading Guide

This Opportunity Catalogue is divided into two overall parts:

- Part 1 presents the key country-specific challenges identified in the workshops (5 challenges per workshop).
- Part 2 unfolds 10 key challenges across the Nordic region, identified through cross-analysis of all the results - from workshops, survey, interviews and academic panel.



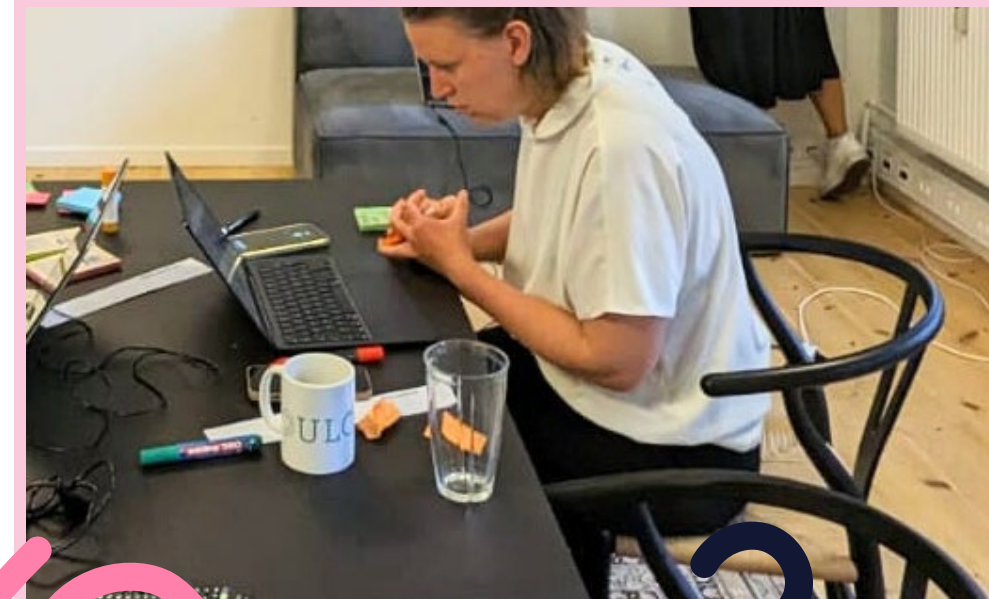
Brief Overview of Data Collection



6 NORDIC WORKSHOPS

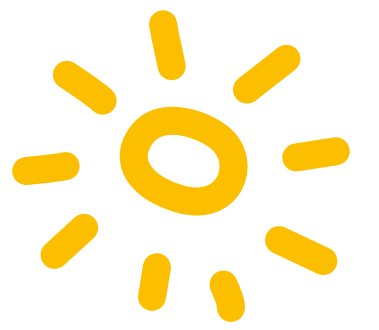
The six workshops in Denmark, Norway, Sweden, Faroe Islands, Iceland and Finland saw participation from 152 tourism stakeholders and representatives. Participants represented different parts of the sector - from destination organisations and visitor bureaux to travel agents, tour operators, local government representatives, restaurants, hotels, museums and transportation companies.

A customised tool was developed by Group NAO in collaboration with Workz for the workshops to support participants in unfolding and elaborating the identified problems, including their main causes and effects.



QUALITATIVE INTERVIEWS

18 in-depth qualitative interviews have been conducted with tourism sector representatives to get deeper understanding of their perspectives on the most important challenges faced by Nordic tourism in the coming 5-10 years. Interviews are referenced by using anonymised quotes throughout this catalogue to add details to the key challenges from workshops.



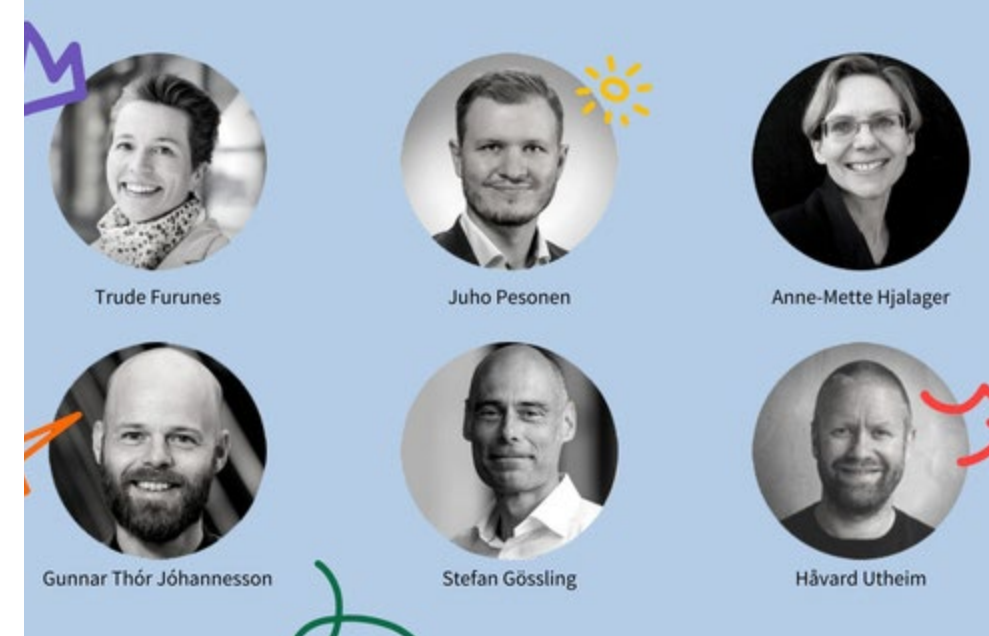
SURVEY OF NORDIC TOURISM BUSINESSES

The survey received 140 responses across Norway, Finland, Greenland, Iceland, Denmark, Sweden and the Faroe Islands. The survey was designed by Group NAO in collaboration with Epinion and consisted of total 6 questions. Respondents were asked to pick top 3 challenges from a pre-defined list, and then asked to elaborate on each of the top 3. Respondents could also add another challenge, if not included on the list.

The survey was distributed through local partnerships with destination organisations and industry associations, many of whom also shared the survey in their newsletters.

ACADEMIC PANEL

The Academic Panel consisted of six representatives of Nordic academia - each with their area of expertise from travel tech to sustainability, mobility, hospitality, tourism workforce and innovation. The first panel session on March 6, 2023, focused on identifying and unfolding the biggest challenges, while the second session on June 5, 2023, added perspectives and reflection points to the results of survey, interviews and workshops, including discussions of underlying reasons, limitations, scale and temporality of the issues identified.





Part 1:

KEY CHALLENGES ON COUNTRY LEVEL

This section provides an overview of the challenges identified in the six workshops and presents five key challenges per workshop location/country.



Overview of Workshops

1 Roskilde, Denmark
Date: 30 March 2023
Venue: Ragnarock
Co-hosted by
Destination Fjordlandet

2 Stockholm, Sweden
Date: 27 March 2023
Venue: SPACE
Co-hosted by
VisitStockholm

3 Helsinki, Finland
Date: 24 April 2023
Venue: Hotel Kämp
Co-hosted by
Visit Finland

4 Tórshavn, The Faroe Islands
Date: May 11 2023
Venue: Hotel Hafnia
Co-hosted by
Visit Faroe Islands

5 Reykjavik, Iceland
Date: 25 May 2023
Venue: Gróska
Co-hosted by
Icelandic Tourism Cluster

6 Bodø, Norway
Date: 1 June 2023
Venue: Radisson Blu Hotel
Co-hosted by
Visit Bodø



1 Denmark



Participants from the Roskilde Workshop pointed to...



Lack of visibility of lesser-known areas

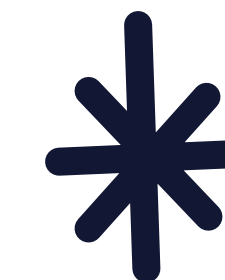
According to some participants, the lack of visibility of lesser-known areas and attractions is attributed to insufficient communication, limited infrastructure, and a lack of focus and priority of domestic tourists among attractions.



Lack of rental holiday homes results in loss of overnight guests

Insufficient overnight capacity outside bigger destinations, especially during high season, is a barrier to effectively distributing guests to lesser-known areas. A part of the challenge is that few vacation homes are made available for rent.

1 Denmark



Participants from the Roskilde Workshop pointed to...



Lack of interconnected, affordable and sustainable transportation options

Lack of interconnected, affordable and sustainable transportation hinders access to destinations and attractions. Especially in the case of smaller and remote destinations where last-mile connectivity is already a big challenge.



Lack of inclusive and accessible space

Inclusive planning is needed as most destinations, attractions, products and services are not accessible to people with disabilities. This creates physical and mental barriers to the inclusivity of travel.



