

Innovation Norway France Travel Trade status

October 2023

 Norway

Agenda

1 – General situation in France

2 – The tourism trends in French market

3- The tourism trends for Norway

4- The travel trade sector

1 – General situation in France

Political, economic & social climate in France

- ❑ **France on high alert** after a radical Islamist kills teacher Dominique Bernard, just 3 years after Samuel Paty, a French secondary school teacher, was killed and beheaded at his school outside Paris, by an Islamic terrorist.
Prime minister Élisabeth Borne says country will be on 'urgent' terrorist alert until level of risk established. The alert can trigger extra security deployments and public warnings.
The situation is tense: Israel-Hamas war, bomb threats at airports, schools and cultural sites, terrorist attacks in Belgium...
- ❑ **The anxiety-inducing climate is not (yet) slowing down holiday departures.** In this context, while a wait-and-see attitude is felt by some travelers, others are opting for a form of pragmatism, and chose fallback destinations.
- ❑ Whatever the level of anxiety, **holidays remain a sacred moment.** Travelers don't change their habits, because holidays are a breathing space. What can put the brakes on travel sales are prices, not necessarily the political situation".

❑ **The French continued to "make holidays sacred"**

And this is despite the inflation, from restaurants and accommodations to petrol stations and airports. Faced with these "price rises", French need to "adjust their behavior":

- less time escape, for example two weeks instead of three,
- booking in advance,
- choice of more economic types of accommodations, like camping or holiday home rentals, or family home,
- 27% of French people questioned said they had eaten less in restaurants

In 2022, at the end of the Covid-19 epidemic, "people were consuming food 'as if they were going to die tomorrow', and they had **saved quite a bit during the lockdown**" : "Nowadays, you have to be in the **CSP ++ category** to still detect traces of this nest egg".

❑ French economy Outlook

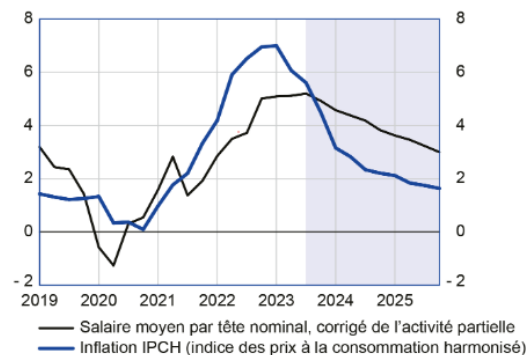
Economic activity is expected to grow at a limited rate in 2023, before recovering in 2024 and 2025.

GDP should grow by 0.7% in 2023, 1.0% in 2024 and 1.5% in 2025. In other words, the central scenario of our forecast is that **the French economy will manage to emerge gradually from inflation without recession**, even if the economic slowdown is marked.

