KARELIA UNIVERSITY OF APPLIED SCIENCES
Degree Program in International Business

Aleksei Popov

ATTRACTING CHINESE TOURISTS TO FINLAND

Thesis
February 2020

THESIS
February 2020
Degree in International Business
Bachelor's Thesis
Tikkarinne 9
80200 JOENSUU
FINLAND
+ 358 13 260 600 (switchboard)

Author (s)
Aleksei Popov

Title

Attracting Chinese Tourists to Finland

Abstract

The aim of this thesis is to research development of Chinese outbound tourism market and buying behavior of Chinese tourists. The target of this research is to define the best ways of attracting Chinese tourists to the regions of Lakeland and North Karelia in Finland. The suggestions for possible improvements in the regions' tourism image are determined.

The research utilizes numerous sources of secondary data in forms of academic publications, business reports, statistics and electronic databases. The primary data for the research is taken from survey of 70 respondents conducted face-to-face in two cities in China. Besides that, numerous interviews of industry experts are carried out through phone calls or online.

The results of this research reveal that the regions of Lakeland and North Karelia in Finland have a potential of better development as a destination for rapidly growing Chinese outbound tourism market. The areas suggested for further development are Educational Tourism and Health Tourism.

Language	Pages 96
English	Appendices 0 Pages of Appendices 0

Keywords

Chinese tourists, inbound tourism in Finland, tourism in North Karelia, China, tourism

CONTENTS

1. INTRODUCTION

Many tourism organizations and facilities in the region of North Karelia were actively developing infrastructure to welcome Russian tourists until 2014, when, as a consequence of the Russian political crisis, the flow of tourists from Russia in 2015 halved in comparison to the number in 2013 (0.78 million nights vs. 1.65 million nights) (Visit Finland 2019).

At the same time tourists from China have been taking over many other nations in terms of travelling to become the most travelling nation worldwide. Europe in general is one of the most attractive destinations for Chinese travelers. Starting from 2010 Finland has been attracting 30% more tourists from China every year, counting to over 217 thousand people in 2017 (217,644) (Stat.fi 2018). Obviously, the most popular sights for Chinese in Finland are Helsinki and Lapland. Yet, North Karelia as a part of the Lakeland region has many attractions and tourist facilities to offer.

This thesis aims to identify the possibilities of improving the attractiveness of Finland and North Karelia for Chinese tourists.

2. METHODOLOGY AND FRAMEWORK

The whole process of working on this thesis was based on several major steps. These steps allowed the author to familiarize himself with the subject, study the development of the industry researched, identify weaknesses of North Karelia in terms of tourism, communicate with the industry experts and find potential resolutions to the identified problems. This chapter serves to describe the research process step by step to give a reader a general understanding of the work that has been done.

2.1 Theoretical research framework

The author despite choosing a tourism-related topic for his thesis, has not studied the subject area during his studies in Karelia UAS, Erasmus exchange semester abroad or internships prior to looking for a thesis topic. Therefore, as it was advised by the supervising teacher, first step in a course of compiling this thesis work was to read academic tourism-related literature.

Since the topic was dedicated to Chinese outbound tourism, and the author moved to China right before the start of thesis writing process, it was decided to look for an academic literature dedicated to Chinese tourism. Luckily, after numerous attempts to find anything related online, in book stores or in several public libraries, the Chinese student book about tourism available in English has been found.

Issues and Exploration: Past, Present and Future of China's Tourism Development was written by the Deputy Executive Dean of the Tourism Institute in Beijing Professor Zhang Lingyun, translated into English by Wang Xiangning from BISU (Beijing International Studies University) and published in October 2011. The book has a chapter dedicated to the development of the tourism industry in China from the economic point of view. It also gave a great general understanding of the field.

Besides the book, numerous other publications related to Chinese tourism industry have been researched. All of them have been found on the internet. Publications that became major contributors to the research of Chinese outbound tourism market's development also include report presented within the 7th World Conference for Graduate Research in Tourism, Hospitality and Leisure in Istanbul, Turkey in 2014. The report was conducted by lecturers of the University of Aveiro – Vitor Rodrigues and Zelia Breda. The report describes the topic in a much clearer way and utilizing much newer data comparing to the book.

Another significant source of information regarding Chinese tourism industry was of course COTRI – an independent research institute dedicated to Chinese outbound tourism market. With offices in Hamburg and Beijing, the institute founded by Prof. Dr. Wolfgang Georg Arlt has been studying the industry since 2004. Unfortunately, the main products of the institute – reports and forecasts regarding Chinese tourists are not free, and therefore could not be utilized for this thesis. However, the reports of COTRI from previous years as well as some free weekly news related to tourism in China have brought a lot of value to this paper.

Additionally, tens of other sources have been researched with an aim of finding information useful for understanding the development of Chinese tourists. Among them, there have been reports based on quantitative surveys by McKinsey & Co and UNWTO in cooperation with China Tourism Academy that served well in understanding Chinese tourists' profile and buying behavior.

Minor publications from various authors have been used, including articles from The Economist, Forbes, The Telegraph, Bloomberg, CNBC, CNN, CIA's The World Factbook, National Bureau of Statistics of China, IPK International, etc.

During the process of gathering information for the thesis, I have made many attempts to reach industry experts and interview them about Chinese outbound tourism market and possibilities of Finland in becoming a more attractive destination for them. Luckily, most of the Chinese residents that I tried to interview have been very helpful and cooperative. Overall, I had comprehensive discussions of the topic with more than five Chinese professionals working in China or Finland.

Ms. Lia Lin working in Visit Finland's office in Shanghai and Ms. Yue Mao holding a position of a head of global distribution at leading Chinese tourism company Ctrip shared practicable thoughts regarding Chinese tourists and Finland as a travel destination for them that contributed to several parts of this thesis. Moreover, Ms. Yue Mao from Ctrip, sharing her thoughts regarding destination development advised to additionally research Japanese tourism board's strategy of attracting Chinese travelers, as she considers it to be outstanding and very successful. Therefore, a significant research was implemented towards understanding the development of Japanese inbound tourism market.

Significantly fewer data sources could be utilized in order to describe Finland's tourism market and development of Finland as a tourism destination. One of the reasons for it could be unfortunate inability to read and search information in Finnish and just like throughout the whole research process – inability to use Google and other international services.

This way, regarding Finland mostly Finnish information sources have been used. Majority of it was retrieved from Visit Finland – a government run non-profit organization that promotes Finland as a tourism destination worldwide. Most of the information provided by Visit Finland is based on statistics of Stat.fi. A lot of informative articles by Visit Finland have been published on Business Finland's website.

Unfortunately, it turned out to be more difficult to communicate with Finnish industry professionals in order to receive some comments regarding the topic. To be more specific, it was impossible. None of the tens of the field experts that I have been trying to contact ever gave any response.

Regarding the relations of Finland and China in terms of tourism and understanding the possibilities of attracting Chinese tourists to Finland, it was suggested by the supervising teacher to compile PESTEL analysis. The analysis presented in this thesis is a comparison of conditions influencing tourism in Finland and in China.

2.2 Empirical research framework

Basically, two steps have been made to gather primary data for this thesis. A survey and numerous interviews with industry experts that was mentioned above in the previous subchapter.

A survey was conducted with a focus on receiving first-hand data about Chinese citizens' perception of Finland and identifying the destination's strong and weak sides from the point of view of an average Chinese citizen.

The results of the survey were analyzed, compared to the results of the previously researched surveys and discussed with Chinese tourism industry experts.

One of the most valuable findings of this thesis writing process was an interview of Ms. Yu Nan of Visit Karelia that was actually the only person from Finland that agreed to discuss the topic for the better outcomes of this research. Thus, most of the previous findings have been discussed with her, and whether confirmed or denied.

So have been discussed the findings discovered during another valuable interview. Ctrip's market manager responsible for Northern Europe Mr. Jarvis Zhang shared his views on the development of Lakeland and North Karelia.

The results of these two interviews and the survey backed up by the secondary data made the biggest contribution to the outcomes of this thesis.

The author's comments on the efficiency of the research methods and the usability of the outcomes, as well as the suggestions for future research are described in the Discussion chapter after the Conclusions.

2.3 Ethical framework of research

Conducting this study in China, mostly about China and with great help of Chinese people, I have defined certain ethical guidelines for this work.

Most importantly, this research respects China’s territorial sovereignty in a way that Chinese people see it. Thus, this study does not separate Hong Kong and Macao, as well as Taiwan from China. This way, travel of Chinese citizens between these regions is not considered as international travel. Regarding Hong Kong and Macao, the international travel of Chinese citizens to these areas is only considered up till 1997.

Another point I want readers of this paper to understand is that Chinese people are – as any other nation – unique, meaning that each and every individual is different. Therefore, frameworks that characterize buying behavior of Chinese tourists are not universal, and their outcomes should be taken as referential guidelines, not as rules.

3. TOURISM

Over the decades, tourism has been a constantly growing industry. Tourism became one of the fastest growing economic sectors in the world. Today, business generated by tourism equals or is even greater than that of oil exports, food products or automobiles. (UNWTO 2017.) Tourism has contributions in direct employment, as well as in supporting other industries and professions. According to the World Tourism Organization (UNWTO 2017), tourism constituted 9% of the global GDP, offered 1 in 11 jobs and reached 1.5 trillion dollars in exports in 2015. Considering the tremendous economic impacts of tourism, many countries have placed great effort in the development of the tourism industry.

For me, as for an International Business student, tourism has been a new industry to study. I had to understand the basic principles of the industry and its specifics in the researched countries. In order to give a clear picture of the tourism business in Finland, China and its operational interactions, I will describe the very basics of tourism, the general definitions and main processes in this chapter.

As a leading international organization in the tourism industry, the United Nations agency that works for promoting responsible, sustainable and universally accessible tourism is the World Tourism Organization – UNWTO. It promotes tourism as a driver of global economic growth, development and sustainability. Besides generating market knowledge that is highly valuable for studying and searching for tourism related secondary data, UNWTO promotes competitive and sustainable tourism policies and instruments, fosters tourism education and training, and works to make tourism an effective tool for development through technical assistance projects in 158 countries, 6 Associate Members, such as Hong Kong, Macao and Puerto Rico, and over 500 Affiliate Members, such as Airbnb, China International Travel Service – CITS and many other tourism agencies, operators, online platforms and institutions in its membership.

UNWTO has done work on defining a new conceptual framework for measuring and analyzing tourism economics. The United Nations approved it to include International

Recommendations, establishing the concepts, definitions, classifications and the basic set of data and indicators that should be part of any national System of Tourism Statistics. As one of the outcomes of 2008 new International Recommendations for Tourism Statistics – IRTS 2008, a glossary for tourism was made. It includes definitions and explanations of tens of tourism-related terminological expressions. (UNWTO 2017.)

The glossary mostly refers to common sense knowledge; therefore, I will only mention the few of them that are crucial to know in order to understand how tourism works. According to the glossary, there are three basic forms of tourism: domestic tourism, inbound tourism and outbound tourism. Domestic tourism implies touristic activities of a resident inside the country of residence. Inbound tourism, as it comes from its name, means touristic activities of a visitor from abroad inside country of reference. Outbound tourism oppositely suggests the tourism activities of a resident abroad, outside of the country of residence, travelling abroad.

The glossary also contains a list of categories of tourism characteristic products and corresponding tourism industries. The list of tourism industries consists of 12 items, including accommodation for visitors, food and beverage serving, railway/road/water/air passenger transport, transport equipment rental, travel agencies and other reservation services and so on.

Besides the International Recommendations for Tourism Statistics 2008, there is a second international recommendation on tourism statistics that has been developed in a framework of consistency with the System of National Accounts – The Tourism Satellite Account (TSA). Both recommendations are mutually consistent and provide the conceptual framework for measuring and analyzing tourism as an economic activity. (UNWTO 2008.)

The following provides definitions to the main parties involved in travel trade. According to the Cambridge Dictionary, a Tour Operator is a company that makes arrangements for travel and places to stay, often selling these together as package holidays. After final tourism service providers, like any entity providing specific services or initiate tourism products at the final destination, in other words saying suppliers e.g. hotels, tour guide organizations etc. tour operators are the starting points of selling tour packages to the final customers. According to the Oxford Dictionary, a Travel Agency is an agency that makes the necessary arrangements for travelers, more specifically being other middlemen specializing in selling and communicating with the final customers and working closely with both sides of tour operators and travelers. (Oxford Dictionary 2019.)

More understandable and accurate definitions are given by the website of Visit Britain. According to it, travel agents organize personal travel and accommodation for travelers. They provide travel and tourism services on behalf of suppliers including airlines, hotels, cruise lines, railways, and package tour operators. Tour operators build a package for the elements that make up a holiday or a tour, often dealing with travel, accommodation, transfers and booking activities at the destination. Tour operators often specialize in planning for large groups or events, such as conferences. An increasing number work online. Wholesalers develop and market inclusive tours through travel agencies. They generally sell to other elements of the travel trade rather than to the public. (Visit Britain 2019.)

One crucial term related to the topic of this thesis paper is a Destination Management Company (DMC). Basically, it is a link between the out-of-town customer and a local company with local knowledge. DMCs provide a ground service based on exceeding local knowledge of their given destinations. Among those services there could be transportation, hotel accommodation, restaurants, activities, excursions, conference venues, themed events as well as helping to overcome possible language barriers. It is good to understand that DMCs hold great buying power acting as purchasing consortia, being able to provide preferential rates. DMC’s range from those that provide very specialized services to full-service firms capable of taking care of all logistics. For example, some companies provide only on-site transportation like buses, vans or limousines, while others can arrange everything a client needs. For example, full-service companies can plan a theme party, coordinate tours, organize catering for an event, book entertainment and much more. Full-service companies can also provide personnel. In most of the cases it is much cheaper to hire a local company to do all the arrangements instead of paying for transportation of one’s own personnel, or whatever else is needed. (Shock and Stefanelli 2001.)

Destination Management Companies (DMC) are believed to be private profit-oriented companies, whereas Destination Management Organizations (DMO) are usually government-run not-for-profit organizations. Destination management systems (DMS) are systems supporting DMO's with gathering, sorting and disseminating information about a particular region. They offer assistance with reserving local tourism attractions, facilities, products and services. DMS's emerged as a valuable promotion, distribution and operational tool for both destination and Small and Medium-sized Tourism and Hospitality Enterprises (SMTE's) locally. (Buhalis 2003.)

Destination Marketing's purpose is to create a positive and attractive image to promote tourist destinations for economic and social benefits. Destination marketing operation can be done on different levels: local, regional, national and international. Funding to destination marketing campaigns can be received from government or private entities. Government tourist boards design, supervise and manage tourism policies that exert influence on how destinations are introduced and promoted to various markets. Local inhabitants' attitudes towards tourism in the area are essential to ensure success of marketing campaigns for a destination. (Buhalis 2000.)

Tourism is a comprehensive industry that include numerous suppliers whose interaction is often seen as one entity by consumers. Synergy between tourism suppliers can be achieved through the use of Destination Marketing Organizations (DMO's). A study revealed that cooperation between destination stakeholders rather than on individual brands support the growth of a destination. (Prideuax and Cooper 2002.)

DMO's market their geographic areas to travel trade intermediaries, individual and group travelers on behalf of the tourism suppliers in their destination. The local suppliers can include hotels, restaurants, transportation services providers, etc. Companies like Visit Finland or Karelia Expert (Visit Karelia) are best referred to as Destination Marketing Organizations. (Hill 2008.)

The success of a tourism destination product is based on a network of independent and interdependent organizations. Each member provides a share of tourism vision with their unique products and services. Some of DMO programs include cooperative advertising, tour product development, regional marketing trade shows. DMO's can also asses market size and performance, and identify future opportunities for tourism-related business development in an area. (Ford and Peeper 2008.)

3. CHINA'S OUTBOUND TOURISM MARKET

As it was well described in Methodology chapter, a number of sources have been used to retrieve information regarding the historical development of Chinese outbound tourism market. Major contribution was made by the book *Issues and Exploration: Past, Present and Future of China's Tourism Development* written by Prof. Zhang Lingyun. As well, the report presented within the 7th World Conference for Graduate Research in Tourism, Hospitality and Leisure in Istanbul, Turkey in 2014 has been studied. The following chapter follows the background of China's tourism development up till these days.

3.1 Development of China's outbound tourism market

The People's Republic of China had been a relatively closed country since its foundation in 1949 until the late 1970s, when the ruling communist party recognized the economic advantages of opening the country to inbound tourism as a goal to receive hard foreign currency. (L. Zhang 2011.) During the same period, the government of China implemented new policies to boost the country's development, leading to political reforms and introducing significant economic changes, leading to massive growth in Foreign Direct Investment (FDI) and in Gross Domestic Product (GDP), which brought about the rapid evolution of several economic sectors. (Rodrigues and Breda 2014.)

This economic development resulted in a fast increase of people's living standards and financial situations. Consequently, this led to generating new needs among Chinese citizens with growing wealth, namely the need for travelling. In 1983 the Chinese Government allowed the Chinese people to participate in organized journeys to Hong Kong to visit friends and relatives. This newly introduced program was called VFR – Visiting Friends and Family.

In 1985, the Chinese government defined a list of distinct goals for the development of tourism industry in the country. The National Tourism Plan was created. (L. Zhang 2011.)

The plan contained a set of actions that the country had to take in order to boost the evolution of tourism. This plan was designed for the time frame from 1986 to 2000. Among others, the list included the following goals:

- The first phase of 1986 to 1990 focused mainly on inbound tourism. The goal was to enforce the development of service quality and infrastructure for Chinese Inbound Tourism to make the country one of the best developed inbound tourism destinations;
- In the second phase of 1991 to 2000 the government's goal was to increase the number of incoming foreign tourists to 10-12 million people a year;
- Additionally, it was planned to start developing oversee trips of Chinese citizens. (L. Zhang 2011.) In the late 1980s and early 1990s the Chinese government has been liberalizing the policies allowing their citizens to visit neighboring countries and regions in South-East Asia, such as Thailand and Taiwan, along with Hong-Kong and Macao. (Rodrigues and Breda 2014.)

In June 1989 the Tiananmen Square incident occurred. In its article dedicated to the 30th anniversary of the event, CNBC published a description of the consequences of the incident for the Chinese economic development in June 2019. First of all, the PRC got sanctioned by Western countries, which significantly decreased the flow of Foreign Direct Investments and led to the slowing down of the country's economic growth. Its rate had slumped from 11.2% in 1988 to 4.2% in 1989 and 3.9% in 1990. (Kemp and Olsen 2019.)

Wolfgang Georg Arlt of COTRI, describing the situation with Chinese outbound tourists at that moment for CNBC's article, said that no reliable numbers for 1989 or 1990 are available. Anyways, he thinks that as a result of international sanctions after the incident and having no hard currency reserves for the moment, the number of international trips should have not exceeded one or two million a year. (Arlt 2019.)

Despite the consequences of the Tiananmen crackdown, the Chinese economy resumed its growth as soon as three years after the incident. In 1991 the growth rate rebounded to 9.3%. (Kemp and Olsen 2019.) Starting from 1992, the Chinese economy growth never slowed down to the same numbers until 2019. This was a result of growing tensions within the trade war with the US and the weakening of global demand. (Husna 2019.)

Figure 1. The growth rate of Chinese GDP from 1990 to 2019. Source – National Bureau of Statistics of China cited in Trading Economics *(Husna 2019)*.

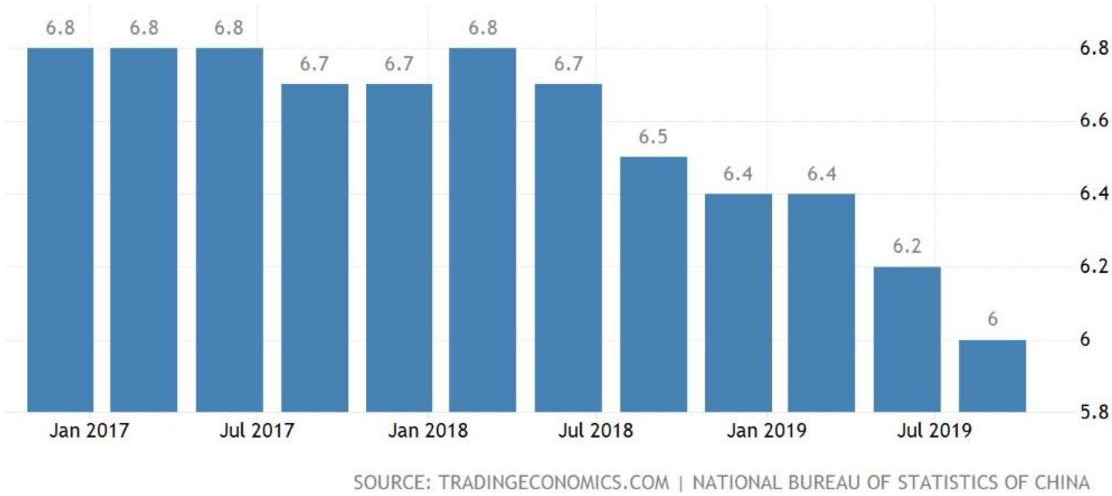

Figure 2 demonstrating the slowing of Chinese GDP growth over the last two years from 2017 to 2019 along with the trade war with the US. Source – National Bureau of Statistics of China cited Trading Economics. *(Husna 2019.)*

Meanwhile, since 1992 China has economically outpaced countries such as Canada, Italy, France, the UK, Germany and Japan to become the world's second largest economy. Over the same period of time, China transformed from being a predominantly agrarian society to a highly urbanized country. Multiple financial centers have sprouted across the country. Cities such as Beijing and Shanghai have significantly increased their population numbers and the GDP. Places such as Shenzhen and Guangzhou have become new technological and financial hubs. Urbanization and the rapid development of the national economy have led to the growing wealth of citizens and a significant increase in the number of middle and upper-middle class city dwellers. (Kemp and Olsen 2019.)

In the 1990s along with the economic growth, the Chinese Government continued to develop the tourism industry in the country as well as liberalizing restrictions for Chinese citizens travelling abroad. In order to allow Chinese nationals to visit a particular country, The Approved Destination Status agreement should have been signed with that country. By the year 2000, there were 15 countries on the list of destinations available for a regular Chinese citizen to travel on leisure purposes. Most of these countries were located in South-East Asia and the Pacific regions, including Australia and New Zealand. (Rodrigues and Breda 2014.)

Despite being a country that was opened for outbound tourism only 30 years ago, China has demonstrated a dramatic growth in number of outbound tourists. With 2.1 million citizens conducting a tour abroad in 1991 (Rodrigues and Breda 2014), in 2018 Chinese have taken around 150 million international trips (UNWTO 2019, 8). COTRI expects the number to grow up to 180 million in 2019. (Arlt 2019.)

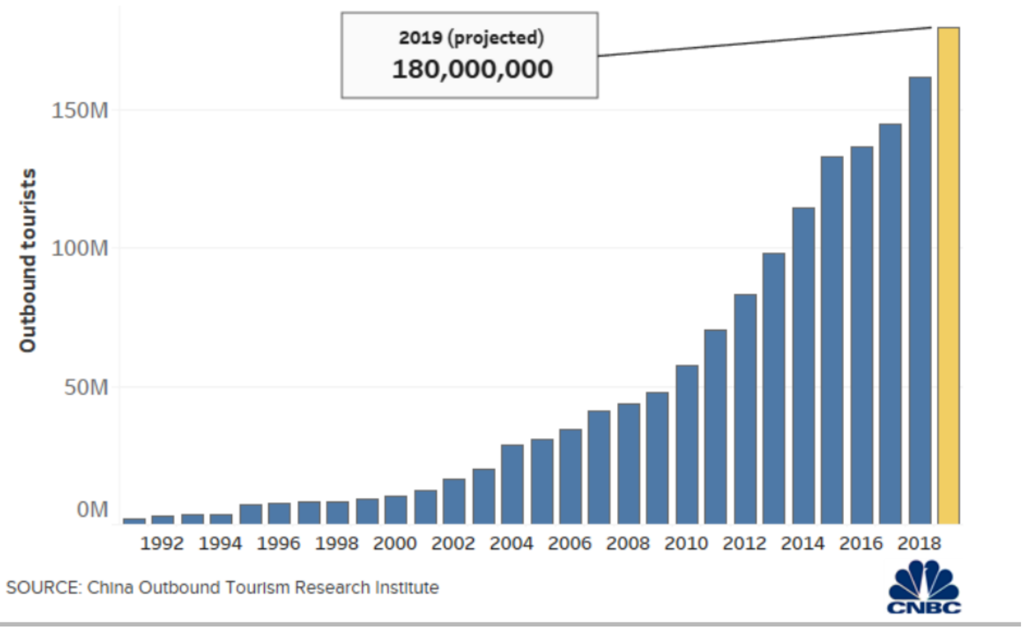

Figure 3. Growth rate of the number of Chinese outbound tourists from 1992 to 2018. Source - CNBC/COTRI. *(Kemp and Olsen 2019.)*

Since 2012 the Chinese outbound tourism market became the largest in the world with 83 million outbound trips. According to the UNWTO data from 2019, the Chinese outbound tourism market has been growing at an average rate of 16% per year (UNWTO 2019, 12). It is quite an interesting fact that according to the UNWTO's forecasts from 2003, China was expected to be only the fourth biggest source market in global tourism as late as in 2020. Nevertheless, the growth rate in the number of Chinese outbound trips exceeded everybody's expectations and estimates, and China clearly demonstrated the results of its vigorous economic growth. (Rodrigues and Breda 2014.)

Based on UNWTO's report, destinations in North-East and South-East Asia remain the most popular ones for Chinese travelers. The top three countries in 2018 (not counting Hong Kong, Macao and Taiwan) were Thailand (10.41 million departures), Japan (9.06 million) and Vietnam (7.79 million), followed by South Korea (5.28 million), USA (3.02 million) and Singapore (2.55 million). (UNWTO 2019, 14.)

Besides being the biggest nationality in international tourism, the Chinese are also famous for having the highest average expenditure per trip. According to the recent publication by UNWTO and China Tourism Academy from September 2019, Chinese tourists spent USD 277 billion in 2018. The number is 5% higher than the year before. Nevertheless, the gap between high-end and budget tourists has widened in terms of spending while travelling. UNWTO provides data collected by Ctrip's and MasterCard's researches indicating that high-end tourists that contribute 20% in the number of people correspond to 80% of total expenditure. (UNWTO 2019, 12.)

According to McKinsey's report from 2018, the average expenditure per trip will slowly decline, along with the growth of total expenditure that will stay slightly under the growth rate of the number of trips. This all is caused by the growing number of international trips taken by Chinese citizens from smaller cities. They typically have lower income levels and therefore lower travel budgets. (McKinsey 2018.)

What is truly impressive is that due to the fact that international travel is still a rather new phenomenon for China, only 9% of Chinese citizens even possess a passport to go abroad, according to the Telegraph's article from July 2019. This number accounts for around 120 million people. (Smith 2019.)

The Chinese outbound tourist market presents an enormous number of opportunities for businesses worldwide. That is why research dedicated to Chinese tourists is conducted by a number of business associations, consulting companies, institutes, students, international organizations and private entities worldwide every year. The number of publications allows for investigating the evolution of the Chinese tourist market and the development of Chinese tourists' preferences and buying behavior. In the following sections the profile and buying preferences' transformation of Chinese tourists will be explained.

3.2 Chinese tourists' profile and buying behavior

Multiple sources were used in order to understand the transformation of the profile of a Chinese outbound tourist. McKinsey & Company's Research Institute published an exceptionally detailed overview of Chinese tourists' buying behavior in September 2018. The report called "Chinese Tourists: Dispelling the Myths" and was based on a quantitative survey of 2,000 Chinese international travelers. (McKinsey 2018.) In September 2019 the World Tourism Organization published a report called "Guidelines for Success in Chinese Outbound Tourism Market", which was conducted together with China Tourism Academy. (UNWTO 2019.) Whereas the UNWTO's report is mostly dedicated to the current situation, McKinsey's is predominantly devoted to shifts and trends in the market. It is necessary to stress the fact that these two reports were published one year apart, and were therefore based on slightly different statistical data. Therefore, in regards to the exact numbers in this thesis, the newer UNWTO's report was utilized. Moreover, both of the reports referred to one's own tourist survey, and some of controversial outputs occurred. These will be explained later.

According to UNWTO's report, (UNWTO 2019, 16.) male travelers make up 47% of Chinese tourists, whereas female contribute 53%. The age group of under 25-year olds refers to 27%, 25 to 34-year olds take a share of 34%, 35 to 44 years old account to 24%, and travelers of the age of 45 years and up contribute to 15% of the total number of Chinese outbound tourists.

Despite a widespread belief, Chinese tourists do not stop traveling with group tours. Only 45% of them choose to have fully independent tours, whereas 55% prefer to travel with a group or on semi-independent tours (air tickets, hotel, and some optional activities are included in the package), according to UNWTO. (UNWTO 2019, 19.) Furthermore, McKinsey's report sees a growth in packaged tourism. It is explained by an increasing popularity of long-haul trips to further destinations such as Europe or the Americas, where Chinese tourists can face more cultural and language difficulties and therefore need a guide or a translator. (McKinsey 2018, 10.) Additionally, amateur tourists from smaller cities are also keen on choosing packaged trips. Tailored tours are on the rise as well. (UNWTO 2019, 19.) However, millennials, who are steadily becoming a significant segment within Chinese outbound tourists and are gaining experience in international travel, choose more to travel as FITs (fully independent traveler). (UNWTO 2019, 12.)

According to the current situation with the duration of an average overseas trip of Chinese citizens, China Tourism Academy's data in UNWTO's report suggests that 52% of the trips take only 4 to 7 days. (UNWTO 2019, 19.) This kind of trip often takes place during the so-called Golden Weeks, which refer to the Spring Festival (January – February) and the National Day in October. These are public holidays in China that allow for travel and usually lead to record-breaking figures in terms of domestic and outbound trips. Therefore, tourism enterprises around the world should prepare themselves to make the highest sales volumes on these dates.

McKinsey's report reveals that Chinese tourists have diverse travel needs besides stereotypical iconic landmark visiting only. For example, 61% of their survey's respondents indicated that they wanted local experiences while travelling abroad, and 70% of respondents shared that the most important reason to travel for them was to recharge. (McKinsey 2018, 8.) However, UNWTO's report contains a figure showing that for 47% of tourists the purpose of traveling was sightseeing, and for 34% it was leisure or vacation, with 7% traveling because of conferences, 5% visiting friends and relatives and 1% for business purposes. (UNWTO 2019, 17.) Shopping is among the main activities while traveling for many of those who visit short-haul destinations, such as South Korea. (McKinsey 2018, 8.)

Fifty-one percent of Chinese outbound tourists travel with family according to the China Tourism Academy's survey results; 27% travel with friends, and 8% travel with colleagues. Only 13% of respondents travel abroad alone. (UNWTO 2019, 17.)

According to McKinsey's survey, when planning a trip and choosing a destination, 65% of Chinese tourists look for places that offer beautiful natural scenery. They also desire high value for money and family-friendly destinations if traveling with kids. Contrary to popular belief, for long-haul destinations shopping venues do not play an important role anymore when making decisions on where to travel. (McKinsey 2018, 8.) As the result of China Tourism Academy's survey, 38% of respondents choose a destination based on the attraction to scenic spots or tourist attractions it has to offer. Sixteen percent make their decision according to a budget needed for a trip, and 15% pay attention to the leisure activities a destination has to offer. (UNWTO 2019, 17.)

