



RuralGrowth
Interreg Europe



European Union
European Regional
Development Fund

Increasing the competitiveness of SMEs in the rural visitor economy sector

Savonlinna 27.9. 2018

Rural Growth

Increasing competitiveness
of SMEs in the rural visitor
economy sector

- The project ran for four years starting in 2016.
- Concerned with the visitor economy in 6 regions in Europe (Drenthe *Netherlands*, Savonlinna *Finland*, Medina del Campo *Spain*, Po Delta *Italy*, Nagykanisza *Hungary*, Harghita County *Romania*)
- Common features: Wish to develop and improve regional economy based on the high landscape value and exceptional natural assets; scope to further develop the green tourism sector.
- Activities: Knowledge exchange, especially strategic initiatives to improve the competitive position of SMEs in the green tourism sector. Policy influencing.
- Project extension to enhance response to the covid-19 pandemic by sharing good practices and influencing policy to support recovery.

Transfer of good practices



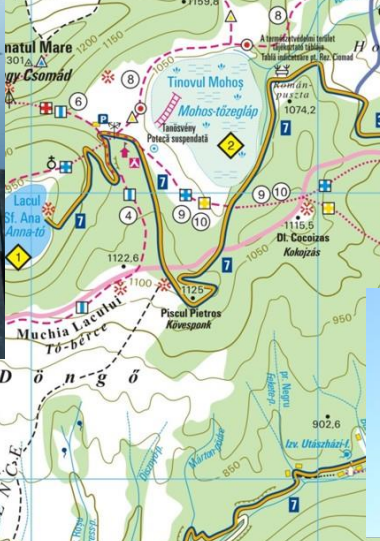
OPERACIÓN MAPPING
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Passo 2: Dibuja lo que quieras dentro de los límites del dibujo!

Passo 3: Envíalo este documento como ganador!
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Nombre y apellidos: _____
Correo electrónico: _____
Teléfono: _____
Ciudad: _____

Medina del Campo | Ayuntamiento de Medina del Campo | **audiovisuales** | **Rodrigo Tamart**