Lack of qualified and trained workforce

There is a shortage of qualified and trained workforce in the tourism industry. Underlying reasons identified by the workshop participants included poor working conditions, low pay and a lack of work-life balance that altogether contribute to making the tourism sector less attractive for potential employees.



2 Sweden



Participants from the Stockholm Workshop pointed to...



Low profitability in low season

Tourism seasonality results in loss of revenue for tourism businesses in the low season. The workshop participants saw potential in promoting tourism during low season to make tourism businesses more economically sustainable.



Lack of Nordic collaboration and cross-border tourism products

Lack of collaboration and cross-border products make it difficult to pitch the Nordics as a unified tourist destination. According to some workshop participants, it is a challenge to establish effective Nordic collaboration in tourism that can attract a larger number of long-haul visitors to the Nordic region.



2 Sweden



Participants from the Stockholm Workshop pointed to...



Lack of technological innovation in tourism

Participants highlighted that tourism businesses are slow adopters of new and smart solutions, causing them to lose competitive edge. They also emphasised the importance of long-term planning and collaborative business models.



Mismatch between employer requirements and employee skills

Participants pointed out a mismatch between the requirements of employers and the skills and competencies of tourism graduates, making it difficult to find skilled labor or entry-level jobs in the industry. Participants also pointed out that bad working conditions, poor work-life balance, and low salaries make the tourism profession unattractive.



Lack of attractive and liveable places

Cities lack attractive and liveable places. Participants suggested that dead spaces around the city could potentially be developed to better disperse visitors. They also pointed out that tourism and tourism-related issues and priorities need to be better integrated in urban planning.

3 Finland



Participants from the Helsinki Workshop pointed to...



Loss of income and workforce due to seasonality

The challenge, as highlighted by some participants, is that tourism businesses face low income during low season, making it difficult for them to retain staff during that period.

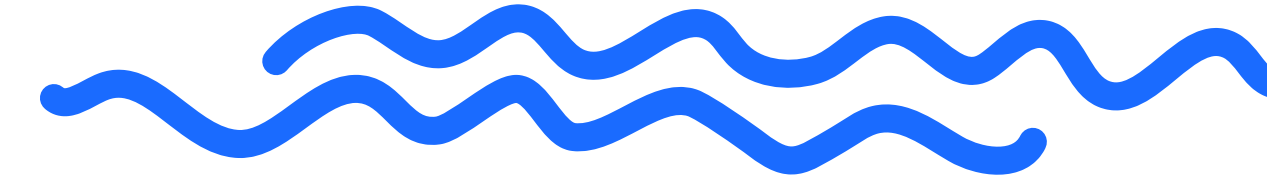


Lack of knowledge on how to communicate sustainability

Participants pointed out difficulties in communicating about sustainability and effectively conveying the sustainable practices of their businesses without being accused of greenwashing. They emphasised need for additional knowledge and familiarity with specialised terms related to sustainability.



3 Finland



Participants from the Helsinki Workshop pointed to...



Poor resource management

Inefficient resource management and lack of collaboration and coordination across the Nordics cost time and resources that each country spend on similar projects and essentially, reinventing and repeating each others' efforts.



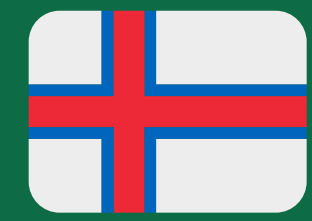
Inadequate public transport and poor connectivity

According to some participants, attractions and destinations in Finland are not easily accessible by public transport and the rail network is quite small. Locals and tourists need more options to transport themselves more sustainably.



Businesses are reluctant to adopt sustainable practices

Businesses are reluctant to adopt sustainable practices as it requires extra time, funds and skillsets. Participants also mentioned that it can be difficult to prioritise and see the value of more sustainable business models in the shorter term.



4 The Faroe Islands



Participants from the Tórshavn Workshop pointed to...



Low revenue and limited activity offerings in low season

The businesses have low and unstable revenue during low season. Attracting visitors off-season is difficult due to lack of activities and offerings. Workshop participants pointed to the need for innovative seasonal products.



Destination image of Faroe Islands

According to workshop participants, the destination image of the Faroe Islands as a tourist destination is impacted negatively by whale hunting culture.



4 The Faroe Islands



Participants from the Tórshavn Workshop pointed to...



Narrow roads and poor infrastructure

Much of the country outside main cities have poorly developed infrastructure, including poorly maintained and very narrow roads, leading to congestion and traffic jams.



Lack of regulatory framework for tourism industry

Participants highlight the lack of political governance, legislation, and regulation for the tourism industry as a challenge. This contributes to local skepticism towards tourism.



Lack of knowledge of tourism

Workshop participants find it challenging to engage some local residents in tourism development programs, as these residents perceive tourism to be harmful to the environment and to local quality of life.



5 Iceland



Participants from the Reykjavik Workshop pointed to...



The tourism industry as unattractive to potential workers

Workshop participants point to low salary levels as part of why the tourism industry is perceived as less attractive for workers. Jobs are demanding with long working hours and many jobs are also temporary/seasonal, which further contributes to the poor image of the industry for long-term careers.



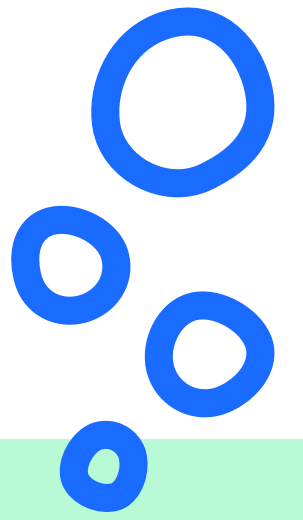
Destination mismanagement and lack of tourism planning

Workshop participants believe that lack of integral tourism planning leads to destination mismanagement and shortterm thinking. According to participants, Iceland lacks a strategy to tackle seasonality and overcrowding in certain places in order to enhance quality of local life and ensure better experiences for visitors.



5 Iceland

Participants from the Reykjavik Workshop pointed to...



Pollution from overuse of plastic bottles

Overuse of plastic water bottles generates waste and pollutes the environment. Stronger and wider awareness and proper water refill infrastructure is needed to tackle this challenge.



SMEs face operational challenges in implementing sustainable solutions

Participants point out that tourism SMEs find it difficult to adapt to sustainable regulations and practices, and most guidelines are not applicable to or manageable for SMEs - with only few SME cases presented. Lack of knowledge and high implementation costs prevent SMEs from adapting to more sustainable solutions.



Digitalisation is expensive and unaffordable for small businesses

According to participants, most of the technologies needed to digitalise tourism businesses must be sourced from foreign countries, which make it expensive and unaffordable for small businesses. It slows down their operations and hinders growth. Low investment in local technology development was identified as among the main causes.



6 Norway



Participants from the Bodø Workshop pointed to...



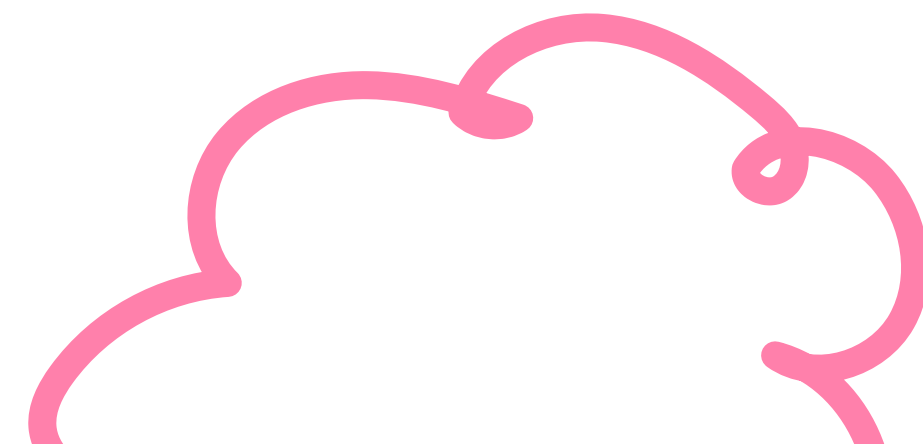
Lack of year-round tourism

Lack of year-round tourism results in economic setbacks and challenges associated with seasonal employment, including loss of workforce. It hinders innovation, profitability, investments and the development of long-term strategies.



Overexploitation and depletion of marine resources

Participants pointed out that overfishing persists but that reporting levels still remain minimal. Garbage in the ocean also poses a big challenge to marine life. Participants emphasised that lack of knowledge and respect for marine life results in the overexploitation and depletion of ocean resources.



6 Norway



Participants from the Bodø Workshop pointed to...



Absence of a comprehensive network of interconnected modes of transport

Lack of a well-connected transportation network, which can be easily booked on a single platform. Uncertain connections result in uninformed visitor fears of long, tiring and interrupted journeys, and this could result in some destinations being avoided.