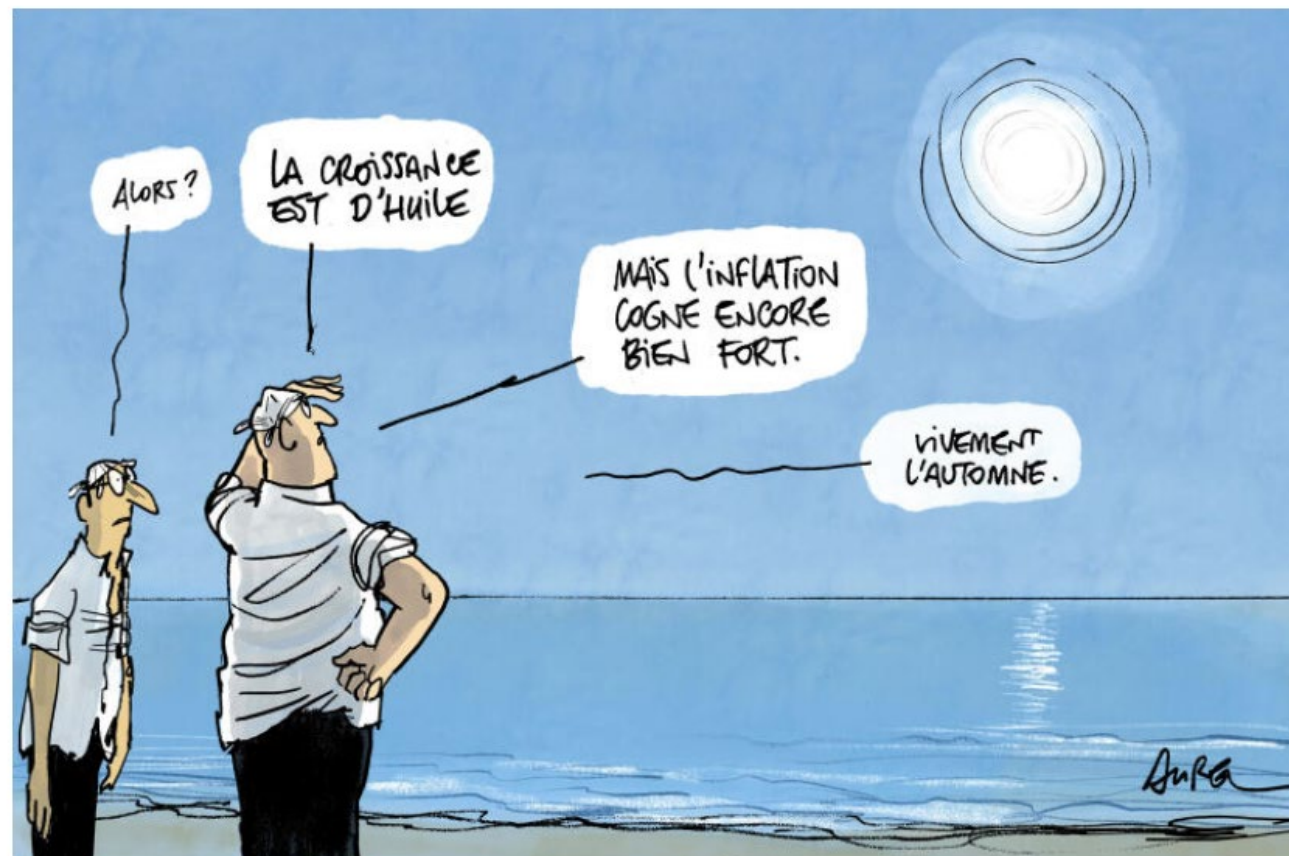
Kilde: Banque de France

Graphique 5 : Croissance du salaire moyen par tête dans le secteur marchand et inflation

(glissement annuel en %)



Source : Insee jusqu'au deuxième trimestre 2023 pour le salaire moyen par tête, projections Banque de France sur fond bleu.



Paris 2024

Paris as the main host city and 16 other cities spread across metropolitan France, plus one subsite in Tahiti to host Olympic and Paralympics Games in 2024 (26 July – 11 August / 28 August – 8 September)



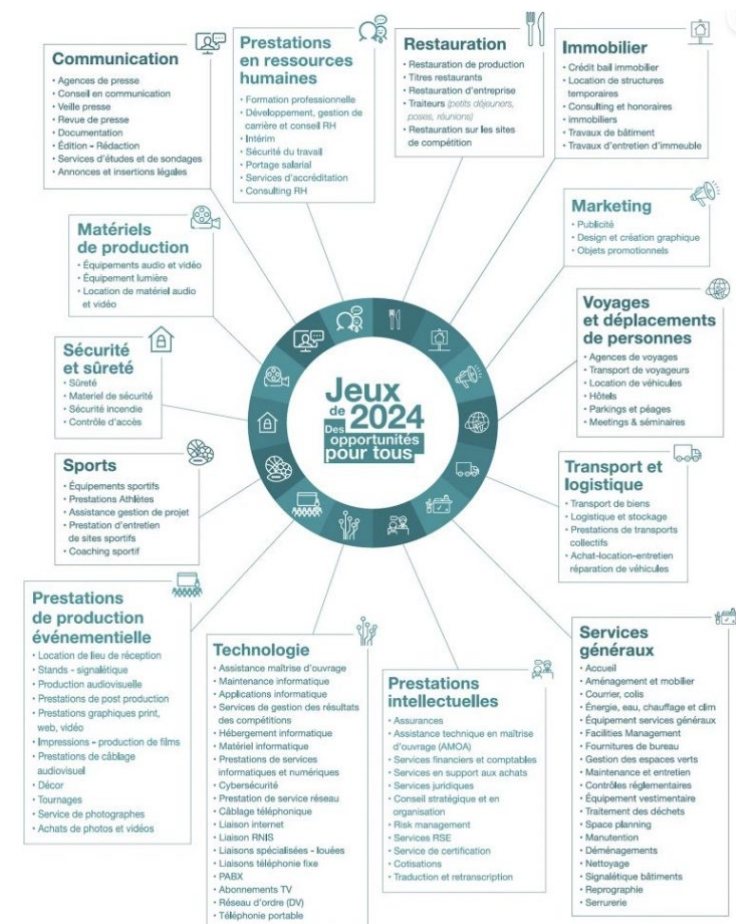
PARIS 2024



Prices, quality of service, accessibility, security ... With just a few months to go before the opening of the Paris 2024 Olympic and Paralympic Games, the government is faced with the challenge of giving the 16 million visitors expected to attend the Games the best possible image of France.

