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To cite this article: Alina Ianioglo & Marko Rissanen (2020) Global trends and tourism development in peripheral areas, Scandinavian Journal of Hospitality and Tourism, 20:5, 520-539, DOI: [10.1080/15022250.2020.1848620](https://doi.org/10.1080/15022250.2020.1848620)

To link to this article: <https://doi.org/10.1080/15022250.2020.1848620>



Published online: 27 Nov 2020.



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Global trends and tourism development in peripheral areas

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ABSTRACT

The article reveals main tourism trends after the pandemic and analyses the potential for tourism development on the example of the city of Kemi, located in Finnish Lapland. In current conditions of unprecedented health and economic crisis caused by the COVID-19 pandemic, fast developing technology, shift in customer preferences and climate change, it is important to quickly adjust and respond to the new realities in order to ensure a sustainable development at the regional level. This is especially relevant in Lapland, where tourism is a strategically important sector of the economy. The article aims at identifying main tourism trends in post-lockdown era caused by COVID-19 pandemic and determining the potential for regional tourism development of peripheral areas on the example of the city of Kemi. Based on the conducted analysis of recent literature; analysis of statistical data; qualitative sociological study, three priority groups of actions were recommended: enhancing visibility in the market, strengthening image of the city, and developing facilities in the city. Besides the fact that achieved results are important for further research, developed priorities can lead to the development of tourism in the city, attraction of new investments, creation of new jobs and thus development of the economy.

ARTICLE HISTORY

Received 17 August 2019
Accepted 5 November 2020

KEYWORDS

Accommodation;
competitiveness; global
trends; Lapland; tourism
development


JEL Classification

Z32

Introduction

Actions towards tourism development of a region should be implemented taking into account global trends that shape the future of the tourism and local conditions and peculiarities that determine the current and potential state of the development. Today, new tourism trends emerge in post-lockdown era, caused by the COVID-19 pandemic.

In recent years, the importance of tourism for regional development has significantly increased in Finland and Nordic countries. As it was stated by J. Saarinen, tourism represents crucial element in the regional economies and in everyday life, it can be a means of providing economic development in peripheral regions like Northern Finland (Saarinen, 2003). Tourism development affects economy and GDP level through creation of new jobs and increase of the demand for goods and services. An area that has a high level of tourist-related activities generates a lot of employment opportunities for the local people (Rao, 2014). In Lapland, 11% of total personnel of all industries are employed in

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tourism. At the same time, the future of any sector of the economy depends on the customers' preferences. Awedyk (2016) considered that the best way to predict the future is to create it and she introduced the notion of foresight in tourism, which helps tourism stakeholders to be prepared and proactively anticipate any changes. Tourism, one of those industries, which is changing quickly, is influenced especially by climate change and pandemics; that is why it is important to analyse global trends.

Nevertheless, there are a number of studies about changes in tourism and tourism industry in Finnish Lapland, still some of the issues like biggest tourism trends for the upcoming years and their importance for tourism development in smaller regions of Lapland are not fully studied and deserve further attention. Thus, this paper discusses the issues and prospects of tourism development in a peripheral region.

For the case study, we have chosen the city of Kemi, a municipality in Finland. Kemi is located in Southern Lapland, by the Bothnian Bay, at the mouth of River of Kemi and near the Swedish border. Located in Sea Lapland, Kemi is the Arctic Bio Capital, the logistic hub, the centre of trade and services in Sea Lapland with main economic activities: mining, forest and wood processing industry. Along with traditional industries, there are coming up relatively new industries, such as circular, bioeconomy, and of course tourism, which is an important key driver for the city development.

The area represents an interesting case in tourism: Kemi is a unique destination in Lapland, a city of full four seasons, sea life, magic Northern Lights, vibrant cultural and industrial heritage as well as the forerunner in green circular economy. Main tourist attractions are Kemi's SnowCastle – the Winter Wonderland, an art made of snow and ice, it represents a building with various services, including Snow Hotel and Snow Restaurant; cruises on Icebreaker Sampo – the only passenger icebreaker in the world; the Gemstone Gallery – the largest in Europe, containing 3000 gemstones originating from almost 60 countries; and a large scale of other attractions and activities.

According to the Accommodation Statistics (Statistics Finland), during the last 10 years, the total number of foreign arrivals increased almost 3 times (21,886 in 2018) and the total number of nights spent risen by 26.9%. At the same time, Kemi had low value of total overnight stays compared to other cities in the region and low level of duration of visitor's stay – 1.5 nights (for both domestic and foreign), while the average in Lapland amounts to 2.4 nights. This fact indicates that tourists choose other destinations for their long trip stays. Kemi is a city with growing tourism industry and creating a number of issues and opportunities. In these conditions, it is important to analyse current issues in attracting tourists, identify main trends in global tourism and determine priorities for tourism development of the area. This leads us to the following research question: what will the tourism sector look like after pandemic and how are global trends taken into account in determining priorities for local tourism development?

The *purpose of the article* consists in identifying main tourism trends in post-lockdown era caused by COVID-19 pandemic and determining the potential for regional tourism development of peripheral areas on the example of the city of Kemi.

The *originality* and the value of the paper consist in identifying emerging tourism trends, and determining main directions for regional tourism development, on the example of the city of Kemi, based on qualitative sociological study. The findings of this study may be helpful for upcoming research in the area of regional tourism development.

Following the introduction, the section on research methods describes the selection of methods for data collection and analysis. Next, the theoretical background of the study is outlined, the tourism development framework is presented, the results are discussed, and conclusions offer a brief summary of the main findings.

Methodology

The present study is based on mixed research methods. Firstly, the following scientific methods were used: analysis of literature in the field of tourism development, particularly in Finland and Nordic countries (A. Hjalager, N. Niemisalo, A. Nebasifu, P. Kauppila, J. Saarinen etc.), analysis of statistical data, reports/studies of international (WEF: Travel & Tourism Competitiveness Report, Organisation for Economic Co-operation and Development, Eurostat) and local (Visit Finland visitor survey, Finavia Traffic Statistics, 2019) organisations; as well as comparison; synthesis; deduction. Secondary data were used to review the literature and analyse the present status of the tourism industry in Kemi and region. Additionally, there was conducted an analysis of visitors' satisfaction based on reviews from travel booking sites. The secondary sources were regarded as favourable option for data collection given the fact that multiple sources were used and they tend to be reliable.