A widespread belief suggests that Chinese outbound tourists are not interested in local cuisine when traveling. They prefer to stick to their normal eating habits and therefore want to have Chinese restaurants available at a destination. However, McKinsey's report found that the trend of gastronomy trips abroad is growing, especially to destinations in North-East Asia, such as Japan and South Korea. Moreover, 34% of their survey's respondents chose fine dining as the number one factor when deciding on a destination. (McKinsey 2018, 13.) Eleven percent of Chinese Tourism Academy's survey's respondents chose local delicacies as the key factor when deciding where to travel. (UNWTO 2019, 17.)

However, in regards to Finland, both Ms. Mao of Ctrip and Ms. Lin of Visit Finland shared their thoughts concerning Chinese travelers' attitude towards local cuisines. They expressed the point of view that contradicts the findings of McKinsey's research to some extent. Accordingly, a significant share of Chinese travelers complained about food in terms of their experience of a trip to Finland. More precisely, majority of the complaints were connected to breakfasts provided at accommodation facilities, e.g. hotels. Average feedback was connected to the choice of food being too narrow and repetitive. Interesting that both Ms. Mao and Ms. Lin indicated this issue the first commenting examples of unsatisfaction of Chinese tourists in Finland. (Lin 2018.) (Mao 2019.)

Apparently, this drawback has been identified before as Visit Finland addressed this issue in the article published on Business Finland's news blog. The article is dedicated to a start-up company AuroraXplorer that represents a very good example of tourism services provider aimed at specific needs of a particular culture – Chinese tourists in this case. (Cord 2017.) The start-up company, besides other specifications focuses on providing their customers with unique, customized and satisfying catering services. (AuroraXplorer 2020.)

According to McKinsey's data, for the information search before travel, 57% of Chinese travelers refer to their family and friends. (McKinsey 2018, 14.) UNWTO's publication suggests that 48% of those turn to their relatives and friends. Only 28% of respondents get consultation from travel agencies. This number should refer to most people traveling with a group. However, 54% of respondents mention online platforms as primary source of information before travel. (UNWTO 2019, 18.)

However, Ms. Mao of Ctrip indicated that it is rather difficult for Chinese tourists to receive information about local restaurants, service points and entertainment venues online, when travelling to destinations outside of areas, where Chinese language is widely spoken. She suggested that receiving tourism organizations should offer channels for getting local travel-related information to Chinese travelers that are available in Chinese language. (Mao 2019.)

The reason for it, besides language barrier, is an absence of many international Internet platforms on Chinese Internet due to its rigorous limitations by the government (Freedom House 2019). In such situation, users are forced to utilize alternative services originating from China.

The most popular online platform to search for and share travel related information in China is Mafengwo.com. It is comparable to the international TripAdvsior.com but it also acts as a travel agent. Therefore, users can purchase travel products, such as flight or train tickets and accommodation. The platform has over 100 million active users and is positioned in the Chinese market as a travel-related online platform for more independent travelers. (Baike Baidu 2019.)

Prior to booking, Chinese travelers are mostly interested in obtaining information regarding tourist attractions at a destination (53% of respondents chose it as a key information topic), accommodation (31%) and transport (31%). Thirty percent indicated travel prices are a key topic they search information for. (UNWTO 2019, 18.)

To purchase travel products Chinese dominantly prefer online platforms over traditional brick and mortar travel agencies stores. According to the UNWTO's report, 84% book flight tickets online, and only 5% do it at travel agencies stores. To book accommodation, 69% choose online platforms in comparison to a surprising 22% of FITs that do not book accommodation in advance at all and prefer to rent a room in a hotel or an apartment after arrival at a destination. (UNWTO 2019, 20). According to McKinsey's report, contrary to widespread belief, most Chinese travelers (52%) make bookings online using OTA (online travel agency) websites instead of OTA smartphone apps (McKinsey 2018, 15).

The most popular online booking platforms according to the UNWTO are Ctrip.com, Qunar.com and Fliggy.com (UNWTO 2019, 20).

In accordance with the results of a research of Chinese tourism market published in 2018, Ctrip holds 36.6 % of the market. Qunar stands for 18.8%. Alibaba’s Fliggy formerly known as Alitrip was third in 2017 with a share of market accounting to 16.2%. (朱茜 2018.)

Figure 4. Comparison of Chinese tourism market share by major tourism companies 2015-2017 *(朱茜 2018).*

At a destination Chinese tourist are more likely to stay in middle end or economy-hotels. Seventy percent of China Tourism Academy’s survey’s respondents chose this option. Fourteen percent chose high end hotels. Accommodation is not among the main ways to spend money for travelers for China. According to the spending patterns figure from UNWTO’s publication, 39% spend the most money during a trip abroad on shopping.

Eighteen percent of respondents indicated food and beverage as the main outgoings, whereas 12% chose cultural activities and entertainment. Transport is the main expense for 11% and accommodation for 10%. Nine percent of respondents spend the most money on tickets while traveling (museums, shows, etc.). (UNWTO 2019, 20). It is possible to suggest that spending patterns vary a lot depending on a destination and purpose of travel, as well as traveler’s companions.

According to UNWTO, the average spending of a Chinese citizen per trip is CNY 6,700 (USD 970 – provided in UNWTO report, exchange rate as of August 2018). The majority of Chinese Tourism Academy’s survey’s respondents indicated that they spend between CNY 5,001 and CNY 10,000. Their share was 43%. The second biggest group accounting for 29% of respondents spend between CNY 3,001 and CNY 5,000. Eighteen spend over CNY 10,000 per trip per person, which equivalents to USD 1,450, according to UNWTO’s publication. The report suggests that the most popular payment methods for Chinese tourists remain cash and bank cards. However, mobile payment is defined as a growing trend in international tourism that is believed to satisfy and attract more Chinese tourists. (UNWTO 2019, 21.) At the same time, McKinsey’s publication suggests that providing the possibility to use Chinese mobile payment options is a must for tourism facilities aiming at attracting Chinese tourists. (McKinsey 2018, 13.) Indeed, mobile payment is a norm in modern day China. Numerous service points at popular Chinese travel destinations have implemented the use of the Chinese mobile payments systems AliPay and WeChat Pay. From my own experience, Chinese tourists do appreciate this and are more likely to spend money at a service point that enables the use of such payment methods.

3.3 Example of Japan's work towards attracting bigger numbers of tourists from China

In order to identify possible steps for Finland to become a more attractive destination for Chinese tourists, one may learn about other countries' development's successful cases. Ms. Yue Mao, the Head of Global Distribution at Ctrip, who answered my questions about Finland as a travel destination for Chinese tourists had suggested that I investigate how the Japanese tourist board was working towards the Chinese market in recent years. She thinks that the Japanese have done an exceptionally good job in order to attract more tourists from China. (Mao 2019.)

The World Economic Forum has been conducting the so-called Travel and Tourism Competitiveness Report for over a decade now. In the report they analyze the performance of over 140 countries in terms of their tourism sector development. The last report was published in September 2019, and the authors have placed Japan in the fourth position internationally, right behind Spain, France and Germany, and outplaying the United States, which took fifth place. This way, Japan has the highest Travel and Tourism Competitiveness ranking in Asia. (World Economic Forum 2019.)

Every year in June the Japan Tourism Agency, which was launched in October 2008, publishes a White Paper on tourism in the country. The paper summarizes the state of tourism development and tourism-related measures taken by the government. In order to get a basic understanding of the country's strategy in tourism, I studied the White Paper published in 2019. (Japan Travel Agency 2019).

According to the basic figures presented in the White Paper, the number of international tourists visiting Japan in 2018 was 31.19 million, making it the 11th most visited country in the world and 3rd in Asia, after China and Thailand. This number is 8.7% higher compared to the 28.69 million international arrivals one year before. These numbers in the report are based on UNWTO data.

What makes this report different from similar reports made by tourism boards of many other countries is that the Japanese pay extra attention to the number of international arrivals by air and sea, due to the specifics of their geographical location – all tourists arrive to Japan by air and sea. The second graph in the White Paper is dedicated exactly to these statistics, which claim Japan to be the sixth most visited country in the world and first in Asia.

Tourists from China contributed to 26.9% of all the foreign tourists visiting Japan in 2018. The total number of Chinese travelers in Japan that year was 8,380,000 according to the White Paper. This number is based on the information from JNTO, the Japan National Tourism Organization.

Similarly, to many other destinations worldwide, Japan's most spending foreign visiting nationality in 2018 was also Chinese; they brought in 1.545 billion yen, contributing to 34.2% of the total amount of 4.52 trillion yen spent by international tourists overall.

To compare, South Korean tourists in Japan ranked second both in number of visitors and spending level. The total number made up 24.2% of the total of international tourists in the country in 2018 against 26.9% of Chinese tourists. They spent overall around 588.1 billion yen. (Japan Travel Agency 2019, 7.)

In 2015 they Japanese yen's value went down. This led to the beginning of Chinese tourists' shopping boom in Japan. While now one US dollar buys around 107 yen, back in 2015 one US dollar was worth more than 120 yen. (Smith 2019.) Visitors from China were remarkable for their shopping behavior that year. A term for it appeared, *bakugai,* which means "explosive shopping". The word even became a buzzword of the year in Japan in 2015, according to Jing Daily, a news website dedicated to the luxury industry in China. (Meesak 2016.) Even though the currency rate of Japanese yen has been constantly increasing since 2015, the expenditure of Chinese tourists keeps growing, as many of them associate Japan with high quality products and iconic media-related goods and services, such as cartoons or comics themed amusement parks, museums and stores.

The statistics in the White Paper get truly impressive, when seeing a comparison of the numbers from 2018 with the numbers from 2011 or earlier. Where in 2018 Japan welcomed over 31 million international visitors, in 2011 this number was as low as slightly over 6 million. (Japan Travel Agency 2019, 6.)

There are numerous factors causing such a dramatic and exciting growth in the number of international tourists to Japan. One of them that is highlighted in the White Paper is a development of the so-called "experience-oriented consumption". According to the report, the number of international tourists visiting areas other than the three major metropolitan areas was constantly growing in the last years. In 2018 this number became

1.4 times higher than the number of foreign tourists focusing on the most popular destinations within the three major metropolitan areas, which include Tokyo, Kyoto, Osaka and other prefectures. The authors of the report call experience-oriented consumption one of the reasons for this change. Experience-oriented consumption, according to the paper, includes activities such as skiing and snowboarding, enjoying natural hot springs, cherry blossom viewing, nature and rural village experience tours, etc. International visitors to Japan who are interested in these activities have a high rate of visiting outlying areas. This trend has led to an increase in expenditure in outlying areas. Where in 2015 the share of expenditure in the outlying areas contributed to 23.6% or 656.1 billion yen, in 2018 the share had grown to 28.5% or 1,036.2 billion yen. (Japan Travel Agency 2019, 15.)

The Japan Tourism Agency has calculated the effect of experience-oriented consumption on economy according to the results of their survey of international visitors. They calculated the difference of expenditure of international tourists based on whether they did or did not go skiing or snowboarding. Those tourists who went skiing or snowboarding spent on average 225,000 yen per person during their stay in Japan. Those who did not go skiing and snowboarding spent on average 152,000 yen per person. The difference between the two numbers was multiplied by the number of foreign travelers who went skiing or snowboarding while in Japan, which is 880,000. In this way, the Japan Tourism Agency has calculated that the economic effect of international visitors skiing and snowboarding was worth 65 billion yen in 2018. As it is said in the report, “it is expected that any experience-oriented consumption activity can increase the overall economic effects of foreign tourists”. (Japan Travel Agency 2019, 15.)

In order to popularize regions of Japan outside of the major metropolitan areas, especially already experiencing overwhelming growth in the number of Chinese visitors, flight routes between China and Japan become more diversified. Where just several years ago the two countries only had flight connections between the major cities of Beijing and Shanghai on one side and Tokyo and Osaka on the other, now there are plenty of new air connections, and the number keeps growing. This leads to an easier access of Japan for Chinese travelers from lower-tier cities and encouragement to visit some of the outlying areas of Japan, instead of focusing only on major areas. Besides that, it also suggests a solution to the problem of “overtourism” and helps to have a better dispersion of Chinese tourists across Japan.

According to The Telegraph's article, another factor causing the rise in numbers of international and Chinese visitors is a liberating visa policy. The article states that from 2013 Japan has relaxed visa restrictions for countries such as Malaysia, Indonesia, Vietnam, India, Belarus and others. Totally, 68 nationalities can travel to Japan without obtaining a visa. By 2020, a new electronic system for visa application will be introduced. Regarding China, according to the article, the Japanese government has been slowly easing restrictions for them since 2016. (Smith 2019.) While residing in China, I have heard from people around me that Japan has announced the launch of electronic visa application system for Chinese citizens starting from April of 2020. (Sohu 2019.)

Medical tourism in Japan deserves extra attention in this chapter, as it is one of the fastest growing types of tourism services offered in Japan for international travelers and that is of particular interest for Chinese tourists.

According to numerous publications in medical tourism magazines and on Japanese inbound tourism websites, Japan is becoming one of the most desired destinations for Chinese nationals' medical tourism. For example, in the article of Medical Tourism, it is explained that patients need to obtain a special Medical Stay Visa in order to visit Japan on healthcare purposes. (Medical Tourism 2019.) The visa is valid for six months stay in Japan for a patient and accompanying people (Ministry of Foreign Affairs of Japan 2011).

The results are well-gathered by Yi Xiaojun in his article for The Japan Times. In 2011, only 70 of the new medical visas had been issued, whereas in 2018 the number has reached 1,650. Moreover, 84% of medical tourists in 2018 have been Chinese. The Japanese government set a goal of attracting 40 million foreign visitors in 2020, alongside with the Tokyo Olympics, and 4% of them are expected to be medical tourists. With foreseen 70% of them being from China, Japan expects to welcome over 1.1 million Chinese medical tourists in 2020. (Yi 2019).

More detailed considerations regarding the growing popularity of international health tourism in China is described in the conclusive chapters of this paper.

Overall, the main reasons behind the phenomenon of Japan receiving so much attention from Chinese tourists are rather simple and not affected by any Japanese tourist board. First of all, China and Japan are located rather close to each other. This stands behind these two countries having relatively similar cultures. The countries share one religion and have many similar cultural customs. The Japanese alphabet is based on Chinese letters; therefore, Chinese travelers may understand written Japanese while visiting the country. Besides that, it is not rare that Chinese learn Japanese as a second foreign language in colleges and universities. Geographical closeness gives opportunities for short-haul trips to the country, especially alongside with further development of air connectivity between the two countries. What is the most crucial and fundamental factor for Japan's outstanding attractiveness for Chinese tourists is its cultural and technological domination in the region. Despite severe war episodes between China and Japan in 1930s and 1940s and rather widespread hostility towards Japan from older generations of Chinese people, the popularity of modern Japanese culture in China is unquestionable, especially among younger generations. Japanese music, movies, TV series, cartoons, comics are significantly appreciated by Chinese audiences. In the same way, Japanese food is perceived as high class and exquisite. On average, Japanese cuisine restaurants in China are significantly more expensive than traditional local ones, but still attract a lot of customers. Japanese products are believed to be of high quality, and brands are always popular. All of this leads to a desire for an average Chinese to travel to Japan and experience all of it in the country of its origin or buy authentic products from Japanese brands. With increasing incomes and a growing middle class in China, Japan naturally gets a major share of the Chinese outbound travel market. Greater China (Hong Kong, Macao and Taiwan) and Thailand remain to attract even more Chinese tourists due their significantly higher affordability and accessibility compared to Japan.

In a nutshell, these are the factors from both sides that allow Japan to grow in numbers of incoming Chinese tourists on such a scale:

- Similar cultures, low cultural barrier, lower language barrier compared to Western countries;
- Massive presence of Japanese pop culture in China;
- Widespread belief among Chinese people that Japanese products are of an outstandingly high quality and good design;
- Growing wealth of Chinese citizens and desire to travel more;
- A relatively positive relationship between the two countries on political level;
- Growing accessibility, appearance of number of new air connections;
- Visa restrictions being simplified;
- High status travel destination.

4. FINLAND AS A TOURISM DESTINATION

According to “Finland’s Tourism Strategy to 2020” published by the Ministry of Employment and the Economy in 2010, tourism was called a key export industry in Finland and suggested to have crucial employment impact and a balancing effect on Finland’s regional development (Ministry of Employment and the Economy 2010).

To describe the Finnish tourism industry, the mostly government-run company Visit Finland’s – formerly known as the Finnish Tourism Board – statistics and articles were used. Visit Finland (VF) is a destination management organization, part of Business Finland, whose aim is to promote Finland as a travel destination and support local tourism industries and the players’ development and internationalization. VF has offices in a number of target market countries, including Germany, Japan, China, Russia, the US and others. (Business Finland 2019).

Compared to its Nordic neighbors, Finland has a relatively young and small tourism scene. In 2017, non-residents spent 6.743 million nights in Finnish accommodation establishments with a record year-on-year growth of 16.8%. However, in 2018 the number was 6.843 million, with a growth of only 1.5%. (Visit Finland 2019.)

Norway, for example attracted foreign visitors to spend 9.9 million nights in the country in 2017. Denmark registered 11.9 million nights spent in the country by non-residents. Sweden had the highest numbers in tourism among Nordic countries, as 14.6 million nights were spent in the country by non-residents in 2017. (Eurostat 2018.)

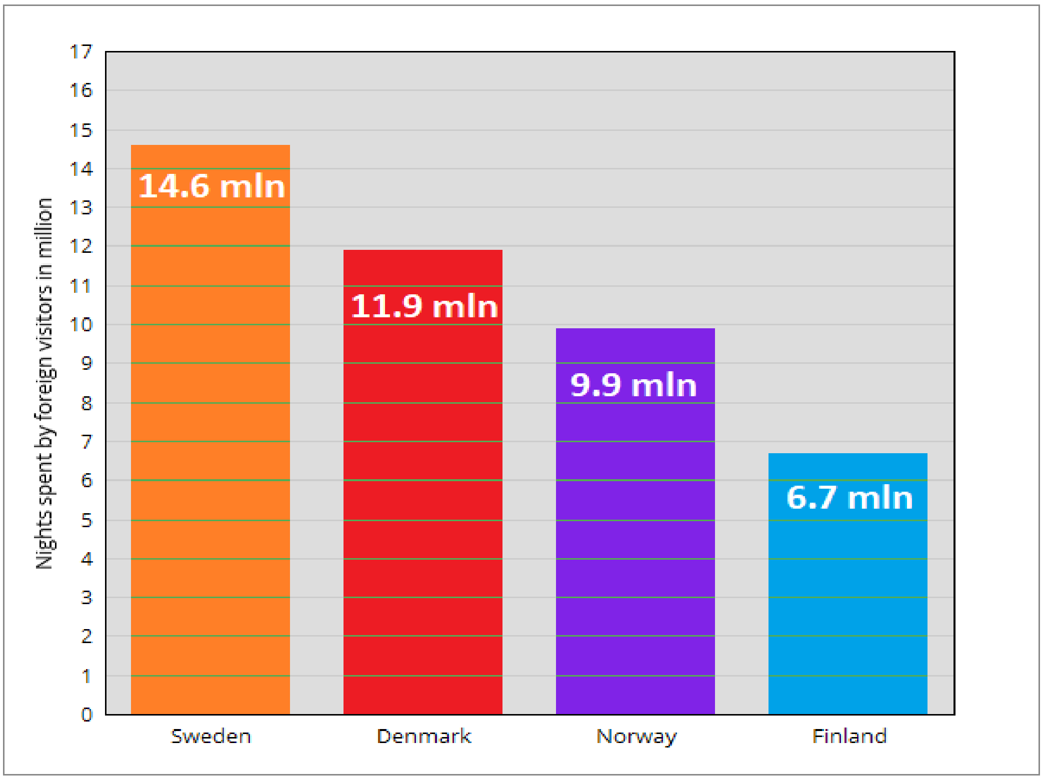

Figure 5. Showing the number of nights spent by foreign visitors in Nordic countries (Eurostat 2018).

Inbound tourism in Finland has been growing on average by 3.15% a year over the last 15 years from 2004 to 2018 in terms of the number of nights spent by foreign visitors in the country, according to Visit Finland's statistics database Statistics Service Rudolph. It is easy to identify several episodes of sudden decline and growth in the numbers of nights. In 2009, the growth was negative and accounted to -11.1%, which was clearly the consequences of 2008 world economic crisis. 2011 showed a rapid growth of 10%, which indicates a recovery from the crisis and more people getting back to travelling. (Visit Finland 2019.)

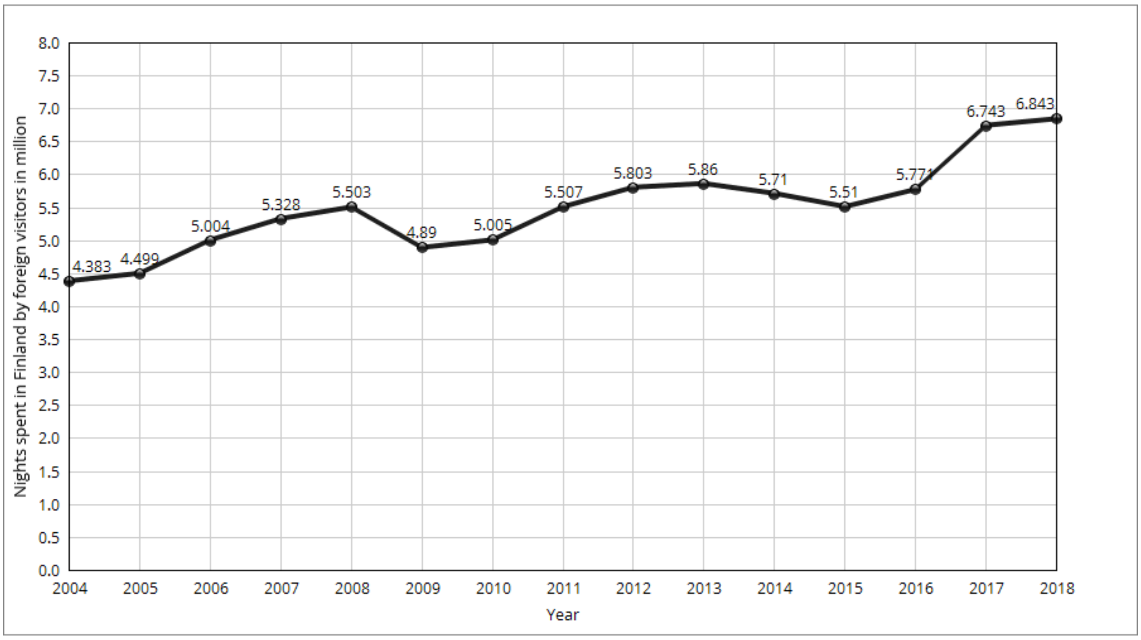

Figure 6. Nights spent by foreign tourists in accommodation establishments in Finland by year (Visit Finland 2019).

2015 was the second consecutive year of decline in the number of nights spent by foreigners in Finland after 2014. The reason for that was a sudden slump in the number of tourists coming to Finland from Russia. It is necessary to clarify that before 2014 Finnish tourism statistics were dominated by Russians, whose nights spent in Finland accounted to 1,620,419 or 27.7% of all nights spent by foreigners on its peak before the downturn in 2013. The percentage of tourist arrivals referring to Russians was even higher due to the fact that a lot of them visited Finland for less than one day and therefore did not stay overnight and cannot be listed on such statistical data. This number is 778,574, which stands for 27.8%.

Compared to 2013, the number of nights spent by Russian tourists in Finland in 2014 declined by 280,893 or 17.3%. 2015 year-on-year changes accounted to a decrease of 556,678 nights or -41.6%. In 2016, the last year of decline in the numbers of Russian tourists, the total number of nights spent by them in Finland was 697,596 and had a year-on-year decrease of 10.9%. This way, the number of overnights of travelers from Russia fell down by 923.8 thousand or 56.9% from 2013 to 2016.

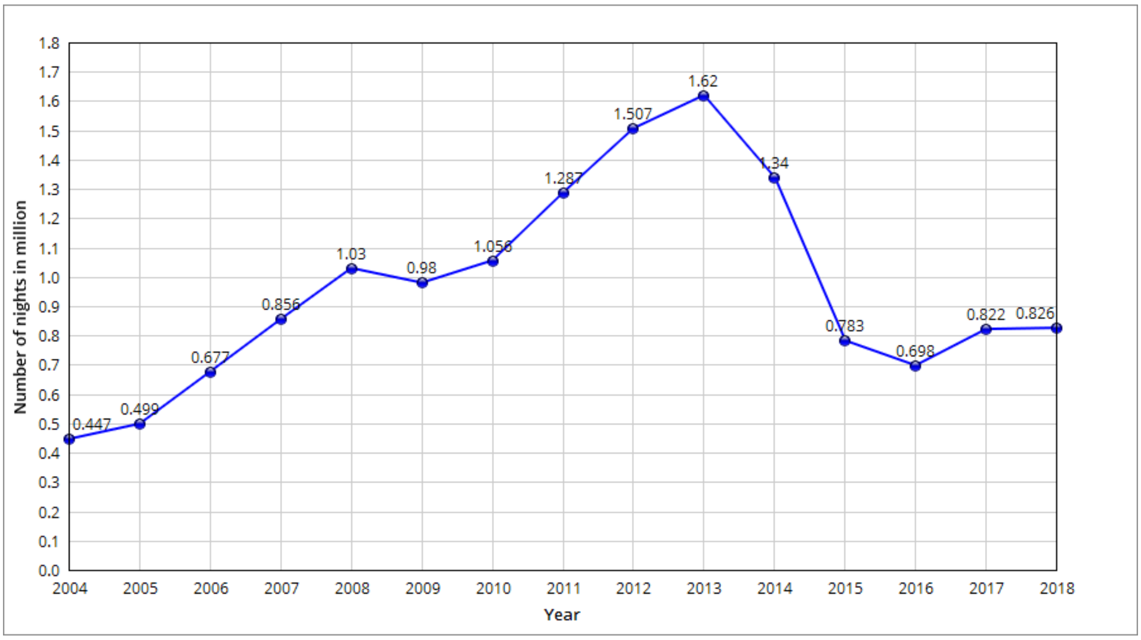

Figure 7. Showing the number of nights spent in Finnish accommodation establishments by Russian tourists from 2004 to 2018 (Visit Finland 2019).

However, the number of nights spent by tourists from Russia started slowly recovering in 2017, when the whole Finnish tourism was achieving record growth numbers. In the year of 100th anniversary of its independence, Finland had seen an exceptional 14% increase in the number of nights spent by foreign visitors. The total number overcame the 6,700,000 mark. According to Business Finland's article on record growth, other Nordic countries had a growth of 2.1% to 4.2% in 2017. (Business Finland 2018b.)

Executive Vice President of Visit Finland, Paavo Virkkunen, stated that there was no dependence on Russian tourists anymore, as Finland had strengthened its international image as a travel destination and increased its marketing and sales operations in major target markets of Germany, the UK, Sweden, China and Japan over the past several years, which had resulted in overwhelming growth in 2017. (Virkkunen 2018.) The top five visiting nationalities in 2017 included four of the countries that Visit Finland was focusing its marketing on. Japan was in the eighth position after France and the United States. (Business Finland 2018b.)

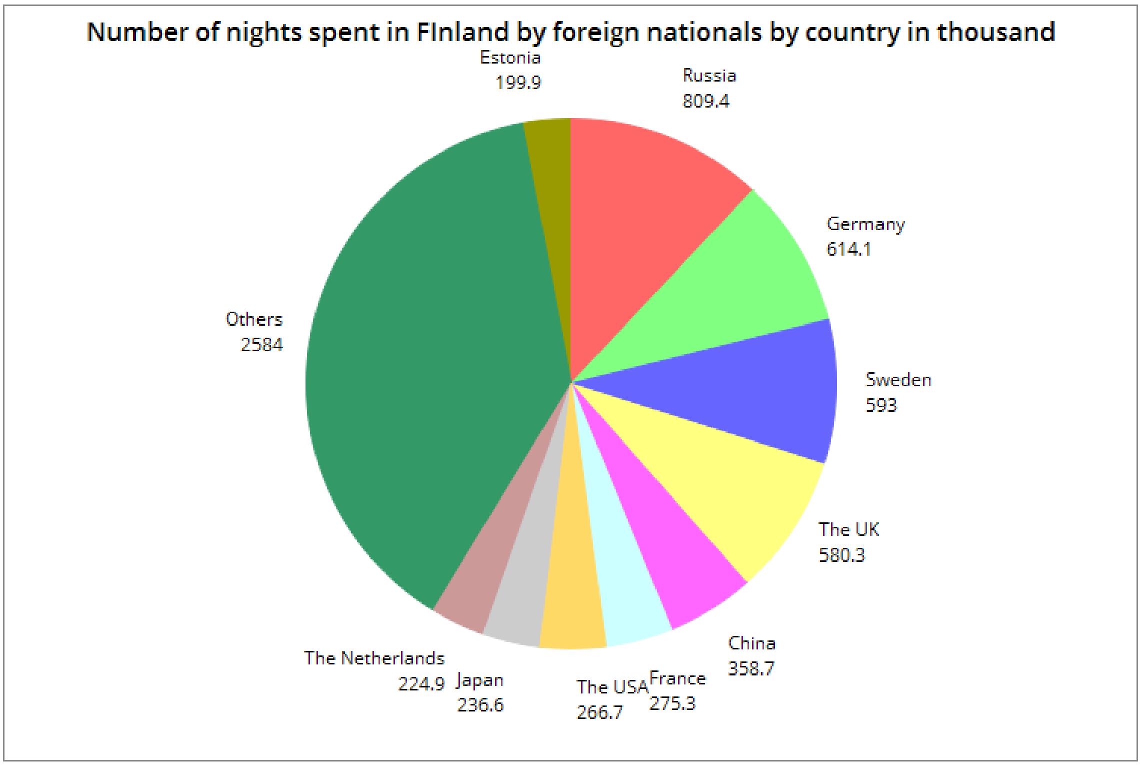

Figure 8. Showing the number of nights spent in Finland by foreign visitors by country of origin in 2017 (Business Finland 2018b).

Among the reasons standing behind the 14% increase in stays in 2017, Business Finland sees the global tourism growth, excessive or so-called “overtourism” in some of most famous European destinations, and some of the unique experiences that Finland has to offer, for example, its accessible wilderness and peaceful and quiet environment. (Business Finland 2018b.)

Regarding foreign tourists spending while travelling in Finland, in 2017 visitors from abroad spent EUR 2.6 billion, which was 22% or around 500 million higher than the year before. Tourists from Russia brought in the most money as they are also the biggest group in total number of arrivals. However, Russian tourists only spent around EUR 240 per tourist per trip. At the same time, an average tourist from China spent on average EUR 1262 per visit to Finland in 2017, according to the publications of Business Finland. (Business Finland 2018a.)

However, in 2018 the total growth in numbers of tourism in Finland had slowed down. The overall year-on-year growth of the number of nights spent by foreign citizens in

Finnish accommodation establishments only increased by 1.3%, according to the article on Business Finland's website published in February 2019. (Business Finland 2019.)