Expensive to make environmentally friendly choices for businesses

In terms of food and raw material procurement, businesses choose cheaper unsustainable alternatives like wholesalers to save money. It negatively impacts the businesses of local producers, for example local farms.



Low visitor numbers and poor profitability of tourism businesses

It is a challenge for the area to attract enough tourists and increase the visibility of the destination, which results in low income for tourism businesses in the area.

Part 2: X-NORDIC CHALLENGES

This section presents the X-Nordic Survey results and explores 10 X-Nordic challenges identified through cross-analysis of all workshop results, interviews, survey and academic panel discussions



Nordic Tourism Industry Survey

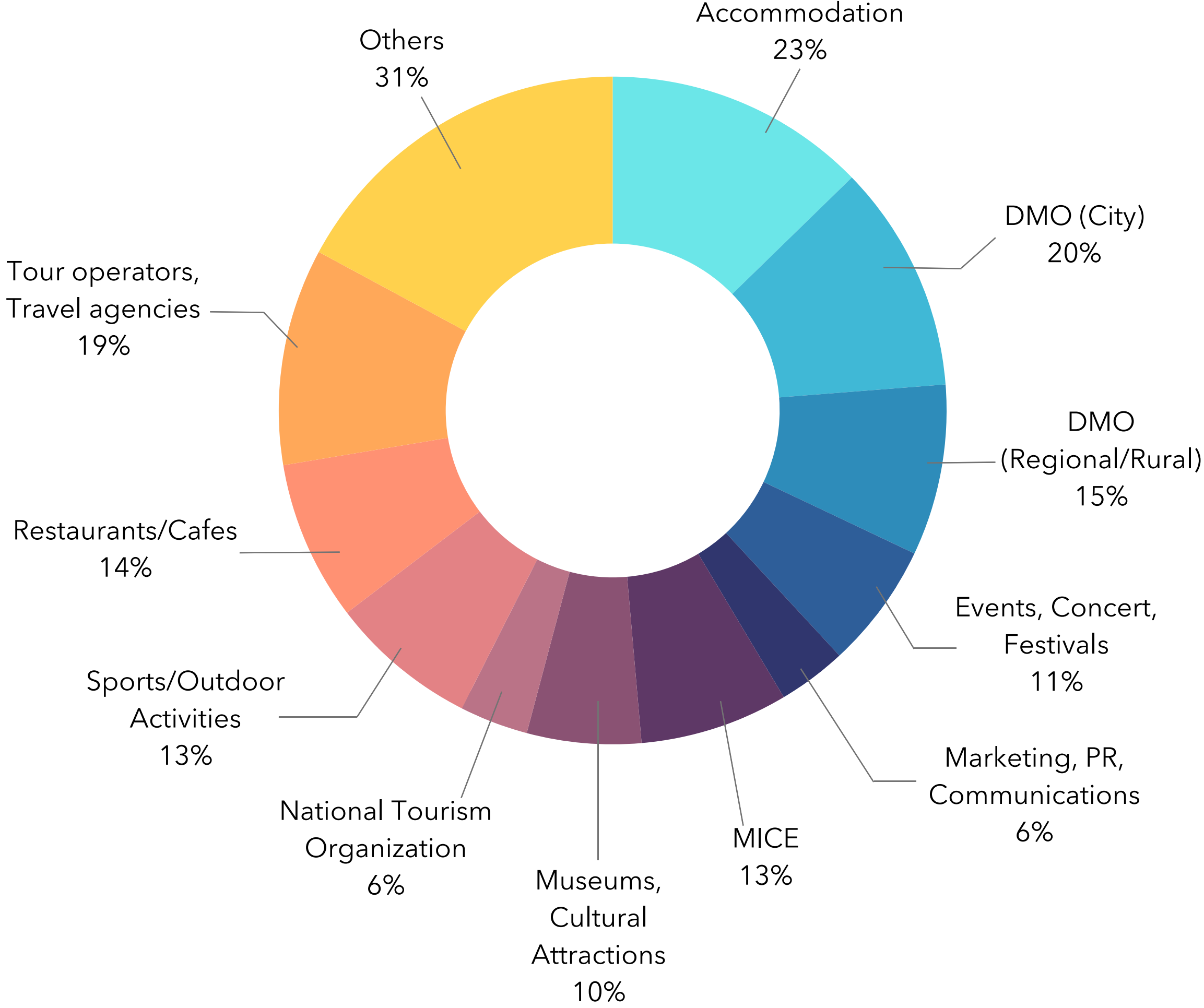


DATA COLLECTION

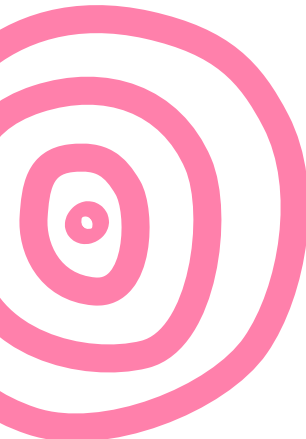
The survey received 140 responses across Norway, Finland, Greenland, Iceland, Denmark, Sweden and the Faroe Islands with a wide variety of sectors. The majority of respondents are owners / founders of tourism businesses or part of their organisation's top management.

Respondents selected their top 3 challenges from a list of predefined tourism challenges, and then elaborated on each of those three challenges. Respondents could also add a challenge, if it was not on the pre-defined list.

Due to the number of respondents, data should be interpreted as indicative, not definitive. It is important to notice that nationality and business areas are not equally distributed. The chart shows an overview of the industries represented by respondents.

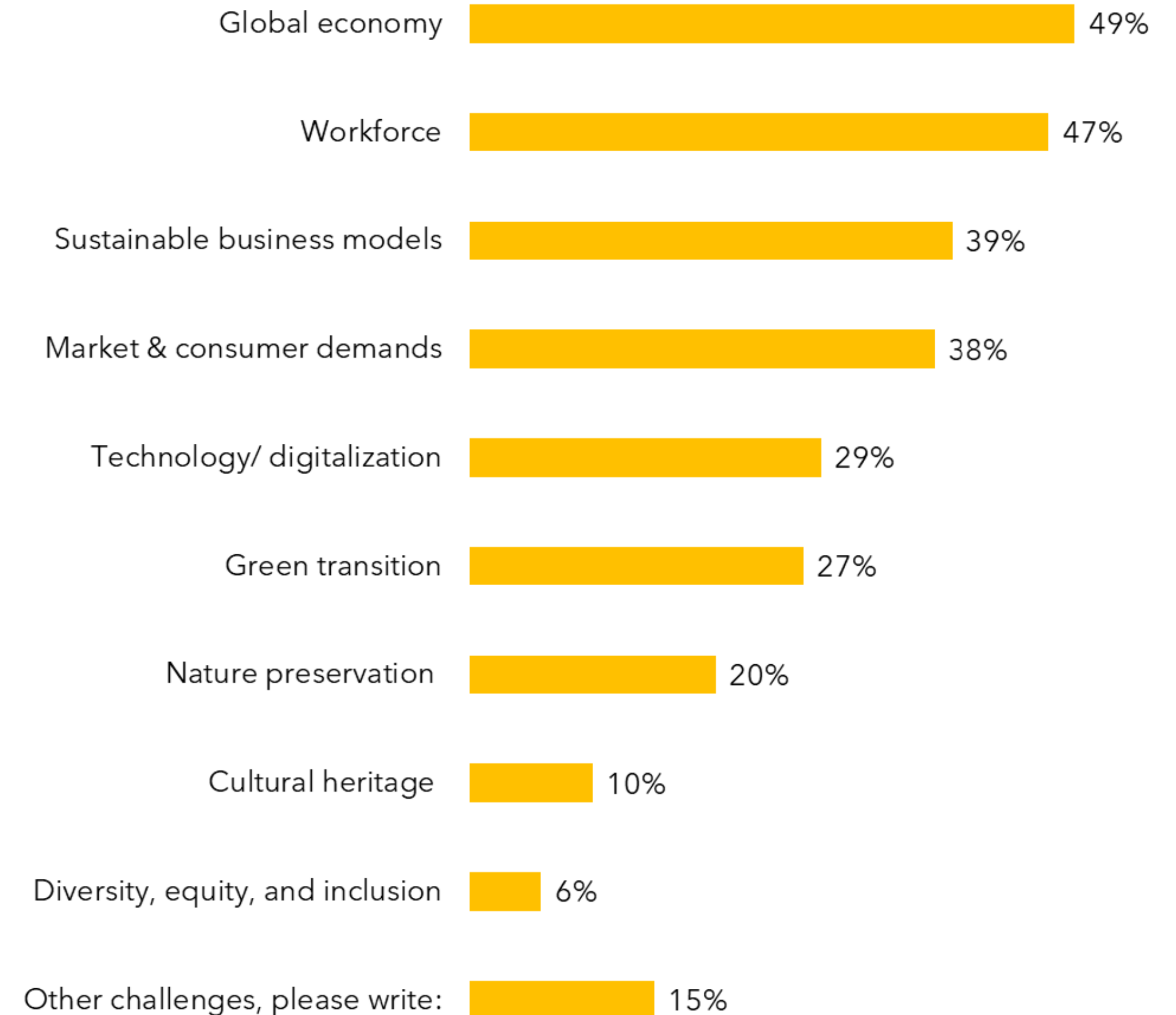


*Some respondents work in multiple sectors, leading to a percentage distribution that exceeds 100 percent.