Secondly, the present study similarly draws upon a primary data collected using expert's survey developed by authors. Experts' opinions were mapped to create a comprehensive picture of Kemi as a tourist destination. The purpose of the questionnaire and semistructured interview was to accumulate information about the existing situation, main issues and perspectives for tourism development directly from experts working in the field of tourism in Kemi. Both expert survey and interviews were conducted during February–March 2019. The main selection criteria of experts were to have knowledge and experience in tourism field in the city of Kemi. Nonprobability sampling (expert sampling) was chosen and totally 18 experts in the field from the City of Kemi/ Mayoralty, Sea Lapland development centre, Kemi Tourism Ltd that operates main attractions in Kemi, Kemin Digipolis, hotel managers, academia participated in the survey. The expert survey consisted of 11 closed and open questions, which were designed to serve for analysing and identifying the need in different types of accommodation, food and leisure facilities, determining tourism perspectives and possibilities to improve the image of the city, and revealing main problems in the city. The data were collected via email and analysed. Also, semi-structured interviews were conducted with experts from Mayoralty and tourism business in order to obtain more detailed information on particular issues and study how tourism actors see the potential for tourism development in the city.

The limitations of chosen research methods lie in a limited number of experts, but due to their wide experience this was enough to understand Kemi tourism development peculiarities. Also, taking into account that the qualitative study was conducted before the crisis caused by COVID-19, it would be interesting to study customer behaviour after the pandemic.

Recent research

The future and new trends in tourism were discussed in various studies, some of the tourism and travel trends being shortly presented by Tovmasyan (2016) in her research

work. Gomez et al. (2016) analysed the change of tourism over the time, mainly focusing on providing definitions of tourism changing concept. Scott and Gössling (2015) provided a retrospective overview of the tourism industry over the last 40 years and discussed what the next 40 years hold for global tourism in terms of new market preferences of tourists, threats of political upheaval, demographic change, climate change, etc. Considering global trends, it is important since they shape the future of the tourism industry. For decades, tourism has been used as a tool for regional development in peripheral areas (Moscardo, 2005). At the local level, the main objective of tourism development is to control the structural changes of declining industrial towns, as well as to diversify the economic base of these areas (Kauppila et al., 2009). Hjalager et al. (2018) studied rural tourism in Scandinavia, revealed the existence of market potential, and identified five innovation gaps: the portfolio gap, the policy departmentalization gap, the knowledge gap, the change motivation gap and the resource interpretation gap. Nebasifu and Cuogo (2017) used the concept of critical tourism as a method for addressing tourism practice and analysed the case of snow-based tourism in Finnish Lapland. As it was stated by Niemisalo (2014), for Finnish Lapland, tourism is a strategically important livelihood.

There are a number of studies on tourism development, revealing main theories (Manzoor et al., 2019), principles (Zamfir & Corbos, 2015), models (Andergassen et al., 2013), and impact of tourism development (Kumar et al., 2015). Janusz and Bajdor (2013) revealed the essence of sustainable tourism and described the main framework for sustainable tourism, which consists of 12 elements (economical capacity, local prosperity, employment quality, social balance, satisfying visitors, local control, satisfaction of local community, cultural wealth, physical integration, biodiversity, resource efficiency, clean environment). Nevertheless, actions are also presented, methodology was not described.

Another sustainable tourism model was also limited at presenting key elements: carrying capacity, local community, tourist experience, destination management organisation, seasonality management, demand management, smart destinations (Adillón, 2019). Stoddard et al. (2012) suggested using a triple bottom line framework to enhance sustainability of tourism organisations, presenting economic, social and environmental indicators of tourism impact. Similar approach had Aimagambetov (2017), who identified three principles in the model of sustainable development of tourism: social, ecologic and economic, and presented variables/indicators for each of them. The literature on tourism provides development perspectives, although not within the framing suggested in this paper.

It should be noted that during the implementation of the tourism development framework, it is important to establish constructive dialogue at all levels, including as it was justified in other studies – the collaboration between academic and tourism workers (García-Rosell & Haanpää, 2017). Tourism development framework represents a comprehensive tool, which could be followed by regions to ensure tourism development in line with the global trends, existing resources and potential, travellers' needs and locals' interests. The tourism development framework presented in Figure 1 consists of four main elements:

- affecting global trends. In the twenty-first century, there are two major drivers of change to the tourism industry: climate change and global health emergencies. An