Based on the director of Visit Finland Paavo Virkkunen's comments on the report of the results of 2018, it was a successful outcome for Finnish tourism industry to keep the total numbers higher than the previous year, and it was possible thanks to active promotional operations on major markets. (Virkkunen 2019.) However, out of the five focus markets identified by Visit Finland (Germany, Sweden, the United Kingdom, China and Japan) only three showed a slight growth. Germany increased its nights by 0.8%, the UK had a 1.5% increase, and China showed relatively little growth of 6.3% compared to the previous year's 33.3%. At the same time, nights spent in Finland by tourists from Sweden decreased by 6.3% and from Japan by 9.5%, which placed Sweden in 4th and Japan in 10th positions among most visiting nationalities. (Business Finland 2019.)

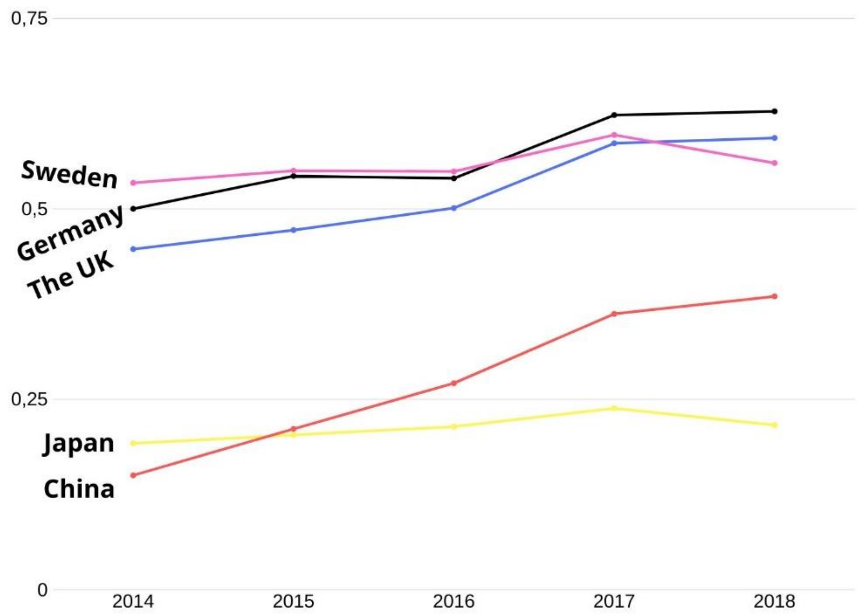

Figure 9 Number of nights spent in Finland by foreign visitors in millions by country of origin, 2014-2018 *(Visit Finland 2019).*

Visit Finland had identified four destination areas in Finland. They are the Helsinki Metropolitan area, Archipelago, Finnish Lakeland, including most of the Central Finland, and Lapland. (Visit Finland 2019.) According to statistics from Statistics Service Rudolph of Visit Finland, starting from 2015, Lapland is the most visited region after the Helsinki Metropolitan area. Until 2014 Lakeland accommodated more foreign visitors than

Lapland. According to the latest available yearly data, in 2018 foreign tourists spent 2.905 million nights in the Helsinki region, 1.718 million nights in Lapland, 1.189 million nights in Lakeland and 1.031 million in Archipelago and Coastal area. As mentioned above, the order of the four tourism regions of Finland in terms of popularity has not changed since 2014. (Visit Finland 2019.)

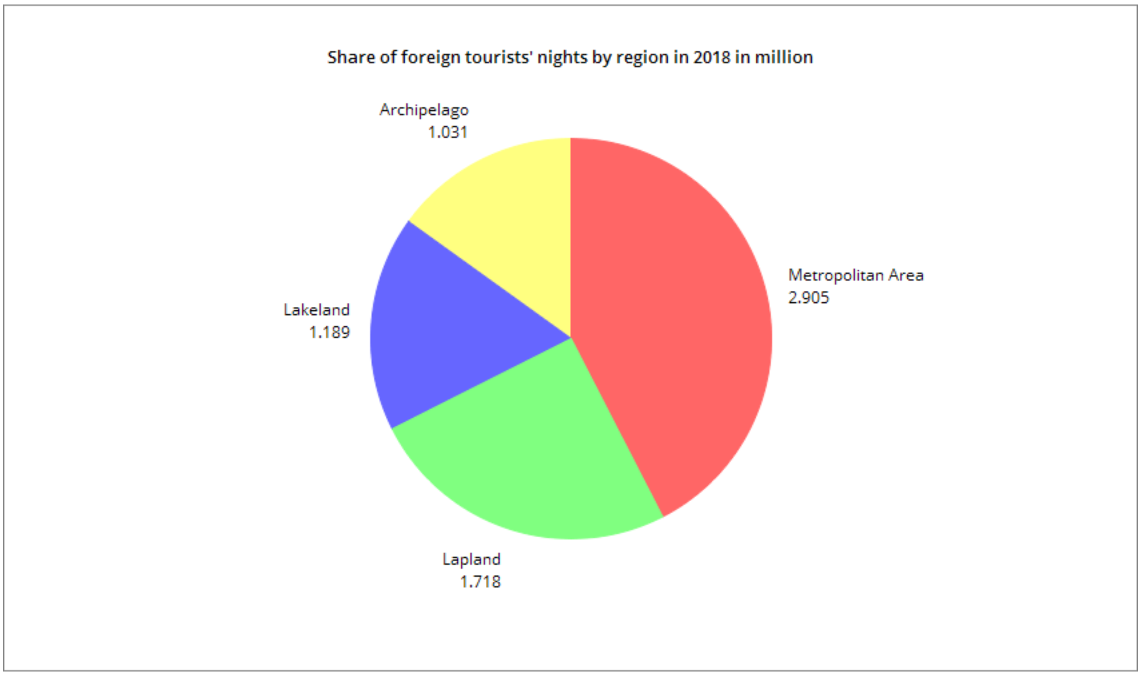

Figure 10. Showing distribution of foreign tourists' nights spent in Finnish accommodation establishments by region in 2018 *(Visit Finland 2019).*

The fastest growing region among the four is Lapland, according to statistics provided by Visit Finland. Lakeland had lost many of its visitors in 2014 and 2015, probably due to the high popularity of the region among Russian tourists that significantly decreased in numbers in 2014 and 2015. The Helsinki area is on a constant steady growth, whereas the Archipelago is mostly declining in numbers of nights spent in a region by foreign visitors. (Visit Finland 2019.)

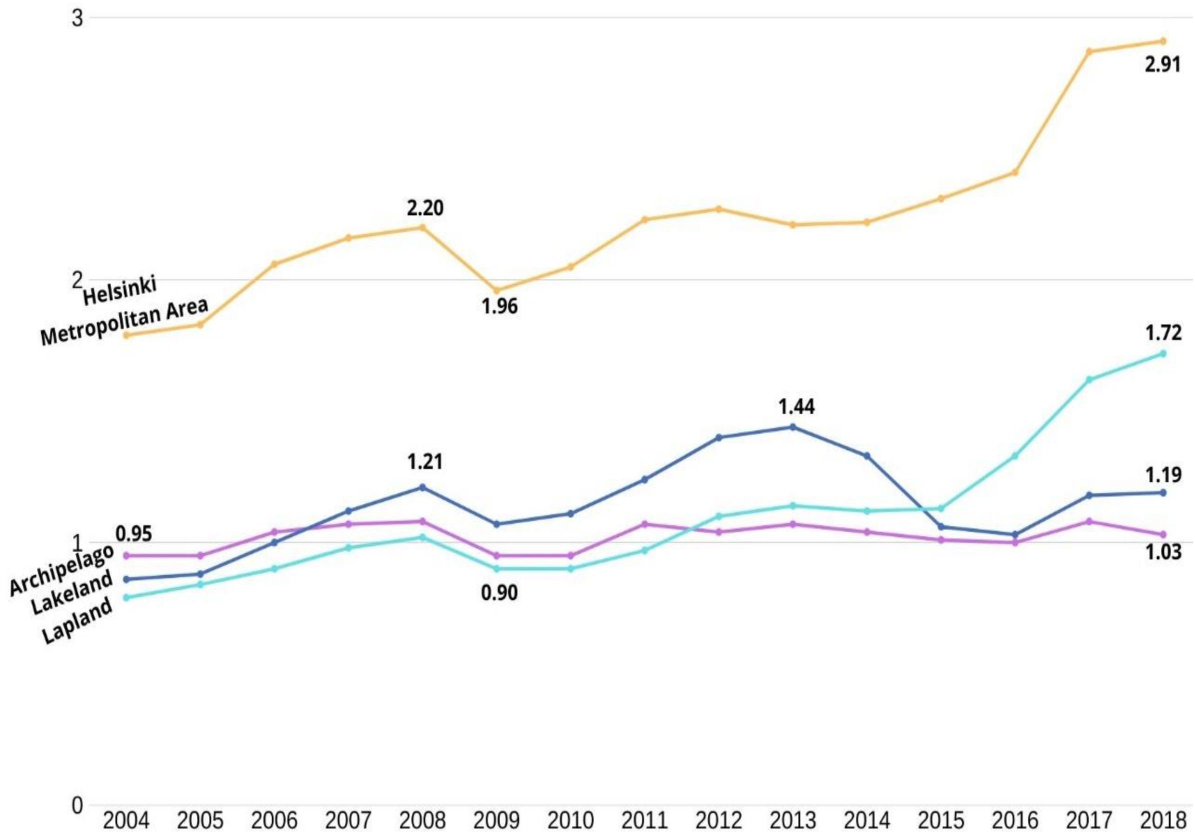

Figure 11. Number of nights spent by foreign visitors in Finland by region, in million, 2004-2018 (Visit Finland 2019).

5. FINLAND AND TOURISTS FROM CHINA

One of the fastest growing nationalities in terms of number of visits to Finland over the past several years has been the Chinese. One of the reasons for that is that Visit Finland's strategy included China in the list of most important travel markets for Finland and has actively promoted the destination in partnership with a number of Chinese travel agencies. In China, VF has four offices in major cities that are also the main origins of Chinese outbound tourism: Beijing, Shanghai, Guangzhou and Hong Kong. (Business Finland 2019a.)

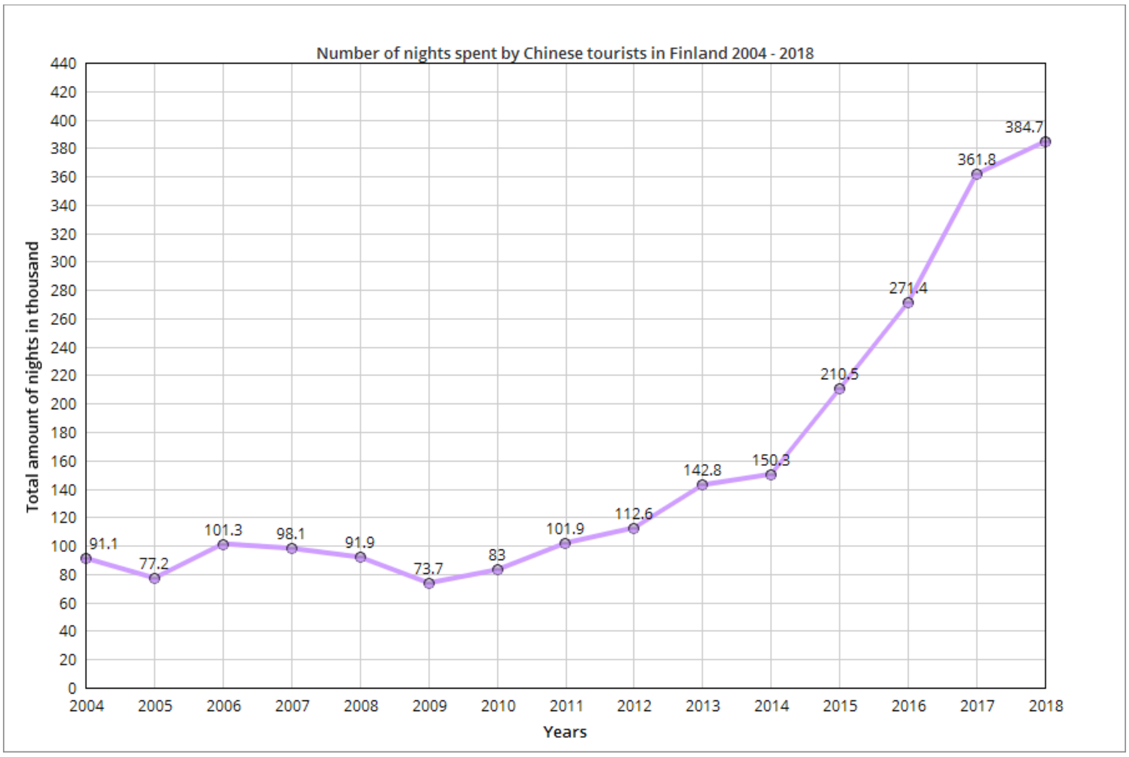

Figure 12. Showing the number of nights spent by tourists from China in Finnish accommodation establishments within 15 years from 2004 to 2018 (Visit Finland 2019).

5.1 PESTEL analysis comparison

To measure the attractiveness of Finland as a travel destination for Chinese outbound tourists and moreover the capability of Finland to successfully cooperate with Chinese travel enterprises, a PESTEL analysis could be utilized.

A PESTEL analysis is a business tool that allows to identify and describe the external environmental factors that may influence the operations of an organization.

In this chapter, the author describes the environmental factors that affect the work and development of the tourism industry and its participants in Finland. The purpose of this chapter is to see, whether these factors do or do not create better conditions for further development of tourism business relations between Finland and China. In many cases the analysis includes comparisons of Finland's and China's profiles in regards to corresponding issues.

Political

Political factors basically stand behind the questions of how and to what extent governments intervene in their countries' economies. Generally speaking, the political systems of Finland and China have tremendous differences in most of the aspects. Finland is a democratic capitalistic parliamentary republic with 5.4 million citizens, a part of the European Union with an open market economy. China, on the other hand, is a socialistic state ruled by a communist party, and has to a big extent a command and state-controlled economy and regulated market, and is a home to over 1.3 billion people.

One of the ways to assess the country's government's influence on the economy is to check its rankings in the Global Innovation Index (GII). It is an annually published ranking that describes 80 business and innovation related metrics for over 120 countries. The ranking is compiled upon joint efforts of tens of business and innovation practitioners and professors worldwide. The annual report was published for the 12th time in 2019 and was dedicated to innovations in medicine. The 2019 Global Innovation Index also included normal business and innovation findings per country for 129 economies worldwide, such as political, regulatory and business environments. (Global Innovation Index 2019.)

Global Innovation Index ranked China number 46 in Political and Operational Stability in 2019, and number 47 in Government Effectiveness. In the same index, Finland was ranked number 15 in Political and Operational Stability and number 4 in Government Effectiveness. (Atkinson, et al. 2019, 242; 256.)

Regulatory Quality was ranked number 81 worldwide for China and number 8 for Finland in 2019. The Rule of Law in China was ranked number 77 and number 1 worldwide for Finland in 2019. (Atkinson, et al. 2019, 242; 256.)

According to Global Innovation Index (GII), Finland had the best Business Environment in 2019, for the second year in a row. (Atkinson, et al. 2019, 256.) The index ranks 129 countries. China was ranked number 48 in the same index. (Atkinson, et al. 2019, 242.)

The Index of Economic Freedom published annually by The Heritage Foundation also covers issues related to business efficiency. More precisely, they rank countries by how easy it is to launch, operate and close business. The Index has been published annually for 25 years. It measures economic freedom based on 4 factor groups:

- Rule of Law (property rights, government integrity, judicial effectiveness);
- Government Size (government spending, tax burden, fiscal health);
- Regulatory Efficiency (business freedom, labor freedom, monetary freedom);
- Open Markets (trade freedom, investment freedom, financial freedom).

The authors of the Index of Economic Freedom used data from the World Bank, the Economist, the US Department of Commerce and official government publications of the countries ranked. Totally the 2019 ranking included 180 countries. (The Heritage Foundation 2019.)

The country with the highest Index of Economic Freedom score in 2019 was Hong Kong. However, Hong Kong is a part of China, although the authors of the report gave separate rankings to China, Taiwan, Hong Kong and did not rank Macau. Mainland China was ranked number 100 on the global list in a “mostly unfree” economy countries group with a score of 58.4, which is 0.6 points better than its ranking in 2018. China’s score in the

Index was behind the World's (60.8) and Regional (Asia-Pacific (60.6)) average. (Miller, et al. 2019, 144.)

Finland was ranked number 20 worldwide with the score of 74.9, which is higher than the world average and higher than European average (68.6). According to the authors of the report, Finland could be among top ten countries worldwide in this index, if the government spending was not this extraordinarily high. (Miller, et al. 2019, 192.)

The Chinese government clearly understands the significance of its own outbound tourism market's development and identifies it as a great power. Thus, nations that find themselves in controversy with the Chinese political course may end up being deprived of welcoming Chinese tourists anymore, unless the relationship between two countries stabilize. This, for example, happened to South Korea in 2017, after the US launched a missile defense system on its territory. Soon after the incident, according to an article by CNN, the Chinese government in Beijing advised travel agencies to stop selling tours to Korea. (Mullen 2017.) As a result, the overall number of foreign tourists in Korea declined by 23%, and tourism spending fell by 24% compared to the same period in 2016. The number of inbound Chinese tourists decreased by around 50% in less than half a year after the incident. (Premack 2017.) The number of Chinese tourists visiting South Korea decreased from 8.068 million in 2016 to 4.79 million in 2018. (Gaitonde 2019.)

Economic

The economic environment puts a significant impact on tourism, both the outbound tourists and the destination country. Finland's GDP based on purchasing power parity (PPP) in 2017 was USD 244.9 billion (CIA - The World Factbook 2019), and China's GDP per PPP was USD 23.21 trillion the same year. (CIA - The World Factbook 2019.) It is the world's highest figure; China surpassed the US by GDP based on purchasing power parity in 2014. (Chen 2015.)

When talking about the national GDP based on official exchange rate, Finland's GDP in 2017 was USD 252.8 billion, whereas China's GDP was USD 12.01 trillion. (CIA - The World Factbook 2019.) However, according to the note on CIA's The World Factbook's website, when describing Chinese Gross Domestic Product, it is best to use the GDP based on purchasing power parity, rather than on official exchange rates, due to the fact that China's exchange rate is determined by flat rather than by market forces. (CIA - The World Factbook 2019.)

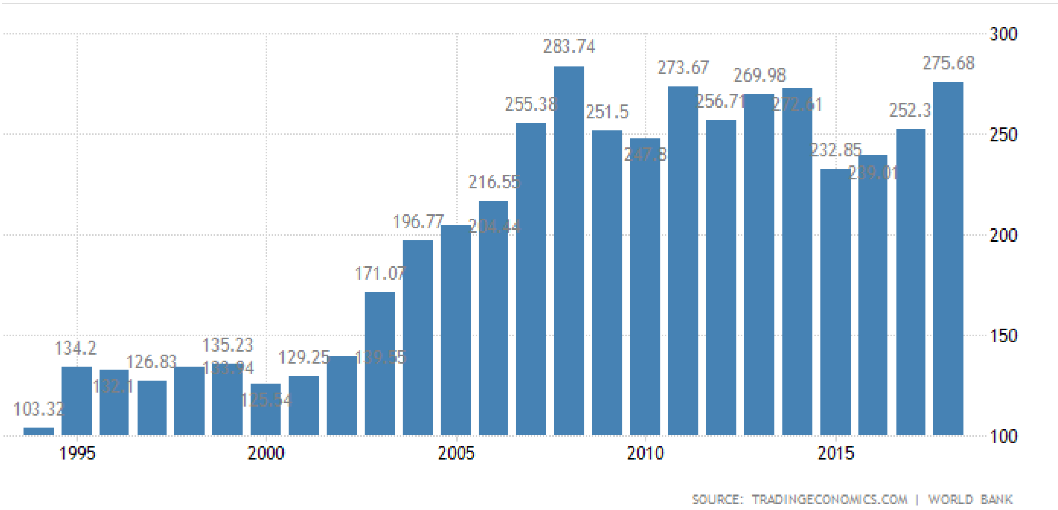

Figure 13. Growth of Finland's GDP since 1994 to 2018 (Tradingeconomics.com 2019).

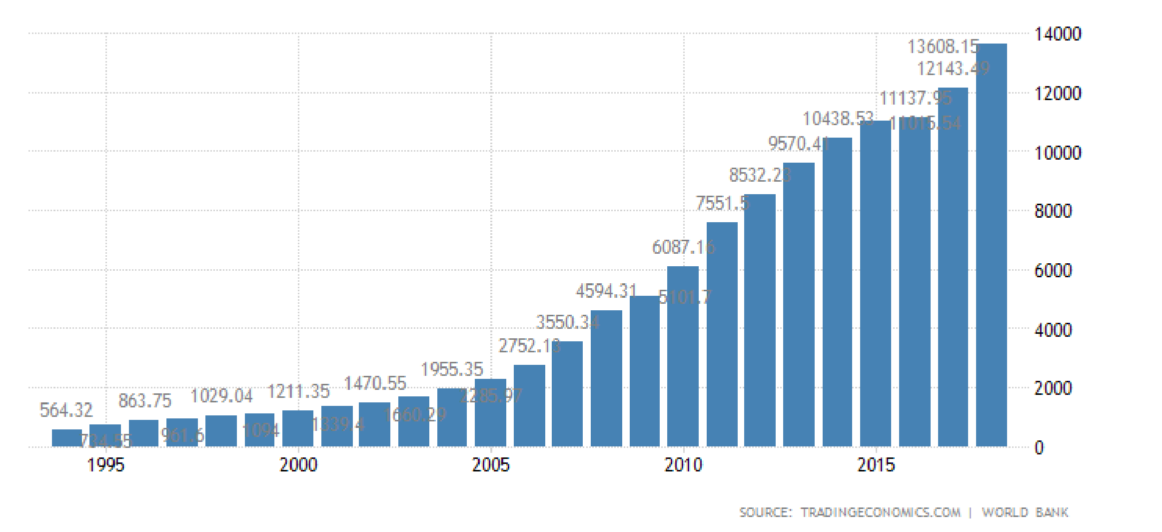

Figure 14. Growth of China's GDP since 1994 to 2018 (Tradingeconomics.com 2019).

Finland's population is 5.537 million, whereas China's population is 1,384.689 million, according to the 2018 data of the CIA's Factbook (CIA - The World Factbook 2019). The population of China is 250 times higher than that of Finland. Consequently, the GDP per capita in Finland is almost three times higher than that in China. Finland's GDP per capita is USD 44,500, and China's is USD 16,700, according to the information that dates back to 2017 and has been reported by the CIA's World Factbook. (CIA - The World Factbook 2019.)

Finland's economy could be characterized as stable with a year-on-year growth of 2.8% in 2017, whereas the Chinese economy is known for a faster-than-the-world's-average growth with year-on-year numbers of 6.9% per data from 2017 (CIA - The World Factbook 2019). However, the growth of the Chinese economy has been slowing down in recent years. According to the description of the Chinese economic profile by the World Bank, China's economy's growth was based on low-paid labor. Resource-intensive manufacturing and exports had reached their capacities. To reduce the social, economic and environmental imbalances, the Chinese government has to improve the structure of the economy and shift it from low-end manufacturing to higher-end manufacturing and services. (The World Bank 2019.)

From 1989 to 2019 the average annual growth rate of the Chinese GDP was 9.39% with a record high of 15.4% in 1993 and an all-time low of 3.8% in 1990 (China Statistics Press 2018). Finland's average annual growth from 1976 to 2019 was 2.18% with an all-time high of 7.6% in 1979 and record low of -9.3% in 2009 (Statistics Finland 2019).

Figure 15. Average annual growth of Finland's GDP from 2010 to 2019 (Trading Economics 2019).

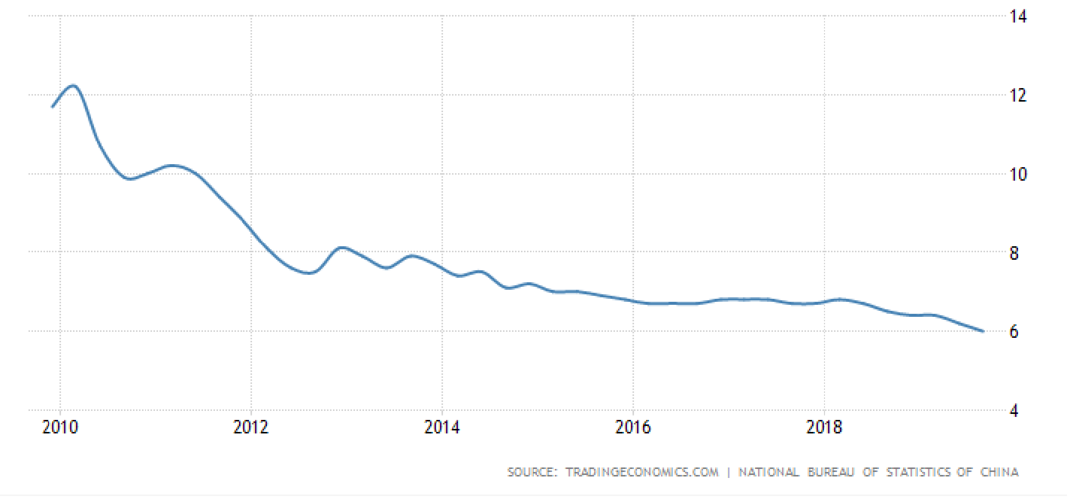

Figure 16. Average annual growth of China's GDP from 2010 to 2019 (Husna 2019).

Finland’s GDP consists of agriculture with 2.7%, industry with 28.2% and services with 69.1%, whereas China’s GDP’s numbers are 7.9% from agriculture, 40.5% from industry and 51.6% from services (CIA - The World Factbook 2019).

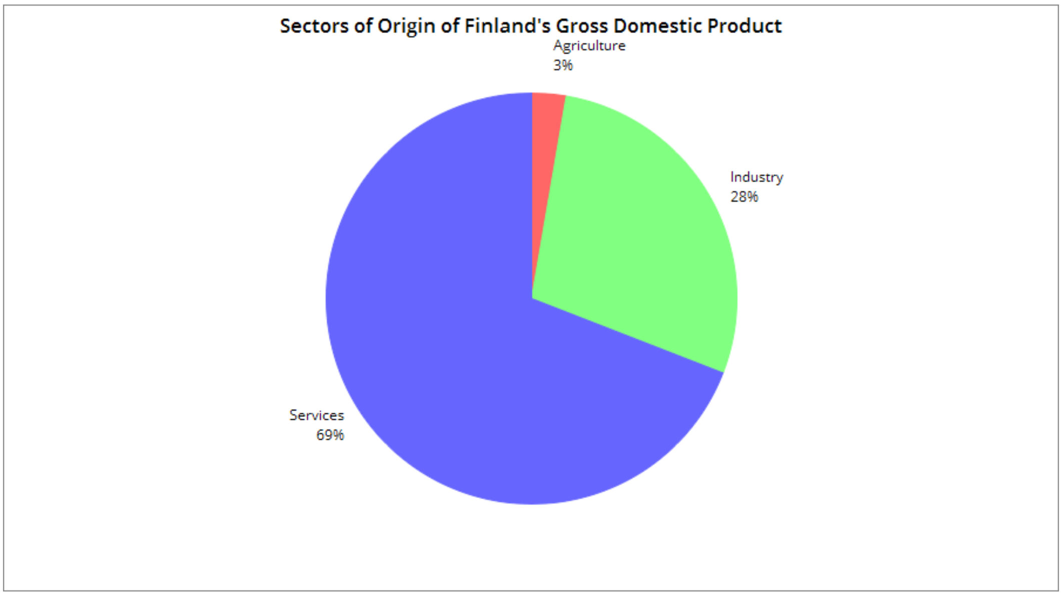

Figure 17. Distribution of contribution to a total of Finland's Gross Domestic Product by Sector of Origin *(CIA - The World Factbook 2019)*.

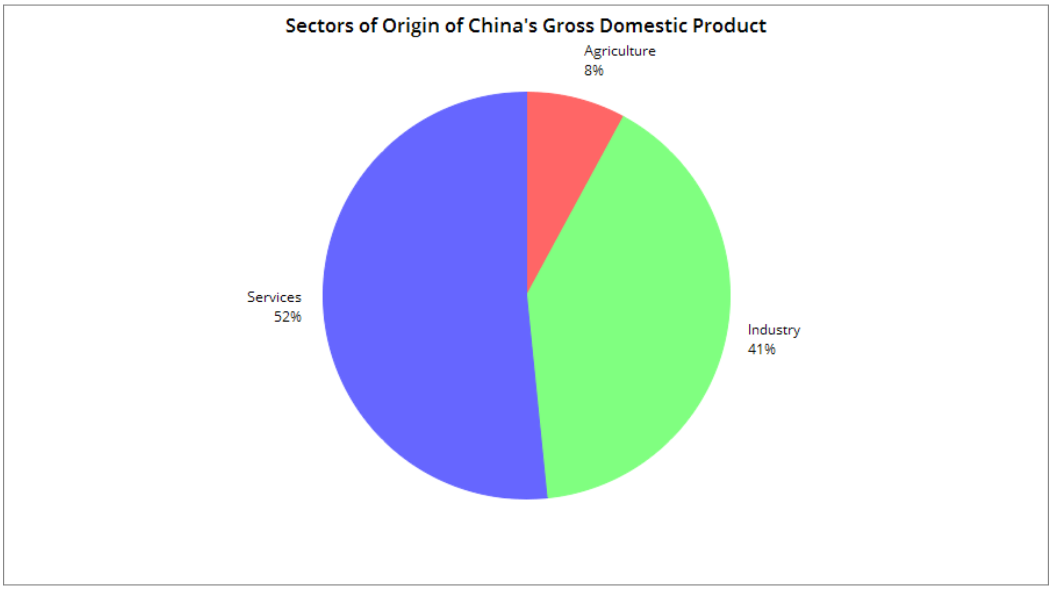

Figure 18. Distribution of contribution to a total of China's Gross Domestic Product by Sector of Origin (CIA - The World Factbook 2019).

Finland had a total of 2.473 million people as labor force in 2017, whereas China had 806.7 million people in the active labor force the same year. The World Factbook notices that by the end of 2012, China's working age population was over 1 billion people. (CIA - The World Factbook 2019.)

Out of Finland's 2.473 million active labor force, 4% were occupied in agriculture, 20.7% in industry and 75.3% in services, whereas same data for China was as follows: agriculture 27.7%, industry 28.8% and services 43.5% of the active workforce in 2017. (CIA - The World Factbook 2019)

The unemployment rate in Finland in 2017 was 8.5% and in China it was 3.9% (CIA - The World Factbook 2019).

Figure 19. Distribution of labor force by sector of employment in Finland in 2017 *(CIA - The World Factbook 2019)*.

Figure 20. Distribution of labor force by sector of employment in China in 2017 *(CIA - The World Factbook 2019)*.

To compare Finland to China in terms of the first country being a travel destination for tourists from the second one, it would be essential to compare the living and travel costs in these two countries. Using the databases of Numbeo, a user-generated cost-of-living statistics website that has been mentioned in the media a number of times, including quotes in articles and posts of BBC, The New York Times and The Economist, one may compare the living costs of the two countries, including such factors as the average rental prices, restaurant and groceries prices and local purchasing power. (Numbeo 2019.)

This way, according to the Numbeo.com, consumer prices in Finland are 43.8% higher than in China. Rent prices in Finland are 42.4% higher than in China. Restaurant and groceries prices in Finland are 62.2% and 30% higher than in China, respectively. Overall local purchasing power in China is 39.5% lower than in Finland. (Numbeo 2019.)