SURVEY RESULTS: GLOBAL ECONOMY AND WORKFORCE AS BIGGEST CHALLENGES

- "Global economy" includes inflation, price sensitivity, recession and high energy prices issues and is identified as the most significant challenge for the future of Nordic tourism (49%).
- "Workforce" is the second biggest challenge (47%). It includes issues relating to labour shortage, workforce competencies and talent retainment. Finnish respondents identify workforce as their biggest challenge.
- "Sustainable business models" (seasonality, circular business models, partnerships, greenwashing, profitability and investments) is chosen as the third top challenge (39%) across sectors and countries.
- "Market and consumer demands" stands as the fourth most important challenge (38%). It involves shifting consumer demands and the need to continuously provide value for money.
- "Technology and digitalisation" is chosen by almost 1/3 of respondents (29%). In particular, DMOs highlighted this challenge, while restaurants don't see it as a major challenge.
- "Diversity, Equity, Inclusion" is highlighted by only 6% of respondents, indicating that they see it as the least important challenge.

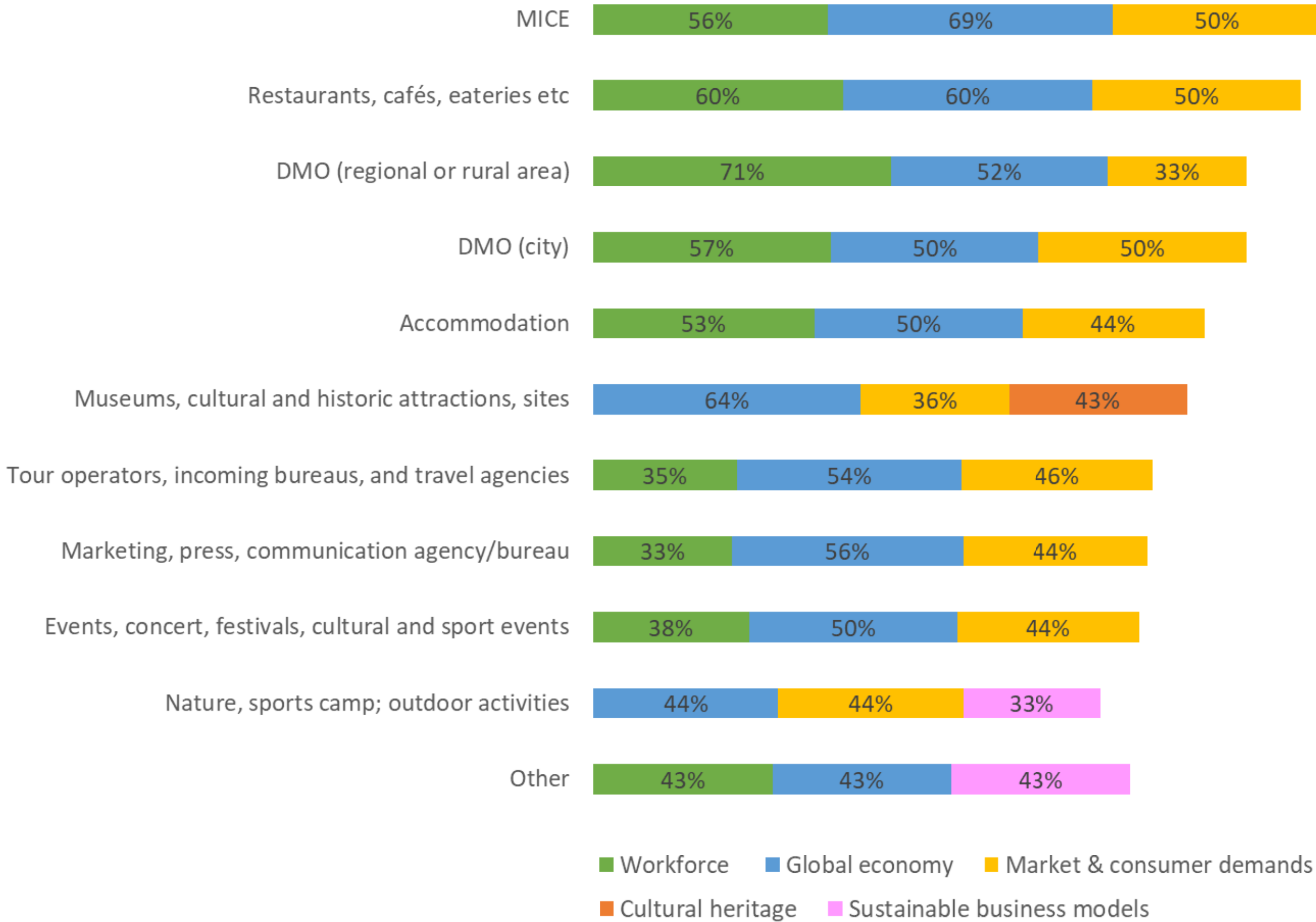




SURVEY RESULTS: SHARED CHALLENGES ACROSS SECTOR

The graph on the right illustrates the three most important challenges across tourism business categories.

- "Global economy" and "workforce" are the biggest challenges for all business categories. "Market and consumer demands" is also dominant in all sectors.
- "Global Economy" is most concerning for the MICE sector while "Workforce" is the biggest challenge for rural/regional DMOs and the restaurant sector.
- The adoption of sustainable business models ranks among the top three challenges by businesses in the outdoor experiences sector.
- Managing and protecting cultural heritage is selected as a major challenge by museums and cultural organisations.
- "Digitalisation and Technology" is not among the top 3 challenges for any sector.



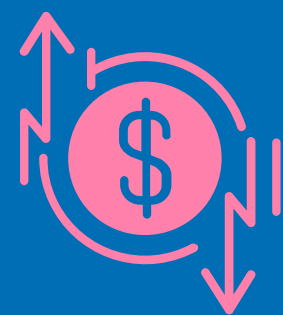
In the other category, all other sectors are included.

Time for a short reflection



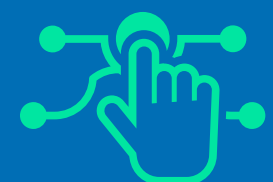
Surveys and workshops complement each other

The survey provides an overarching idea of the challenges faced by the Nordic tourism industry, while the X-Nordic workshops were more explorative. Survey respondents selected the challenges from a list of pre-defined challenges while the workshop participants had complete freedom to choose. However, the survey respondents could add a challenge to the list. In the subsequent section where the report delves into the key challenges based on themes, survey results (wherever possible) have been incorporated into the overall themes. However, some of the challenges were exclusive to survey or workshops.



"Global Economy" issues only highlighted in surveys, not in workshops

It is worth noting that in the survey, "global economy" was identified as the biggest challenge by nearly half of respondents. Interestingly, global economy as a standalone challenge was not raised in the workshops. We speculate that this might indicate that tourism stakeholders see this topic as beyond their sphere of influence. However, the global economy was often discussed during the workshops in relation to other challenges.