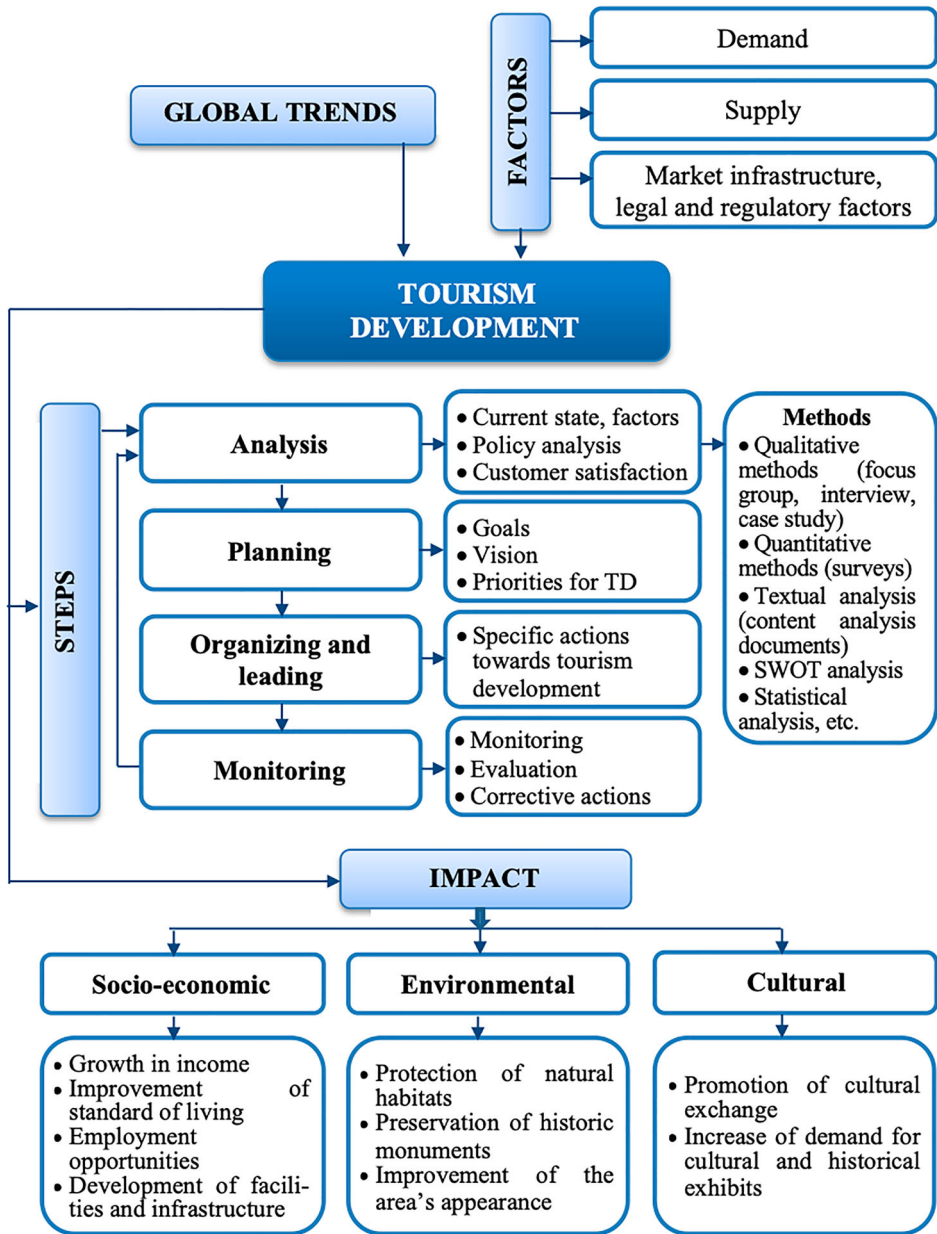


Figure 1. Tourism development framework. Source: Developed by authors.

example of health emergency is currently circulating novel coronavirus. The impacts of the COVID-19 on tourism and emerging tourism trends are discussed in the next section;

- factors that influence tourism development, which include demand factors, which are related to customers/tourists (disposable income, time availability, seasonal requirements, purposes and need for vacation, demographic characteristics, etc.); supply

factors, which are related to the goods/services (the availability of natural resources and attractions, availability of investment funds, skilled human resource base, etc.); market infrastructure and regulatory factors (economic, political, competition, infrastructure, state support, strategy of the regional development, etc.);

- steps towards tourism development: analysis of current state, main factor affecting tourism customer satisfaction in order to find main issues, which can be further managed and transformed into opportunities; planning of tourism development and determining main priorities; organising and leading specific actions towards tourism development; monitoring and evaluation;
- impact: socio-economic, environmental and cultural. Here should be taken into account not just the positive, but also negative impact of tourism development, for example: seasonal unemployment, increased cost of living, unwanted lifestyle changes (socio-economic); pollution, vandalism, loss of natural landscape (environmental); language and cultural effects, dilution of heritage, culture and customs (cultural).

Two out of four presented elements constituted the basis of the current study: determination of main global trends which influence local tourism; analysis of current state and identification of priorities for tourism development in Kemi.

Global trends

Until the beginning of 2020, the global tourism has grown significantly, being influenced by globalisation and technological advances. People were benefiting from cheaper airfares, possibility to plan and book their own travel and then share their experiences online. The OECD (2018) identified 4 mega-trends that will shape the future of tourism by 2040: evolving visitor demand, sustainable tourism growth, enabling technologies, travel mobility. The growth was projected to continue, being influenced by changing demographics, environmental conditions and innovations. But the global tourism came to a standstill. Today, the world is facing unprecedented health and economic crisis caused by the COVID-19 pandemic. It has led to national quarantines and travel restrictions. The recession is the greatest since the Great Depression. Various forms of economic activity, especially tourism, suffered given the immediate and immense shock to the sector.

Only in the first five months, tourism industry has lost 320 bill. USD, which is more than 3 times the loss during the 2009 Global Economic Crisis. According to the UN, export revenues from tourism could fall by 910 bill. USD to 1.2 trill. USD in 2020. International tourist arrivals could fall by 58%–78% in 2020. It is projected that tourism spending will not likely return to the pre-crisis level until 2024. Taking into consideration that about 1 in 10 people in the world are engaged in the tourism sector, the decline in travel puts as many as 100 mil. to 120 mil. jobs at risk.

Northern countries (Denmark, Finland, Iceland, Norway, Sweden) registered a significant drop in nights spent in tourist accommodation –78% in April and –38% in first 5 months compared to the previous year (Figure 2). Tourism revenue is permanently lost, because unsold capacity in accommodation cannot be marketed in years to come.

There are a number of studies which consider the impact of COVID-19 pandemic on tourism. Folinas and Metaxas (2020) investigated the extent to which COVID-19 can affect the global tourism industry. Gössling et al., (2020) compare the impacts of COVID-19 to previous pandemics and other types of global crises and explore what implications it may have. It was noted that within couple of months, global tourism system moved from over tourism to non-tourism.

According to Higgins-Desbiolles (2020), COVID-19 is recognised as a game-changer for travel and tourism. Her research is focused on the analysis of how advocates of industry rapid recovery stand opposed to wider efforts to reform tourism to be more ethical, responsible and sustainable. Ioannides and Gyimóthy (2020) stated that as a result of the COVID-19 pandemic in an evolutionary sense, we have reached a fork in the road where at least two general outcomes are possible: the first is that the sector will gradually revert to the pre-crisis unsustainable growth-oriented trajectory; and the second scenario entails a transition towards a radically different way of doing things.

Therefore, the crisis could be an opportunity to rethink the tourism sector for a more sustainable future. Tourism services will evolve according to the changes in customer behaviour, decisions of suppliers and governments.