However, Finland and China have significant differences in power distance and distribution of wealth. Therefore, whereas Finland's population is all close to the average in terms of wealth (Hofstede Insights 2019), China's population is very unequal. Predominantly, people living in bigger and more developed cities alongside the ocean coasts in the east and south of China are on average wealthier than people living in other parts of the country. For example, according to The Economist's article on regional inequality in China from 2016, Shanghai as the main representative of the rich East of China was assessed five times wealthier than the poorest province of Gansu that is located in the middle of the country and has about the same population. (The Economist 2016.)

In this way, particular cities are the main origins of Chinese outbound tourism (McKinsey 2018), and therefore it would be more efficient to compare the living and traveling costs between these cities and the most remarkable cities for Chinese visitors in Finland to understand how big the difference is and how expensive it is for Chinese to travel to Finland.

For the first comparison author chose the cities of Helsinki and Shanghai in Finland and China respectively as the wealthiest representatives of their own states. According to Numbeo, consumer prices in Shanghai are 32.6% lower than in Helsinki, whereas accommodation rental prices in Shanghai are surprisingly only 1.2% lower than in Helsinki. Restaurant and groceries prices are 57.9% and 13.5% higher in Helsinki than in Shanghai, respectively. Overall, local purchasing power in Shanghai is 39.2% lower than that in Helsinki. (Numbeo 2019).

To add variability to the research, the author decided to compare several other cities behind the most expensive ones. According to another cost-comparing website Expatistan.com, the second most expensive city in China is Beijing. (Expatistan.com

2019). It was compared to second most visited by Chinese travelers city in Finland – Rovaniemi (Visit Finland 2019). According to the data, available on Numbeo, accommodation rental prices in Beijing are 42% higher than that in Rovaniemi. However, restaurant and groceries costs are 83.3% and 26.1% lower in Beijing than that in Rovaniemi, respectively. (Numbeo 2019.) Local purchasing power data for Rovaniemi is not available due to the lack of users' information inputs, but the comparison ratio should be close to that of Shanghai and Helsinki, as a fact of Beijing citizens being as wealthy as Shanghainese (UBS 2018) and Finland not having a significant regional wealth inequality (WID 2017).

However, any accommodation rental costs comparison does not possess a significant value in this situation, as foreign tourists mostly rent short-term accommodation, such as hotel accommodation or short-haul apartment accommodation. Therefore, to identify how expensive Finland is for Chinese tourists in terms of accommodation, it is best to compare it to other popular destinations that travelers from China may prefer.

Social factors

Finland and China have tremendous differences in social realities. The population of China is about 250 times bigger than in Finland. Finland is a European society, whereas China is one of the most authentic societies of Asia. This makes a number of imprints on how people do business and interact with each other in general.

Factors related to society was already discussed in the economical segment. However, there is a need to explain the meaning of those factors to society.

To measure the inequality of distribution of wealth in a particular country, the GINI coefficient is used. The index shows how equally the family income is distributed throughout society in one country. If income were distributed with perfect equality, the index would be zero; if income were distributed with total inequality, the index would be one hundred. According to the data provided by World Bank, Finland's GINI index was 27.1 in 2015, and China's was 38.6 the same year. (The World Bank 2019.) Based on the information provided by The World Factbook of CIA, China had an index of 46.5 in 2016. At the same time, Finland's GINI Index was 27.2. The World Factbook published data regarding 156 countries designed as a ranking list, where the top country had the highest

GINI Index (Lesotho, 63.2) and the last country had the lowest Index (Faroe Islands, 22.7). China was placed number 29, whereas Finland took the spot number 143. (The World Factbook 2020.)

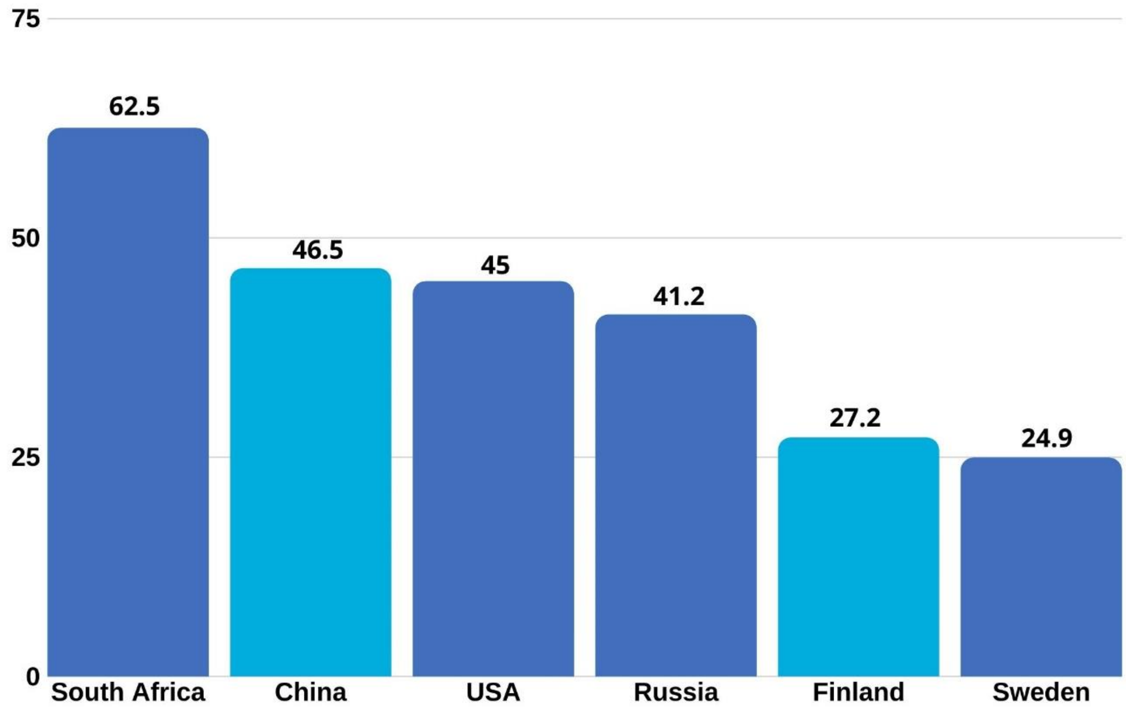

Figure 21. GINI Index by Country, according to the CIA's The World Factbook *(The World Factbook 2020)*.

Regarding social factors that influence business tourism relations between countries, cultural differences would play a vital role. In order to promote Finland as a destination country for Chinese tourists, Finnish marketers need to understand Chinese cultural backgrounds. One of the best tools for getting to know a culture is to scan it using Hofstede's cultural dimensions. However, as mentioned on Hofstede's website, scores of cultural dimensions are relative, as all people are unique, and therefore it can only be used thoughtfully by comparison. Hofstede Insights – a famous international culture and strategy advisory and analytics organization – provide an online tool for cultural comparisons. (Hofstede Insights 2019.)

According to Geert Hofstede, cultures can be evaluated or compared by six dimensions or issues that a society needs to deal with in order to organize itself. Each of them has been expressed on a scale from 0 to 100. The dimensions include:

- power distance in society;
- level of individualism or collectivism in society;
- society’s value system of masculinity or femininity;
- level of uncertainty avoidance in society;
- long- or short-term orientation;
- indulgence or restraint. (Hofstede 2010.)

Using the online tool for countries comparison based on Hofstede’s six dimensions, the author has compared Finland and China. For the sake of having a more understandable results of the two countries’ comparison and better relevance, two more countries have been added into it. One of them is Russia, being the author’s home country and in many ways, including geographically, residing between Finland and China. The other one has been the US, being similar to China in terms of economic power and being a leading country of the West, which Finland is a part of.

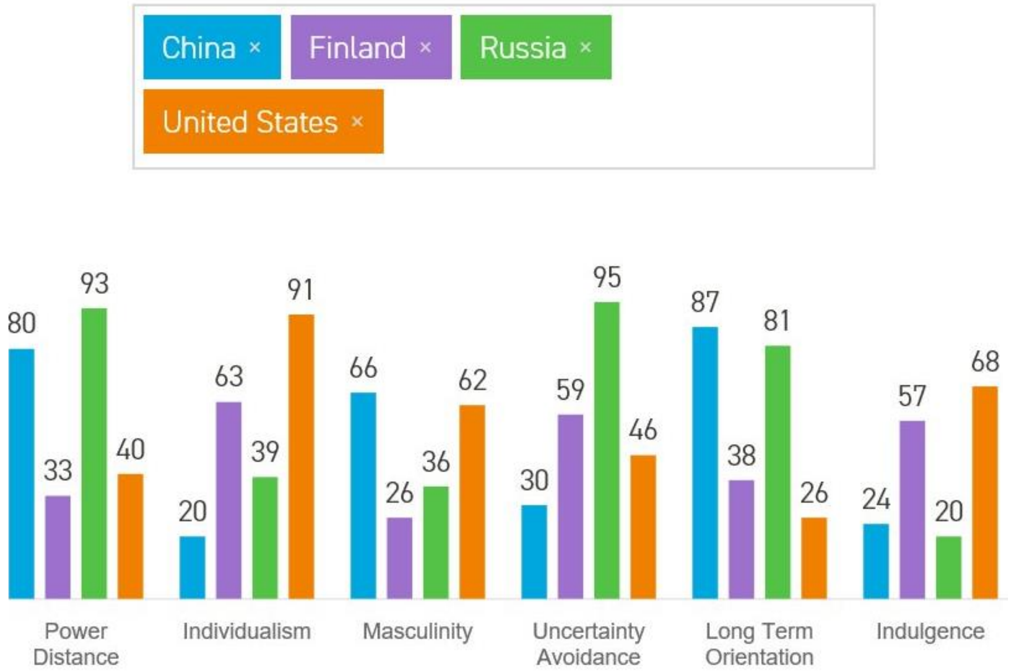

Figure 22. Comparison of China, Finland, Russia and the US based on Hofstede's 6 Dimensions model (Hofstede Insights 2019).

Finland has one of the smallest power distance index in the world (Hofstede Insights 2019), and in China the population ranges from extremely rich to extremely poor (The Economist 2016). According to Hofstede Insights, Finland has a score of 33 in power distance, meaning that high inequality in distribution of wealth is unacceptable in this country. Contrary, China's score in power distance dimension is 80, meaning that less powerful members of society expect and accept that wealth is distributed unequally.

Finland, like most western countries, is a highly individualistic society, meaning that people in it feel independent from other members of this society and look after their direct family only. The individualism score of Finland, according to Hofstede Insights is 63. China, is oppositely a collectivist society, where people belong to larger groups that take care of them in exchange for their loyalty. China's score is 20.

China, with a score of 66 in this dimension, is a highly masculine society, where development's drivers are competition, achievement and success. Starting from school, Chinese are trained to compete for better results and ranking, believing that it is the main criteria to achieve success or not. Finland with a score of 26 is more of a feminine society, where people prefer to like what they do, and the quality of life is the main criteria of success.

The uncertainty avoidance dimension has to deal with uncertainty and ambiguity in the future. China, with a score of 30, has a very adaptable and entrepreneurial society that is ready to quickly respond to any changes. Most of businesses in China are small to medium sized and often family owned. Finland has a score of 59 in uncertainty avoidance dimension, and its society likes to avoid uncertainty and is intolerant towards unorthodox behavior and ideas. In countries like Finland, there tends to be an emotional need for rules, people stay busy and work hard, may resist innovation and require security as an important element in individual motivation.

Finland has a low score of 38 in long term orientation dimension, which means that they have a great respect for the country's history and culture and the society's traditions, relatively small desire to save for the future and focus on quick results. China, on the other hand, scores 87, placing itself on a list of societies with pragmatic orientation. This means that China is ready for constant and unexpected changes, has a strong propensity to save and invest and persevere in achieving goals. Also, these cultures think that truth depends on a current context, opposite to cultures like Finland that have a strong concern with establishing absolute truths.

The score of 57 makes Finland an indulgent country. It means that people in this society have less boundaries to express themselves and can realize their impulses and desires with regard to enjoying life and having fun. China has a low score of 24, which makes it a restrained society, where people are trained to follow behavioral norms from early years and do not put much emphasis on leisure time and control the gratification of their desires. Somehow, people from restrained societies tend to be more pessimistic and people from indulgent societies are mostly optimistic. (Hofstede Insights 2019.) Thus, it is not a surprise that along with Finland being the happiest country in the world, China is ranked number 93 in 2019 edition of World Happiness Report annually published by the UN. (Helliwell, Huang and Wang 2019)

Technological factors

Finland has long been known as one of the world's leading countries in multiple technological sectors, such as ICT, telecommunications, electronics, high-tech wood processing and manufacturing (Vesikansa 2008). The country can boast with internationally famous companies such as Nokia, Kone, UPM, Stora Enso, Metso, Neste Oil, Wärtsilä and many others (Edunation 2020).

The ICT sector in Finland employed 6.8% of country's workforce in 2017. The number was the highest in the EU. A majority was employed in software businesses. Turnover of the ICT industry in Finland in 2017 was USD 14 billion, which represented 8% growth on year-on-year basis. (Export.gov 2019.)

Finland has the world's highest mobile internet usage per capita. In 2017, 97% of Finnish households had a broadband internet connection and 89% had a mobile broadband internet connection. In 2018, 99% of the country's mobile internet users were covered by the LTE connectivity, according to the website Export.gov, administered by the US's Department of Commerce. (Export.gov 2019.)

China, on the other hand, has long lagged behind developed countries in terms of technological development. However, with the vigorous economic growth of the last three decades, it became possible for the country's leaders to set goals for placing China among world's technological leaders. Research and development in areas like telecommunications, blockchain and artificial intelligence are being supported by the

Chinese government. According to the CNBC's experts, the trade war between China and the US and a consecutive slowdown of Chinese economy could accelerate the country's high-tech sector's development. (Chandran, et al. 2019.)

Development in the telecommunication industry is the key point in comparison of Finland and China in terms of technologies. Finland, thanks to Nokia, has long been the world's leader in mobile phones and telecommunication technologies market. Along with its downturn in manufacturing and selling phones and the beginning of a smartphone era, a number of Chinese companies appeared on the market. Often being backed by the Chinese government, as particularly with Huawei, they have been gradually taking an expanding share of the world's smartphone market in recent years. This was reflected in Forbes's article published in September 2018. (Mourdoukoutas 2018.)

According to the latest available data at the moment of writing this thesis, the best-selling smartphone producer in the world was Samsung and the second one was Huawei, closely followed by Apple, in terms of sold units. However, the next four best-selling smartphone-manufacturing companies on the list all originate from China. These include Xiaomi, Oppo, Vivo, and Realme. There are as well many other smaller smartphone producers from China that are usually not identified on an international market individually due to the small market share. (Zarkov 2018.)

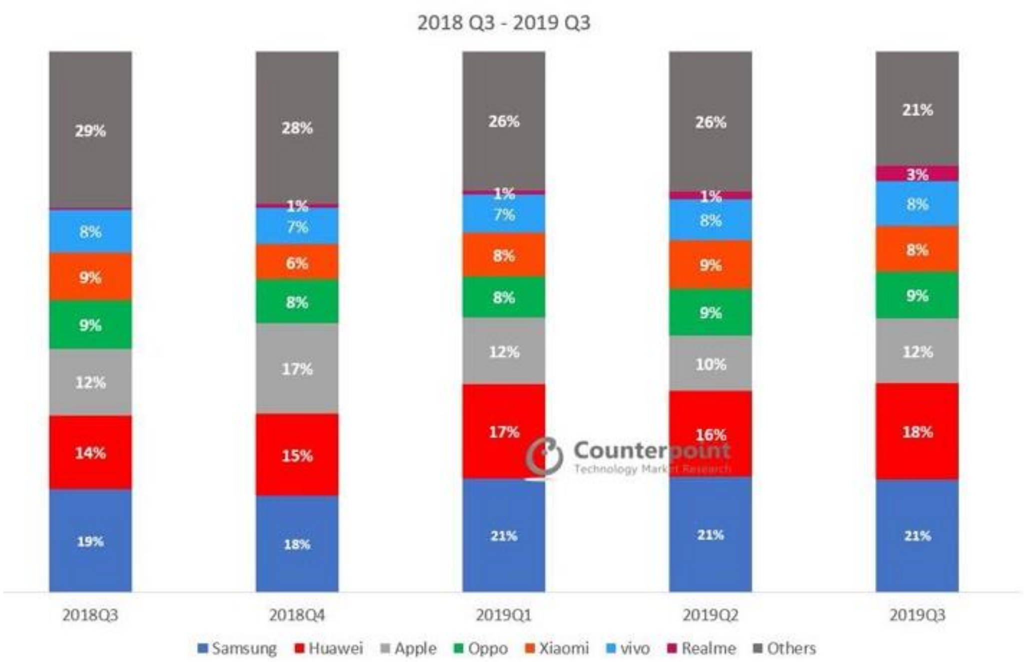

Figure 23. Share of international smartphone market by brand by quarter 2018 Q3 - 2019 Q3 *(Counterpoint 2019)*.

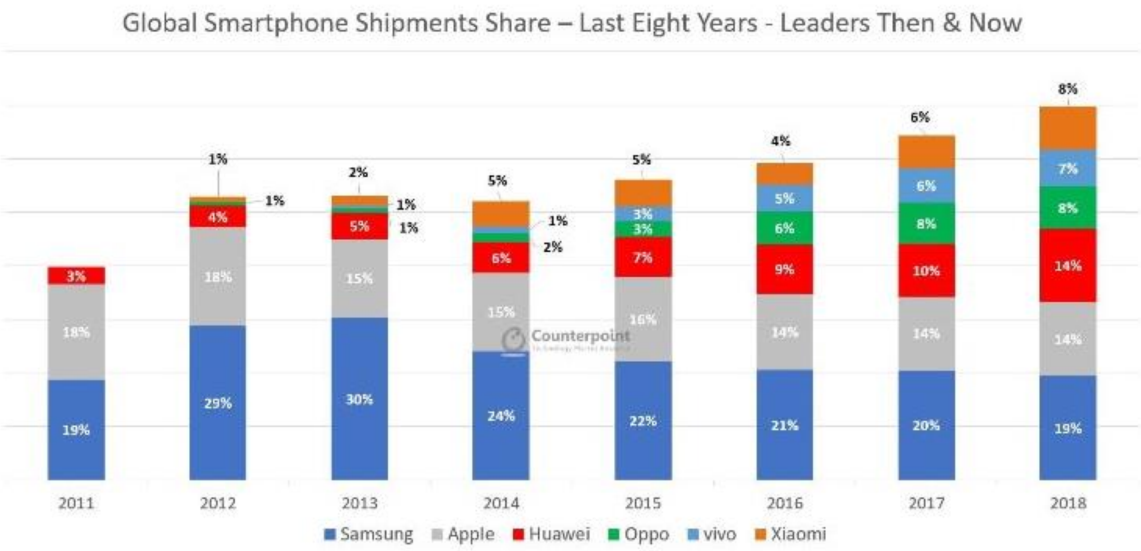

Figure 24. Share of international smartphone market by brand by year, in units sold *(Counterpoint 2019)*.

However, the most important rivalry between Finnish and Chinese telecommunication industries now take place in the field of network solutions. Thus, Nokia and Huawei are among the biggest 5G developers in the world. The other companies investing in 5G-related research and development were Chinese ZTE, South Korean Samsung, Swedish Ericsson, and the US based Intel and Qualcomm. (Stratfor 2018.)

However, according to the article of CNBC from late 2018, Nokia was the strongest player in international competition over the 5G network. Particularly compared to Huawei, Nokia was winning due to multiple security concerns regarding the Chinese company. As stated in the article, the governments of several countries have expressed their anxiety in regards to the background of Huawei and concerns that the company may be used by Chinese intelligent services to spy on other countries where Huawei operates. (Schulze 2018.)

Regarding tourism, noticeable technological differences between Finland and China include internet usage in terms of reaching tourists online with tourism-related products and services, using social media channels to spread the image of Finland and penetration of online and mobile payments methods, which are highly popular in China.

Internet penetration in China is very high, considering the huge population and vast geographic area. According to the article published by Forbes in August 2018, the number of Internet users in China had surpassed 800 million, which is 57.7% of entire population. Seven hundred eighty-eight million of them, or 98% had been active mobile internet users. (McCarthy 2018.)

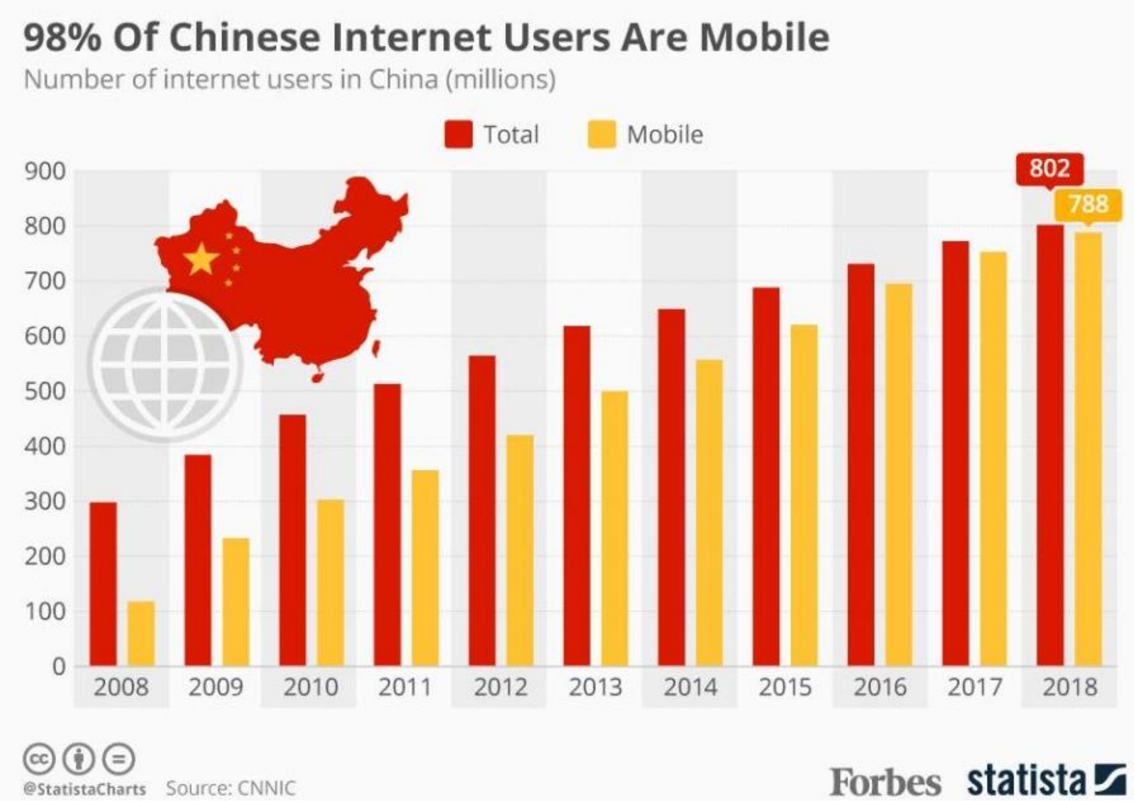

Figure 25. Growth of China's Internet Penetration 2008 – 2018 *(McCarthy 2018)*.

The numbers may even be slightly higher. The number of mobile Internet users estimated at between 800 to 900 million people (Olsen 2019).

It is noticeable that Internet accessibility differs dramatically depending on the region. Thus, central cities like Shanghai, Beijing and Guangzhou have many more Internet users and better connection than the rural areas of the country. The same appeals to mobile Internet usage. (China Power Team 2019.)

According to McCarthy's article published on Forbes' website in 2018, as much as 31% of people in China used bike sharing apps, 37% booked train tickets through mobile devices, and 43% used taxi-booking applications (McCarthy 2018).

Some of these factors were already partially covered in the chapter dedicated to Chinese outbound tourists' buying behavior. However, it will be shortly repeated in the following list:

- The absolute majority of B2C tour operators and online travel agencies have launched mobile applications (UNWTO 2019, 13).
- 52% of McKinsey's survey's respondents chose OTA's website as primary source of travel information, followed by 15% using mobile apps and 3% using international booking apps (McKinsey 2018, 15).
- 54% of UNWTO's survey's respondents chose website/online community as a primary source of travel information (UNWTO 2019, 18).
- 84% of Chinese outbound tourists usually book flight tickets online, according to UNWTO's report (UNWTO 2019, 20).
- 69% of them usually book accommodation online (UNWTO 2019, 20).
- The major Chinese mobile payment apps Alipay and Wechat Pay will have an average usage rate of 43% of the population by 2021, according to McKinsey's estimation (McKinsey 2018, 14).
- The younger generation of Chinese travelers prefer to use mobile payment apps to pay, and therefore, it is advised for enterprises welcoming Chinese tourists to enable payment methods such as Alipay or Wechat Pay (McKinsey 2018, 13).
- According to Business Finland news from the beginning of 2017, Helsinki Vantaa airport was going to become one of the first air hubs in Europe to enable AliPay services for Chinese travelers (Business Finland 2017).

It is also significant to notice that the Internet in China has additional specifics in a way that a number of international services and websites, such as Google and Facebook, are blocked. Instead, similar websites, online services and apps of local origin have gained popularity in China. For example, instead of the globally present Facebook, Chinese use the local social media website Weibo. Instead of the Google search engine, Baidu is used. Instead of the popular internationally used messengers, such as WhatsApp, Facebook Messenger and Telegram, Chinese universally use Wechat. Google services are totally blocked in China, and therefore, there is no YouTube, as well. Instead, there are several competitors offering video streaming services in China, such as YouKu and Bilibili.

Google Maps is also blocked in China. There are several popular maps and navigation websites and apps of Chinese origin.

Therefore, it is crucial for international marketers to understand the specificity of China's internet when developing a market strategy and choosing the right channels to reach the Chinese audience. It is advisable to launch accounts on Chinese social media websites and invest in researching digital marketing and search engine optimization specifics in China or outsource marketing activities to agencies that specialize in China's market.

Environmental factors

Environmental factors have a great impact on the tourism industry. Countries or particular destinations may become famous and attractive for their environmental conditions if they are better compared to the countries of origin of tourist flow or have unique climate specialties. This is specifically the case in regards to Finland as a destination for Chinese tourists.

There are major climate differences between the two countries. China has a huge territory placed in various climate zones and terrains from the Inner Mongolia province with the desert and grasslands in the north to tropics in the south next to Vietnam, and from plains and mountains in the west to pacific coasts in the east. The overall territory is over 9.5 million square kilometers that places the country in fourth position among world's biggest countries by territory. (Worldatlas.com 2019.)

Image 1. Map – location of China in Asia (Dedering 2011).

Such a variability of natural landscapes allows Chinese citizens to enjoy local tourism with no significant need to go abroad with an interest for particular natural sights. However, there are climate zones and weather types that lack in China, specifically when comparing it to Finland. For example, cold and snowy winter climate. In the north-east of China, there is a province of Heilongjiang, with its capital Harbin. The area is famous all-around China for being the northern-most in the country, and therefore attracts hundreds of thousands of tourists from other parts of the country to experience winter-related activities, such as sledding, skiing, ice-skating and even dog-sledding. The city is also famous for the yearly Harbin Ice Festival, which gathers snow sculpture experts and enthusiasts to create the world's biggest snow sculptures. (Travelchinaguide.com 2019.)

Image 2. Location of the city of Harbin on the map of China in Heilongjiang province *(Country Digest 2018)*.

The northern-most and coldest province's capital in China is located at the latitude of Milan in Italy (Magmaps.ru 2019). Anyways, the average temperature is comparable to that in Lapland. According to the weather statistics website weather-stats.com, Harbin's average January temperature is -16.7 degrees Celsius (Weather-stats.com 2019), whereas the average air temperature in Rovaniemi in January is -10.8 degrees Celsius (Weather-stats.com 2019).

Most of the provinces of China have a significantly warmer climate. The majority of area south of Beijijng does not even possess central heating in accommodations. Moreover, those areas rarely see snow. For example, one of the biggest cities in China, which is also one of the biggest origins of outbound tourism – Shanghai, with the municipality's population of 24.26 million inhabitants (Britannica 2019) has an average air temperature of 5.1 degrees Celsius at night in January. Another major city of China located in the south of the country on the border with Hong Kong – Guangzhou with 12.97 million inhabitants (CIA - The World Factbook 2019) in its metropolitan area has an average air temperature of 13.9 degrees Celsius at night in January. (Weather-stats.com 2019.)

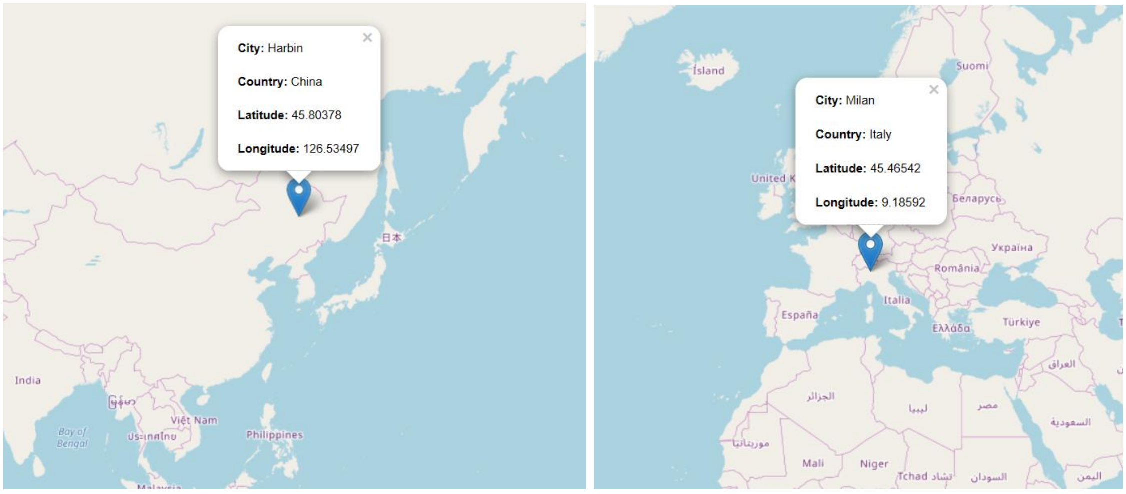

Image 3. Maps showing latitudes of Harbin and Milan *(Mapsofworld.com 2019)*.

Finland was named the country with the best air quality in the world by World Health Organization (WHO) in 2018. The report on the world's air quality contains information about 108 countries. (World Health Organization 2018.) Air pollution is a significant issue in China and is being covered intensively by local and international media.

The government of China has identified it as a major problem and concentrated efforts to fight air pollution at least in bigger cities. According to Bloomberg's article from January 2018, the air quality in Beijing was significantly better than in previous years. In the fourth quarter of 2017 the air pollution level declined by 54%. (Bloomberg 2018.)