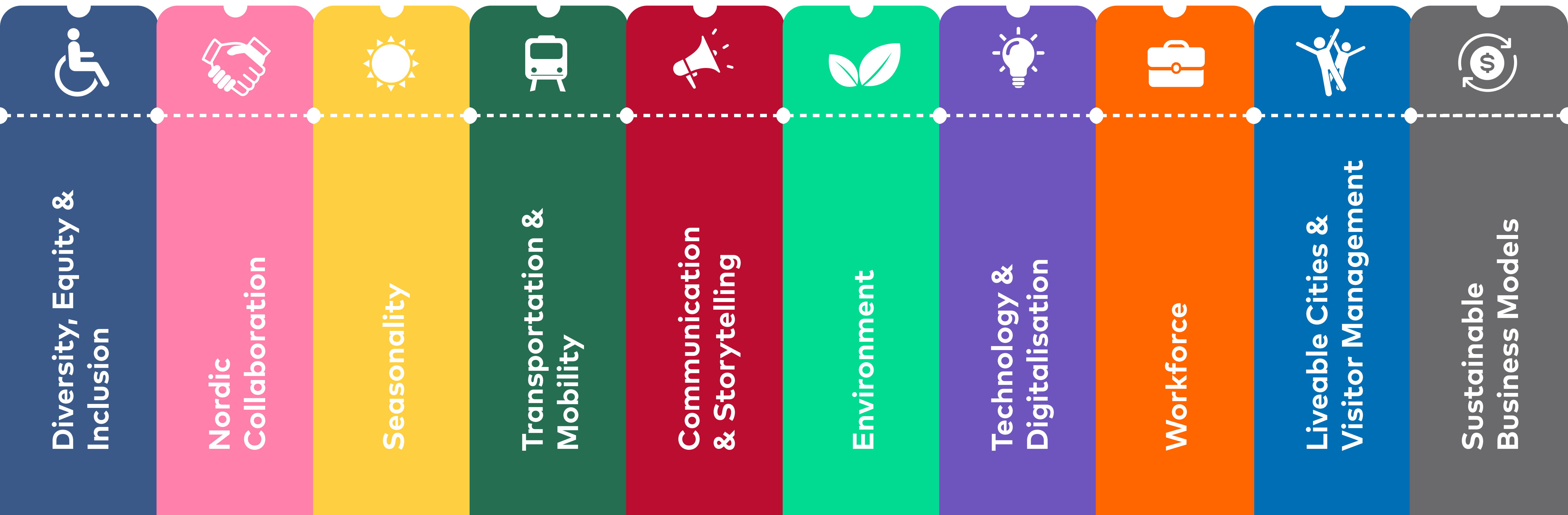


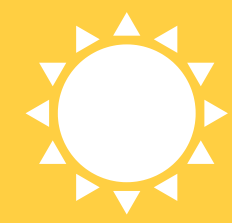
Technology and Digitalisation not seen as a major challenge by workshop participants

In the survey, almost one-third of respondents have identified technology as a key challenge. However, technology received minimal discussion during the workshops. This could perhaps be attributed to workshop participants seeing technology more as a solution or a means to solve a problem more than an actual problem in itself. In any case, we expect that technology and digitalisation will be a natural theme in the coming project phase focusing on solutions.

Time for a short reflection

Based on cross-analysis of data from the 6 workshops, 10 X-Nordic challenges towards a more sustainable and competitive tourism have been identified. In the following section, each theme is elaborated and further contextualised with insights from survey, interviews, and the Academic Panel.





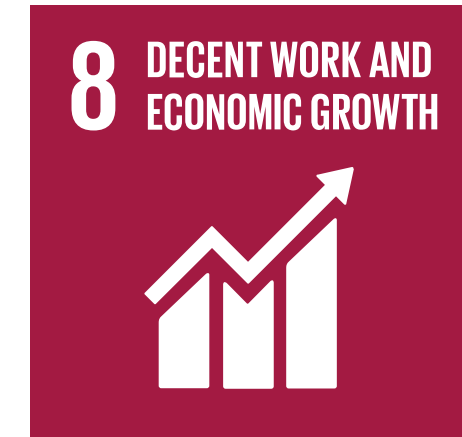
SEASONALITY

Seasonality is identified as a key challenge in most of the Nordic workshops. Below, you will find the primary challenges related to seasonality.



Highlighted in 5 out of 6 Workshops

- * Seasonality was a part of Sustainable Business Models challenges in the survey which was highlighted by 39% of the respondents.



Economically Unsustainable

- Economic uncertainty due to large fluctuations in visitor numbers across seasons.

Difficulty in retaining workforce

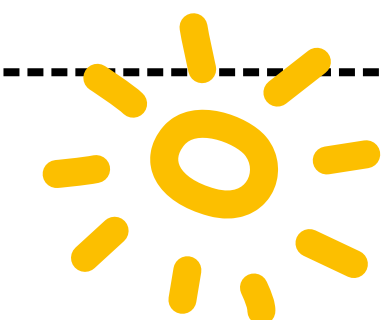
- Retaining workforce in low season is challenging.
- This is particularly difficult for skilled workforce.

Lack of Seasonal Products

- There is a lack of tourism products or activities that meet visitor demand(s) throughout different seasons.

Communication Challenges

- Lack of knowledge on how to communicate and attract visitors in the low season.



INSIGHTS ON SEASONALITY ISSUES FROM SURVEY, INTERVIEWS & PANEL...

(Year-round tourism) is wanted by governments and the bigger companies, but many of the small operators don't want it because they work 24-7 for like 20-30 weeks and then they need a break.

Member of Academic Panel

...distribute tourists more evenly throughout the year... There is actually demand during Christmas and Easter. However, there is no room on the planes because that's exactly when all our local people want to travel home for the holidays. And then there's the weather up here. We're trying to come up with ideas for what to do during the winter.

Board member and advisor for the tourism industry

... boats here do not have any products for the winter. Summer and winter represent two completely different environmental realities in the high arctics. You have to invent something completely new because the weather conditions are so remarkably different.

Tourism Advisor,
Destination Organization

The lack of year-round destinations makes the Nordics a less interesting destination. A lot of travellers want to visit offseason, but nothing is open.

Survey Respondent

In 10 years, we need to have an extended season, which would allow us to invest more in all the right areas. This would eliminate the need to constantly adjust our workforce every six months

Hotel Manager



WORKFORCE

Workforce was identified as a major challenge in Denmark, Sweden and Iceland. Below, you will find the highlighted challenges related to workforce.

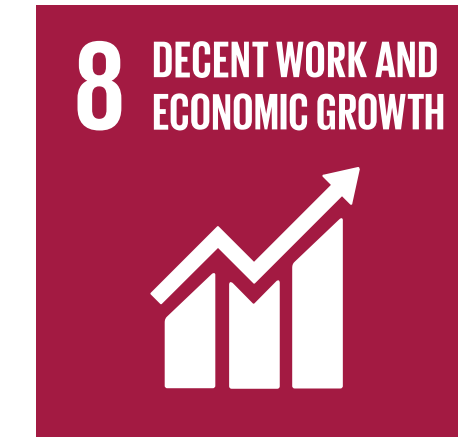


Highlighted in 3 out of 6 workshops



47%

of Survey Respondents pointed it out



Labour Shortage

- Interest in the tourism job market has declined.
- Scarcity of tourism workers, especially in smaller destinations.

Qualification & Training

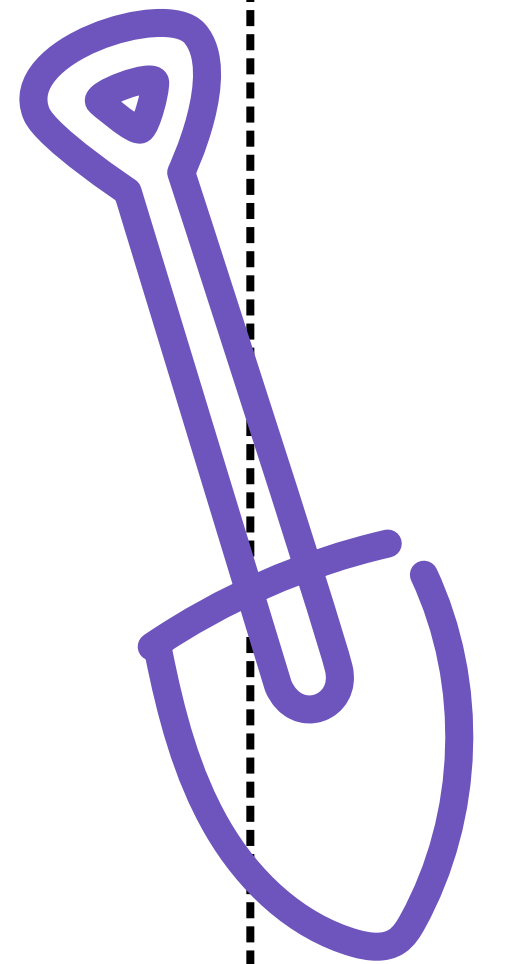
- Lack of qualified workforce and training opportunities in certain fields such as sustainability and digitalisation.

Job Market Mismatch

- Mismatch between required skillsets by employers and education/training of tourism students.
- Difficult to find entry-level jobs.

Working Conditions

- Low wages, poor working conditions and work-life balance.
- Poor image / appeal of the sector.



INSIGHTS ON WORKFORCE ISSUES FROM SURVEY, INTERVIEWS & PANEL...

...as long as they can get hands on deck to solve the problem during the summer season, they are happy. So it's kind of from day-to-day or from season-to-season.

Member of Academic Panel

They all have issues with workforce, especially the hotels and restaurants.

Board member and advisor for the tourism industry

Everybody else is going into more academic positions, nobody wants to be a waiter anymore or a chef.

Director, Hotel operations and cruise expeditions

Labour is everything! We have 2 schools and there are not enough students - and then we don't have a workforce. It's bad now - and it will be worse in the future.