Main global trends identified for 2020 and post-Covid era:

- *Digitalisation.* The use of technology is expected to be maximised and tourism services will be characterised by an increased share of E-tourism. A number of museums during the lockdown introduced virtual tours. Customer demand for contactless and personalised experiences could lead to the implementation of cloud-based property management systems, automatic check-in/out in hotels and attractions, use of autonomous robots to clean, etc. Also, the move to digital will enhance work and educational opportunities in the sector. Gen Z, Millennials and the generations that follow are digital natives and their relationship with technology will continue to influence tourism service delivery.

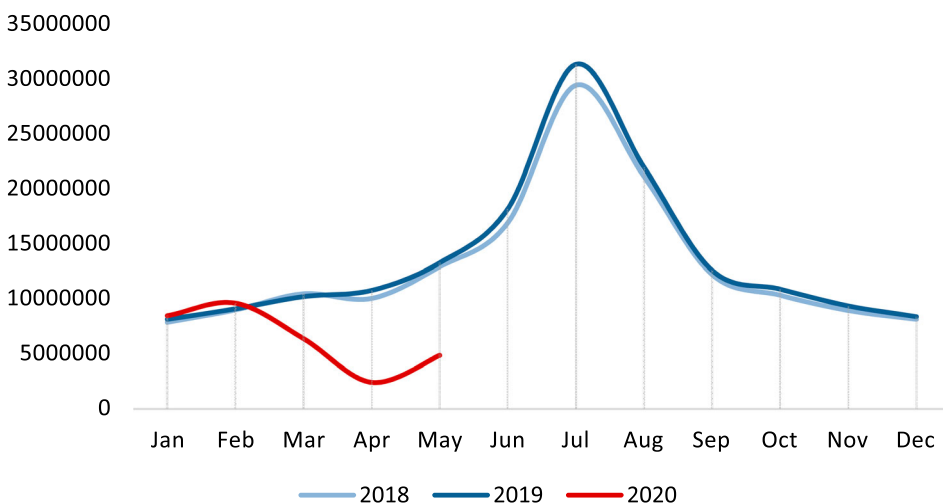


Figure 2. Nights spent at tourist accommodation establishments in Northern countries (Denmark, Finland, Iceland, Norway, Sweden). Source: developed based on Eurostat (2020).

- *Responsible and sustainable tourism.* A positive aspect of the pandemic is the environmental upgrade due to the reduction in air, sea and land pollution. The increased perception in the value of nature could lead to more sustainable models of tourism industry. Sustainability should be a guiding principle in the recovery. Responsible tourism is becoming significantly relevant when booking a holiday, 45% of tourists prefer to choose tour companies, which provide holidays that benefit the local community and economy.
- *Domestic tourism.* Domestic tourism, which accounts for about 75% of the tourism economy in OECD countries, has also been affected by travel restrictions, but is expected to recover more quickly. People will be mainly looking for safer destinations or places close to home. Over 50% of global population now categorised as “middle class” or “rich”, more and more people can afford to travel. Domestic market is very important to satisfy as it continues to remain as the leading form of tourism as well as an important tool for regional economic development. Domestic travel decreases the impact of seasonality in tourism, it also improves the attractiveness of the city, which helps to attract highly educated young professionals and thus supports local economic diversity and eases investment decisions to the region (Haxton, 2015).
- *Thriving wellness.* Health and wellness are expected to remain a leading guest expectation. The growing trend of health and wellness led to increase the health-conscious travel. Health and wellness-inspired activities are walking (56% of travellers), visiting a spa or receiving beauty treatments (33%), cycling (24%), water sport activities (22%), taking a full body detox holiday (17%), etc. (Booking.com, 2019)
- *Changed views on mobility.* Tourists may be mainly looking for safer destinations, choose to move away from crowded destinations and give preference to outdoor activities (rather than indoor), cycling, etc.
- *Changed business travel.* Meeting and event industry experience an essential change ever. Video-conferences have become widely used, including by business travellers, avoiding non-essential travel. As affirmed by Cohen et al. (2018), many business travellers will welcome opportunities to fly less. At the same time, a new generation of event professionals is emerging with an expected major shift in mindset that will change the way events are planned.

Some of these trends could be for a short term, while others will be around for a long time.

Jamal and Budke (2020) highlighted that global crises (such as pandemics) raise serious topics regarding the preparedness of global and regional tourism-related institutions to coordinate crisis management and recovery actions. Indeed, tourism industry is vulnerable to various factors, such as natural disasters, pandemics, terrorism, climate change, etc. Thus, corresponding organisations need to be well prepared in countering and recovery strategies.

Tourism industry in Kemi and region

Accommodation sector

According to the Travel & Tourism Competitiveness Report 2017, Finland is the safest and most secure travel destination in the world (WEF, 2017). Digital Country Index 2017 shows

that Finland ranks 21st in Europe for overall search volumes of tourism (Vilar, 2018), but trails behind the direct competition: Iceland, Norway, Denmark and Sweden. Tourism was a growing sector in Lapland, having the biggest share of tourists in the Finnish mainland in relation to the total population. At the same time, a decline in tourism demand by 60–70% is predicted in 2020 due to COVID-19 pandemic.

In 2018, the average room occupancy rate in Kemi was equal to 40.2%, being less than in Lapland (44.6%) and Finland in general (51.7%). The analysed indicator varied depending on season, registering the highest values during winter and September (Figure 3). The room price was changing correspondingly to the demand, with the lowest values during May–July. Hotels in Kemi offered competitive room price – on average 87.4 EUR with slight variations throughout the year (Figure 4), when on average in Lapland this indicator was equal to 119.1 EUR (up to 165 EUR during winter season) that is higher than the

Room occupancy rate in 2018, %

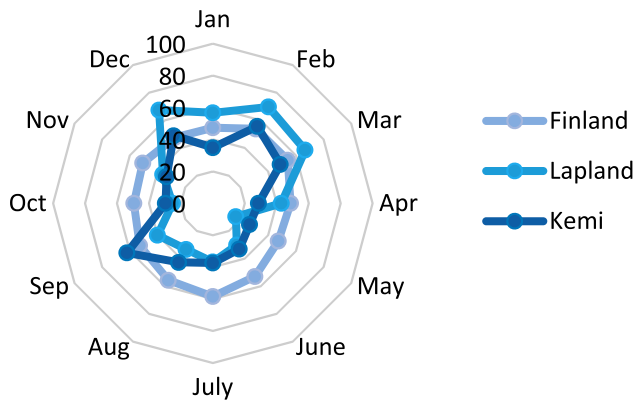


Figure 3. Average room occupancy rate in Kemi, Lapland and whole country, 2018. Source: Developed by authors based on Statistics Finland (2019).