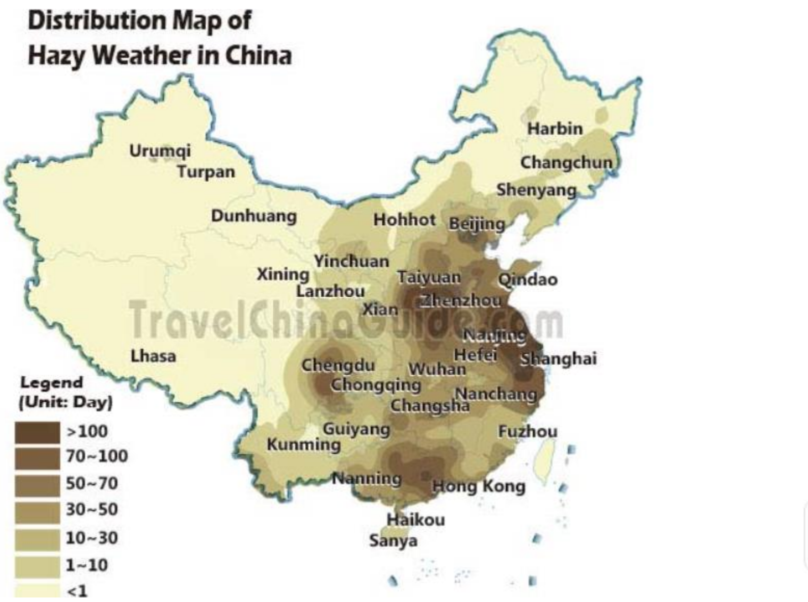

Image 4. A map of China with an example of hazy weather caused by air pollution *(Travel China Guide 2019)*.

However, according to a newer article of Bloomberg, the Chinese government eased its target for a key air quality indicator in Northern China, including Beijing in 2019. A policy advertiser at Greenpeace China Li Shuo said it could be caused by a weaker economic prospect of China due to the trade war with the US. Therefore, in current conditions the government sees it as more important to boost the industrial efficiency rather than fighting air pollution. (Bloomberg 2019.)

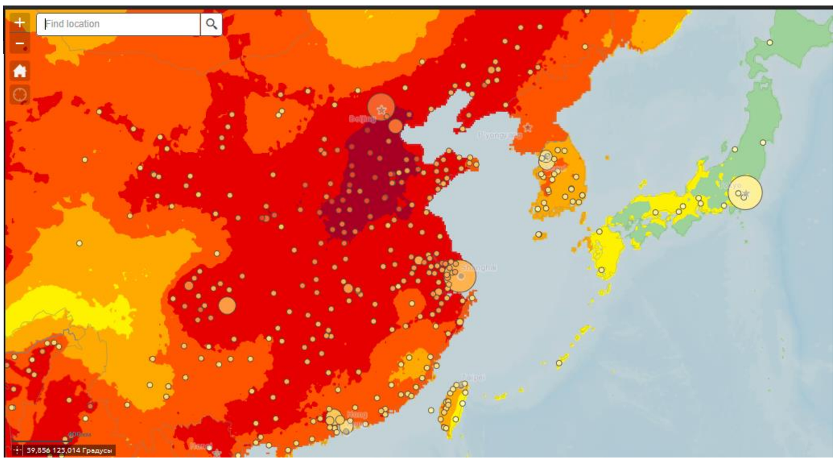

Image 5. An air pollution distribution map of World Health Organization showing most of China's territory. The air pollution situation on the map as of 2016. *(World Health Organization 2019.)*

Conclusively, in the near future Chinese air quality will be far from perfect and it can increase the interest of Chinese outbound tourists in visiting Finland.

Water quality is another point of significant difference in environmental conditions between the two countries. Finland is famous for highly pure water in the country, and tourism promotional organizations, such as Visit Finland actively use this point in their marketing activities. According to the article of Visit Finland dedicated to water in Finland, Unicef ranks it the purest in the world. (Visit Finland 2019.) Contrarily, there is a number of publications made by international environmental organizations stating that water quality in China is very low. According to the website of The Borgen Project – a nonprofit organization that fights poverty, water pollution is the most significant environmental issue in China. (Borgen Project 2018.) According to the report of the American environmental scientist and a member of the National Science Academy of the USA, Peter H. Gleick, on Water Pollution, 300 million people lack access to safe drinking water in China. The report was published in 2009. (Gleick 2009.) According to a head of the World Bank in China, David Dollar, regardless of income level growth, the willingness to pay more for lower health risks associated with environmental pollution was not rising in China (Dollar 2007).

Besides industrial wastes that pollute rivers and lakes, agriculture is even a bigger reason for water pollution in China, according to Circle of Blue – a nonprofit organization dedicated to environment protection (Walton 2010). Water pollution by human, industrial and agricultural wastes led to a scarcity of pure water sources and a lack of venues for swimming in open water.

While the environmental problems present serious challenges for China, Finland enjoys a better environmental situation in its territory and enforces new solutions to keep the environment protected. Besides that, better environment conditions may increase the overall prestige of the country and influence the attractiveness for international visitors, particularly from China.

Legal factors

Due to the specifics of the topic of this thesis and since the author has no expertise in the area of legal factors, they were not covered in order to focus on more valuable aspects.

5.2 Survey

To be able to utilize primary data in course of producing this research paper, and using the advantage of residing in a country that is being researched, a quantitative survey was planned. The content of the survey was designed in a way that would serve the purpose of the thesis the best and provide information that would be valuable for further research and analysis.

5.2.1 Methodology and implementation

There are basically three general approaches to conducting a research: quantitative, qualitative and mixed methods. The quantitative approach is used to respond the research questions that require numerical data. This method utilizes a particular mathematical model that allows for collecting data and making statistical measurements. The qualitative method is used for research objectives that require textural data. One feature that identifies the qualitative approach is that the social phenomenon in this research method is investigated from the participant’s point of view. Finally, the mixed method is obviously used when the researched questions require both numerical and textural data. As an example, researchers looking for a mixture of data, may conduct a survey that contains closed-ended questions to collect the quantitative, or numerical, data and carry out an interview using open-ended questions to collect the qualitative, or narrative, data. (Williams 2007, 65-70.)

For the thesis, the quantitative approach was chosen as the primary research method to gather data. The aim of the research was to get a general overview of Chinese tourists’ preferences and expectations regarding traveling abroad. The last two questions of the survey were dedicated to traveling to Finland, more precisely what an average Chinese citizen knew about the country and what could prevent them from traveling there. The survey consisted of seven questions. Three of them were closed questions; three were questions with answer options and a suggestion to add an own answer, and one open question.

The three basic closed questions were related to respondents' personal information: gender, age and household's monthly income. The open question was related to respondents' past international travel experience. It was suggested to list countries that respondents visited before. This structure of the question was chosen due to the fact that the majority of Chinese have not experienced travel abroad, and therefore it did not present any difficulty for most of respondents to name every single country they have been to. At the same time, it did present particular value to the research, as it made it possible to identify the most visited countries. In case this question was a closed question with answer options, it could only provide destination groups, such as South-East Asia, North-East Asia, Oceania or Europe, and would not give a clear understanding of what particular countries are the most popular destinations.

Answer options were provided for the other three questions, but with a suggestion to add one's own answer. One of them was dedicated to activities that respondents would like or prefer to experience during their trip abroad. The answer options included shopping, visiting cultural sights, visiting natural sights, visiting iconic landmarks, relaxing and experiencing leisure activities and trying local cuisine. The question was designed in a way that respondents would put the answer options in order of preference; from the most important to the least important. However, in reality the majority of the survey's respondents did not bother themselves doing that, but simply chose options that are important to them. On average, three out of six options were selected. The aim of this question was to get a general overview of what aspects of international travel present the most significant importance to Chinese citizens.

The other question was dedicated to what Finland could be known for among the respondents. This was a closed question with six answer options and a suggestion to add an own answer. The six answer options included northern lights, forests, purest lakes, sauna, skiing, and Finland being the happiest country in the world. The last option was suggested by Chinese and turned out to be a widely known fact in China. The aim of the question was to identify the currently strongest points of Finland's image in Chinese travel market among average citizens.

The other question on the questionnaire was dedicated to potential reasons that would prevent Chinese citizens from traveling to Finland. The question had four answer options with a suggestion to add an own answer. Answer options included an obligation to obtain a visa prior to traveling, high costs of trip, long distance of travel and weather conditions in Finland. The aim of this question was to understand what negative stereotypes an average Chinese citizen had on mind, when thinking about the possibility of traveling to Finland.

The survey was mostly conducted face to face. Utilizing the advantage of traveling while working on the survey, respondents were interviewed in two cities in different parts of China. Primarily, in the city of Shenyang – a capital of Liaoning province in the North-Eastern region of China. Thirty-eight responses were collected there. Another major share of responses was collected in the city of Hangzhou – a capital of Zhejiang province in about 170 kilometers to the west of Shanghai in Central-Eastern China. Twenty-one responses were collected there. The rest of interviews were conducted online through social media. These respondents were located in various parts of the country. In total, 70 respondents participated in the survey.

The target of the survey was to collect data from the diverse audience in order to receive highly average results and be able to build valuable statistics based on the information gathered. Therefore, the survey was conducted in venues that would allow interviewing people of different ages, occupations, social groups and traveling backgrounds. In the touristic city of Hangzhou, the survey was conducted at the most crowded and popular sights of West Lake, which attract visitors from all over China and on the embankment of the Qiantang River, a beloved spot for locals to spend the weekend with a family. In northern and cold Shenyang, the survey was primarily conducted in popular shopping malls in evening hours. The potential respondents were chosen visually with a purpose to diversify the gender, age and income sample. Private communication required decent social and verbal skills. Not rarely the potential respondents confrontationally refused to participate in the survey, although more often the communication went smoothly and sometimes led to a more extended discussion about Finland and traveling in general.

As I am not fluent in Chinese language enough to conduct face-to-face interviews by myself, I had a tourism student of local university Ms. Yuan Jing Yi helping me with all the arrangements. Besides that, I also interviewed her regarding some of the outcomes of the survey that I could not explain by myself.

5.2.2 Outcomes and analysis

As it was mentioned before, a total of 70 respondents have been interviewed for the survey. Thirty-eight of the responses were collected in the city of Shenyang. Twenty-one responses were collected in the city of Hangzhou. The remaining 11 responses were collected through social media and the respondents have been located in various places around China, including the provinces of Inner Mongolia, Guangdong and Anhui.

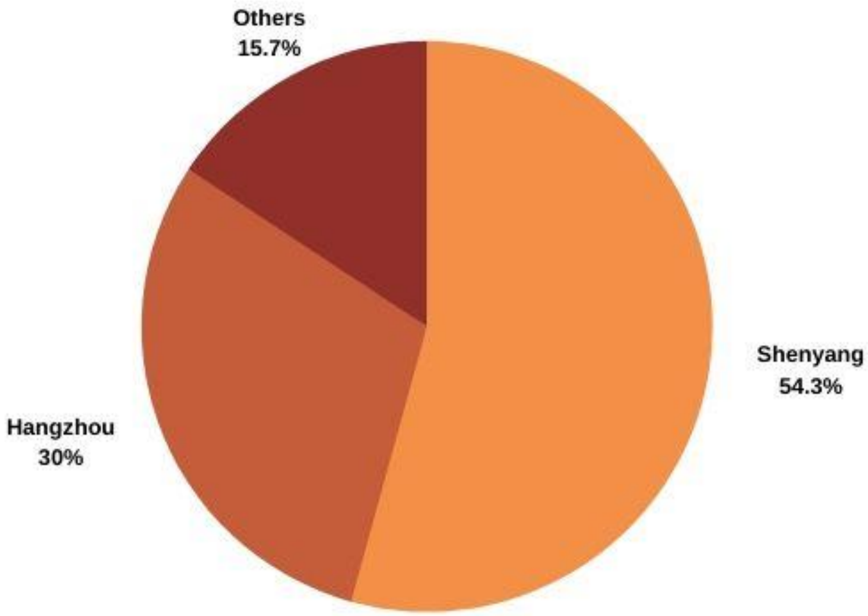

Figure 26. Share of the survey's responses based on geographical location of the interviews.

For a clearer understanding of the sample of respondents, it is significant to notice that respondents have not been asked about their place of residence. Therefore, these geographical statistics are only based on the locations of the interviews themselves. However, especially as in the case of the people interviewed in Hangzhou, some share of them could be from other cities, as Hangzhou is a highly popular destination for domestic tourism and part of the responses were collected in famous touristic areas.

Out of 70 total responses, 30 were collected from male respondents, and 40 from females.

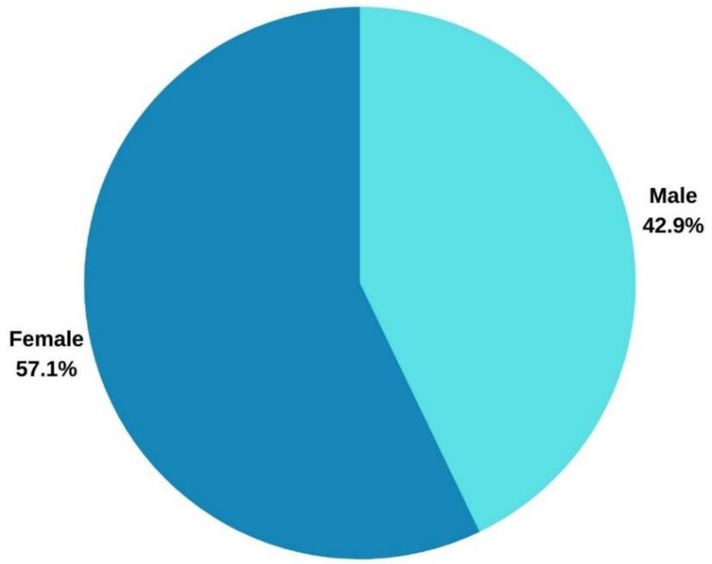

Figure 27. Share of total number of responses based on gender.

Regarding age segmentation, the following subgroups have been designated:

1) People under 25 years old;
2) People of the age of between 25 and 34;
3) People of the age of between 35 and 44;
4) People of the age of 45 years old and older.

The decision regarding age segmentation was made simply based on the age segmentation of McKinsey's survey and report published in 2018 (McKinsey 2018, 10). That report included one more group in this segment, particularly of the age between 45 and 60. However, only two people from this age group were found by my survey; therefore, it was decided to unite two upper groups of the age of between 45 and 60 years old and the one of the age of over 60. This group included 11 responses altogether.

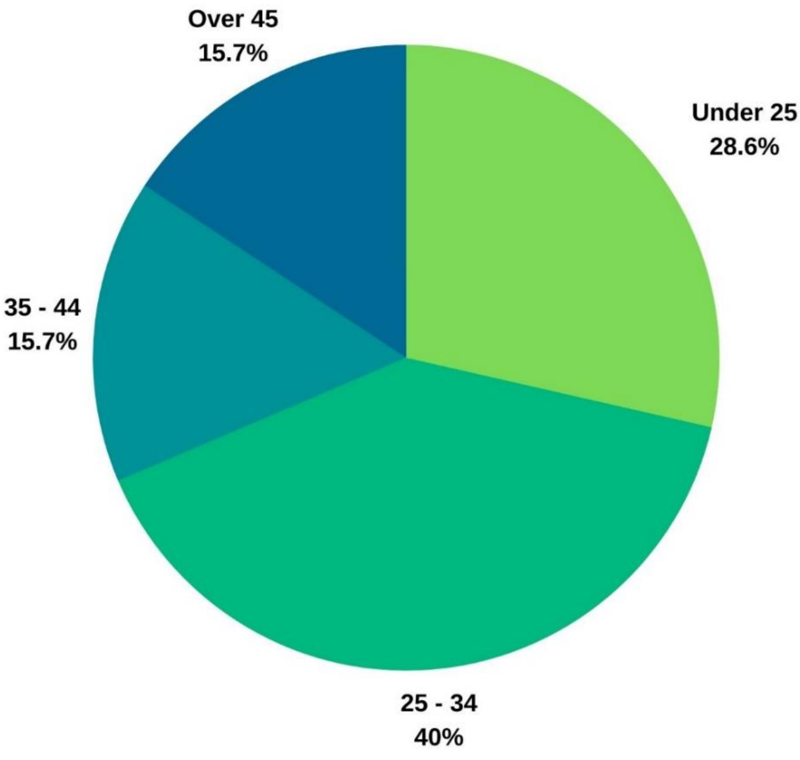

Figure 28. Share of respondents by age group.

The first question of the survey itself was also aimed at receiving the demographical data of respondents. It was designed to identify the income subgroup that a person refers to. As well as with the age segmentation, income classes were identified based on McKinsey's survey. The income was suggested to refer to one's household's earnings, likewise the McKinsey's report. (McKinsey 2018, 17)

Therefore, four income levels have been included in the survey:

1) Household's monthly income is lower than CNY 8,000, (23 respondents);
2) Household's monthly income is CNY 8,000 – 11,999, (14 respondents);
3) Household's monthly income is CNY 12,000 – 25,000, (24 respondents);
4) Household's monthly income is above CNY 25,000, (9 respondents).

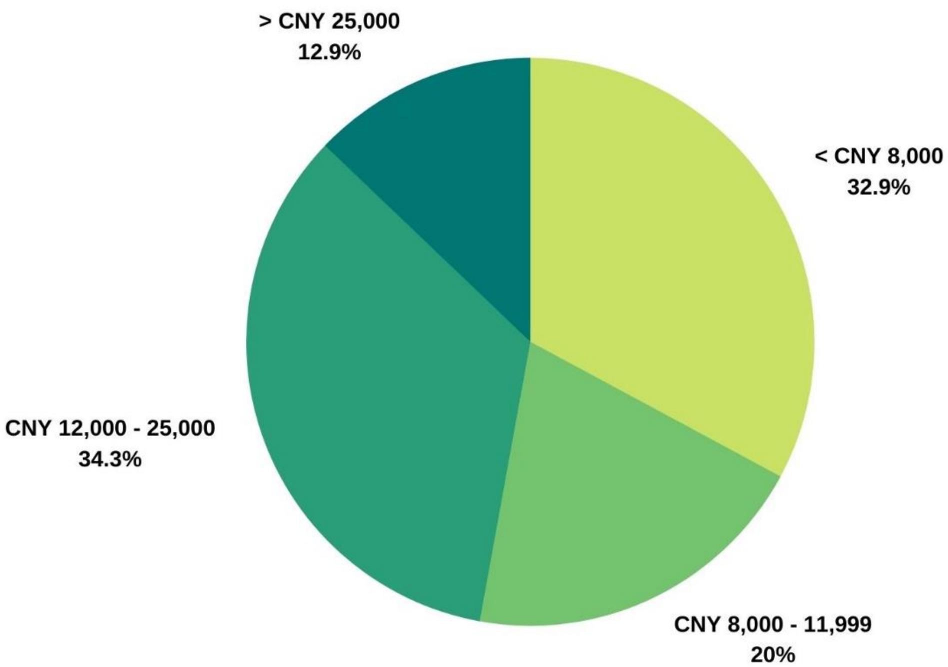

Figure 29. Share of respondents by the income group.

The next question aimed at identifying the respondents' past travel experience. Therefore, they have been asked, how many times they had been abroad and what countries they had visited. Upon receiving the desired number of responses, the three categories of them have been identified for this data:

1) Respondents, who have never traveled abroad, (39);
2) Respondents, who have traveled abroad 1 – 3 times, (21);
3) Respondents, who have traveled abroad more than 3 times, (10).

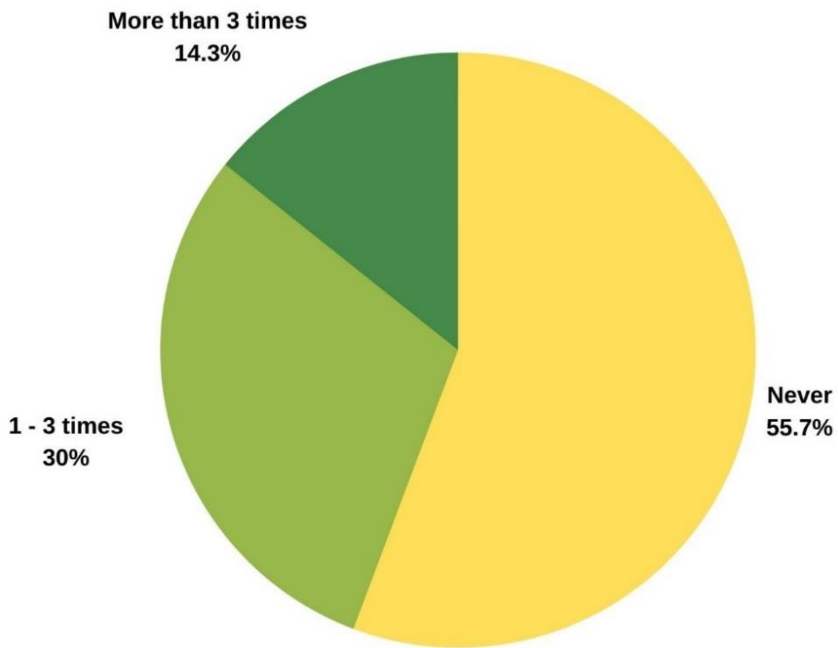

Figure 30. Share of respondents by the past travel experience segments.

The correlation between the gender and more importantly the age and income level subgroups and the past travel experience could be followed and described using the information gathered. However, it would not create significant value for the research, as this question, as well as the questions about gender and age mostly served for the characterizing of the survey's sample. Moreover, the initial questions of the survey served to make sure that high diversity of the response sample was achieved while conducting the interviews.

In the same question, interviewees have also been asked about what countries they had visited. The results of this question gave an opportunity to identify the most attractive destinations for Chinese outbound tourists. Besides that, the outcomes of this question also gave an understanding that the diversity of this survey's respondents sample was high enough to correspond to the results of the surveys of McKinsey and UNWTO, as most of the outcomes of this question in this research comply with the outcomes of a similar question in the researched surveys. (McKinsey 2018, 8-12.) (UNWTO 2019, 14.)

Here is the list of the most visited countries by the respondents of this thesis survey:

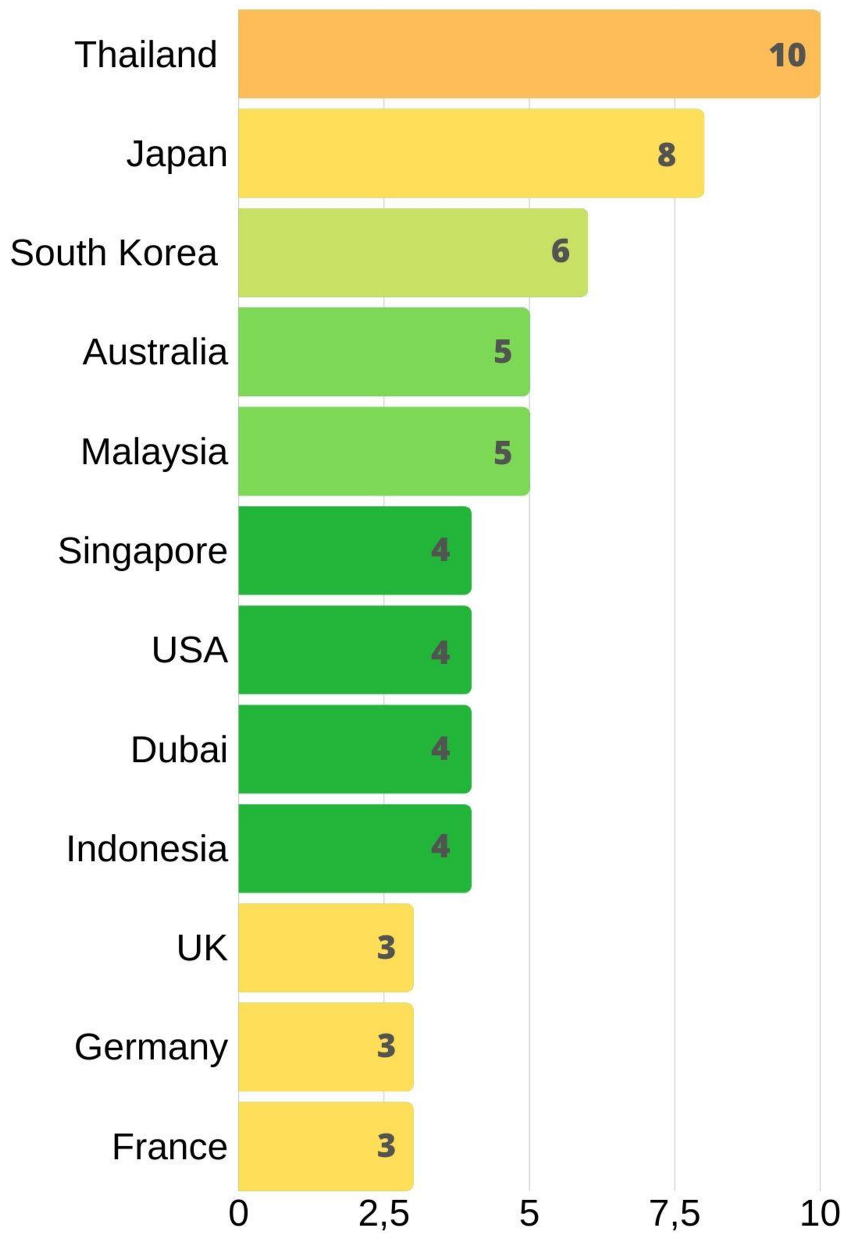

Figure 31. A list of most visited countries by the respondents of the survey.

This graph excluded countries visited only one or two times. Those were the majority of the countries mentioned by the respondents. A total of nine countries had only been visited by two respondents. They included Russia, the Czech Republic, Cambodia, Philippines, Maldives, Canada, Switzerland, Sweden and Vietnam.

A total of 17 countries had only been visited by 1 respondent of the survey. Those countries included Ukraine, Sri Lanka, Brunei, Brazil, Spain, Finland, Norway, Myanmar, South Africa, Egypt, New Zealand, Ireland, North Korea, Italy, Denmark and Austria.

The outcomes of this question gave a clear vision of the most popular regions for Chinese travelers to visit. Obviously, the most popular destination area is Asia, particularly South-East Asia, Japan and South Korea. At the same time, Europe turned out to be the least visited area, but still the three European countries fell into the list of destinations visited by more than two respondents. Particularly, the UK, Germany and France have been visited by three respondents.

The next question was aimed at identifying what kind of travel Chinese tourists prefer to experience: in a group or individually. Three options to choose from have been offered:

1) Prefer to travel in group, (11 respondents);
2) Prefer to travel individually on a tour package, (16 respondents);
3) Prefer to travel individually on a self-designed tour, (43 responses).

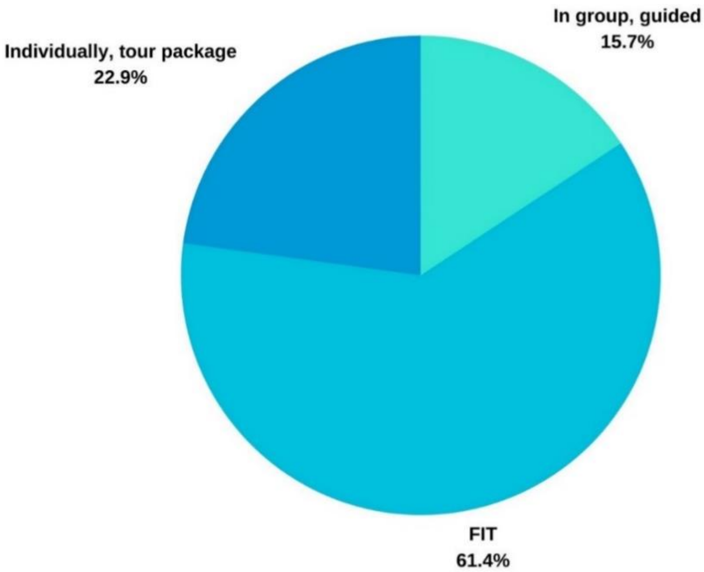

Figure 32. Share of total number of respondents by the preference of travel type.

This question correlates with similar questions in McKinsey's and UNWTO's researches. A widespread belief indicates that general trend in development of Chinese tourists' buying behavior is that they are getting more experienced and refuse to travel with group, which leads to the growing share of people traveling on self-designed tours. It is stated so in the reports of McKinsey and UNWTO. However, this opinion is challenged by both of them. (McKinsey 2018, 9-11.) (UNWTO 2019, 12;19.)

Results of this question highly depend on the age group that respondents refer to. According to McKinsey's conclusions, group tours are just becoming more popular among older age groups and self-designed tours are gaining favor from younger generation, particularly those under 25 years old. (McKinsey 2018, 10.) Additionally, the third subgroup is those, who prefer individual travel on a purchased tour package. Those who contribute to this subgroup are to a big extent unexperienced travelers from smaller cities and referring to the subgroups with lower income. Unfortunately, my survey did not have a possibility to include responses from people coming from smaller cities, as the survey was conducted in larger cities. However, a surprising outcome of the survey, against my personal expectations, was that younger age subgroups had a rather high frequency of selecting "tour package" travel type as their preference. Totally, 16 respondents chose this type of travel. 4 of them belonged to the age subgroup of under 25 years old, and 9 of them referred to an older age subgroup of 25 to 34 years old.

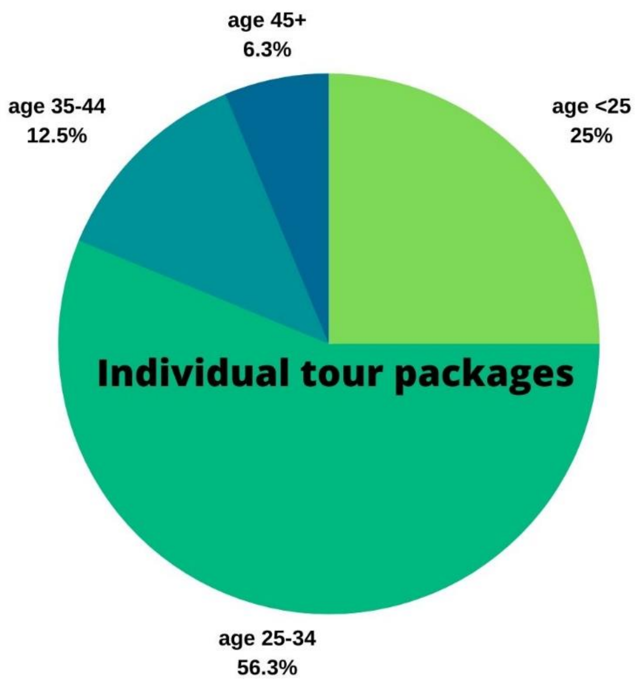

Figure 33. Share of individual tour packages by age group.

This way, 13 out of 16, or 80% of respondents that prefer to travel on tour packages belonged to the younger age subgroups (under 35 years old). I asked Ms. Yuan, if she could comment on such an outcome of this question. Turned out that she, referring to the youngest age subgroup of under 25 years old, also chose traveling on tour packages as her favorite travel type. Advocating her choice, she mentioned that in this type of travel she values hassle-free accommodation and flight arrangements. Besides that, she thinks that travel operators get better prices on the services mentioned above due to the ability to act as a purchasing consortium (Figueroa 2019). (Yuan 2020.)

However, the two other answer options did not bring up any surprises. Type of travel with a travel group was mostly chosen by respondents that belonged to the older subgroups. At the same time, majority of respondents that defined themselves as FIT travelers belonged to the younger subgroups. Despite the fact that many respondents chose tour packages option, the dominant share of total number of answers referred to FIT travel.