Hotels/Olympics 2024: Olivia Grégoire warns against "unreasonable" prices

"I call for vigilance," **Olivia Grégoire**, the Minister Delegate for Tourism, said at a press briefing on Wednesday, denouncing prices that are sometimes "excessive".
"Prices that are too high can lead to a drop in attendance."



2- Tourism trends in French market

Europe trends in general

Europeans' top experiences include tasting the local cuisine (16%), diving into the local life (15%) and learning about history and culture (13%). Tour companies are therefore encouraged to **promote going beyond the ordinary and offer unique, immersive experiences**. Some examples could be joining meal preparation hosted by a local family, art workshops with local craftsmen, or family-oriented agritourism activities in a local farm.

European tourism returns to full capacity, and so do Europeans' concerns about over-crowded destinations. This is a prime **opportunity for lesser-known destinations to promote themselves**, through, for instance, **cooperation with highly-popular destinations** that want to better manage their tourism flows.

Travellers' interest in using public transportation peaks for City Breaks (27%), Culture & Heritage trips (26%) and Sun & Beach holidays (25%). Destinations offering such kind of trips are recommended to **highlight their accessibility by rail and bus**. Besides, they can **create holiday packages that include a transportation ticket**.

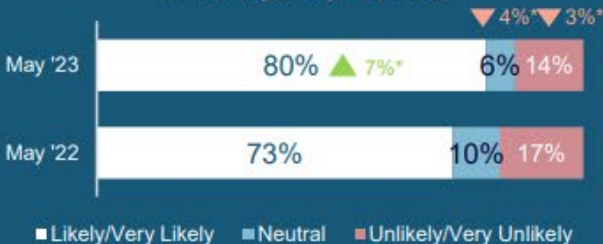
SNAPSHOT: FRENCH TRAVEL PLANS

Travel horizon: June-November 2023

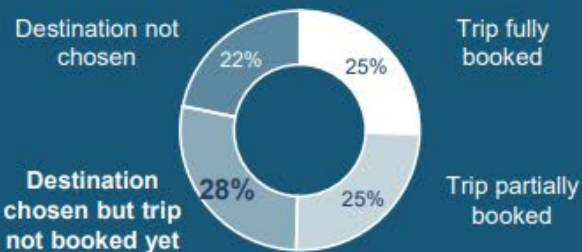


TRAVEL SENTIMENT

INTENTION TO TRAVEL



TRAVEL READINESS

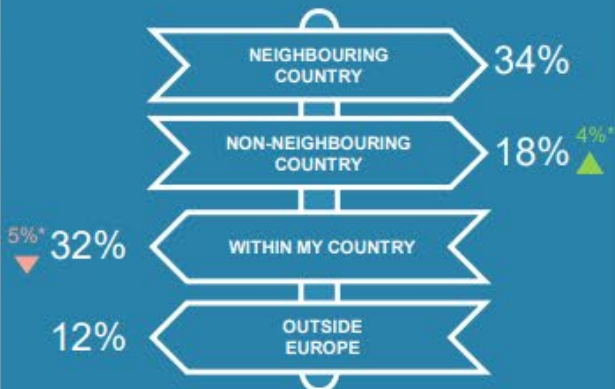


POPULAR TRAVEL PERIODS

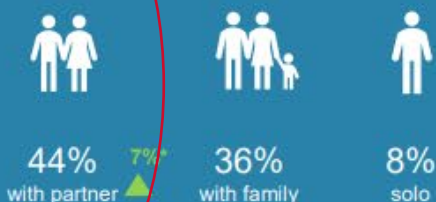


TRAVEL PLANNING

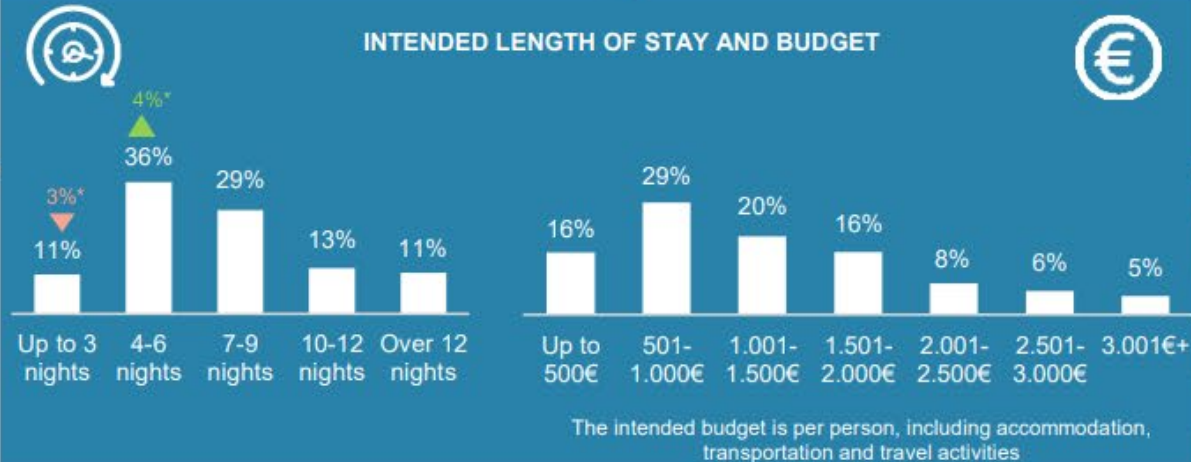
WHERE TO?