Average room price in 2018, EUR

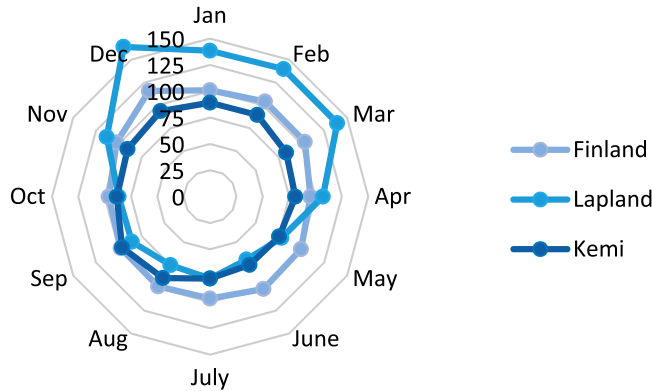


Figure 4. Average room price in Kemi, Lapland and whole country, 2018. Source: Developed by authors based on Statistics Finland (2019).

average room price per country (100.8 EUR). These suggest that Kemi is an attractive place for tourists to stay for the night.

According to the accommodation statistics, the total number of arriving guests in Kemi is constantly growing: by 1.5% in 2016, 14% in 2017 and 0.7% in 2018. If in 2016 and 2017 this was ensured by the increase of foreign visitors (by 41%) every year, then in 2018 it was ensured by the increase of domestic visitors (by 1.2%). In 2018, 21,886 arriving guests or 38.2% were foreigners, mainly coming during December–March (Figure 5). Thus, it should be noted that Kemi is primarily a domestic tourism destination with a peak in summer when international tourism is at a low point. In Kemi, more than 60% of accommodation revenues are received from domestic visitors, whereas in Lapland the highest income is obtained from the accommodation of foreign visitors (63.5%), which shows the prospect for international tourism development in the city.

In 2018, the number of arriving guests in Kemi constituted 57,238, or 4.7% of the visitors in whole Lapland. At the same time, total overnight stays in Kemi amounted to 88,369, or just 3.0% of the total stays in Lapland. This could be explained by the fact that visitors spend on average 2.4 nights in Lapland and only 1.5 nights in Kemi. Short stays in Kemi prove the necessity to develop infrastructure and facilities.

It should be mentioned that comparing main airports in Nordic countries, Helsinki airport had the biggest share (81%) of the scheduled long-haul seats to Asia. The shortest and easiest way to get from Asia to Europe is via Finland. Thus, it is the best connection point between Asia and Europe.

Purpose of visit

Almost one-third of Finnish visitors were coming to Kemi for business reasons, while most international visitors were coming for leisure (61%), mainly during December–April and June–July. Overall, 56% of all stays in the city had business purpose. This is due to the fact that Kemi is the centre of trade and services in Sea Lapland, the region responsible for 80% of Lapland's industrial production. Beside tourism, main economic activities in the city are centred on the only chromium mine in Europe, on paper mills and

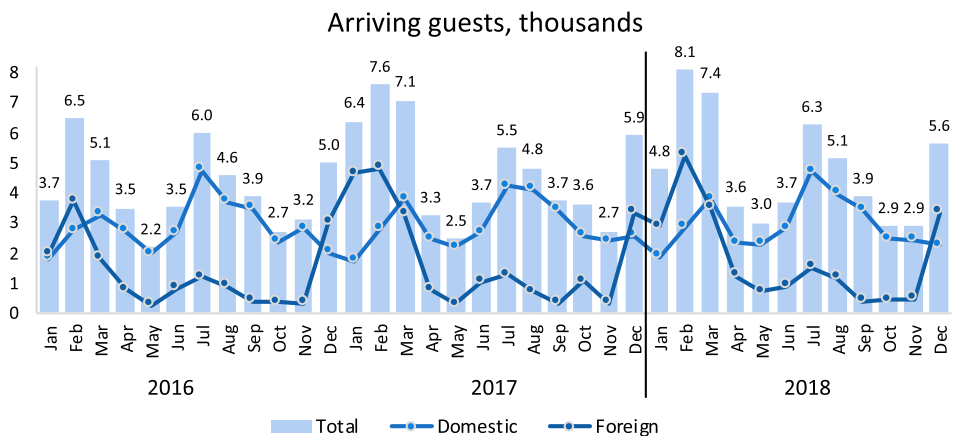


Figure 5. Arriving guests in Kemi in 2016–2018, thousands of persons. Source: Developed by authors based on Statistics Finland (2019).

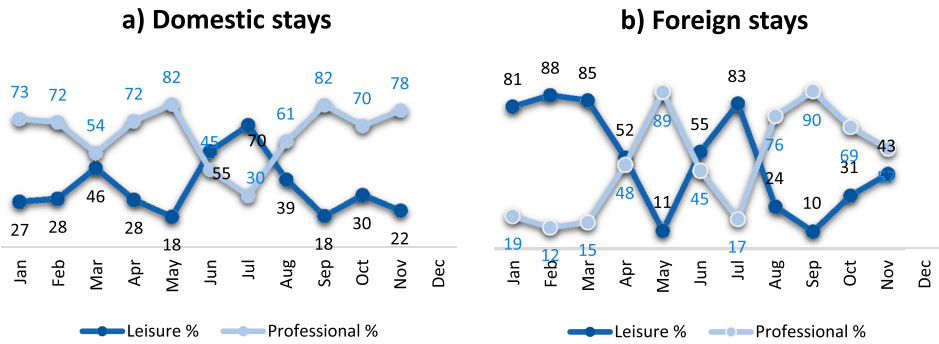


Figure 6. Monthly overnights in Kemi by purpose of stays in 2018. Source: Developed by authors based on Statistics Finland (2019).

company specialised in wood industry products. At the same time, there are coming up new industries, such as circular economy and bio-economy.

