The market potential of Scandinavia for Jordan

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As nationals of some of the wealthiest countries in the world, Scandinavians have high disposable incomes, generous holiday allowances, and like to travel to destinations that are hot and sunny. Demand for international travel is increasing at a faster rate than domestic tourism and inspirational travel to places they've always wanted to visit is a key motivator. However, the market is price-sensitive. Asian countries that are competing adventure destinations pose a challenge. Jordanian operators therefore have to make sure their product offer is unique and provides good value.

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1. Description of the target market

The Scandinavian region encompasses the northern European countries of Denmark, Finland, Norway, and Sweden. They are also referred to as the Nordics, or Nordic countries, a descriptive term that represents the unique geographical and cultural features of these northern nations that are situated close to, or partially inside, the Arctic Circle.

Some sources include Iceland, the Faroe Islands and Greenland within the Nordics definition. For the purposes of this report, those countries are excluded.

Denmark, Finland, and Sweden are members of the EU. Norway is not a member of the EU, but is situated in the visa-free Schengen Zone that allows border-free travel between neighbouring countries. Finland is the only Nordic country to be part of the eurozone and has adopted the euro as its national currency.

Figure 1: Map and populations of Scandinavia – Denmark, Finland, Norway, and Sweden

Source: CBI, 2022

The COVID-19 pandemic caused a drop in international arrivals of around 75% across most countries around the world in 2020. Therefore, this report uses 2019 figures for the basis of analysis rather than 2020 figures, which do not represent the norm.

Outbound tourist arrivals to Jordan from the target markets have fluctuated over the past five years. 2016 registered a dip in arrivals from all target markets and arrivals from Norway and Sweden have not yet recovered to 2015 levels. Sweden represented the largest market for Jordan in 2019, accounting for a 0.27% share of all tourist arrivals in Jordan, followed by Denmark with a 0.19% share.

These tourist arrivals figures indicate that Jordan is currently not a popular destination for Scandinavians. There are extremely limited direct flights to Jordan from any of the major Scandinavian city hubs, on either national airlines or low-cost carriers (LCCs). There is currently just one flight a week from Copenhagen to Amman on Royal Jordanian. However, given that Scandinavia is one of the main European markets for adventure tourism, which is a lucrative sector for the tourism industry, there are opportunities for the Jordanian tourism sector to grow this market.

The COVID-19 pandemic

The pandemic has severely affected global tourism over the past two years. The UNWTO estimates that, despite some recovery in 2021, international arrivals have remained at 70–75% below 2019 levels in both 2020 and 2021, and estimates cumulative lost revenue of USD 4 trillion.

While there has been some recovery in domestic and regional markets around the world, this has been uneven, and it is clear there is still a long way to go before the long-haul market rebounds fully. Uneven vaccination rates around the world and the emergence of new coronavirus variants, in particular Omicron at the end of 2021, continue to impact the industry's recovery as new travel restrictions have been put in place.

However, vaccination rates in the Scandinavian countries are very high and domestic life is returning to normal. Nevertheless, eight in 10 EU citizens expect that the pandemic will have some type of long-term effect on their travel behaviour, such as paying more attention to health and safety measures in destinations, taking more domestic holidays, travelling less overall, paying attention to the impact of tourism on local communities, or changing the choice of destination.

You should keep abreast of Jordan's travel restrictions on a regular basis, as they may change frequently. Strict regulations may deter Scandinavian tourists from choosing to travel to Jordan or being able to enter Jordan easily. Consult the relevant links on the Royal Jordanian and Jordanian government websites.

This is the time to prepare your business and travel products to welcome back visitors. CBI has published several tourism studies to help you to understand, plan and prepare for tourism recovery. Have a look at the studies on niche markets (such as adventure, birdwatching and culture) and target groups (such as free independent travellers and Generation Y/Millennials).

You should also familiarise yourself with the techniques for managing risk, an essential business management tool, and make sure you have all the right elements in place in these uncertain times.

Profile of the adventure tourism segment

Adventure tourism is one of the largest tourism niches in the world today, estimated to have a global value of USD 112,227 million in 2020, and projected to be worth USD 1.2 billion by 2028. It is defined as leisure trips that feature three core attributes:

- A physical activity, such as hiking and trekking or scuba diving,
- Interaction with nature, such as a camel safari or birdwatching
- Cultural exchange, such as food tourism experiences (lunch with the locals), hands-on crafting of local goods, art classes with local artists or volunteering

Physical activities are identified as either 'soft adventure', whereby there is limited risk or skill required to take part, or 'hard adventure', which is more risky and usually requires high levels of skill and sometimes equipment.