TRAVELLING WITH?

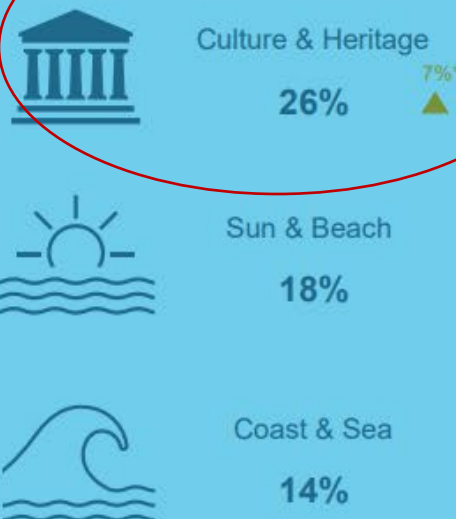


INTENDED LENGTH OF STAY AND BUDGET



PREFERRED TYPES OF TRIPS & DESTINATIONS

TOP 3 TYPES OF TRIPS



TOP 5 EUROPEAN DESTINATIONS**

Italy	12%
Spain	10%
Greece	9%
Portugal	8%
Croatia	6%

The share of Europeans who plan to use public transportation in their next trip reaches an all-time high (16%) while driving a personal car slumps by -10% compared to a year ago