Managing Director,
Destination Organisation

We're competing for the same employees. If you want to be ambitious in any aspect, whether it's opening something new or investing in something, you have to first consider whether you can find someone to do it... The work in the sector is being stigmatised for a good reason. Because it has been inadequate. It deserves the criticism it receives.

Hotel Manager



LIVEABLE CITIES & VISITOR MANAGEMENT

Lack of liveable places and poor visitor management are identified as challenges in Denmark, Sweden, Norway, the Faroe Islands and Iceland. Below, you will find the highlighted challenges related to liveability and visitor management.



Highlighted in 5 out of 6 Workshops

* Not highlighted in the survey

Destination mismanagement

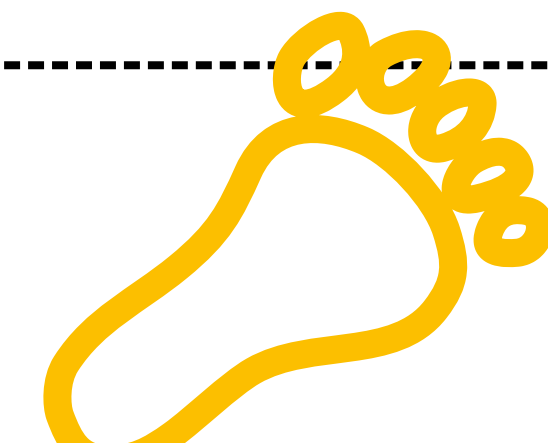
- The insufficient integration of tourism planning leads to mismanagement and short-term thinking.
- Poor enforcement of tourism regulations.
- Lack of proper strategy to tackle seasonality and overcrowding.

Overcrowding in some areas

- Overcrowding affects the quality of local life.
- Overcrowding leads to poor visitor experiences.

Poor urban planning

- Tourist activities are concentrated in certain areas.
- Lack of development of underutilised urban spaces to further disperse visitors.
- Lack of regulatory framework.



INSIGHTS ON LIVEABLE CITIES & VISITOR MANAGEMENT ISSUES FROM SURVEY, INTERVIEWS & PANEL...

Most regions work with project money. Towns and cities don't want to spend money on tourism development or actions, however a lot of effort is expected from those people working in tourism.

Survey Respondent

Being far from the capital cities, we are a little bit forgotten on the side.

Managing Director,
Destination Organisation

We have this issue of dispersing visitors throughout the city, encouraging them to explore different areas. We've received numerous excellent suggestions for apps to address this, but launching such an app is extremely complex. It requires collaboration with the cruise ship companies, so it can't be just any app.

Representative from a Cruise Company

Community Engagement is something we're actively working towards... making sure local voices are heard and integrating that into our work and our guidelines and our frameworks

Head of operations, cruise expeditions

We face challenges with the timing of passengers, where there is a rush for two hours, and then nothing happens. How do we spread out tourists?

CEO of transportation company



TRANSPORTATION & MOBILITY

Transportation and mobility were highlighted as a major challenge in Denmark, Finland, Norway and the Faroe Islands. Below, the highlighted challenges related to transportation and mobility.

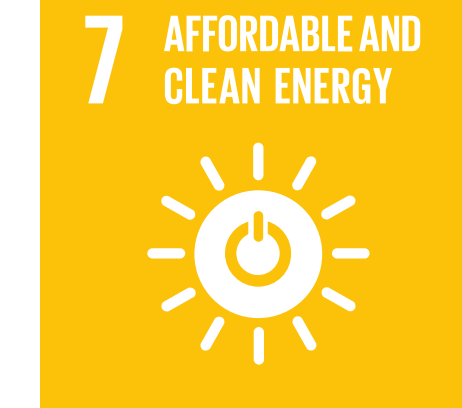


Highlighted in 4 out of 6 workshops



27%

of respondents pointed to this challenge



Limited Transportation Options

- Lack of connected Nordic rail network.
- Challenge in developing cross-border tourism products.

Poor Network & Infrastructure

- Unequal geographical distribution of transportation networks, especially railways.
- Insufficient charging points for electric vehicles.

Connectivity and Accessibility

- Last-mile connectivity remains a major issue, especially when it comes to sustainable transportation options

Unsustainable Aviation Industry

- Especially challenging for remote destinations



INSIGHTS ON TRANSPORTATION & MOBILITY ISSUES FROM SURVEY, INTERVIEWS & PANEL...

One of the challenges for tourism in general is carbon emissions from flight. That's not something we feel that we can really solve ourselves (...).

At the same time, alternatives like train travel need to develop. And in the North, we have very limited train infrastructure. There's not a lot of railroads

Managing Director,
Destination Organisation

We are all talking about sustainable tourism, but as long as we have not solved the issues of traveling e.g. by plane, we are far from making tourism sustainable and in danger of greenwashing the whole industry.

Survey Respondent

In the Nordic region, we operate in multiple cities with varying regulations and interpretations of environmental zones, which I find ridiculous. We constantly move vehicles between locations... Provide a 10-year route permit for the entire Nordic region, and I will transition to electric buses; otherwise, I'll stick with diesel.

CEO of transportation company

We want to get customers in self-drive tours on electrical cars but the infrastructure for charging stations is yet not available. We need charging stations at the hotels... Things need to go faster... government wants hotels to do it, the hotels want the government to do it.

Survey Respondent

ENVIRONMENT

Environmental challenges have been pointed out in the Faroe Islands, Iceland and Norway.
Below, the highlighted challenges related to environment.



Highlighted in 3 out of 6 workshops



20%

of respondents point
to this challenge



Plastic Pollution

- Overuse of plastic bottles.
- Inadequate infrastructure in terms of water refill points and lack of awareness.

Hunting culture vs environment

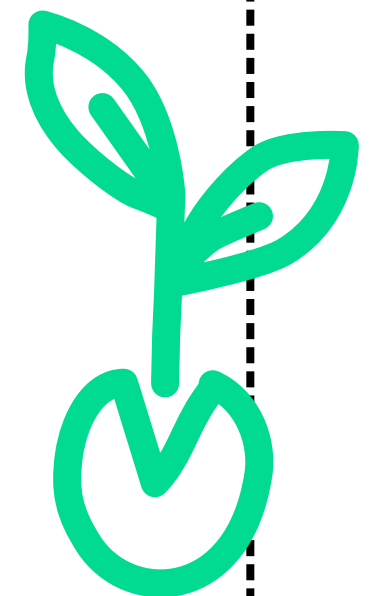
- Hunting has been a part of the local culture.
- Part of the traditional diet of the communities.

Food Sustainability

- Encouraging businesses to procure food locally.
- Tackling food waste in hotels, restaurants, cruises.

Environmental protection & management

- During high season, the environment is under pressure from the high number of visitors.
- Vulnerable regions need better management and regulation to protect them.
- Pollution, noise pollution, depletion and exploitation of marine resources.



INSIGHTS ON ENVIRONMENTAL ISSUES FROM SURVEY, INTERVIEWS & PANEL...

The increase of tourists inevitably puts pressure on fragile ecosystems, delicate habitats, and sensitive wildlife populations. Popular attractions and pristine areas are becoming overcrowded, leading to erosion, pollution, and disturbance to local flora and fauna. Balancing the demands of tourism with the need for conservation becomes increasingly complex as visitor numbers rise.

Survey Respondent

Too much greenwashing creates skepticism among practitioners and users. At the same time, to implement circularity into a tourism value chain or system requires commitment from the majority of the actors involved, which is not happening yet, due to structural and financial constraints.

Survey Respondent

Underwater noise, this is an area that is really becoming more important for us. We hear concerns from communities (about the impact towards the species that they eat for subsistence). We have a number of our vessels that have done underwater noise assessment. (...) But how do we deal with underwater noise? That is such a big question mark for us.

Head of Operations, cruise expeditions

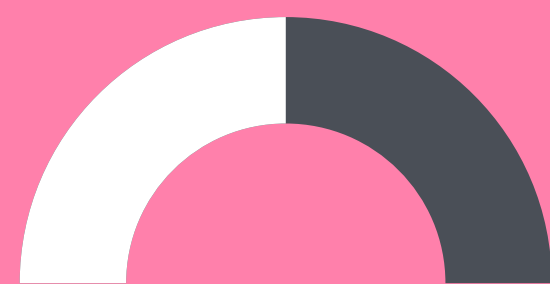
...use more of the resources in the oceans and on land, I think there is a lot of stuff growing in nature and in the oceans that we are not using as food today, like seaweed. (...) And we need to think about how we prepare the food and how the food gets to the ships through electrical buses and electrical trailers.

Director, Hotel operations and cruise expeditions



NORDIC COLLABORATION

Nordic collaboration was emphasized as one of the main challenges in Denmark, Sweden and Finland. Below, the highlighted challenges related to Nordic Collaboration.