Table 1: Soft adventure activities vs hard adventure activities

Soft adventure activities	Hard adventure activities
Birdwatching Boat trips Cycling Ecotourism Fishing Food tourism Hiking, walking Horse riding Kayaking/canoeing Safaris/off-road 4x4 driving Snorkelling Swimming Volunteering White-water rafting	Abseiling/rappelling Climbing (mountain/rock/ice) Desert survival Kitesurfing Land sailing Mountain biking Paragliding Scuba diving Trekking Windsurfing Yachting/sailing

Source: Acorn Tourism Consulting

Further characteristics of soft and hard adventure activities:

- Soft adventure is largest segment of the two as hard adventure accounts for fewer participants and activities, although it is reasonably common that soft and hard adventure activities may be combined on one trip.
- Soft adventure tourists are also likely to use mechanised forms of transport (cars/motorbikes), often use local tour operators, and stay in comfortable accommodation, although camping (as an activity) is also considered a soft adventure activity.
- Hard adventure tourists are more likely to make their own travel arrangements using public transport, and will often camp, in wild spots if they can, or use basic accommodation with limited facilities.

The Adventure Travel Trade Association (ATTA) is a global network of adventure travel businesses that include individual guides, tour operators, lodges, tourism boards, and destination marketing and management organisations. It is a very informative organisation and publishes a range of resources for free, or you can join as a member for an annual fee which will give you access to more detailed market research.

Tips:

To find out more about the adventure tourism market, download the CBI market potential and market entry studies on adventure tourism to research and understand the market thoroughly.

Take a good look at ATTA’s website to understand how the adventure travel market is evolving, particularly post-pandemic.

Read this blog, 5 must-know facts about adventure tourism in 2022, to find out why there is such a high demand for adventure tourism.

Assess your adventure travel product to identify if it is suitable for the Scandinavian market.

2. What makes Scandinavia an interesting tourism market for Jordan?

The Scandinavian countries are a very important outbound market for global tourism. Scandinavians enjoy high levels of income and are big spenders on tourism. Research by Visit Britain in the UK revealed that of all the Nordic peoples, Norwegians spent the most on a trip to the UK, followed by tourists from Sweden.

Scandinavians have generous holiday allowances from employment, on average around five to six weeks every year. 60% of Scandinavians go on holiday at least once a year and many travel more frequently, taking more trips than other western European tourists.

The most recent EU Flash Eurobarometer research identified that more than half of tourists from Denmark, Finland and Sweden travelled several times a year. A further third travelled once or twice a year. This means that more than 80% of citizens in each country are keen on travel. (Norway is excluded from this research, as it is not a member of the EU.)

Table 2: Before COVID-19, how frequently did you travel for leisure or work? (2021)

Frequency of travel	Denmark	Finland	Sweden
Several times a year	52%	57%	55%
Once or twice a year	33%	32%	26%
Once every few years	8%	8%	8%
Never	7%	2%	11%

Source: Flash Eurobarometer 499: Attitudes of Europeans towards tourism

Scandinavians have specific travelling characteristics:

- They are well educated and keen on cultural experiences.
- The natural environment is important to them, and they are keen adventure tourists.
- They are highly adaptable travellers, keen to immerse themselves in local cultures, learn the hosts' language, and try the local cuisine.
- Coming from more harsh environments, they like to travel to warmer countries, particularly those that can also offer a strong adventure product.

They are also keen to travel year-round, possibly because of long and harsh winters in their countries. Swedish nationals spread their trips most evenly throughout the year, while Danish nationals tend to travel most between July and December. This means Scandinavians are a valuable market to target with year-round travel products.

Research conducted by the EU in 2021 about traveller choice revealed that a destination's cultural offerings, natural environment and price of the overall trip were the most important factors for outbound travellers from all three countries. However, Finnish travellers are keener on the natural environment, while Swedes are the most price-conscious.

Table 3: When choosing a destination, which are the most important factors to consider? (2021)

Trip factors	Denmark	Finland	Sweden
Cultural offerings at destination	37%	39%	45%
Natural environment at destination	35%	49%	44%
Price of overall trip	29%	45%	52%
Activities available at destination	27%	36%	36%
Accessibility of services and activities for all	13%	29%	29%
Clear information on health and safety guidelines	13%	26%	17%
Destination promotes eco-friendly practices	6%	15%	13%
Destination can be reached by low-impact transport	10%	10%	22%
Local population involved in tourism activities	11%	12%	14%
Sustainability certification of accommodation and attractions	6%	11%	11%
Other	20%	7%	4%

Source: Flash Eurobarometer 499: Attitudes of Europeans towards tourism

Therefore, Jordan’s adventure tourism segment has much to offer the traveller from Scandinavia:

- Adventure and culture – this is a key segment to attract the Scandinavian market. Products such as overland trips to Petra and Wadi Rum, diving in the Red Sea, cycling and/or hiking desert trips, 4WD experiences, hot air balloon rides, and camel safaris are all appealing to the Scandinavian market.
- Sun and beach – is another key segment for Scandinavians. Experiences that include a wide range of water sports are important, along with package holidays to well-managed beach resorts that offer a wide range of activities, for instance boat trips, sightseeing, and other adventures available locally.
- Diving – scuba diving in the Red Sea (and snorkelling and other sea/beach activities for non-diving companions) are good adventure activities to promote.
- Nature – enjoying activities out in nature is important for Scandinavians, particularly in warm climates where there they have opportunity to experience a very different environment and landscape to their own. Egypt is a popular destination for travellers from Demark and Sweden in particular, so Jordan’s similar desert landscape and favourable weather provide opportunities.

3. Which markets in Scandinavia offer most opportunities for

Jordan?

Nationals of Denmark, Finland, Norway and Sweden are well known as adventure travellers who are keen to explore beyond their region. Sweden is the currently the largest market for Jordan, closely followed by Denmark. Given that Scandinavians also like to travel to places that have favourable weather conditions as well as offer a strong outdoor adventure product, there are good opportunities for local operators in Jordan to attract this market.

There was a mixed picture in overnight outbound tourism, for all purposes, from Scandinavia in 2019, and during the four-year period from 2015. Denmark reported significant growth in 2019 (45%), while Sweden experienced a 5% decline year-on-year and negative growth since 2017 (Sweden's outbound figures for 2015 and 2016 are not available).

Analysis of the most popular outbound destinations for Scandinavian travellers reveals neighbouring and other European countries are the main choices:

- Denmark – Sweden and Germany accounted for 17% and 14% of outbound tourists respectively.
- Finland – Sweden and Russia each accounted for 16% of outbound tourists, followed by Estonia (14%).
- Norway – neighbouring Sweden and Demark accounted for similar numbers of outbound tourists (19% and 18% respectively), while Spain welcomed a further 14%.
- Sweden – Spain was the most popular destination for Swedish outbound tourists (14%), followed by Denmark (11%) and Norway (10%).

The Scandinavian economies are among the world's wealthiest. Nationals enjoy high standards of living owing to relatively small wage gaps and high employment. Although they pay high taxes, state education and social security benefits are accessible. Sweden has the highest GDP of the four, while Norway has the highest GDP per capita.

To assess the potential of each market further, a profile of each country is provided, offering an economic snapshot and details of the outbound tourism markets to preferred developing destinations. In the context of this report, the developing countries referred to are those defined by the DAC List of ODA Recipients 2021.

Sweden

Sweden is the largest of the outbound target markets, with a population around twice the size of each of the other Scandinavian countries (10.3 million). Swedes enjoy a high standard of living and GDP per capita was reported to be USD 50,700 along with average annual net earnings of EUR 17,838 in 2020. The GDP growth rate was 4.3% in 2021 and is projected to increase to 2.2% in 2022, fuelled by the removal of COVID-19 restrictions and a continued rebound of consumption and investment.

Swedish nationals are keen travellers to international destinations – Turkey and Thailand are again the top developing destinations, and Egypt is also a favoured place to visit. Outbound tourists numbered 18 million in 2019, a decline of 4.53% from 2018. The value of outbound tourism from Sweden was estimated to be USD 14.3 billion in 2019, registering a compound annual growth rate (CAGR) of 3.73% since 2000.

Denmark

Denmark is known worldwide for its Danish lifestyle philosophy of *hygge*, which loosely translates as 'contentment', and has the second largest population in the region of 5.8 million. Danish people have a high standard of living, enjoying average annual net earnings of EUR 20,468. In 2020, GDP per capita was reported to be USD 55,900. The economy is reported to be growing strongly since the COVID-19 crisis, with GDP growth of 4.7% in 2021 and a forecast of 2.4% in 2022 and 1.7% in 2023.

There were more than 10.9 million outbound tourists from Denmark in 2019. Asian countries are consistently the most popular developing destinations to visit, in particular Thailand and China. Egypt is also popular and has similar characteristics to Jordan as an exciting adventure destination.

Finland

With a population of around 5.5 million people, Finland had the lowest GDP per capita of the target markets at USD 47,300 and average annual net earnings of EUR 18,949 in 2020. The Finnish economy has also rebounded following the 2020 decline, but its growth is expected to slow from 3.5% in 2021 and 2.9% in 2022 to a sustainable rate of 1.9% in 2023.