Top 5 markets most likely to travel by plane in the next six months



UK
68.8% ▲ 6%*



France
57.0% ▲ 10%*



Spain
65.4%

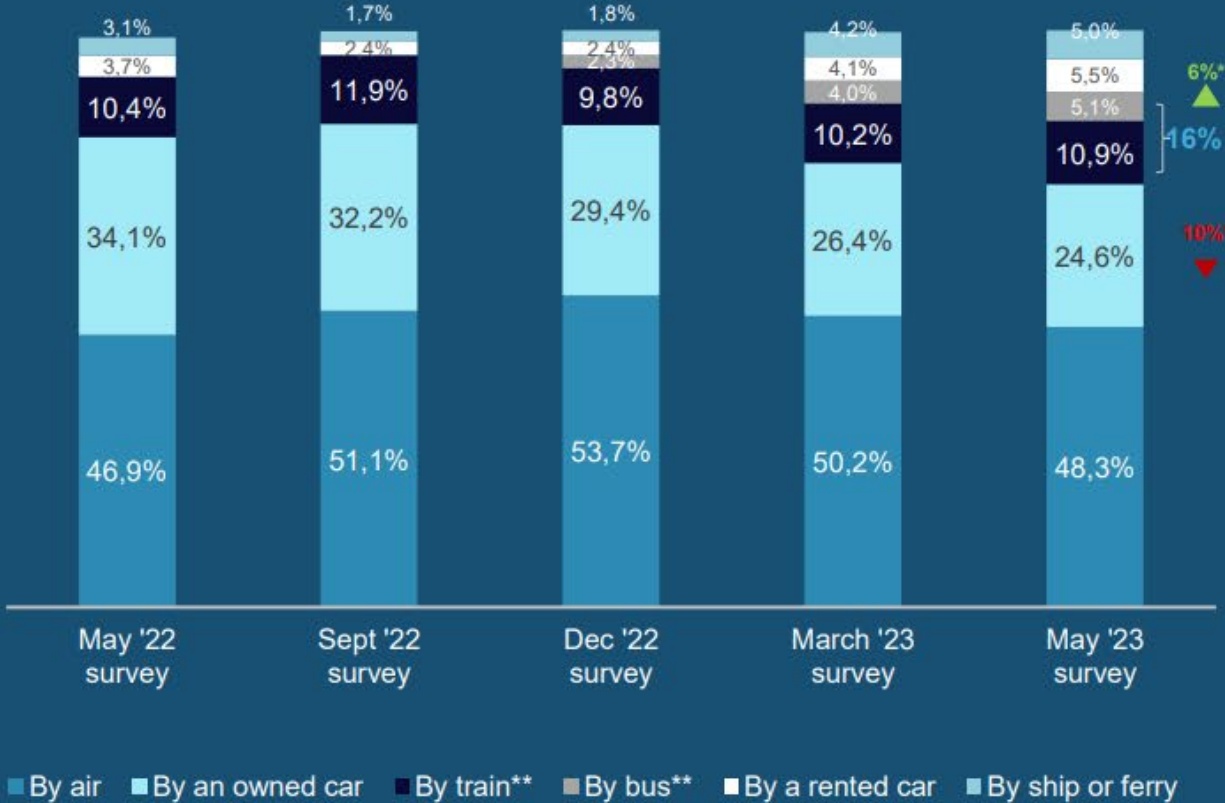


Poland
49.2%



Italy
57.8%

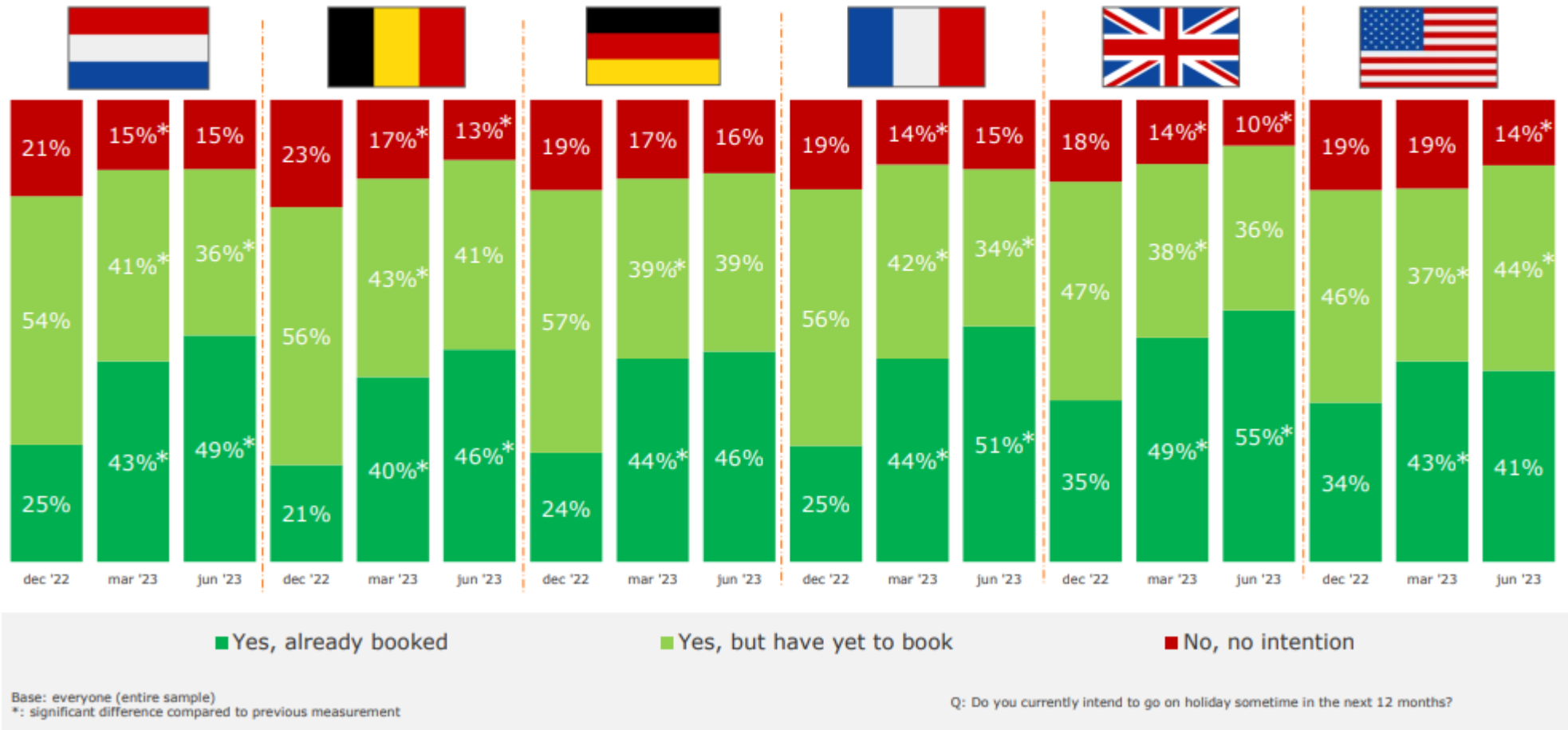
Preferred modes of transport for respondents most likely to travel in the next six months