Highlighted in 3 out of 6 workshops

* Not highlighted in the survey



Absence of Common Strategy

- Lack of ownership and long-term focus in the region.
- Lack of common strategy to guide tourism businesses and practitioners.

Cross-Nordic Tourism Development

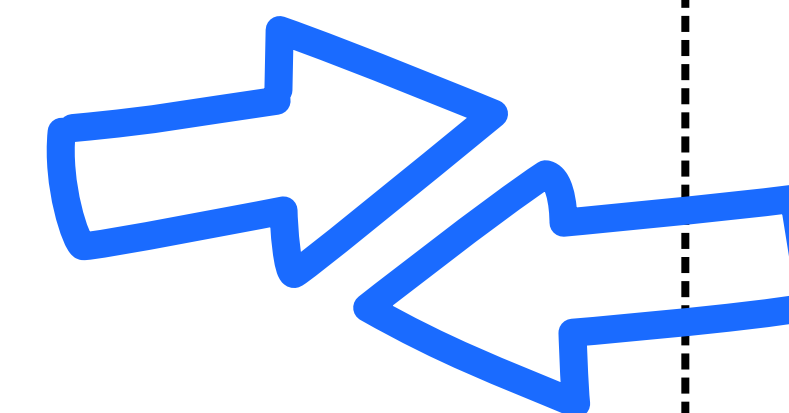
- Need for more cross-border tourism products.

Insufficient Knowledge & Data

- Lack of information and comparable data in the Nordic tourism industry to guide business owners in important decision-making.

Insufficient Resource Optimisation

- Lack of shared resources and knowledge in the Nordics to avoid duplication of work.



INSIGHTS ON NORDIC COLLABORATION ISSUES FROM SURVEY, INTERVIEWS & PANEL..

Technology offers so many possibilities and threats that the tourism industry is not acting upon. Nordic collaboration is needed.

Survey Respondent

I would like to test out tourism taxes, like they are doing in Lofoten, but it's not easy to do as a single destination because there is a fear of becoming less attractive. It would be ideal to test with multiple destinations involved.

Managing Director, Visit Organisation

There is a need for sharing or getting access to data and knowledge (across the Nordic region). Norway has this project now with sharing their data and building open APIs.

Member of Academic Panel

The Nordic region and Denmark has been at the forefront of green transition in the past, and it's crucial for the tourism industry in the Nordics to take this position also in the future.

Survey Respondent

Infrastructure and services for luxury travel is needed. We need a unified understanding of premium services, accommodation and activities across the Nordics

Survey Respondent

In the Nordic region, there is much talking about sustainable and regenerative tourism and many different actions, but no focused action plan with massive investments from both public and private partners.

Survey Respondent



COMMUNICATION & STORYTELLING

Communication and storytelling were identified as major challenges in Denmark, the Faroe Islands, and Finland. Below, you will find the highlighted challenges related to communication and story telling.



Highlighted in 3 out of 6 workshops

* Not highlighted in the survey



Complexity of communicating sustainability

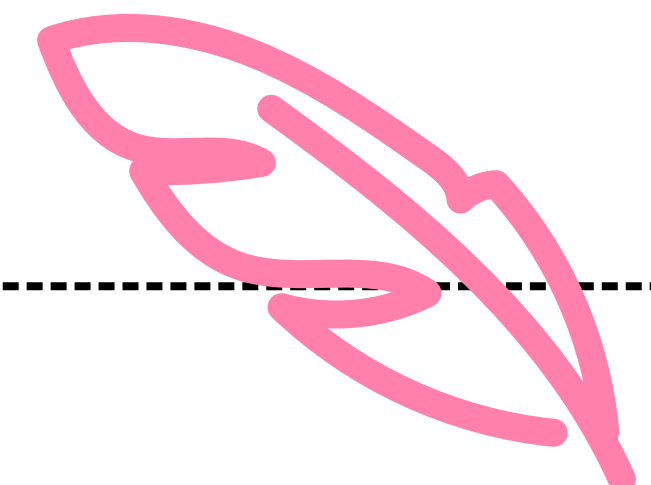
- Limited understanding of big concepts such as sustainability and regeneration in the tourism industry.
- Businesses are reluctant to communicate their sustainability efforts as they are apprehensive of being accused of greenwashing.

Poor visibility of smaller destinations

- Most tourism promotion is focused on major tourist attractions.
- Lesser-known / smaller destinations need more visibility to increase visitor awareness.

Lack of resources

- Communicating sustainability requires funding, skills and knowledge.



INSIGHTS ON COMMUNICATION & STORYTELLING ISSUES FROM SURVEY, INTERVIEWS & PANEL...

The competition is fierce and to be considered a green brand without doing greenwashing is a fine line.

Survey Respondent

..there might actually be a kind of backlash going on. I've been listening to some hotels recently. And instead of... 'we are a green and sustainable hotel', they have changed the communication into something like 'we respect nature'... So what's happening there in the aftermath of this EU regulation?

Member of Academic Panel

Businesses work quite hard to improve their sustainability, but it is difficult to communicate to the market ... in the meeting and B2B market, customers are very concerned about CO2 emissions and flight travels. The focus on climate and emissions dominates everything..

How should the companies communicate that visiting a sustainable hotel in Lofoten can be more sustainable all in all than visiting a not very sustainable hotel closer to home.

Survey Respondent

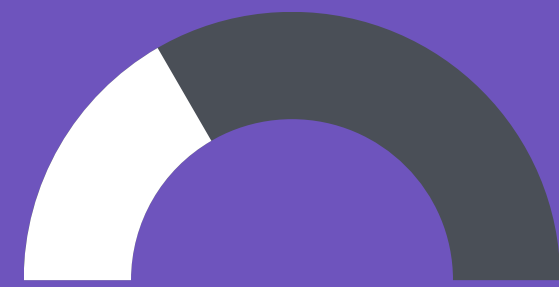
..the development of sustainable tourism is very important. Many businesses in our region are responsible by default, but there is a lack of resources to carry out certification and communicate.

Survey Respondent



TECHNOLOGY & DIGITALISATION

Identified as a major challenge in Sweden and Iceland. Below, the highlighted challenges related to Technology and Digitalisation.



Highlighted in 2 out of 6 workshops



29%

of respondents point to this challenge



Lack of innovative and affordable solutions in tourism

- Businesses are lagging behind in adopting technology and losing their competitive advantage.
- Businesses find digitalisation (too) expensive.

Cyber security

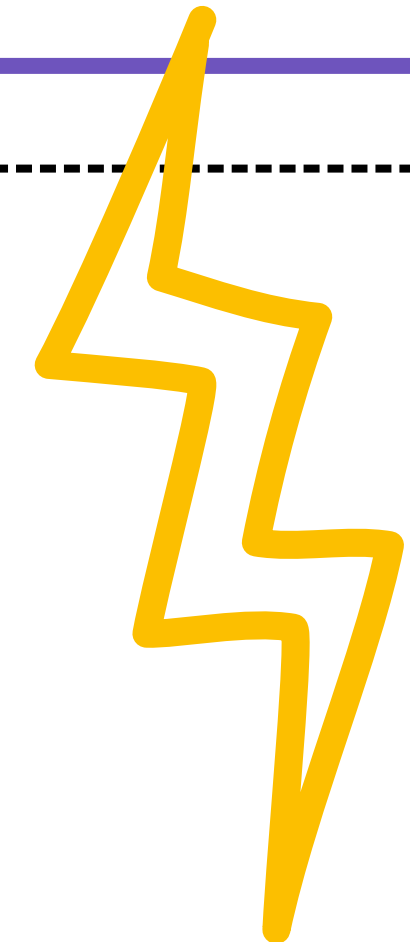
- Cyber security is a big concern.
- Challenges in ensuring secure data management and protection

Lack of local skills and resources

- Challenging to find skilled personnel and resources to implement and develop new technology.
- Lack of investment in local tech development.
- Technologies have to be sourced from outside, which can make it expensive for small businesses to purchase.

Digital literacy and access

- Disparities in digital literacy and access to technology still occur, particularly among older age groups.



INSIGHTS ON TECHNOLOGY & DIGITALISATION ISSUES FROM SURVEY, INTERVIEWS & PANEL...

Technology offers so many possibilities and threats that the tourism industry is not acting upon.

Survey Respondent

...unequal investment in technology will lead to unequal return on investment. So that the big companies triumph over all the small companies when they are able to invest so much in digital technologies.

Member of Academic Panel

Cyber security is a huge concern.

Survey Respondent

The main issue is that most of the tourism companies are small... They might not always be the best or have the deep knowledge in the technical stuff... So the main challenge is how to find the time to keep up to date with the (technological) possibilities that are out there. It's so easy to fall behind.