PARTNERS ON MAP

 **Savonlinna**
FINLAND


 **Newcastle University**
UK

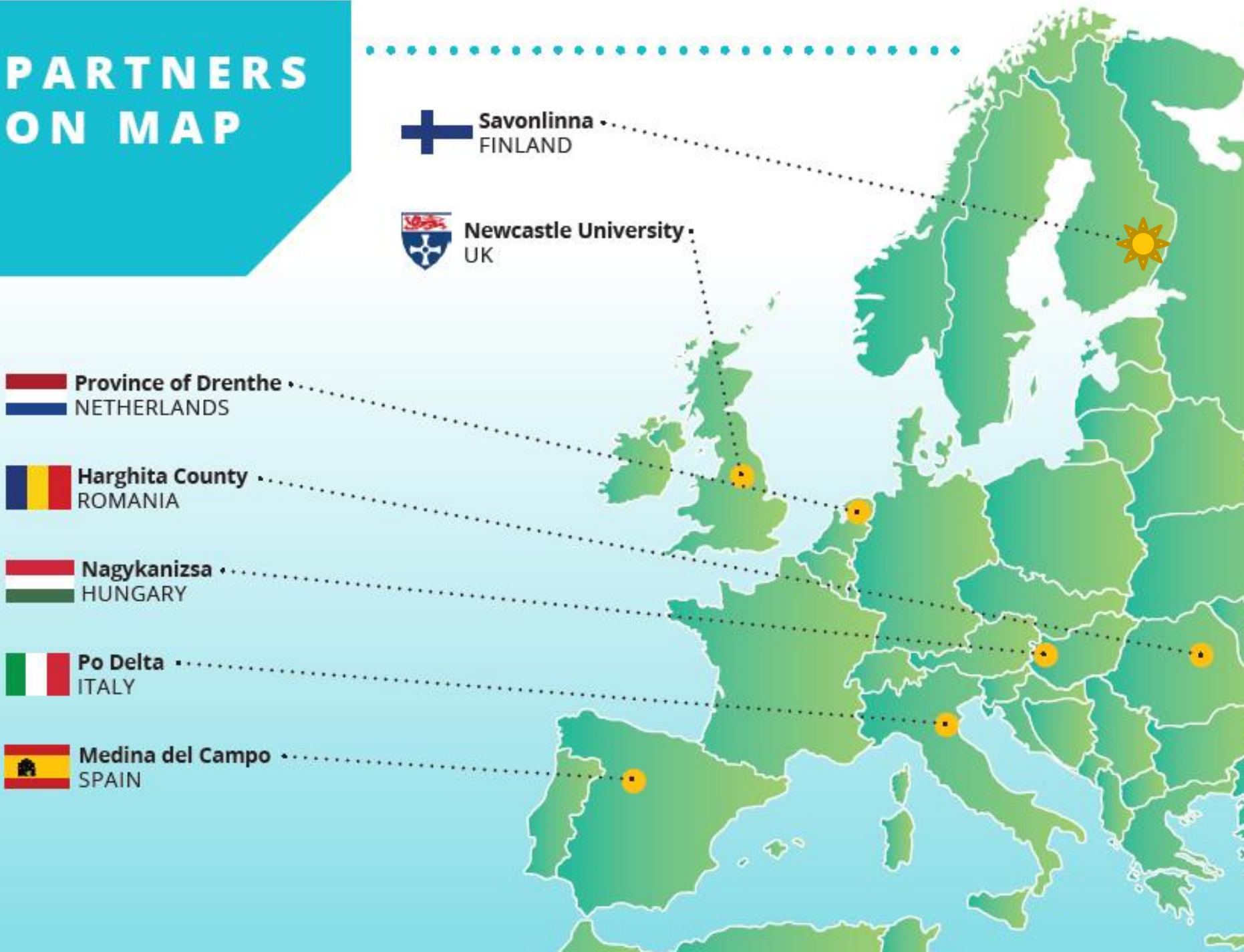
 **Province of Drenthe**
NETHERLANDS

 **Harghita County**
ROMANIA

 **Nagykanizsa**
HUNGARY

 **Po Delta**
ITALY

 **Medina del Campo**
SPAIN



Rapid and total **collapse in demand** for services.
Challenges of re-opening businesses under covid-19 rules.

Long and short term **uncertainty** about future.

Permanent closure of businesses

Challenges and experiences

Non-uniform severe negative financial impact faced mostly by businesses:

- focused on business customers or international visitors or schools
- Operating indoors
- Big venues – high fixed costs
- Small space – (social distancing)
- Unable to obtain public funding
- Making investment decisions
- No financial cushion

BEST YEAR EVER for some businesses
Dramatically increased volumes of domestic travel

- Lack of capacity in some accommodation, price increases.
- But problem of 'OVERTOURISM' in sensitive natural areas and cultural heritage sites → environmental damage
- TENSIONS between local residents and visitors (too many people for the infrastructure)
- QUALITY OF VISITOR EXPERIENCE

Most partners identified severe post-covid
LABOUR SHORTAGES,
leading to reduced business

- **Modernisation** of business practice
- Increased capacity by adapting to survive: e.g. digitalization, new marketing methods and channels.

Opportunities

TURNING POINT?

- A good moment to develop a new tourism strategy.
- Improved resilience.
- Identify and adapt to the new consumer profiles (domestic and international) and operating conditions, capture new market share.
- Good place in EU policy /funding cycle

Changing demand

- Consumers substitute international holidays with domestic holidays due to covid-19 travel restrictions.
- Rural areas are especially attractive – outdoors, ventilation, social distancing possible
- To a lesser extent, 'Working from home' in rural holiday cottages.
- Challenge to sustain demand in future when other options are available again

New market segments

New types of visitors

e.g. First time domestic visitors (Increased spending compared to 'traditional' visitors)

Staycation

Repeat visits

New seasons

Move towards year-round operation. More visits out of main summer season (winter and shoulder seasons)

UPDATING THE OFFER

Different products /product combinations *Different preferences from traditional visitors*
 Prolong the stay (*more events, activities ..*)
 Increase capacity?
 (*bedspaces*)

Case: Ensuring safety and driving up demand with **Savonlinna Live**

- Cancellation of big summer events in the city 2020-2021.
- Closure of international travel (c. 20 % of demand)
- Rapid policy change to help Savonlinna tackle lockdown and cancellation of big events: ERDF and ESF project portfolio to develop the tourism season 2020-2021

Results:

- Growth in domestic bednights and longer stay in destination.
- Improved destination services and amenities
- New demand from domestic tourism, new tourism products
- New business opportunities with Central European tour operators refocusing their business.

Daily and weekly tourist programmes in the destination

SME collaboration for continuous product adaptation

Support SMEs w/ implementation of covid-19 safety

Market analysis for customer profiling

Support for piloting pop-up events and experience products



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Kiitos!

This summary is provided to you by Marian Raley (Newcastle University)
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