*Statistically significant difference vs a year ago (May 2022)

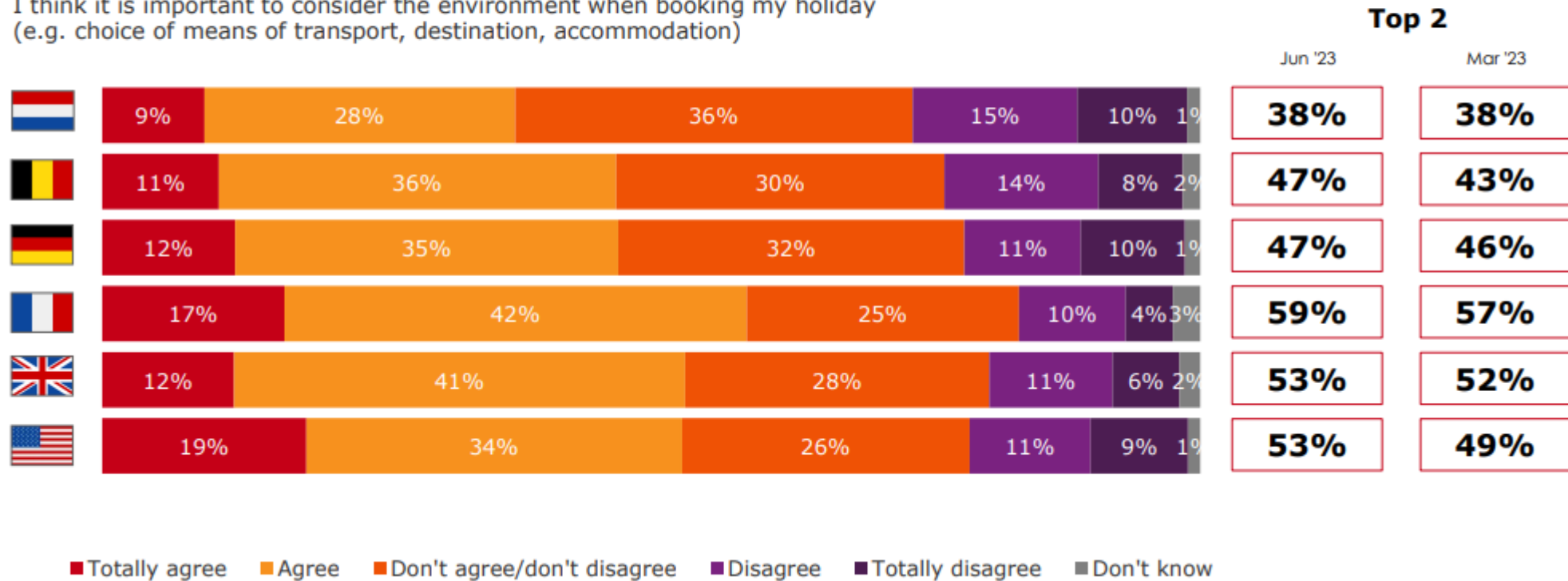
**Up to September '22, 'By train/bus' was recorded as one answer

On average, 48% have already booked a holiday for the next 12 months. In March 2023, the figure was 44%. The British currently have the highest proportion 'already booked' (55%), followed by the French (51%). Among Americans, this share is the lowest (41%).



About half (49%) of those surveyed (fully) agree with the statement 'I think it is important to consider the environment when booking my holiday'. This is almost the same as the average from March 2023 (48%) and December 2022 (49%). Of the six countries below, Dutch people agree least with this statement.

I think it is important to consider the environment when booking my holiday
(e.g. choice of means of transport, destination, accommodation)



Latest news from the industry in France

“How can we be more sustainable,

what kind of service we should be offering;

what kind of training should be provided for those involved in tourism,

what kind of decarbonization of transport:

these are all issues that the travel industry needs to address”

Moving towards greener tourism: The importance of a sustainable approach for the tourism sector. Every individual action, whether at a company, regional or national level, is useful in the fight against climate change. Every action counts”. It’s everyone’s responsibility.