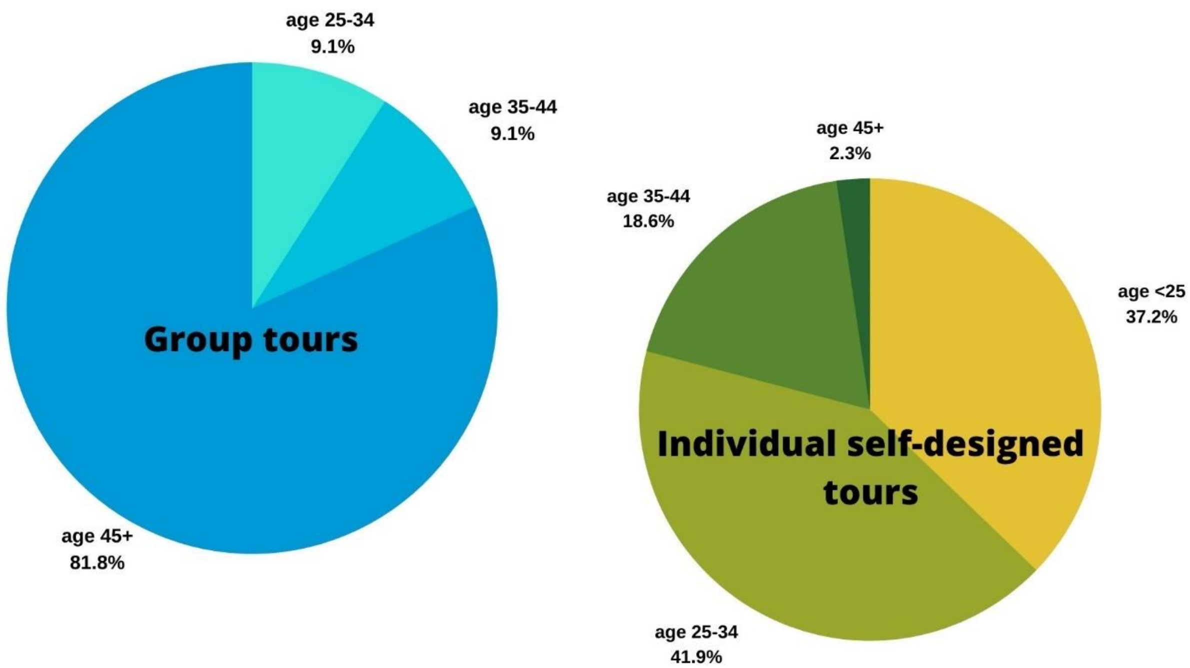

Figure34. Share of group tours and group tours by age.

However, I wanted to find out if the outcomes of this question have any correlation with the income level that respondents referred to. For this purpose, four pie charts according to the income subgroups have been created.

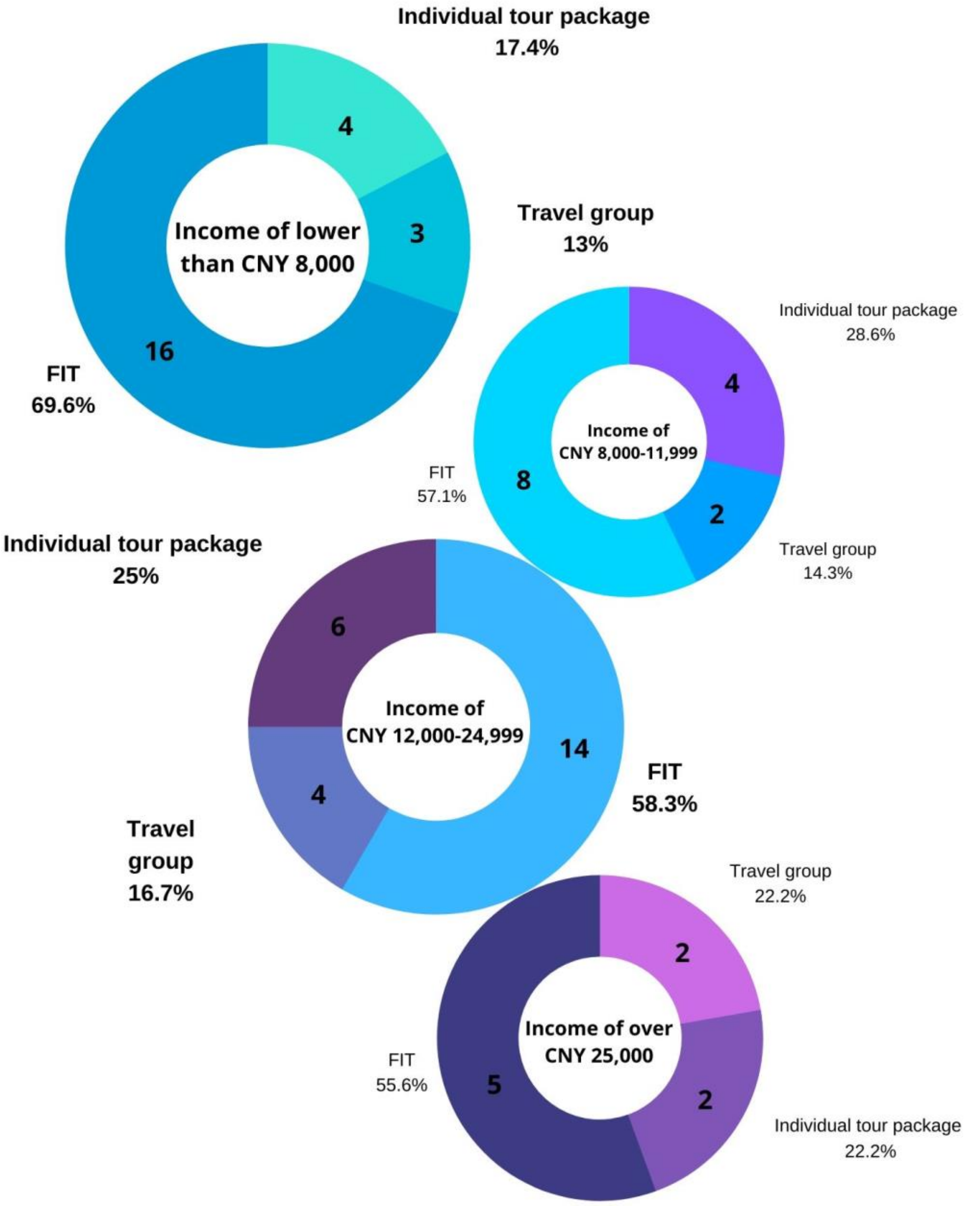

Figure 35. Segmentation of type of travel by income level group.

I did not discover any valuable findings by analyzing preferences of type of travel in relation to respondents' segmentation by level of income. The only visible connection that is obvious on the figure presented above is that FIT or individual travel on self-designed tour is more favored by respondents that refer to lower income subgroups. The lower the income level is, the more popular self-designed travel is. At the same time, traveling with a travel group is more popular among respondents with higher income. The higher monthly household's income is, the more accepted group travel is. However, this correlation may be explained by certain interdependence between age and income subgroups, as often senior people have higher paid jobs.

The next question's outcomes were the hardest to proceed and analyze. The question was "What activities do you prefer to do while traveling?" The initial idea of the question was to understand the respondents' vision on what activities should be available at a destination while on a trip. The format of the question was designed without taking into account the actual conditions that would occur when conducting an interview. As the survey was conducted face-to-face in public entertainment venues, the respondents did not always have enough time and willingness to make sure if they understood the requirements of answering a particular question. However, this question suggested six answer options that were supposed to be put in order from most important for a respondent to least important. As a result, only around 30% of interviewees answered this question the way it was required, the rest simply ticked options that they felt were important for them.

In order to find any possible way to proceed the outcomes of this question, it was first decided to count how many options were selected on average by those, who did not follow the rules. The average of 3 options selected was found. Therefore, in order to be able to pull out any findings from this question, it was chosen to take into account first 3 chosen options from the questionnaire filled out according to the guidelines. For the rest 70% of the questionnaires, if they had more than 3 selected options, it was decided to count 3 random values from such questionnaires. With the majority of them having three or less answer options ticked, it did not have to influence the fairness of the whole survey.

Starting with "What activities do you prefer to do while traveling?" the questions suggested the following points as answer options:

- Shopping;
- Visiting cultural and historical sights (e.g. museums, churches, theatres, etc.);
- Visiting natural sights (e.g. lakes, forests, mountain peaks, etc.);
- Visiting iconic landmarks (e.g. Eiffel Tower, Senate square, Kazansky Cathedral, etc.);
- Leisure activities (e.g. spending time on a beach, visiting SPA, etc.);
- Tasting local food.

..

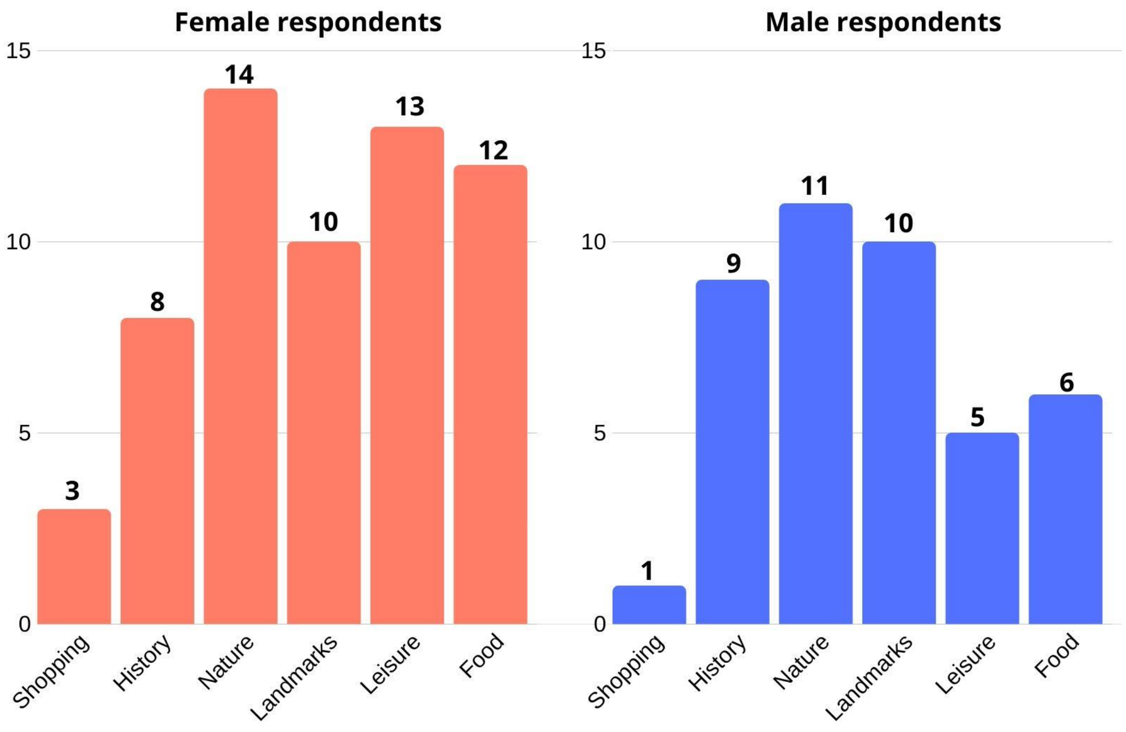

Figure 36. Preferred activities by gender.

As one can see in the figures above, the most valuable activities while traveling for female respondents were enjoying natural sceneries, leisure activities and tasting local cuisine. As for male respondents, the one most frequently mentioned activity while on a trip was the same as for female travelers – visiting natural sights. The most popular one was followed by visiting iconic landmarks and familiarize oneself with local culture and history. The least frequently activity by both major subgroups was shopping.

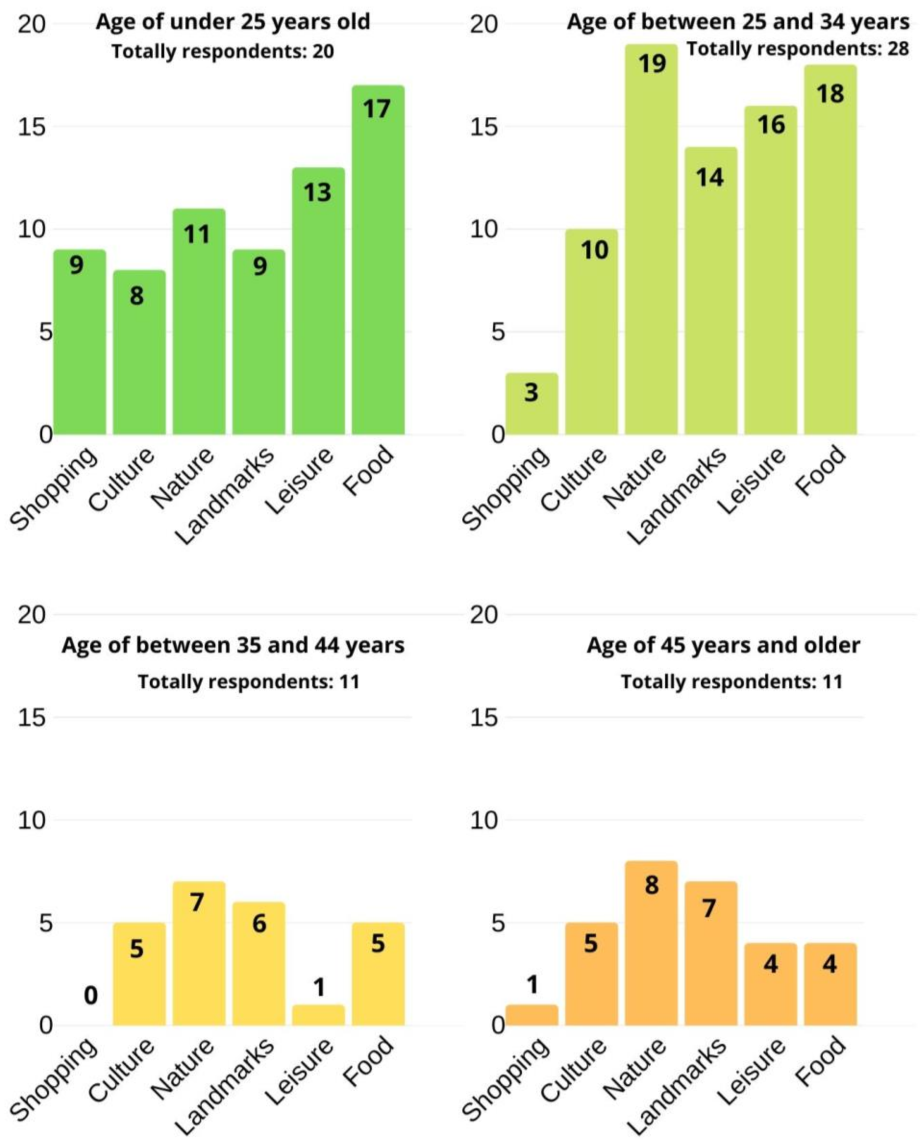

Figure 37. Preferred activity by age.

In the figure above favorable activities while on travel are based on segmentation by the age groups. This way, all the age subgroups' number one choice for this question was visiting natural sights, except for one subgroup – the youngest. Respondents that belong to the age group of younger than 25 mostly mentioned tasting local cuisine as an important activity while traveling to another country, followed by leisure activities. Enjoying natural scenery is third most popular activity for the youngest subgroup.

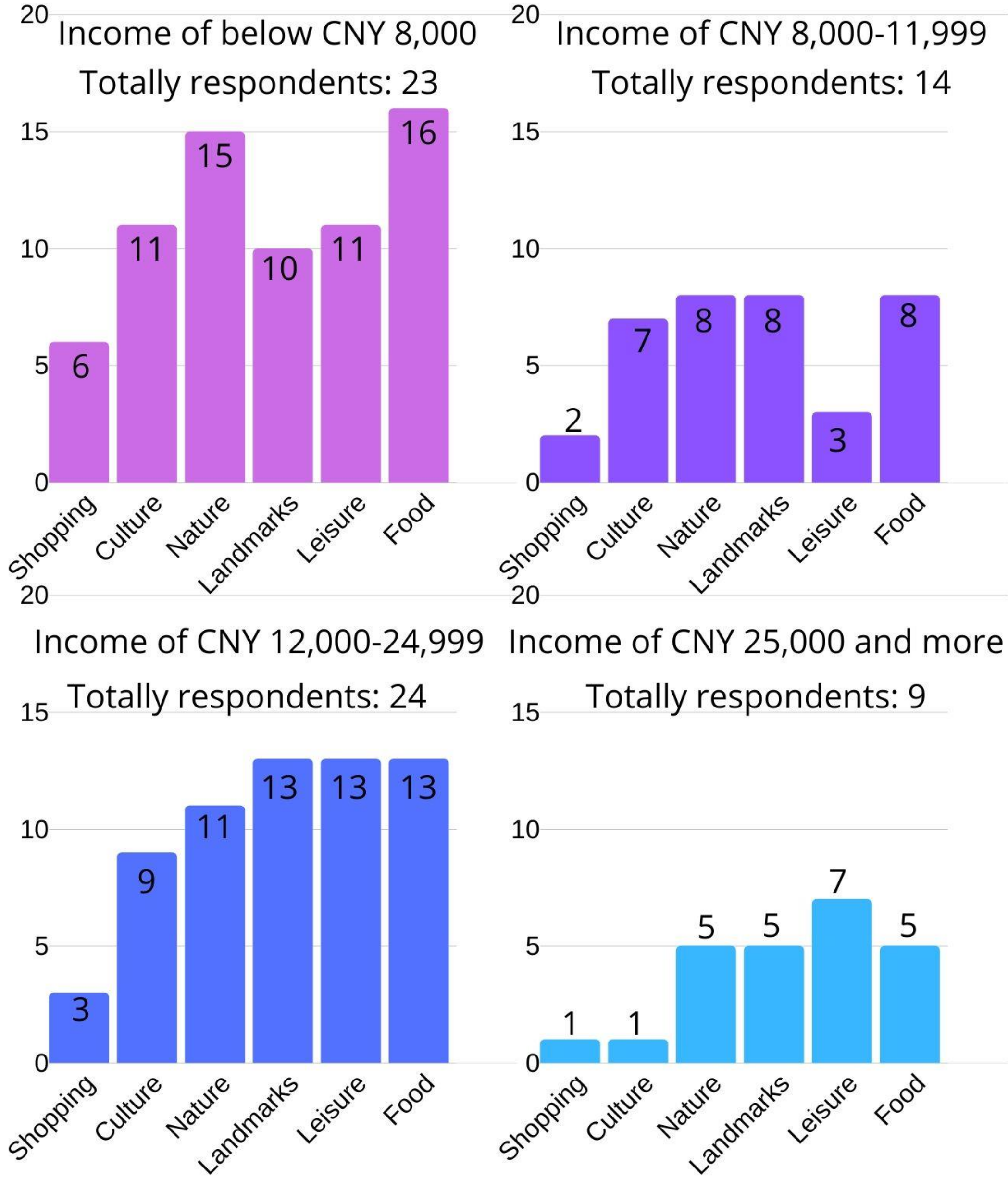

Figure 38. Preferred activity by income.

Above are the figures demonstrating the outcomes of the question with a segmentation based on the income level. It is obvious that shopping is the least mentioned activity for all the subgroups. And this matched my expectations regarding the development of Chinese outbound tourists' that are famous for their exaggerated desire shopping. According to various publications, including the report of McKinsey & Co, extra active shopping habits of traveling Chinese is going to stay in history, as their interests diversify (McKinsey 2018, 7-8). However, the most surprising finding of mine from this question's outcomes was that shopping on an international trip is still a very big deal for particular tourist group.

Female respondents of the age subgroup of under 25 indicated that they were mostly interested in shopping while travelling abroad. Personally, for me it was a very unexpected trend. Out of 13 female respondents of the age of under 25, 9 chose shopping as one of the primary activities while on an international trip.

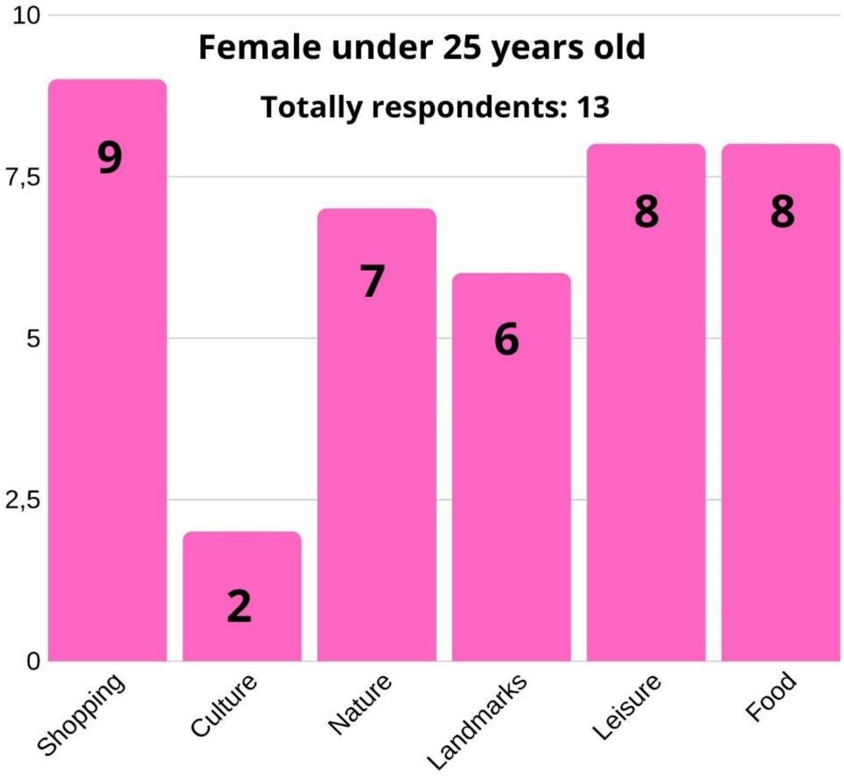

Figure39. Preferred activity by female under 25 years old.

I asked Ms. Yuan to comment on this finding. She explained that this had to be connected to duty free shopping. It is a stable situation in China that younger female tourists pay particular attention to duty free stores in airports or elsewhere on their way. The most usual items being purchased are cosmetics that are believed to be of better quality when it is of foreign origin. This way, it is significantly cheaper, when bought with VAT excluded. Often, products in duty free stores are purchased also for friends and family. (Yuan 2020.) Especially popular destination that is often visited on a particular purpose of shopping is South Korea (Lee 2014).

Another question was dedicated to knowledge that respondents possessed in regards to Finland. The question itself was “What do you know about Finland?” Respondents were offered six options from which to answer. They were encouraged to pick as many options as they like, as well as adding their own. The answer options included:

1) Northern lights, (32 responses);
2) Sauna, (8 responses);
3) Forests, (20 responses);
4) Lakes, (22 responses);
5) Skiing, (27 responses);
6) Finland is the happiest country, (20 responses);

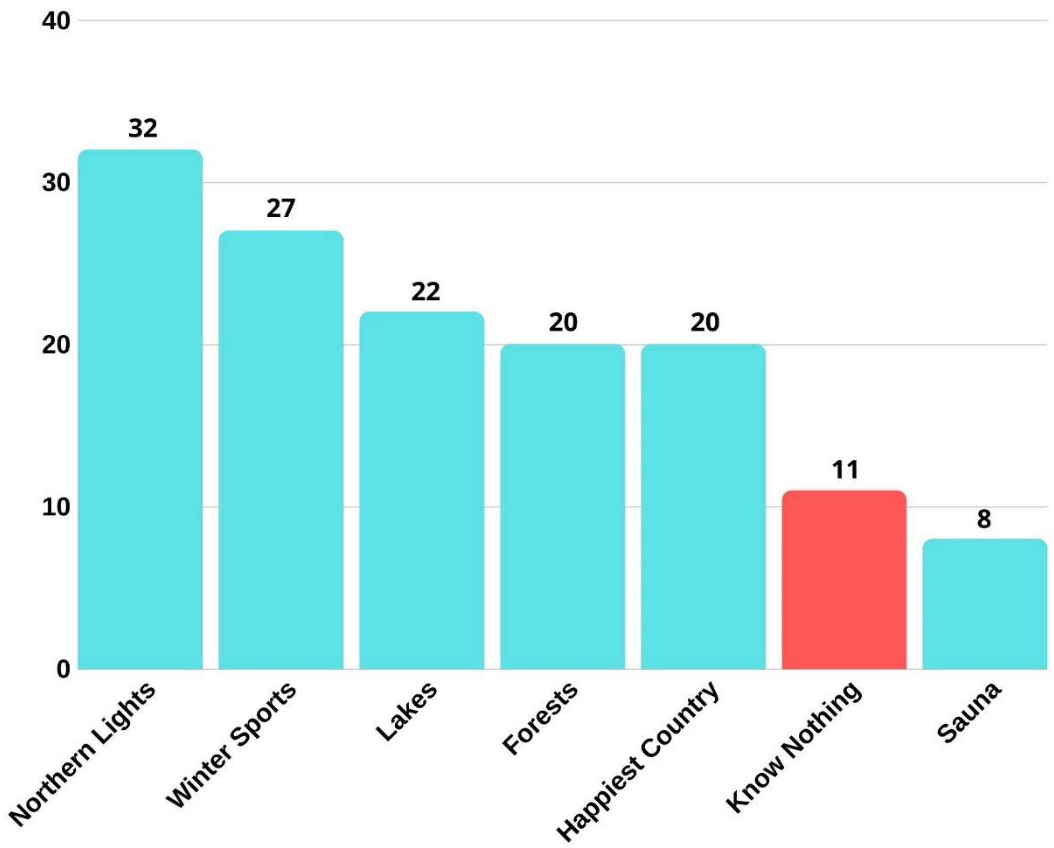

Figure 40. The number of times that particular answer options regarding the facts that have been known by the respondents of the survey about Finland.

Considering the total results of this question, northern lights were definitely the most popular attribute of Finland throughout all of the responses of the survey.

Winter sports, in my opinion, should have been that kind of answer that respondents on average did not know exactly about, but the awareness of Finland's northern location hint at possibilities of skiing and snowboarding. However, 2019 was a year of sports of Finland and China, and even though, I do not think it was a popular event in China, it could actually reach some audience.

Interesting fact that it is widely known in China that Finland was named the happiest country in the world by the United Nations. Sadly, Finnish origin of sauna is not followed by average Chinese citizens.

Eleven respondents knew absolutely nothing about Finland. Only one interviewee added his own thoughts regarding Finland. He mentioned that Finland has a small population and on average there are "high prices".

It was interesting for me to explore how this question was answered differently in regards to a respondent's belonging to a particular age subgroup. The trend is rather obvious, if take a look at the figure presented below. Younger subgroups (under 35 years old) were aware of more aspects in regards to Finland than older subgroups (35 years and older). These findings bring up the fact that new generations are more interested in countries and cultures besides the most famous ones or that they receive more information thanks to the Internet. Anyways, this suggests that the new times give more possibilities for non-mainstream destinations like Finland.

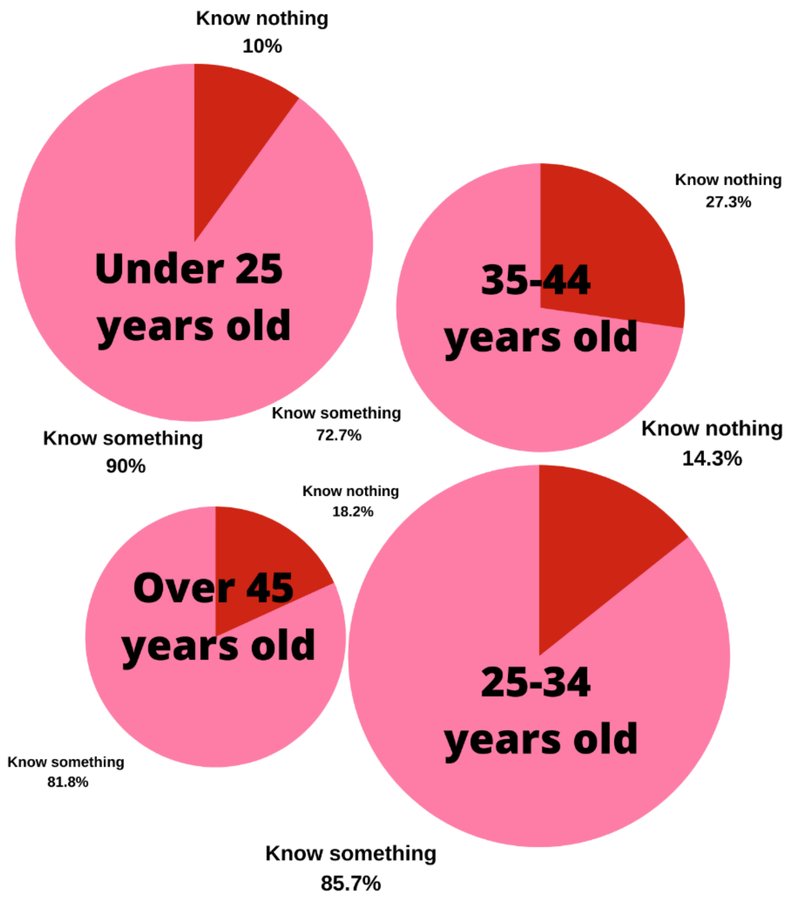

Figure 41. Share of respondents that indicated that they knew nothing about Finland by age.

According to the interviews with industry experts from Visit Finland and Visit Karelia, their organizations defined upper-income-level representatives as the target customer segment. (Nan 2020.) (Lin 2018.) Therefore, I decided to find out how much aware of Finnish attributes respondents are in regards to the income subgroups that they refer to.

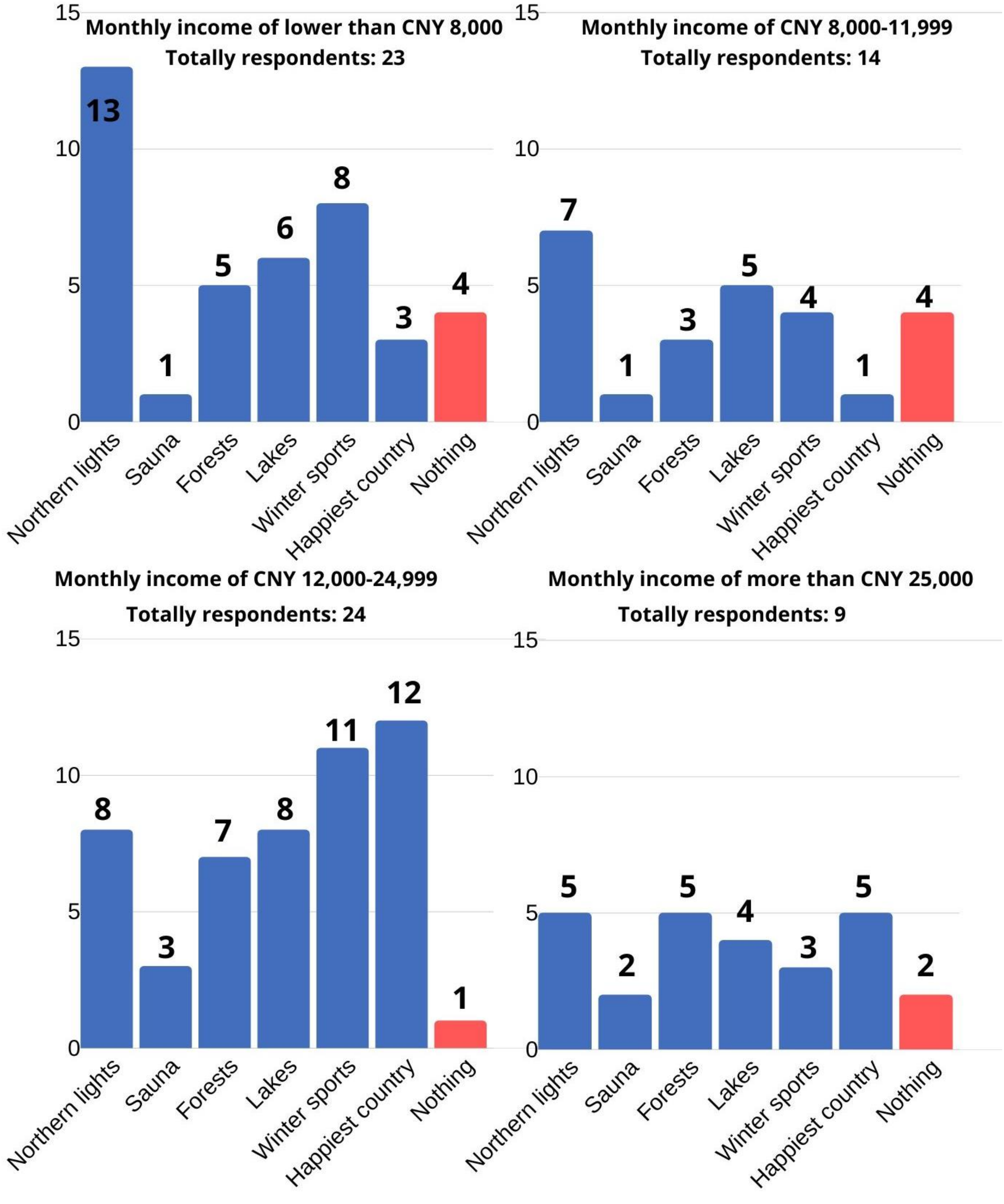

Figure 42. Awareness of Finnish attributes by the level of income.