For the city, the business travel remained very slow during the summer. At the same time, high values of overnight stays for leisure were registered not just during winter season, but also during summer, which proves that tourism in the city can be developed all year round (Figure 6).

Country of origin

In 2018, Asians accounted for 40.0% of the international nights spent in Kemi, which is significantly higher than in the whole country (15.6). Data on the numbers of registered overnights spent in Kemi reveal that China (and Hong Kong) maintained its leading position for the last years (20.3% of the international nights spent), but registered a significant decrease by 25% compared to the previous year and amounted 7054 nights spent (Figure 7). It was followed by Estonian visitors, who spent 1.5 times more nights than before (2824 nights) and by visitors from Thailand. Russia was the largest market for overnight stays in Finland. After three consecutive years of Russian travel's downward trend in Finland, starting with 2017 it started to recover, but in Kemi it still registered a slow decrease during the last years.

According to the Visit Finland Visitor Survey 2017 (Visit Finland, 2018), Foreign visitors spent 2.60B EUR in Finland during 2017, which is almost 500 mil. more than the prior year. On average, they spent 318 EUR/guest and Chinese visitors spent the most money – over 1200 EUR per visit.

Visitor satisfaction

In order to analyse the level of satisfaction of visitors staying in Kemi, an analysis of the data on different travel booking sites was conducted. Visitors used mostly Booking.com to book their accommodation in Kemi. Data, provided by the Booking.com allowed to identify overall customer satisfaction with their accommodation (hotels and hostels) while staying in Kemi, which ranked at 8.37 out of 10. This is slightly lower than in Rovaniemi (8.49), but higher than in Luleå (8.27).

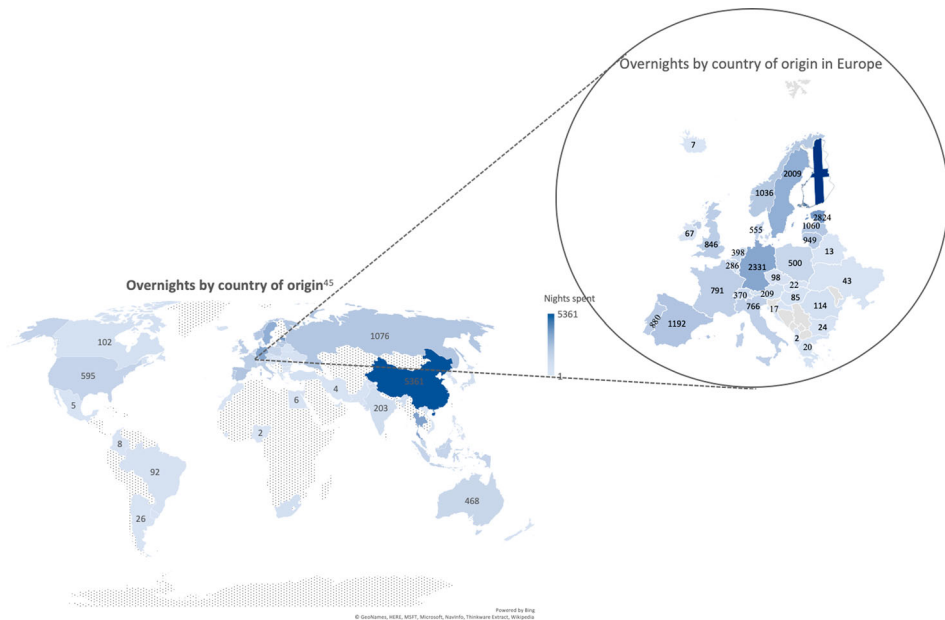


Figure 7. Nights spent by country of origin, 2016–2018. Source: Developed by authors based on Statistics Finland (2019).

According to the review of accommodation in Kemi, the following criteria received highest scores by the guests (Figure 8):

- *staff*;
- *cleanliness*;
- *location*;
- *free WiFi*.

At the same time, other criteria were rated lower, especially.

- *value for money*. However, visitors stated that this is a typical situation for Scandinavia, where prices for hotels are higher than in other European countries;
- *comfort*. There are a number of guests (in different hotels) mentioning that the room/hotel is outdated, and a renovation is needed.
- *facilities*. Here visitors were rating both facilities in hotels (gyms, restaurants, etc.) and facilities in the city of Kemi, mentioning, for example, that most restaurants close too early on weekdays.

The most popular tourists' attractions are Sampo Icebreaker and SnowCastle, both highly ranked. Even if Sea Lapland safaris, Kemi Gemstone Gallery and Kemi church received few reviews, these places were also highly ranked.

GUEST REVIEWS

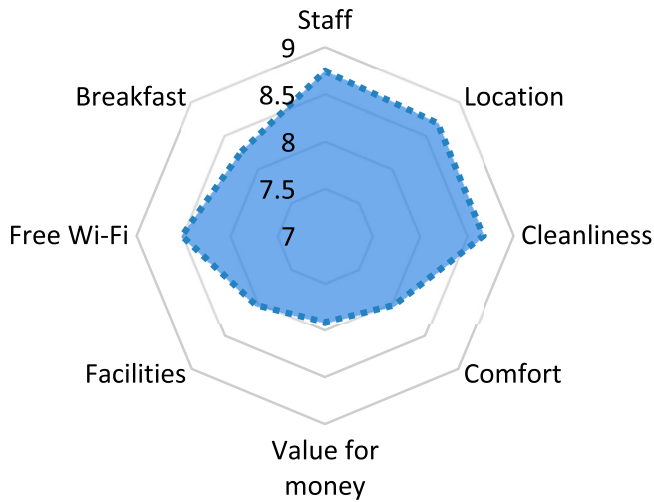


Figure 8. Average score of reviews by guests in Kemi hotels. Source: Developed by authors based on booking.com.

Thus, it could be mentioned that along with the good sides, there are things which should be improved in Kemi in order to increase visitors' satisfaction and the overall impact of the tourism on the local development.

Experts survey

The conducted experts' survey helped to create a comprehensive picture of Kemi as a tourist destination.