Managing Director, Destination Organisation

We should have had a plan for digitalisation 10 years ago. The lack of knowledge is so big that I'm not even able to discuss it. Talking about AI, it's not even on the agenda. They never tried it, they have no idea, they have maybe read about it in the newspapers.

Managing Director, Destination Organisation



SUSTAINABLE BUSINESS MODELS

Switching to sustainable business models is a major challenge in Iceland, Norway and Finland. Below, we've highlighted challenges related to sustainable business models.



Highlighted in 3 out of 6 workshops



39%

of respondents point to this challenge



Expensive to switch to sustainable models

- Lack of affordable sustainable models for businesses to adopt.
- Low budget for implementation.



Operational challenges faced by SMEs

- Most cases of sustainable practices presented and guidelines provided are not applicable to SMEs.
- Little guidance for SMEs.

Difficult to prioritize over short term profit

- Businesses find it difficult to prioritise and see the value of more sustainable business models.
- Developing new models requires extra time and resources.

INSIGHTS ON THE ISSUES OF ADOPTING SUSTAINABLE BUSINESS MODELS FROM SURVEY, INTERVIEWS & PANEL...

We would like to be a sustainable hostel, but it is very hard to figure out which solutions will actually help us become that... which are the right ones for us?

Survey Respondent

To implement circularity into a tourism value chain or system requires commitment from the majority of the actors involved, which is not happening yet, due to structural and financial constraints.

Survey Respondent

We need to have a more sustainable operation because our ships are, of course, doing some pollution here

Director, Hotel operations and cruise expeditions

Reporting and calculating TRUE emissions is essential to be able to compare between companies. Soon, there might be a huge business for companies to audit CO2 calculations. For small companies, it means even more costs and it might mean less sustainable actions.

Survey Respondent

The reporting requirements are adding too much administration work whereas this could be time spent in serving customers and developing business in other ways.

Survey Respondent

We experience more rules and restrictions than guidance, ideas and innovations in including nature preservation in our strategies

Survey Respondent



DIVERSITY, EQUITY & INCLUSION

DEI was highlighted as a challenge as well as opportunity in Denmark. Below, the highlighted challenges related to Diversity, Equity and Inclusion.



Highlighted in 1 out of 6 workshops



6%

of respondents point
* to this challenge



Lack of inclusive and accessible space

- Most of the destinations, attractions, events, products and services are not accessible to people with disabilities.
- It creates physical and mental barriers preventing them from traveling.

Lack of proper training

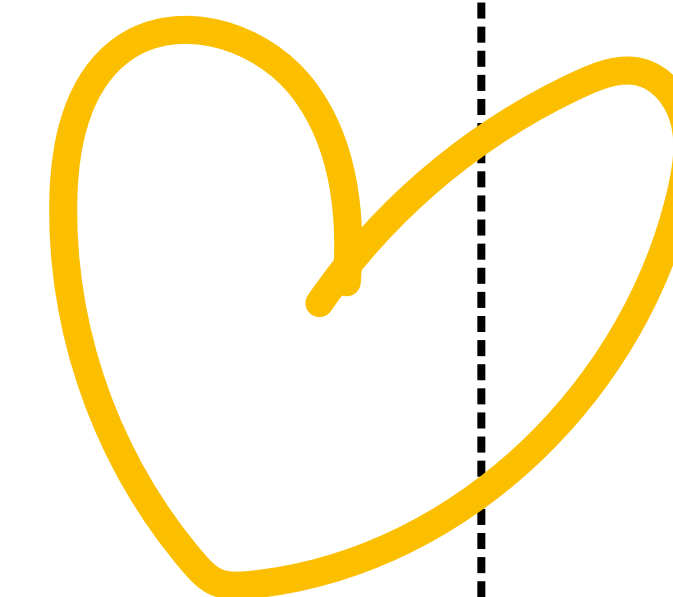
- Tourism professionals require additional knowledge on catering to diverse groups of visitors, such as the LGBTQIA+ community.

Exclusion of foreign workers

- Foreign workers in the industry may experience feelings of exclusion due to language and social barriers.
- Finding housing is challenging for foreign workers.

Fewer job opportunities for people with disabilities

- Fewer job opportunities for people with disabilities in the tourism industry.



INSIGHTS ON DIVERSITY, EQUITY & INCLUSION ISSUES FROM SURVEY, INTERVIEWS & PANEL...

Right now, we are developing a training program specifically designed for the front office staff at accommodations to better cater to the LGBT segment.

Manager, Online services

For us, festivals and events, it is crucial that we address the major crises we are facing. Both nationally and globally - ranging from green transition to diversity and equality debates - and in terms of accessibility. We need to provide answers to these issues and be aware of our responsibility.

Head of Sustainability, Nordic Festival

We don't understand what disability is. We're always thinking about wheelchairs, ...we need some sort of standard and some sort of education on accessibility

Expert advisor

We have a lot of workers from abroad... How do we ensure they... are included in society and know their rights? (...)
Do LGBTQ+ people feel welcome?

Survey Respondent

Difficulties in finding housing further hinder the inclusion of diverse individuals.

Survey Respondent

FROM 10 TO 3 CHALLENGES

This catalogue provides an overview of challenges identified from the six workshops, survey, interviews and Academic Panel. The results show that the challenges of Nordic tourism as a sector and industry are closely connected, also to multiple other sectors.

In a workshop to summarise and prioritise challenges for next phase on June 19 in Oslo, Group NAO and Nordic Innovation ranked the 10 X-Nordic challenges based on the following criteria:
X-Nordic value creation // Commercial potential // Innovation value // Alignment with Vision 2030.

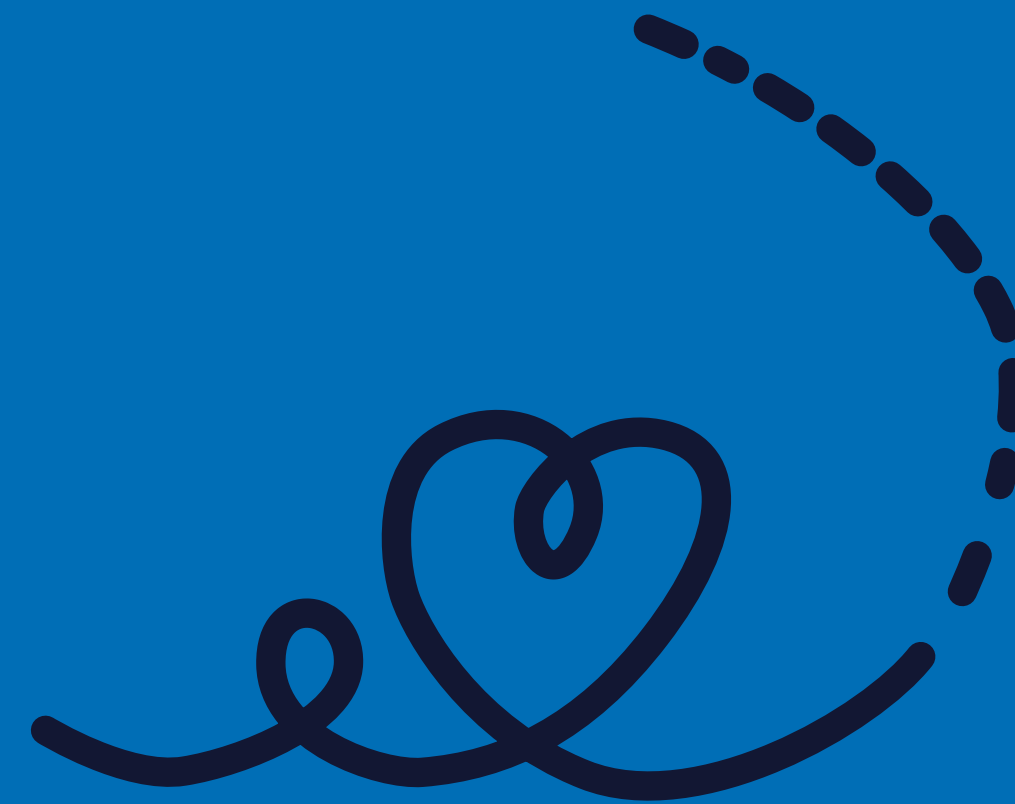
The overall themes for challenges selected for further development and solution seeking in the next project phase are:

Seasonality, which can potentially be combined with challenges around workforce. Environmental challenges and Sustainable business models, including communication.

Additionally, digitalisation, technology and DEI will be incorporated in some of the coming quests for solutions based on these challenges.

As part of the discussion, some of the overall challenges were not selected as they are already addressed in other cross-Nordic projects and programs. Furthermore, some will require highly localised solutions and hence also not selected for the coming project phases of this project which focuses on cross-Nordic value creation.





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