As it is seen from the figure above, northern lights were the most popular attribute associated with Finland in most of the cases. However, respondents of the subgroup of the monthly household's income of CNY 12,000 to 24,999 on average have been aware of Finland being the happiest nation in the world and having good venues for winter sports more than of northern lights. The subgroup with the highest income level had the most diversified knowledge regarding Finland according to their responses. This way, northern lights, forests and the happiest nation were the best-known facts about Finland among the respondents of this group.

These outcomes of the question researched suggest that Finland has many strong selling points as a destination for Chinese outbound tourism market. Talking about Lakeland or North Karelia, attributes that they possess such as winter sports facilities, forests and lakes turn out to be comparably almost as well-known in China as northern lights.

The last question of the survey was aimed at identifying the reasons that respondents would consider as obstacles preventing them from visiting Finland. As well as with the previous question, respondents were offered a set of possible answers and the possibility to add their own answer.

The answer options included:

1) Language barrier, (41 responses);
2) High costs of travel, (30 responses);
3) Visa, (10 responses);
4) Distance from China, (14 responses).

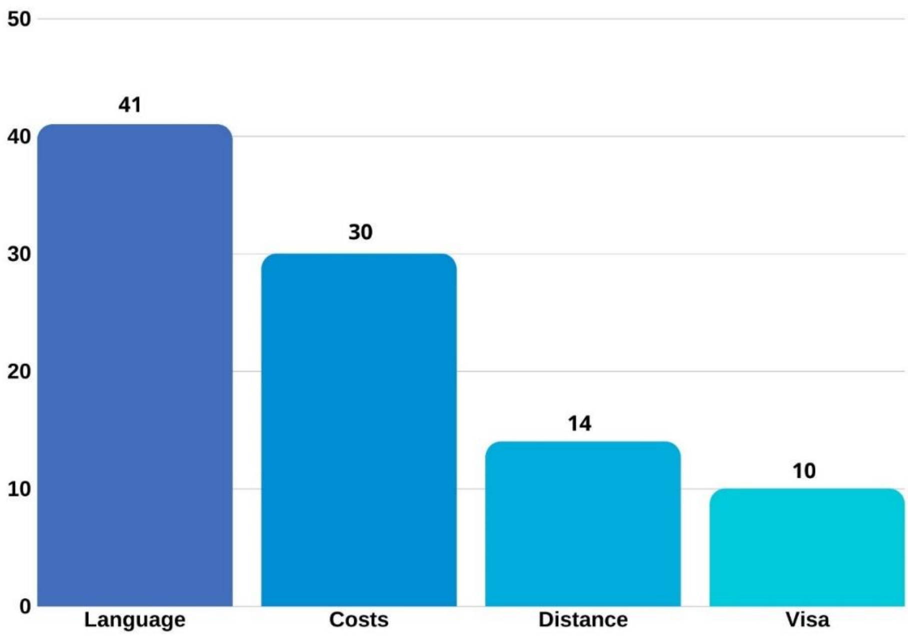

Figure 43. The number of times that particular answer options were chosen regarding the factors that would prevent the respondents of the survey from a trip to Finland.

Same way as with the previous question, it is worth separating results by the income subgroup segmentation, as the subgroups with higher incomes are considered to be the target audience.

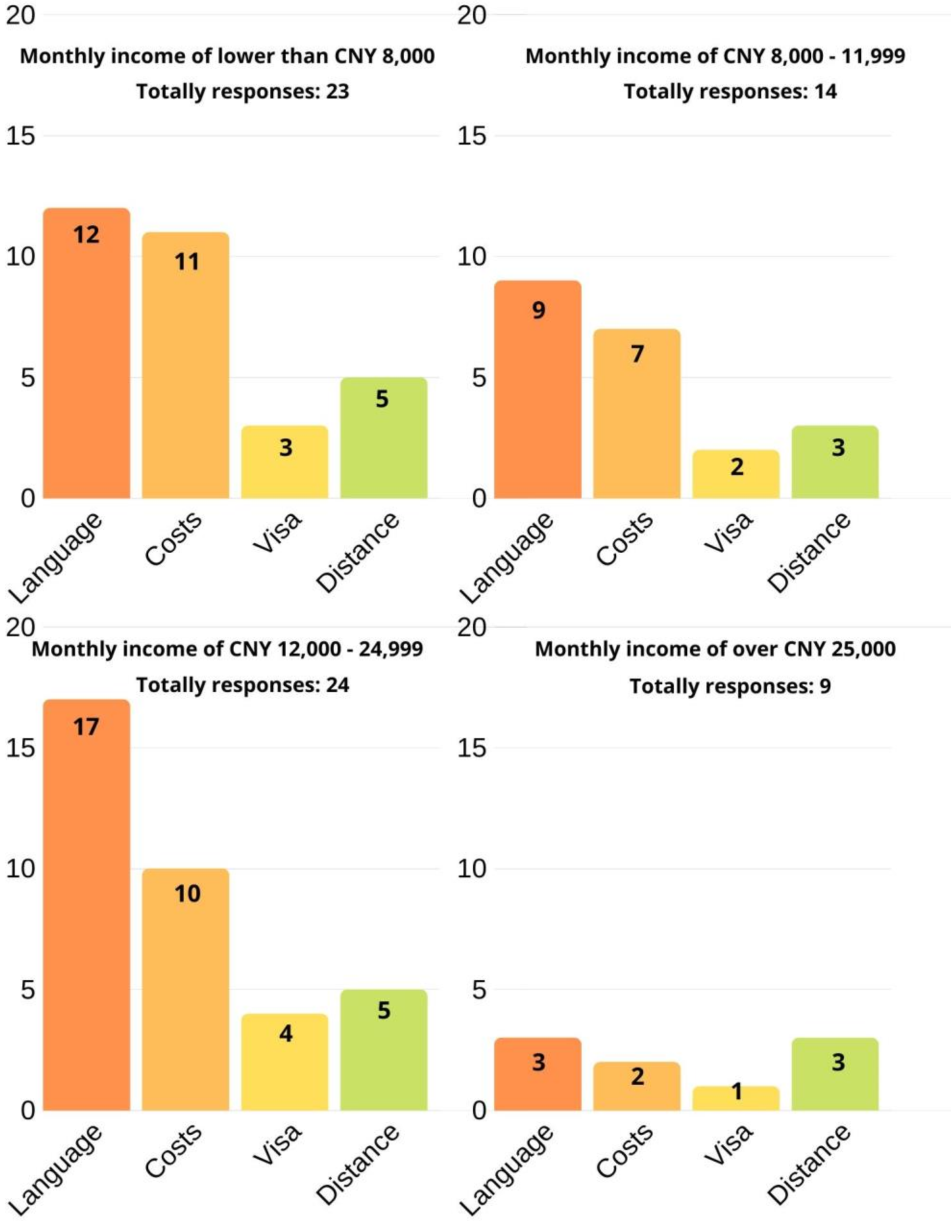

Figure 44. Obstacles that could prevent travel to Finland by the level of income.

As it is seen from the figure above, the most popular problem that respondents got on their minds when thinking of what could prevent them from traveling to Finland was language barrier. This is a clear evidence that group or package tours to Finland should be of a high demand on Chinese outbound tourism market, as these travel types allow customers to avoid experiencing difficulties with foreign languages. (McKinsey 2018, 11.)

Easy to suggest that language barrier should be a threat for older age subgroups, as the spread of English language was not so massive at the times, when they studied in schools or institutes, and moreover, China was a rather closed country giving no possibilities to experience a need in learning foreign languages. Surprisingly, there was no significant difference of mentioning the difficulties with language depending on age groups. Below are the pie charts illustrating a share of respondents in every age subgroup that indicated language barrier as an important obstacle that could prevent them from traveling to Finland.

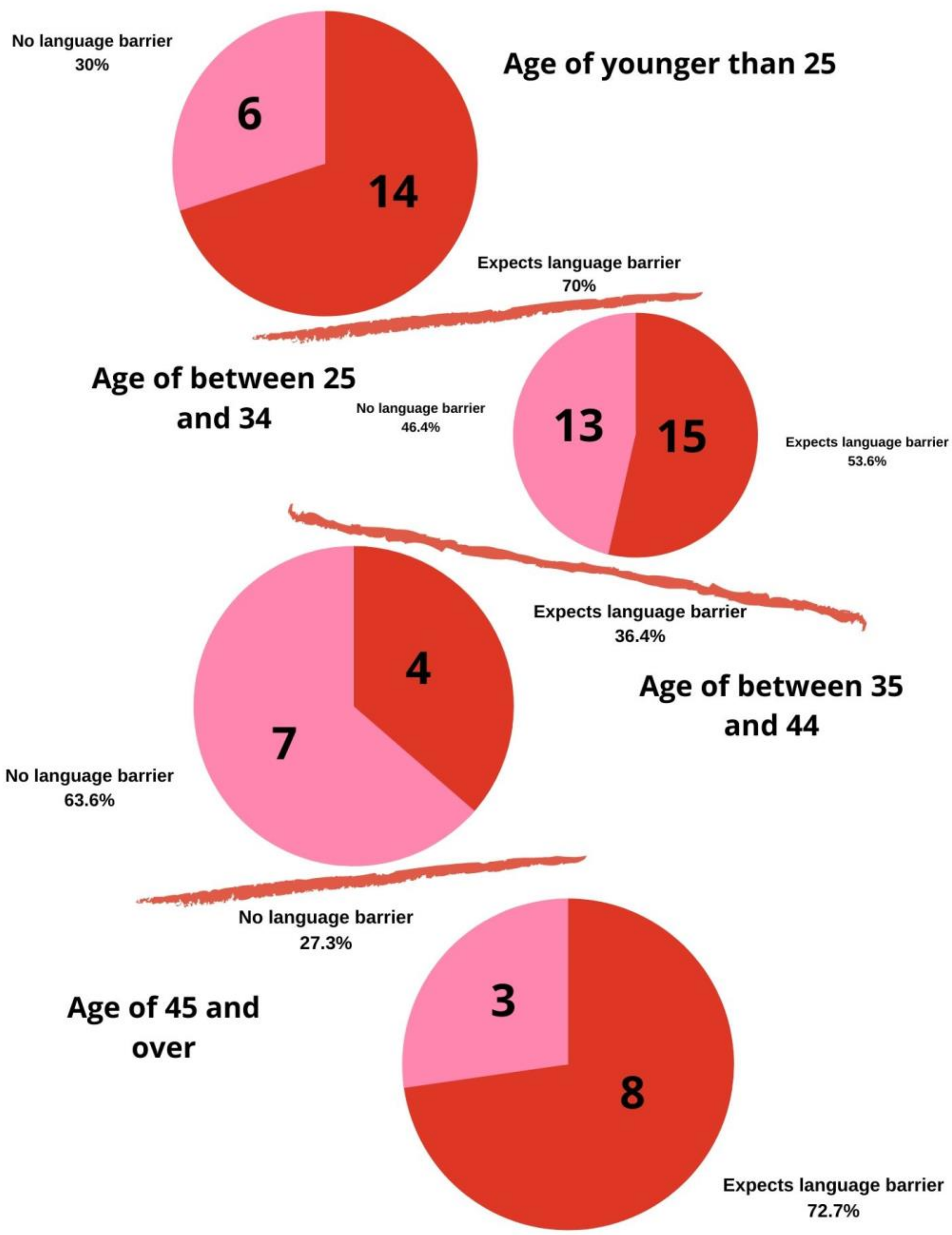

Figure 45. Anticipation of language barrier while traveling to Finland by age.

As it is seen from the figure, language barrier is anticipated almost equally by respondents of the youngest subgroup and the oldest subgroup. 6 out of 20 or 30% of the subgroup of age of under 25 indicated that they expect to experience issues with communication in case of travelling to Finland. At the same time, 3 out of 11 or 27% of the subgroup of age of 45 years old and over indicated the same feeling.

Regarding costs, in my opinion, Finland is on average significantly more expensive country than China. However, Ms Lia Lin of Visit Finland during my conversation with her stated that Finland is not an expensive destination country for Chinese tourists. Advocating this statement, she noticed that Visit Finland targets higher income groups of Chinese outbound tourists only. (Lin 2018.)

However, this opinion complies with the answers from respondents that refer to the two upper subgroups in terms of income level. 14 out of 24 or around 58% of those with monthly income of CNY 12,000 to CNY 24,999 did not indicate “costs” as one of the obstacles that could prevent them from traveling to Finland. Moreover, as little as 2 out of 9 respondents or only around 22% of those referring to the up-most income group turned out to be price-sensitive.

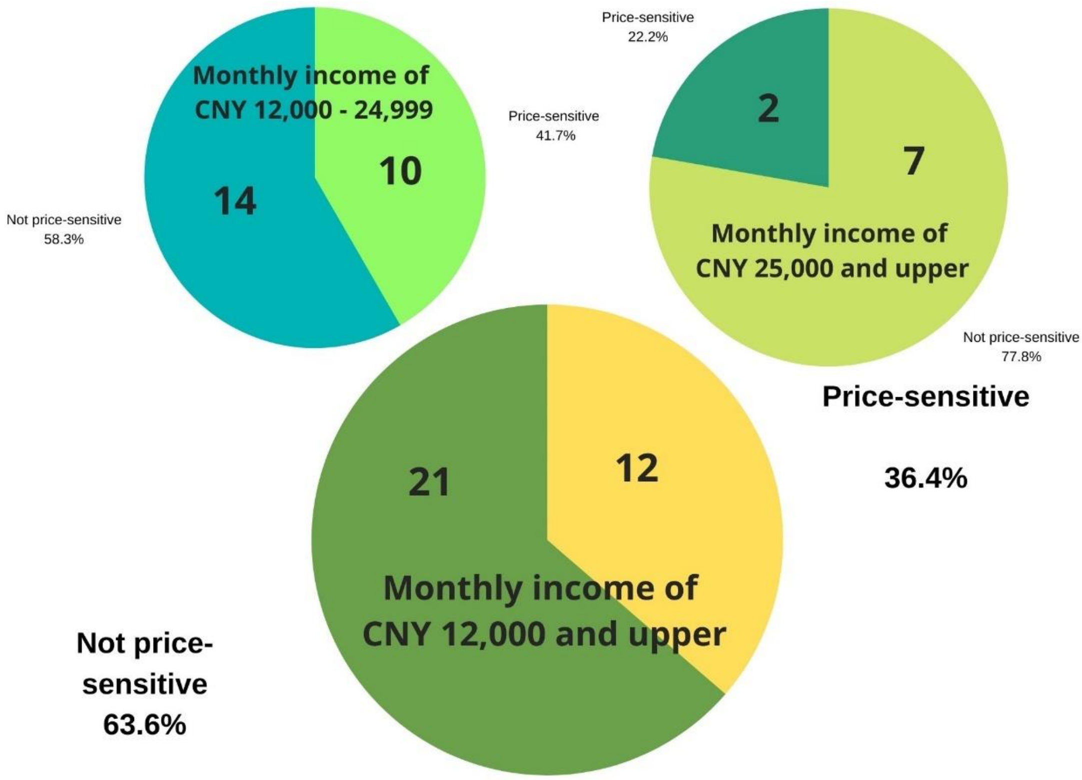

Figure 46. Price-sensitivity by the level of income. Two upper income subgroups separately, and recounted together.

Visa as a significant issue for Chinese tourists considering a trip to Europe was mentioned by Ms. Lia Lin and by Ms. Yue Mao during my conversations with them. (Lin 2018.) (Mao 2019.) Even though, in my opinion, most of the countries in the world would require

Chinese citizens to obtain national visa before arriving, there is a rapidly growing number of countries that sign visa-free agreements with China. And not surprisingly, number of Chinese travelers visiting those countries is booming. (McKinsey 2018, 4.) Besides that, a requirement to have Schengen visa would definitely push Chinese travelers to think of visiting several European countries at once, instead of exploring Finland and visiting deeper regions inside the country.

However, visa does not seem to be an issue for the respondents of this thesis' survey. Only 10 out 70 respondents indicated that visa could be an obstacle if they considered a trip to Finland. This way, 86% of respondents did not see any difficulty in obtaining a Schengen visa in order to visit Finland.

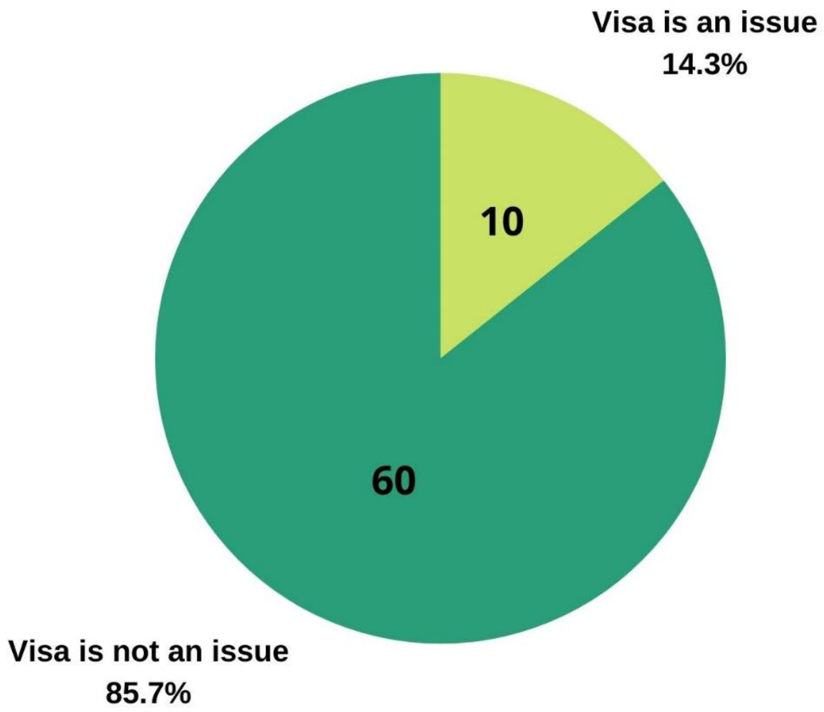

Figure 47. Anticipated easiness to receive Schengen visa by total responses.

5.3 Lakeland and North Karelia as a destination for Chinese tourists

The initial motivation to write this thesis was to study tourism by making a research on whether it is possible to turn North Karelia as a part of the Lakeland Region into a destination for Chinese tourists as attractive as Lapland. Unlike studying general issues related to the development of the Chinese outbound tourism market and the growth in numbers of foreign visitors coming to Finland, it was way more complicated to find anything valuable related to tourism in North Karelia. One of the most important reasons for that was the author's regrettable inability to read Finnish language and inaccessibility of translation services such as the ones from Google in China, where he resided while working on this thesis.

However, as the most useful parts of working on this research, the author was lucky to have opportunities to communicate with several experts from the industry, discussing the strengths and opportunities of North Karelia and the Lakeland Region.

This chapter is dedicated to the findings related to attracting Chinese tourists to the regions of Lakeland and North Karelia and everything that may have any use of uncovering the issues related to it. This chapter also contains findings from numerous interviews of industry professionals working in companies such as Ctrip, Visit Finland and Visit Karelia. It is significant to note that the most comprehensive consultation could be received from Ms. Yu Nan of Visit Karelia, which also happened to be the latest. Most of the previous information gathered from other interviews was discussed with her.

5.3.1 The general findings regarding North Karelia and Chinese tourists

As described earlier in this thesis, Lakeland is one of Finland's four tourism regions. The other three are the Helsinki Metropolitan Area, the Coast and Archipelago, and Lapland. Helsinki area has been traditionally the most visited destination for foreign tourists and keeps growing in total numbers of international arrivals and nights spent. The Archipelago has been slowly losing in number of nights spent by foreign visitors over the last years. Lapland has been the least visited destination by foreign tourists in Finland, but the situation changed dramatically. Thanks to the promotional activities of organizations such as Visit Finland, local destination management organizations and tourism companies, Lapland is now well-recognized internationally as one of the most famous winter destinations worldwide. Lakeland, on the other hand, ones was the most visited destination out of total four, besides Helsinki. This past leadership among the three destination areas could be connected to proximity to Russia, as tourists from there have been and still remain the biggest group among foreign nationals visiting Finland. However, everything changed in 2014, when the flow or tourists from Russia declined in volume and Lakeland started losing in total numbers of arrivals and nights. Of course, it cannot be solely explained by the numbers of tourists from Russia visiting Finland. The decline in the numbers of Russian tourists was happening alongside with growth in numbers of tourists from other countries.

For example, the biggest European countries have been steadily growing in numbers of tourists visiting Finland. According to the statements of Visit Finland's head Paavo Virkkunen in 2018, Europe has remained the biggest source of growth in numbers of incoming foreign tourists. (Virkkunen 2018.)

At the same time, the biggest growth in total numbers have been seen from Chinese tourists. In last five years, from 2014 to 2018, the number of nights spent by Chinese travelers in Finland has increased from 150 to 385 thousand, which is a 157% growth.

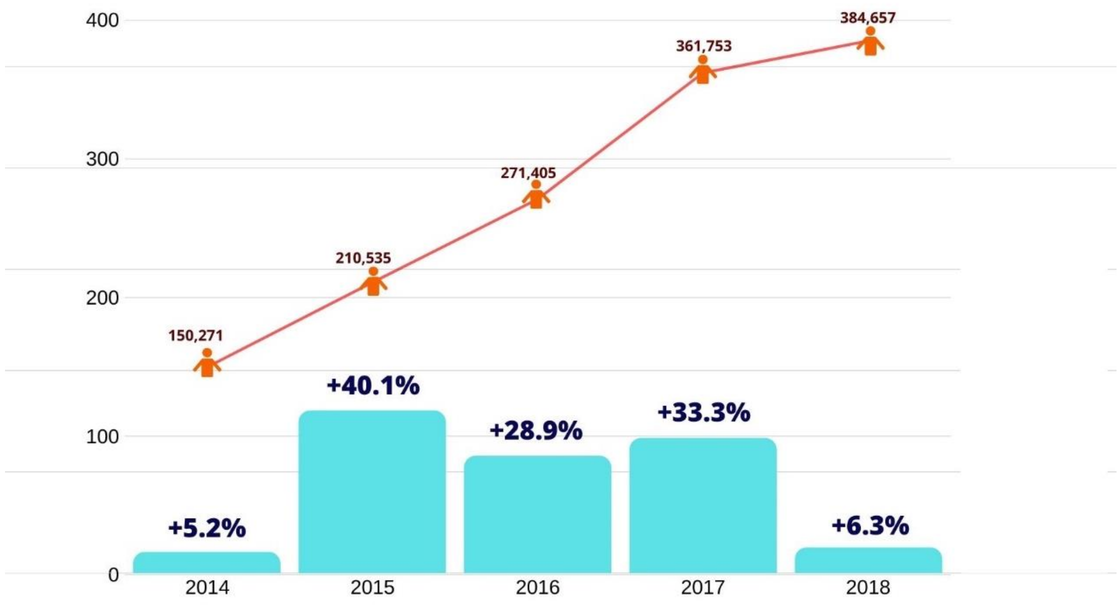

Figure 48. Increase in numbers of nights spent by Chinese tourists in Finland 2014-2018 (Visit Finland 2019).

However, growth rates of Chinese tourists differ dramatically depending on Finland's destination region. Thus, most popular areas are Helsinki and Lapland. Helsinki is highly visited by Chinese tourists by definition; it is the main transport hub of Finland and an important transport hub on the way from Asia to Europe. All people flying to Finland from China land in Helsinki.

Helsinki, being an important block in an Asia – Europe transport chain, gives Finland's tourism many possibilities. Thus, Visit Finland launched a so-called "Stopover" program, encouraging tourists travelling through Helsinki on a way from Asia to Europe to spend additional 5 hours to 5 days in Finland. The aim of this program was to increase the number of registered nights spent by foreign travelers by 45% by 2018. (Nepa 2016, 3.)

Lapland, on the other hand has been heavily marketed all over the world and gained clear recognition in Asian markets, such as China and Japan. First of all, it is about the northern lights, which are clearly the strongest point in Finland's tourism image. Besides that, Lapland has several other attractions to offer to travelers from all the world and especially from China. As most of China is located in a rather warm geographic area, Lapland's image of a far north destination located behind the North Pole clearly increases its attractiveness in the eyes of Chinese travelers. Santa Claus' village, deer and husky sleighs, and igloos definitely add up to Lapland's image.

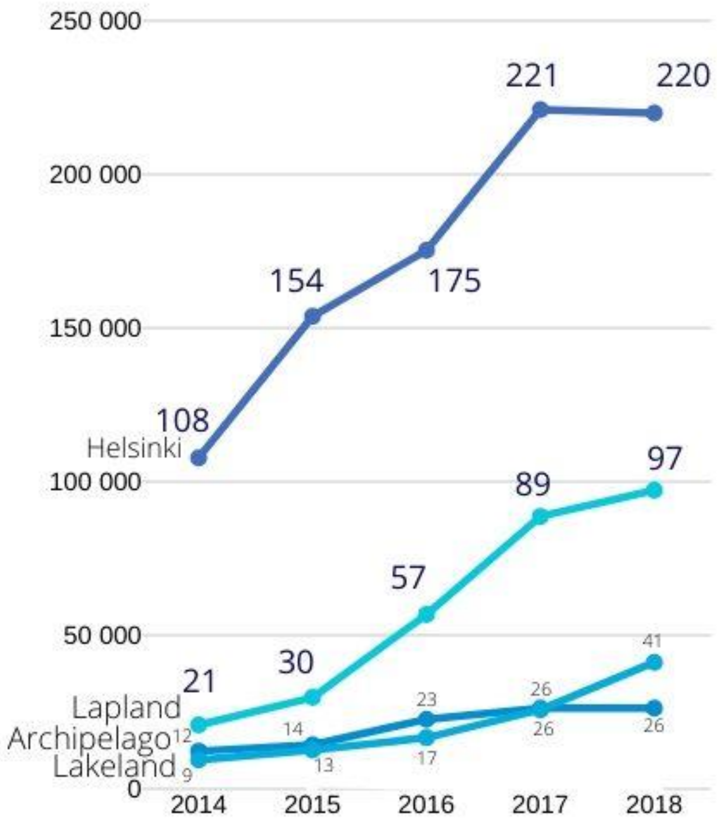

Figure 49. Increase in numbers of nights spent by Chinese tourists by destination area in Finland 2014-2018 (Visit Finland 2019).

The difference between the numbers of Chinese visitors in Lakeland and Lapland is dramatic. North Karelia only registered slightly over 600 nights spent by Chinese tourists in 2018.

Mr. Jarvis Zhang, a market manager responsible for Northern Europe at Ctrip, while sharing his vision regarding Lakeland, admitted that it simply has nothing to offer to Chinese travelers, at least nothing as attractive as northern lights in Lapland. (J. Zhang 2019) However, Ms. Yu Nan of Visit Karelia did not fully agree with this statement saying that Lakeland and North Karelia has many other things on offer and does not chase large numbers of visitors from China, opting for the high-end market segment instead. She did agree that Lapland has a much stronger interest from Chinese tourists due to the northern lights. However, Visit Karelia develops the destination with the points of interest that it has. (Nan 2020.)

A representative of Visit Finland in Shanghai back in 2018 Ms. Lia Lin and a head of global distribution at Ctrip Ms. Yue Mao also shared their vision of the topic.

One of the most significant things that Ms. Lin mentioned was related to the assumption that Lakeland does not have enough capacity to increase the numbers of incoming Chinese tourists (Lin 2018). Reasoning this statement, she also mentioned that the region has not enough service points and expensive and inconvenient public transportation. Ms. Yu Nan from Visit Karelia, however, did not recognize the importance of these statements and noticed that the tourism industry capacity of Lakeland is enough for the current numbers of Chinese tourists visiting the region. (Nan 2020.)

5.3.2 Identified opportunities and suggestions for the region

As previously mentioned, in 2018 slightly over 600 nights spent by Chinese tourists have been registered in the region of North Karelia. Overall, 41,190 nights spent by Chinese tourists were registered in Lakeland the same year. This number has had a year-on-year growth of 59.9%.

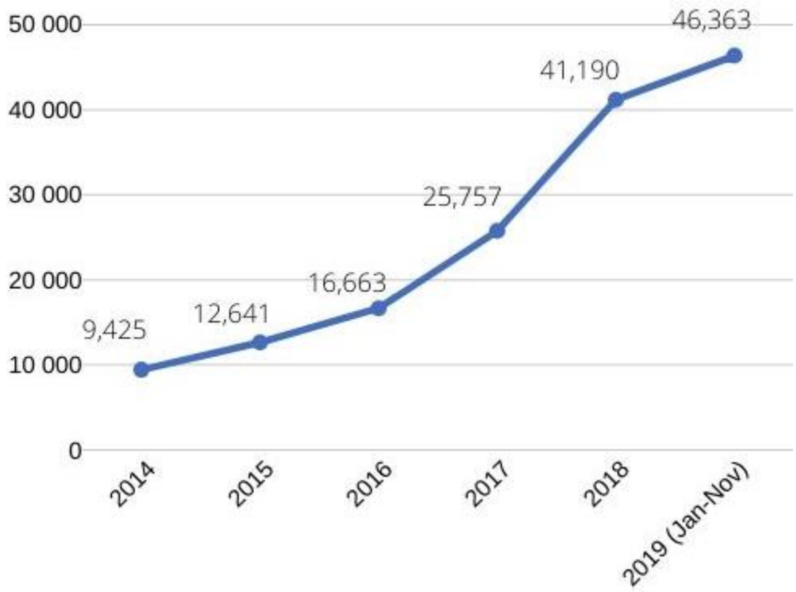

Figure 50. Growth in numbers of nights spent by Chinese tourists in Lakeland 2014-2019, (January - November) (Visit Finland 2019).