Most of the experts (15) agree on the necessity to open new accommodation facilities in Kemi, particularly VIP accommodation – 7 experts, and both economy class hotels and VIP accommodation facilities – 5 respondents (Figure 9). Besides the need for luxury/high-quality accommodation in Kemi, it was mentioned that some hotels in Kemi need to be renovated.

According to the experts' opinion, there is a high need for food facilities in Kemi (Figure 10), in particular: specialised cafes and restaurants (mainly located in the city centre) – 8 respondents, small cosy cafes with good food – 5 experts, and 4 experts believe that both of the above mentioned food facilities are needed.

Sea Lapland safaris and SnowCastle were defined as the best leisure enterprises by 7 and 5 respondents, respectively. At the same time, almost 2/3 of experts consider that there are not enough leisure facilities in Kemi.

Speaking about what could improve the image of the city (Figure 11), experts mainly mentioned: new events in the city (9 times), shopping centres (9), children's activities (8) and parks (7). The conducted survey allowed to identify main challenges of Kemi as a tourism destination. Thus, according to the experts' opinion, Kemi is a small, not yet widely well-known city; with insufficient attractive sights in the city; not enough places

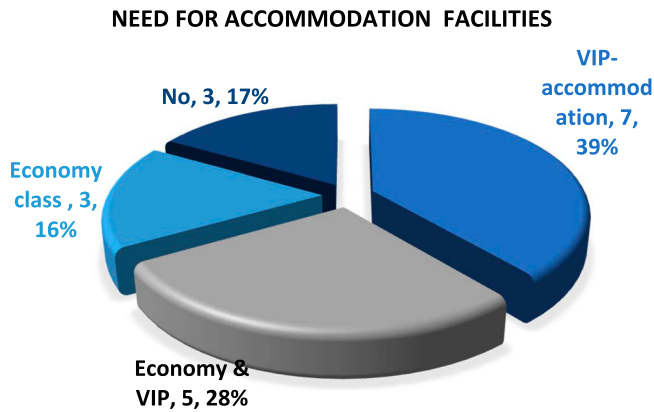


Figure 9. Is there a need to open new accommodation facilities in Kemi? Source: Developed by authors.

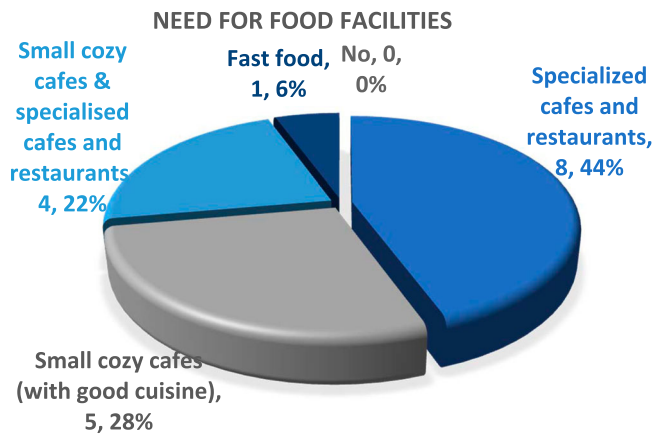


Figure 10. Is there a need to open new food facilities in Kemi? Source: Developed by authors.

to go such as coffee shops; lack of new/fully renovated hotels; not many/not effectively marketed events for tourists. Determined issues are crucial in determining the actions, which should be taken by the respective bodies towards tourism development in the city.

Issues and perspectives of development of Kemi as tourist destination

The research results show that Kemi has the potential for further business and leisure tourism development, it has developed legal framework that promotes tourism development, tourism being one of the targets of the Kemi strategy 2030; good location since Kemi is a seaside city, close to Arctic Circle and Swedish border; being the centre of Finnish industrial circular economy with strong industrial presence and Digipolis concept make Kemi an attractive destination for business tourists; at the same time unique attractions as SnowCastle and Icebreaker, a wide range of cultural and sport services make Kemi attractive also for leisure tourism. Nevertheless, Kemi, as other regions

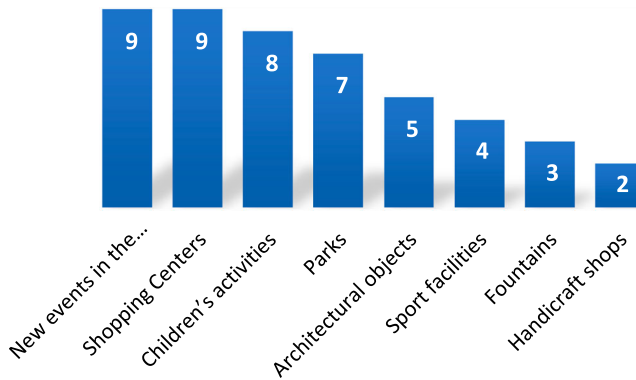


Figure 11. What could improve the image of the city? Source: Developed by authors.

around the world, experiences a decline in tourism industry due to COVID-19 pandemic. At the same time, emerging trends like wellness, domestic tourism, sustainable tourism provide opportunities for the development of the local tourism.

Besides the global health, social and economic crisis, there were identified several issues, which negatively affect the tourism activity in the region: seasonality, lack of high-quality accommodation; average overnight stay under 2 days; absence of souvenir shops, tourist info centre and big shopping mall in the city centre; lack of direct international flights and underdeveloped passenger port; lack of co-operation between neighbouring cities; lack of noticeable architecture and insufficient information about events declared by the experts.

Based on emerging tourism trends after pandemic, the following priorities for tourism development in Kemi were identified: enhancing sustainable tourism, protecting the nature, developing wellness services, increasing health-conscious travel, supporting digitalisation of the sector.

Additionally, based on the conducted study, the authors identified several priorities for tourism development in Kemi (Figure 12), which could be taken into consideration when developing tourism in peripheral areas.