- ✓ Massive transformation in tourism consumption
- ✓ Increasing number of visitors to sites in the mountains and the countryside, and a lesser presence on the coasts and in the towns. We travel less far, more often inland, and longer when we leave France . The French continued to "make holidays sacred", and adjust their behavior faced with inflation.
- ✓ 75% of French people think that sustainable travel is essential
- ✓ Announcements by the French Ministry of Tourism in November aimed at all SMEs (including those in the tourism sector) with a view to improving support schemes for the ecological transition: no need for more money or more support, a need to ensure that the 340 types of grants are better targeted
- ✓ In the first quarter of 2024, Atout France, the country's tourism development agency, will be launching a dashboard with a range of indicators, including energy and water consumption. It will also include a tool enabling hoteliers, restaurateurs and other players in the sector to assess their environmental impact.
- ✓ The sector is evolving at two speeds: who are very committed, who are in the minority, and who are reviewing their model from top to bottom - like for example, to stop long-distance travel - and the others, the vast majority, who say they are aware of the situation and are measuring their impact on the environment.

ADEME (Agency for Ecological Transition)



ADEME's new 2023-2025 strategy is based on three main priorities

- **Raising awareness and guiding the sector:** this involves continuing to objectivize the environmental impact of tourism and raising awareness of this issue among the tourism industry (what levers for action are available, what mechanisms and tools are available, etc.);
- **Supporting action in the short term and preparing for the future:** this involves implementing the measures in the Destination France plan and developing practical tools to help players in the sector make the transition (methodology, support, experimentation, etc.).
- **Developing strategic partnerships:** the aim here is to create partnerships between operators and regions in order to mobilise the tourism industry in all the areas covered by the 2023-2025 strategy, with ADEME acting as a facilitator for these partners.

Digitalisation



- 93% use Internet
- 52% book their trips online, and it is expected to grow to 55% in 2026
- 43% prefer to book their accommodation via well established OTA platforms, such as Expedia, Bookings, Voyage Privé, Manawa etc.)
- Artificial Intelligence is seen like an effective tool for tourism creativity in the territories and on the innovation for products and services:
 - chatbots for hotel room bookings,
 - automated travel destination recommendations using AI,
 - real-time translation for international travelers,
 - data analysis for hotel rate optimization...

To better understand travelers' preferences and provide them with more personalized experiences

Facts in 2023

67% departed on holidays between June – September 2023
88% of these travelled in France

- Demand for long haul travels are picking up
- Demand for middle haul travels are increasing rapidly
- All destinations experienced a high price increase (15% since 2019)
- Clients are willing to pay but demand quality & service
 - The new hit on google search: «*voyage de luxe pas cher*»

3- Tourism trends for Norway

France = a growing market

France has experienced a constant growth since the beginning of the year
Exception in June with -2% from 2022

But July was back to 11% increase from 2022 (6% from 2019)
And August with 5% increase from 2022 (9% since 2019)

Kommersielle gjestedøgn sortert etter størst andel august 2023 (hotell, camping og vandrerhjem)

	August								Sommersesongen mai-august	
	2019	2020	2021	2022	2023	%-ending 2022-2023	%-ending 2019-2023	andel 2023	2023	%-endring 2019-2023
I alt	4 958 781	3 512 447	4 357 724	5 158 405	5 081 145	-1 %	2 %	100 %	19 157 499	3 %
Utlandet i alt	2 002 161	610 411	836 633	1 919 160	2 090 583	9 %	4 %	41 %	6 855 680	3 %
Norge	2 956 620	2 902 036	3 521 091	3 239 245	2 990 562	-8 %	1 %	59 %	12 301 819	3 %
Tyskland	439 288	264 670	322 428	521 243	515 438	-1 %	17 %	25 %	1 707 146	14 %
Nederland	225 579	67 215	83 384	296 654	273 735	-8 %	21 %	13 %	798 679	29 %
USA	148 934	13 426	28 980	143 827	177 973	24 %	19 %	9 %	635 402	11 %
Sverige	135 054	31 850	69 155	130 373	139 621	7 %	3 %	7 %	576 195	6 %
Frankrike	110 424	11 068	34 157	115 270	120 746	5 %	9 %	6 %	337 658	3 %
Italia	95 966	14 594	35 897	96 604	105 373	9 %	10 %	5 %	189 995	5 %
Spania	99 067	2 887	14 191	74 561	85 693	15 %	-13 %	4 %	198 294	-18 %
Danmark	64 045	57 893	45 786	75 244	83 978	12 %	31 %	4 %	336 586	31 %
Storbritannia	81 408	25 635	16 328	70 972	81 568	15 %	0 %	4 %	281 164	1 %

Winter (February)

Biggest traffic towards Northern Norway:

Troms & Finnmark: 33% share

Nordland: 16% share

Also Oslo: 28% share

Vestland: 9%

Difference in traffic from 2022

Troms & Finnmark: 6%

Nordland: 38%

Oslo: 79%

Vestland: 42%

Summer (August)

Biggest traffic towards Fjord Norway

Vestland: 30% share

And Oslo: 18% share

Nordland: 13% share

Overnightstays majority in hotels or similar accommodations

Difference in traffic from 2022:

Vestland: 4%

Oslo: 13%

Nordland: 7%

Norway in France



Munch in France – exhibition Musée d'Orsay 2022

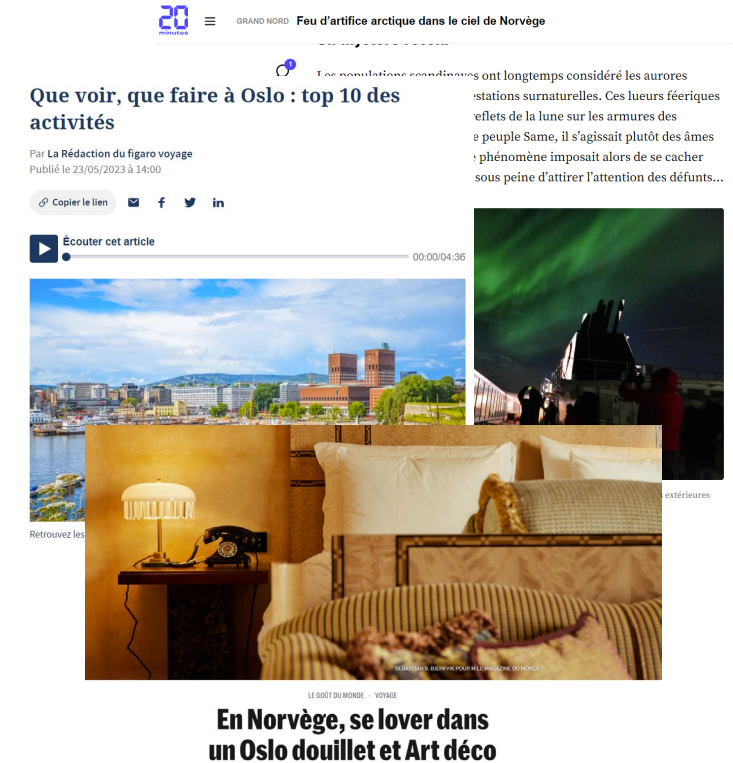
*All time visits records,
6709 visitors a day*

Upcoming exhibition
Harriet Backer in France
Autumn 2024



Hyke – Hydrolift Smart-City Ferries for PARIS JO 2024

Hyke was one of three groups
chosen to deliver and operate
4 electrical ferries along the
Seine River during the 2024
Paris Olympics and Paralympics



Press articles

Top 5 subjects:

Northern Lights
Train Travel
Culture
Oslo
Hurtigruten

Norway in France – Digital presence

- **VisitNorway.fr**

2023 (Jan-Sept): 660 000 visits

Top 10 most visited pages VN.FR

Map, front page, transport to Norway, Northern Lights, Midnight Sun, Bergen railway, Norwegian Scenic routes, Top 10 travel destinations, travel tips A-Z, Bergen

- **Social Media**

Facebook
Instagram
X (Twitter)
YouTube
Tik Tok

What campaigns have been carried out to the French consumers (B2C)? YouTube / Facebook / Instagram Ads

Themes: City Break / Wooden Architecture / Oslo Moves Munch / Midnight Sun / Rural Luxury / Gastronomi / Culture / Architecture

4 – What about the travel sector? (B2B)

Trends / Patterns

- **Individualization and personification** still strong and going up:
 - Increase in tailor made packages for FIT's and smaller groups
 - Slight decrease in big bus groups
 - Increase in sales for high-end OTA's
- **Flexibility is key.**
 - Flexible cancellation policies
 - Change of departure/arrival dates
 - Concierge service on site



Sustainable travel

Lot of coverage from the media and within the travel trade.

Tour operators wish to work on it more but:

- The lack of demand by clients can be demotivating
- Lack of competence regarding how to develop “sustainable” travel
- Lack of competence regarding how to use it as a competitive advantage
- Afraid that it will increase the price



Sales to Norway

- Demand for Norway is generally higher as ever
- Experienced a good shoulder season (September)
- Increased demand for Winter season, especially Northern Norway
- Too early to tell about Summer 2024



Concerns from tour-operators

- Inflation & other price increase vs. Quality of service
- Good exchange rate NOK /EUR in 2023 – what about in 2024?
- Long response time from some service providers, especially within the hotel sector
- Difficult to get allotments for Summer 2024, as many places seem to already be fullybooked



Contact us

Until 1st January 2024:

Siri Tallaksen

siri.tallaksen@innovationnorway.no

+47 952 21 491

From January 2024:

Léa Pinsard

Market and Travel Trade advisor

lea.pinsard@innovationnorway.no

+33 6 37 20 50 30