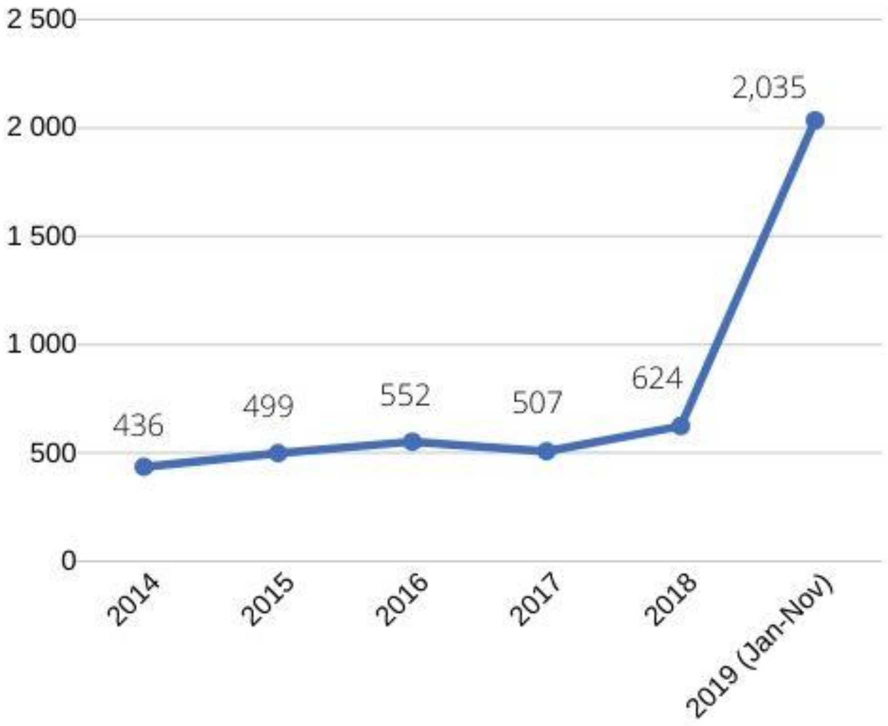

Figure 51. Growth in numbers of nights spent by Chinese tourists in North Karelia 2014-2019 (January - November) (Visit Finland 2019).

However, according to the latest statistics for 2019, the number of arrivals and nights spent in North Karelia reached 2,035 (January – November), which is 239% growth. The percentage of change of arrivals equals 79.8%.

Ms. Yu Nan from Visit Karelia has explained this growth in the interview for this research. In 2019, Visit Karelia in cooperation with local educational institutions and Chinese partners have organized summer camps for Chinese school students in Joensuu area. This summer camp has been visited by students and their Chinese accompanying teachers at a number of 200. (Nan 2020.)

With the worldwide rise of educational tourism, Finland has gotten a lot of opportunities in this sector. Finland is renowned for the quality of its educational system. According to Business Finland’s article from 2018, educational tours to Finland have been recognized in multiple important tourism markets, especially in Asia. China, South Korea, Japan, the Gulf States and India have expressed an increasing interest towards educational travel in Finland. (Business Finland 2018d.)

According to Ms. Yu Nan, this program is being improved to increase the number of incoming Chinese school students in 2020 (Nan 2020).

In general, English language learning for kids is a massive trend in China. Most of people consider it to be outstandingly important as one of the basic skills that gives opportunities in older age. This, without any doubt, is one of the best ways that North Karelia can move to develop as a tourism destination.

Another possible way of development for Lakeland and North Karelia as a tourism destination for tourists from China has been suggested by Mr. Jarvis Zhang in his interview for this research. In it, he supposed that the region does not possess a high interest for the Chinese outbound tourism market as a traditional tourism destination, due to the lack of easily-identifiable tourism attractions. Therefore, considering its strong points regarding natural sights, such as pure lakes, clean air, accessible wildlife and distance from busy cities, it could be developed into a great wellness-tourism destination. (J. Zhang 2019.)

Especially considering the fact that the population of China is rapidly getting wealthier but at the same time older, medical and well-being tourism will be on the rise in years to come (J. Zhang 2019).

Moreover, according to some publications medicine in China is getting in a serious crisis now, mostly because of a lack of medical workers and especially a lack of high-qualified doctors. By 2018, China had one general practitioner for 6,666 people along with the standard of one for 1,500-2,000 people, according to the World Health Organization. (Wee 2018.)

This idea was highly assessed by Visit Karelia’s Ms. Yu Nan, who agrees that North Karelia has a lot of possibilities to develop in this direction (Nan 2020).

Luckily, this trend had already been recognized by Visit Finland earlier in 2019, and was described in Business Finland’s article from March 2019 (Business Finland 2019b).

Therefore, there are multiple possibilities for North Karelia to increase the number of visiting Chinese tourists, using the capacity and strong points it has.

6. CONCLUSIONS

The aim of this research was to find a way for North Karelia to develop as a more attractive tourism destination for Chinese travelers, whose visits to Finland rapidly grew in numbers in recent years.

This report is the result of a long and detailed study of Chinese outbound tourism market and Chinese tourists' buying behavior, as well as Finland as a tourism destination as a whole, and North Karelia's reginal features. In particular, besides studying secondary data in a form of books, academic articles and articles in business-related media, numerous interviews with industry experts and average Chinese citizens have been conducted.

As the outcome of this project, two theories regarding the possibilities of North Karelia's future tourism development have been described.

One of the ways for North Karelia to attract higher number of Chinese tourists has already been developed and is being improved in Joensuu area with support from Visit Karelia. They arrange summer English language camps for school pupils from China. This allowed numbers of Chinese coming to North Karelia grow by hundreds of percent year-on-year. This sphere allows to scale up as the demand from China is tremendous.

The other theory comes from health tourism sphere. According to several industry experts, North Karelia has all the required attributes to become an international center of health being, wellness and medical tourism.

7. DISCUSSION

I would like to use this chapter to discuss the writing process of this thesis, suggest some ethical questions for discussion, as well as possible future research.

First of all, it is necessary to explain that conclusions were defined and described in a shortened way as the continuation of work was not possible due to the limited time that remained for the thesis to be presented and assessed. Therefore, this research leaves a lot of possibilities for additional study using the tracks of this research.

North Karelia is a rather small region in Finland, and it is not easy to find information about international tourism in it. Especially it is not easy if Finnish language is not available. In this situation, ability to communicate with people that work in the industry is crucial. Most important findings of this thesis study have been made thanks to the only person from Finland that agreed to support the research of a student and its outcomes and answer my questions regarding the topic of this study. And this person was Chinese. Unfortunately, tens of other people that work in government-run destination marketing organizations did not see any use in helping me.

I think the findings of my thesis cannot be considered valuable before they are discussed and confirmed by a greater number of people that develop North Karelia as a tourism destination. Therefore, for the future research, I would suggest to look for the opinions among those people. Other group of people that I wish I could interview for a separate paragraph in my thesis is local people that have no occupational connection to tourism. Because it is the most significant ethical question of this topic – do people of North Karelia actually want big numbers of Chinese tourists in their quiet and peaceful life?

REFERENCES

Arlt, Wolfgang Georg. "Four charts show how much China's economy has changed in 30 years." *CNBC.* June 4, 2019. https://www.cnbc.com/2019/06/05/china-economic-growth-trade-tourism-and-urbanization-have-leaped.html.

Atkinson, Robert D., et al. "2019 Report." *Global Innovation Index.* December 2019. https://www.globalinnovationindex.org/gii-2019-report# (accessed December 24, 2019).

AuroraXplorer. *AuroraXplorer.* 2020. http://www.auroraxplorer.com/ (accessed February 10, 2020).

Baike Baidu. *Baike.* 2019. https://baike.baidu.com/item/马蜂窝/22375486?bk_ (accessed December 7, 2019).

Bloomberg. *Beijijng Braces for a Smoggy Winter as China Prioritizes Growth.* November 4, 2019. https://www.bloomberg.com/amp/news/articles/2019-11-04/beijing-braces-for-smoggy-winter-as-china-prioritizes-growth (accessed December 9, 2019).

—. *China Is Winning Its War on Air Pollution, at Least in Beijing.* January 11, 2018. https://www.bloomberg.com/news/articles/2018-01-11/china-is-winning-its-war-on-air-pollution-at-least-in-beijing (accessed December 9, 2019).

Borgen Project. *Water Pollution in China is the Country's Worst Environmental Issue.* March 10, 2018. https://borgenproject.org/water-pollution-in-china/ (accessed December 13, 2019).

Britannica. *Encyclopedia Britannica - Shanghai.* February 13, 2019. https://www.britannica.com/place/Shanghai (accessed December 12, 2019).

Buhalis, Dimitrios . "Marketing the competitive destination of the future." *Tourism Management,* 2000: 97-116.

Buhalis, Dimitrios. *eTourism: Information Technology for Strategic Tourism Management.* Harlow: Pearson Education Limited, 2003.

Business Finland. *Business Finland.* March 19, 2018a. https://www.businessfinland.fi/en/whats-new/news/2018/spending-by-international-visitors-increased-in-2017/ (accessed May 21, 2018).

—. *Business Finland.* February 16, 2018b. https://www.businessfinland.fi/en/whats-new/news/2018/all-time-year-for-travel/ (accessed November 26, 2019).

—. *Contact Information of Business Finland offices in China.* 2019. https://www.businessfinland.fi/en/locations/asia-india-and-oceania/china/ (accessed July 15, 2019).

—. "Helsinki Airport among the first airports in Europe to accept AliPay." *Business Finland.* January 3, 2017. https://www.businessfinland.fi/en/whats-new/news/2017/helsinki-airport-among-the-first-airports-in-europe-to-accept-alipay/ (accessed January 22, 2020).

—. "Lessons from Finland – educational travel is on the rise." *Business Finland.* April 4, 2018. https://www.businessfinland.fi/en/whats-new/news/2018/educational-travel/ (accessed January 17, 2020).

—. "New health travel growth from China?" *Business Finland.* March 14, 2019. https://www.businessfinland.fi/en/whats-new/news/2019/new-health-travel-growth-from-china/ (accessed January 17, 2020).

—. *Tourism in Finland stays on record level.* February 15, 2019. https://www.businessfinland.fi/en/whats-new/news/2019/tourism-in-finland-stays-on-record-level/ (accessed November 22, 2019).

—. *Visit Finland.* 2019. https://www.businessfinland.fi/en/do-business-with-finland/visit-finland/about-Visit-Finland/ (accessed December 2, 2019).

Cambridge Dictionary. 2019. https://dictionary.cambridge.org/dictionary/english/tour-operator.

Chandran, Kavita, Ana Nicolaci da Costa, Arjun Kharpal, Kevin Shalvey, and Elizabeth Schulze. "China's drive to be a world leader in technology could accelerate as its economy slows." *CNBC.* November 22, 2019. https://www.cnbc.com/2019/11/22/china-drive-to-be-world-tech-leader-could-accelerate-as-its-economy-slows.html (accessed January 21, 2020).

Chen, Bonita. "Where does China rank in the world?" *China Business Review. The Magazine of US-China Business Council.* . July 24, 2015. https://www.chinabusinessreview.com/where-does-china-rank-in-the-world/ (accessed December 16, 2019).

China Power Team. "How web-connected is China?" *China Power.* June 4, 2019. https://chinapower.csis.org/web-connectedness/ (accessed January 21, 2020).

China Statistics Press. "China Statistical Yearbook ." *National Bureau of Statistics of China.* 2018. http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm (accessed December 16, 2019).

CIA - The World Factbook. *China.* December 2019. https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html (accessed December 16, 2019).

—. *Finland* . December 2019. https://www.cia.gov/library/publications/the-world-factbook/geos/fi.html (accessed December 16, 2019).

—. *The World Factbook.* December 2019. https://www.cia.gov/library/publications/resources/the-world-factbook/ (accessed December 16, 2019).

Cord, David J. "AuroraXplorer opens Europe to Chinese visitors." *Business Finland.* November 28, 2017. https://www.businessfinland.fi/en/whats-new/cases/2017/auroraxplorer-opens-europe-to-chinese-visitors/ (accessed June 22, 2018).

COTRI. 2017. https://china-outbound.com/cotri-analytics/.

COTRI. 2019. https://china-outbound.com/cotri-analytics/.

Counterpoint . "Global Smartphone Market Share: By Quarter." *Counterpoint.* November 29, 2019. https://www.counterpointresearch.com/global-smartphone-share/ (accessed January 21, 2020).

Counterpoint. "Global Smartphone Shipments Share – Last Eight Years of Winners & Losers." *Counterpoint* . February 14, 2019. https://www.counterpointresearch.com/global-smartphone-shipments-share-last-eight-years-of-winners-losers/ (accessed January 21, 2020).

Country Digest. *Largest Cities in China.* November 17, 2018. https://countrydigest.org/largest-cities-china/ (accessed December 12, 2019).

"Daily Mail." 2017. https://www.dailymail.co.uk/travel/travel_news/article-4404900/Finland-named-world-s-safest-country.html.

Dedering, Uwe. "File: China in Asia." *Wikimedia Commons.* April 6, 2011. https://commons.m.wikimedia.org/wiki/File:China_in_Asia_(%2Bclaims)_(-mini_map_-rivers).svg (accessed February 14, 2020).

Dollar, David. *Statement from World Bank China Country Director on 'Cost of Pollution in China' Report.* July 11, 2007. https://www.worldbank.org/en/news/press-release/2007/07/11/statement-world-bank-china-country-director-cost-pollution-china-report (accessed December 13, 2019).

Edunation. "Top Companies in Finland You Should Know." *Edunation.* 2020. https://www.edunation.co/studyinfinland/blog/famous-finnish-companies/ (accessed January 21, 2020).

"EPI." 2019. https://epi.envirocenter.yale.edu/epi-country-report/FIN.

Eurostat. *Tourism Statistics in Europe.* December 2018. https://ec.europa.eu/eurostat/statistics-explained/index.php/tourism_statistics#Tourism_participation:_More_than_nine_out_of_ten_residents_of_Finland_participated_in_tourism (accessed November 29, 2019).

Expatistan.com. *Cost of living in China.* 2019. https://www.expatistan.com/cost-of-living/country/china (accessed December 17, 2019).

Export.gov. "Finland - Information and Communication Technology." *Export.gov.* May 29, 2019. https://www.export.gov/article?id=Finland-Information-and-Communication-Technology (accessed January 21, 2020).

Figueroa , Ana. "What Is a Consortium in the Travel Industry?" *Trip Savvy.* September 23, 2019. https://www.tripsavvy.com/what-is-a-consortium-3252390 (accessed February 12, 2020).

Ford, R.C., and W.C. Peeper. *Managing Destination Marketing Organizations: The Tasks, Roles and Responsibilities of the Convention and Visitors Bureau Executive.* Orlando: ForPer Publications, 2008.

Freedom House. "Freedom on the Net 2018 - China ." *Freedom House.* 2019. https://freedomhouse.org/report/freedom-net/2018/china (accessed February 10, 2020).

Gaitonde, Aruna. "Chinese tourists visiting South Korea drops after China's travel ban." *EcoTourism Expert* . November 14, 2019. https://ecotourism.expert/en/news/chinese-tourists-visiting-south-korea-drops-after-china-s-travel-ban (accessed January 15, 2020).

Gleick, Peter H. "The World's Water 2008-2009." *World Water.* 2009. https://www.worldwater.org/wp-content/uploads/2013/07/ch05.pdf (accessed December 13, 2019).

Global Innovation Index. *2019 Report.* 2019. https://www.globalinnovationindex.org/gii-2019-report# (accessed December 24, 2019).

—. *About Global Innovation Index.* 2019. https://www.globalinnovationindex.org/about-gii#board (accessed January 9, 2020).

Helliwell, John F. , Haifang Huang , and Shun Wang. "Chapter 2. Changing World Happiness." *World Happiness Report.* March 20, 2019. https://worldhappiness.report/ed/2019/changing-world-happiness/ (accessed January 16, 2020).

Hill, Ruth. "CVB's: search for autonomy." *HSMAI Marketing Review* , 2008: 48-51.

Hofstede Insights . "Country Comparison ." *Hofstede Insights* . 2019. https://www.hofstede-insights.com/country-comparison (accessed January 16, 2020).

—. "Country comparison of China, Finland, Russia and the US." *Hofstede Insights* . 2019. https://www.hofstede-insights.com/country-comparison/china,finland,russia,the-usa/ (accessed January 16, 2020).

Hofstede Insights. *Finland* . 2019. https://www.hofstede-insights.com/country/finland/ (accessed December 17, 2019).

Hofstede, Geert. "The 6-D model of national culture." *Geert Hofstede personal website.* 2010. https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/ (accessed January 16, 2020).

Husna, Rida. *Statistics China.* October 2019. https://tradingeconomics.com/china/gdp-growth-annual.

"IPK International." 2018. https://www.ipkinternational.com/en/world-travel-monitor.

Japan Travel Agency. "White Paper." *Japan Travel Agency.* June 2019. http://www.mlit.go.jp/kankocho/en/siryou/whitepaper.html.

Kemp, Ted, and Kelly Olsen. "Four charts show how much China's economy has changed in 30 years." *CNBC.* June 4, 2019. https://www.cnbc.com/2019/06/05/china-economic-growth-trade-tourism-and-urbanization-have-leaped.html.

Lee, Woo-young. "Chinese tourist spending boosts economy." *The Korea Herald.* October 8, 2014. http://www.koreaherald.com/view.php?ud=20141008000875 (accessed February 13, 2020).

Lin, Lia, interview by Aleksei Popov. *Opportunities of Lakeland As a Destination for Chinese tourists.* (November 28, 2018).

Magmaps.ru. *Geographical Coordinates Map.* 2019. https://magmaps.ru/worldmaps/geomap (accessed December 12, 2019).

Mao, Y. K. *Head of Global Distribution at Ctrip* (June 2019).

Mapsofworld.com. *Latitude and Longitude Map.* 2019. https://www.mapsofworld.com/lat_long/milan.html (accessed December 12, 2019).

McCarthy, Niall. "China Now Boasts More Than 800 Million Internet Users And 98% Of Them Are Mobile [Infographic] ." *Forbes.* August 23, 2018. https://www.forbes.com/sites/niallmccarthy/2018/08/23/china-now-boasts-more-than-800-million-internet-users-and-98-of-them-are-mobile-infographic/#3ef20d007092 (accessed January 21, 2020).

McKinsey. "Chinese tourists: Dispelling the Myths. An in-depth look at China's outbound tourist market." *McKinsey & Company.* September 2018. https://www.mckinsey.com/industries/travel-transport-and-logistics/our-insights/huanying-to-the-new-chinese-traveler.

Medical Tourism. "Chinese Tourists Moving in Droves to Japan for Medical Care ." June 16, 2019. https://www.magazine.medicaltourism.com/article/chinese-tourists-moving-in-droves-to-japan-for-medical-care (accessed February 10, 2020).

Meesak, Daniel. *'Explosive Shopping' Slows as Chinese Tourism to Japan Breaks New Record.* 2016. https://jingdaily.com/explosive-shopping-slows-as-chinese-travel-to-japan-breaks-new-record/.

Miller, Terry, Anthony B. Kim, James M. Roberts , and Patrick Tyrrell. "2019 Index of Economic Freedom." *The Heritage Foundation* . 2019. https://www.heritage.org/index/business-freedom (accessed January 13 2020).

Ministry of Employment and the Economy. "Finland's Tourism Strategy to 2020. Four good reasons to promote tourist industry development." February 2010.

Ministry of Foreign Affairs of Japan. "Launch of the "Visa for Medical Stay": Medical Check-up, Treatment, and Sightseeing All in One Visit to Japan." *Ministry of Foreign Affairs of Japan* . February 2011. https://www.mofa.go.jp/j_info/visit/visa/medical_stay6.html (accessed February 10, 2020).

Mourdoukoutas , Panos. "Samsung Beats Apple In The Global Smartphone Market As Chinese Brands Close In ." *Forbes.* September 13, 2018. https://www.forbes.com/sites/panosmourdoukoutas/2018/09/13/samsung-beats-apple-in-the-global-smartphone-market-as-chinese-brands-close-in/#61fff28d697d (accessed January 21, 2020).

Mullen, Jethro. "China's 'unofficial' sanctions rattle South Korea." *CNN Business* . March 3, 2017. https://money.cnn.com/2017/03/03/news/economy/china-south-korea-thaad-tourism-trade-sanctions/?iid=EL (accessed January 14, 2020).

Nan, Yu, interview by Aleksei Popov. *Opportunities of North Karelia and Lakeland in a race for Chinese tourists in Finland.* (January 10, 2020).

Nepa. ""Stopover Finland" Consumer Research for Asian Travellers." *Business Finland.* February 26, 2016. https://www.businessfinland.fi/490686/globalassets/julkaisut/visit-finland/tutkimukset/2016/stopover-finland-consumer-research-summary-report-2016_final.pdf (accessed January 22, 2020).

Numbeo. *About Numbeo.com.* 2019. https://www.numbeo.com/common/about.jsp (accessed December 17, 2019).

—. *Cost of Living Comparison Between Beijing and Rovaniemi.* December 2019. https://www.numbeo.com/cost-of-living/compare_cities.jsp?country1=China&country2=Finland&city1=Beijing&city2=Rovaniemi (accessed December 17, 2019).

—. *Cost of Living Comparison Between Finland and China.* December 2019. https://www.numbeo.com/cost-of-living/compare_countries_result.jsp?country1=Finland&country2=China&displayCurrency=EUR (accessed December 17, 2019).

—. *Cost of Living Comparison Between Helsinki and Shanghai.* December 2019. https://www.numbeo.com/cost-of-living/compare_cities.jsp?country1=Finland&country2=China&city1=Helsinki&city2=Shanghai (accessed December 17, 2019).

Oliver Smith. *How Japan became the world's fastest growing travel destination.* September 25, 2019. https://www.telegraph.co.uk/travel/destinations/asia/japan/articles/japan-fastest-growing-travel-destination/.

Olsen, Kelly. "Mobile internet penetration brings about ‘awakening’ in China, investor says." *CNBC.* March 26, 2019. https://www.cnbc.com/2019/03/26/mobile-internet-penetration-brings-awakening-in-china-investor-says.html (accessed January 21, 2020).

Oxford Dictionary. 2019. https://en.oxforddictionaries.com/definition/travel_agency.

Populationstat.com. *Guangzhou, China Population.* 2019. https://populationstat.com/china/guangzhou (accessed December 12, 2019).

Premack, Rachel. "After Losing Chinese Tourists, South Korea Wants To Grow Its Burgeoning Muslim Tourism Numbers." *Forbes.* October 19, 2017. https://www.forbes.com/sites/rachelpremack/2017/10/19/south-korea-wants-to-solve-its-tourism-crisis-with-halal-food/#759224393640 (accessed January 14, 2020).

Prideuax, and Cooper. "Marketing and destination growth: a symbiotic relationship or simple coincidence ." *Journal of Vacation Marketing*, 2002: 135-147.

Rodrigues, Vitor, and Zelia Breda. *“The Chinese Are Coming!”: Understanding the Chinese Outbound Tourism Market.* Istanbul: 7th World Conference for Graduate Research in Tourism, Hospitality and Leisure, 2014.

Schulze, Elizabeth. "Finland is trying to compete with China and the US in the race for 5G." *CNBC.* December 27, 2018. https://www.cnbc.com/2018/12/21/5g-race-how-finland-is-trying-to-compete-with-china-and-the-us--.html (accessed January 21, 2020).

Shock, Patti J., and John Stefanelli. *On Premise Catering: Hotels, Convention & Conference Centers and Clubs.* Las Vegas: John Wiley & Sons, Inc. , 2001.

Smith, Oliver. "The unstoppable rise of the Chinese traveller – where are they going and what does it mean for overtourism?" *The Telegraph.* July 2, 2019. https://www.telegraph.co.uk/travel/comment/rise-of-the-chinese-tourist/.

Sohu. *Sohu.* 2019. http://sohu.com/a/331152877_820103.

Stat.fi. 2015. http://www.stat.fi/til/matk/2014/matk_2014_2015-04-29_tie_001_en.html.

"Stat.fi." *Statistics Finland.* 04 19, 2018. http://www.stat.fi/til/matk/2017/matk_2017_2018-04-19_tie_001_en.html.

Statistics Finland . "Gross domestic product (GDP) 1975-2018* (Correction on 9 October 2019)." *Statistics Finland* . September 20, 2019. https://www.stat.fi/til/vtp/2018/vtp_2018_2019-09-20_tau_001_en.html (accessed December 16, 2019).

Stratfor. "The U.S., China And Others Race To Develop 5G Mobile Networks ." *Forbes.* April 3, 2018. https://www.forbes.com/sites/stratfor/2018/04/03/the-u-s-china-and-others-race-to-develop-5g-mobile-networks/#23e141075875 (accessed January 21, 2020).

The Economist. *Rich Province, Poor Province.* October 1, 2016. https://www.economist.com/china/2016/10/01/rich-province-poor-province (accessed December 17, 2019).

The Heritage Foundation . *About the Index of Economic Freedom* . 2019. http://www.heritage.org/index/about (accessed January 13, 2020).

The World Bank . "GINI index (World Bank estimate) - China, Finland." *The World Bank* . 2019. https://data.worldbank.org/indicator/SI.POV.GINI?end=2015&locations=CN-FI&name_desc=true&start=2000&view=chart (accessed January 15, 2020).

The World Bank. *The World Bank in China* . December 13, 2019. https://www.worldbank.org/en/country/china/overview (accessed December 16, 2019).

The World Factbook . "Distribution of Family Income - GINI Index." *CIA - The World Factbook.* 2020. https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html (accessed January 15, 2020).

Trading Economics. *Finland GDP Annual Growth Rate.* 2019. https://tradingeconomics.com/finland/gdp-growth-annual (accessed December 16, 2019).

Tradingeconomics.com. *China's Gross Domestic Product.* 2019. https://tradingeconomics.com/china/gdp (accessed December 16, 2019).

—. *Finland's Gross Domestic Product.* 2019. https://tradingeconomics.com/finland/gdp (accessed December 16, 2019).

"Travel and Tourism Competitiveness Report 2019 - Japan profile." *World Economic Forum.* September 4, 2019. http://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=JPN.

Travel China Guide. *Travel China Guide* . October 20, 2019. https://www.travelchinaguide.com/climate/air-pollution.htm (accessed December 9, 2019).

"Travel Weekly." 2019. http://www.travelweekly.com.au/article/nine-travel-trends-to-look-out-for-in-2019/.

Travelchinaguide.com. *Harbin Ice Festival.* December 2, 2019. https://www.travelchinaguide.com/attraction/heilongjiang/harbin/ice_snow.htm (accessed December 12, 2019).

UBS. *Cities Comparison by Purchasing Power 2018.* 2018. https://www.ubs.com/microsites/prices-earnings/en/explore/?split=false&category=Domestic%20Purchasing%20Power&indicator=General_Domestic%20Purchasing%20Power_Net%20(New%20York%20%3D%20100) (accessed December 17, 2019).

UNWTO. 2017. http://www2.unwto.org/.

"UNWTO." *United Nations World Tourism Organization.* 2008. http://www2.unwto.org/.

UNWTO. 2015.

UNWTO. "Guidelines for Success in the Chinese Outbound Tourism Market." *World Tourism Organisation.* September 2019. https://www.e-unwto.org/doi/book/10.18111/9789284421138.

Vesikansa, Jyrki. "Finnish industry: constantly adapting to a changing world." *Finland.* May 2008. https://finland.fi/business-innovation/finnish-industry-constantly-adapting-to-a-changing-world/ (accessed January 21, 2020).

"VF's Sustainable Finland." 2019. https://www.visitfinland.com/sustainable-finland/.

Virkkunen, Paavo. *Business Finland.* February 16, 2018. https://www.businessfinland.fi/en/whats-new/news/2018/all-time-year-for-travel/ (accessed November 27, 2019).

—. *Tourism in Finland stays on record level.* February 15, 2019. https://www.businessfinland.fi/en/whats-new/news/2019/tourism-in-finland-stays-on-record-level/ (accessed November 22, 2019).

Visit Britain, Understanding Travel Trade. 2019. https://www.visitbritain.org/understanding-travel-trade.

Visit Finland. 2017. https://www.visitfinland.com/.

Visit Finland. *Explore Finland and get familiar with our four regions.* 2019. https://www.visitfinland.com/article/explore-finland-and-get-familiar-with-our-four-regions/ (accessed June 25, 2019).

—. *Statistics Service Rudolph* . 2019. visitfinland.stat.fi/PXWeb/pxweb/en/VisitFinland/VisitFinland__Majoitustilastot/visitfinland_matk_pxt_116t.px/table/tableViewLayout1/ (accessed November 30, 2019).

—. *Water – a Pure Reason to Visit Finland* . 2019. Water – a Pure Reason to Visit Finland (accessed December 13, 2019).

Walton, Brett. *Chinese Farms Generate More Water Pollution than Factories.* February 10, 2010. https://www.circleofblue.org/2010/world/chinese-farms-generate-more-water-pollution-than-factories-government-report-states/ (accessed December 13, 2019).

Weather-stats.com. *Average Monthly Air Temperature in Harbin, China.* 2019. https://weather-stats.com/china/harbin/monthly (accessed December 12, 2019).

—. *Average Monthly Air Temperature in Rovaniemi, Finland.* 2019. https://weather-stats.com/finland/rovaniemi/monthly (accessed December 12, 2019).

Wee, Sui-Lee. "China's Health Care Crisis: Lines Before Dawn, Violence and "No Trust"." *The New York Times.* September 30, 2018. https://www.nytimes.com/2018/09/30/business/china-health-care-doctors.html (accessed February 14, 2020).

WID. *World Inequality Database - Finland.* 2017. https://wid.world/country/finland/ (accessed December 17, 2019).

Wikipedia, DMC. 2019. http://en.wikipedia.org/wiki/Destination_management.

Williams, Carrie . "Research Methods." *Journal of Business & Economic Research*, March 2007: 65-70.

World Health Organization. *Air Pollution.* 2018. https://www.who.int/airpollution/data/cities/en/ (accessed December 9, 2019).

—. *Air Pollution Index Map.* December 9, 2019. http://maps.who.int/airpollution/ (accessed December 9, 2019).

Worldatlas.com. *The Largest Countries in the World.* 2019. https://www.who.int/airpollution/data/cities/en/ (accessed December 9, 2019).

"Xinhua ." 2019. http://www.xinhuanet.com/english/2019-02/03/c_137797643.htm.

Yi, Xiaojun. "Chinese tourists to Japan switch from shopping sprees to medical services." *The Japan Times* . May 16, 2019. https://www.japantimes.co.jp/news/2019/05/16/national/chinese-visitors-trips-japan-switch-shopping-sprees-medical-services/#.XkFEDhsRWNw (accessed February 10, 2020).

Yuan, Jing Yi, interview by Aleksei Popov. *Secrets of Chinese tourists' buying behavior* (February 11, 2020).

Zarkov, Georgi. "Samsung keeps losing market share to Chinese brands as global smartphone sales decline further." *Phone Arena.* November 26, 2018. https://www.phonearena.com/news/Samsung-mobile-market-share-drops-huawei-xiaomi-oppo-gain-in-Q3-2018_id111352 (accessed January 21, 2020).

Zhang, Jarvis, interview by Aleksei Popov. *Finland as a destination for Chinese tourists.* (June 11, 2019).

Zhang, Lingyun. *Issues and Exploration: Past, Present and Future of China's Tourism Development.* Beijing: Tourism Education Public Company 旅游教育出版社, 2011.

朱茜. "2018年中国在线旅游竞争格局分析 携程系占据半壁江山." *前瞻.* June 27, 2018. https://www.qianzhan.com/analyst/detail/220/180627-5f0bf9d9.html (accessed February 10, 2020).