(1) Enhancing visibility in the market

Tourism business, like any other business segment, is a highly competitive field of economic activity. Competitiveness is created in the best price/value ratio and in a market where prices are less flexible; the value is the only factor in increasing experienced and real p/v ratio increases. Highly networked marketing environment causes experienced consumer value to be transformed into marketing tool in the form of reviews

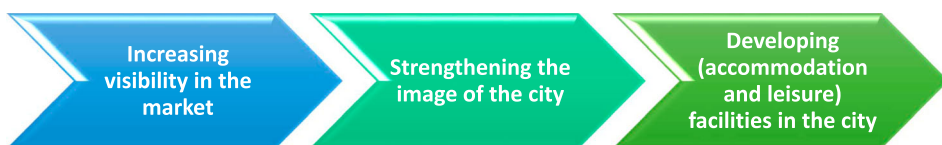


Figure 12. Priority groups for tourism development in Kemi. Source: Developed by authors.

and endorsements. Effective consumer marketing shifted towards platform marketing and aftermarket reviews affect decision making greatly, especially among millennials and younger generations, where technology acts as a driver also for the experience industry such as tourism.

This study identified the following potential actions to increase market visibility to enable more efficient marketing and to accelerate Kemi's development as a year-round travel destination.

- *Increasing the number of events (both cultural and business).*

Events are important motivators of tourism, and they greatly influence the development of a destination (Oklobdžija, 2015). Creating unique annual international events specific for Kemi, both cultural (food/sport) and business (conferences) events, will help distributing visitor flows outside the traditional seasonality and help identify Kemi also as an event destination. This, in turn, will convert to T&T revenues and enable further development of the city.

- *Increasing appearances in social media platforms.*

Social media platforms enable efficient influencer marketing. Videos and pictures from the destination often reach a follower base larger and more accurately defined than any other marketing method. This social media co-operation with influencers serves pre-sales marketing, initiating travel decisions and supporting positive image of the city.

- *Extending co-operation with neighbouring cities.*

Kemi is a destination where most of the tourists come from long way. As travelling decisions are partly affected by the value factor, increasing the experienced value by packaging services together is highly recommended.

(2) Strengthening the image of the city

Tourism industry is built on experiences, where visitors' experienced value is intangible in nature but partly enabled by tangible objects. Lapland is a unique travel destination as part of its attractiveness is created by the intangible natural phenomenon. However, and in addition, investments to infrastructure are needed as they serve both the visiting customers and the local population by increasing their experienced value of living in Kemi.

- *Building architectural objects, fountains, monuments.*

Survey data indicate that Kemi is in need to increase must-see attractions, including fountains and monuments. This would come with a multitude of benefits for the city's image, marketing efforts, attractiveness of the city and for the local population. Improvements in the area's appearance and the addition of public art such as murals, water fountains, and monuments (part of making a community ready for tourism) benefit visitors and residents alike (Malviya, 2005).

- *Building and developing parks and playgrounds.*

Experienced value for families is of essence to maintain a healthy local livelihood. Parks are being used for recreational purposes by all age groups and they provide a green environment also for the city centre.

- *Taking advantage of Kemi's industrial heritage and its derivatives.*

The city of Kemi has a rich industrial heritage. Signs of this may be seen also in present industrial activities as well as in unique industrial focus area of Circular Economy. Stories about the city and its people, history and planned future deserve to be told and will be fascinating for both visitors and inhabitants alike. Industrial sites can also be fascinating especially for people interested in technology and development.

- *Undertaking a comprehensive development project for city centre.*

Surveys conducted to achieve comparable data in experiences about the city indicated that the city centre lacks some fundamental services. Some services that are of high demand in tourism destinations, such as cafés and restaurants, are of short supply.

(3) Developing (accommodation and leisure) facilities in the city

- *High -quality (5 star/VIP) hotels.*

High-quality accommodation enables to cater also the most demanding customer segment in both business and leisure travel categories. The quality extends beyond the established accommodation infrastructure and covers also the level of hospitality and hotel-related services.

- *Renovation of existing hotels.*

During interviews, many stakeholders expressed their concern regarding the existing hotels in Kemi. Most of them described the current selection outdated and inadequate. Adding selection and options to the customers will solve this challenge.

- *Big modern shopping centre.*

The Sea Lapland area is a wide area with enough purchasing power to support a shopping mall. Shopping mall would enable Kemi to retain a large part of the purchasing power that today is leaking to neighbouring cities.

- *Other recommendations.*

Gathered data indicate that visitors in Kemi are often searching for place to shop souvenirs. Currently such an establishment is unavailable in the centre area. *Establishing a souvenir shop* included with handicraft items would provide a route for local handicraft

products to enter the market, create job opportunities. *Establishing a tourist information centre* with sales capabilities will increase both direct revenues and customer experience.

Sport facilities are clearly catering mostly the locals and their well-being and happiness. However, investments to such activities will increase visitor opportunities and support efforts to keep visitors in Kemi longer. Wellness will continue to be a growth trend and providing services related to healthy living can be one catalyst for growth in visitor revenues.

Conclusions

The article presents the tourism development framework, consisting of four main elements, which serves as a basis for ensuring the development of tourism in a region/city. As a result, there were identified directions for regional tourism development, on the example of the city of Kemi in Finnish Lapland, based on designed tourism development framework with a focus on the analysis of global trends and qualitative sociological study. Among main travel trends in post-pandemic era are as follows: digitalisation, sustainable tourism, thriving wellness, etc.

There were analysed current state of the tourism industry in Lapland and Kemi, which is an important key driver for the city development. According to the Accommodation Statistics, during the last 10 years, the total number of foreign arrivals increased almost 3 times and the total number of nights spent rose by 26.9%. According to the review of accommodation in Kemi, the following criteria received highest scores by the visitors: staff; cleanliness; location; free WiFi. At the same time, other criteria were rated lower, especially value for money, comfort and facilities. This was also confirmed by the developed and conducted experts' survey, which showed a necessity in new facilities and accommodation in the city.

Based on the strategic framework of the tourism business in the city and on conducted qualitative sociological study, statistical analysis of the current business as well as the business environment factors, there were recommended three priority groups with identified sub-categories, which, in turn, can be leveraged as direct action recommendations: enhancing visibility in the market, strengthening the image of the city, and developing (accommodation and leisure) facilities in the city.

The presented results are important for the development of science and represent a good basis for further research on the impact of global trends on regional development. At the same time, the analysed framework provides guidance in ensuring local tourism development, suggested priorities and measures can lead to the development of the tourism in the city, attraction of new investments, creation of new jobs and thus development of the economy and population well-being.

Disclosure statement

No potential conflict of interest was reported by the author(s).

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