The number of Finnish outbound travellers declined slightly in 2019 to 9.4 million. However, the rate of decline has been so small over the past four years that the situation could also be assumed to be stable.

Leading outbound developing destinations are Turkey and Thailand. Both have strong tourism products that attract Finnish nationals, namely culture, sun, and beach. By comparison, neighbouring Russia (not listed as a developing country) accounted for almost 1 million outbound Finns in 2019.

Norway

In 2020, Norway had the highest GDP per capita (USD 63,600) and Norwegian nationals enjoyed the highest average annual net earnings (EUR 23,252) of all the target markets. Norway is the only nation of the four that is not a member of the EU. It retains its own currency (the Norwegian krona) and is one of three European Economic Area/European Free Trade Association (EEA/EFTA) states that has access to the European market through the free movement of goods, people, services, and capital.

Norway is one of the wealthiest countries in the world and has a stable economy, fuelled by oil and gas exports. It also has the world's largest sovereign wealth fund, a state-owned investment fund that enables the country to diversify income and generate wealth for future generations. Norway's economy bounced back strongly in 2021, with a GDP growth rate of 4.2% that is projected to remain the same in 2022.

Outbound tourism from Norway has remained at similar levels since 2015, reaching 8.8 million in 2019 – an increase of 9.62% from 2018.

Beyond Europe, top developing destinations for Norwegians are all destinations in Asia, with Turkey and Thailand at the top of the list.

Expert insight into the Scandinavian outbound travel market

Although the Scandinavian populations are very small, it is a mainstream European market and not difficult to market to, but competition to reach Scandinavians is high.

Swedish and Norwegian travellers share similar characteristics – they speak almost the same language, and the travel industry tends to cross over and serve both nations. They are more likely to enjoy 'soft adventure' experiences with higher levels of comfort, cleanliness, service, and quality. They are interested in discovery through culture and are more likely to seek out guided tours and packages.

Travellers from Denmark are more likely to travel as free independent travellers (FITs), seeking immersive, authentic experiences, and preferring to self-guide. Finnish travellers share similarities with all the markets.

There is a large market of older travellers in Scandinavia, with more than 30% aged 55+ – a market that is discerning, wealthy and with more time to travel.

All markets are particularly keen on winter travel, between October and January, as they seek to escape harsh winters to enjoy Christmas and New Year in warmer climates.

As the pandemic recedes, outbound travel is expected to resume slowly, possibly to destinations that are less far away. Developing the adventure offer with suitable activities, itineraries and experiences to attract this market could present Jordan with exciting new opportunities. As keen travellers, it is expected Scandinavians will quickly go back to their old travelling habits when it is easy to travel once more

Bertrand Carrier, Co-Founder and Manager, Amarok-L'Esprit Nature

4. Which trends offer opportunities in Scandinavia?

The trend for authentic travel in outdoor, off-the-beaten-track-destinations is key for the Scandinavian market. However, the trend for sustainable tourism experiences is particularly important for Scandinavian travellers who live in some of the greenest countries in the world. Taking a guided tour with a local expert who can bring a destination to life is also a growing trend, and adds to the authenticity and uniqueness of a travel adventure. These trends offer good opportunities for local tour operators in Jordan.

After the pandemic, pent-up demand for international travel is very high from all European markets. Although restrictions for travel remain in place in many countries around the world, it has become easier to travel with vaccination certificates and/or negative test results.

Although domestic and regional travel are set to continue to dominate travel and tourism in the short to medium term, long-haul travel is expected to recover fully by 2025.

Demand for international travel grows fast in Scandinavia

Demand for international travel is increasing faster than demand for domestic travel in the Scandinavian countries, driven by the easing of travel restrictions across Europe and the introduction of the Europe-wide EU digital COVID certificate that allows holders to travel freely around the continent.

In a YouGov Denmark trends and consumer sentiment study into Nordic travel and tourism conducted in 2021, more than two in five Scandinavians said they 'can't wait' to travel overseas again once the pandemic is over (41%). The major motivations for travel were revealed to be:

- The need to relax, particularly for Finnish consumers (53%)
- A desire to return to favourite destinations, especially among Norwegians (44%)
- Inspirational travel to places they've always wanted to visit proved a significant motivator for international travel. This offers a good opportunity to Jordan tap into.

However, there are current major trends in Nordic travel sentiment that specifically relate to travel obstacles:

- While there is falling concern about travel-related health risks, Scandinavian travellers are still more likely to view health risks as a travel obstacle than travellers from the UK and the US.
- Travel restrictions remain a concern for travellers, and therefore an obstacle to deciding to travel overseas.
- Worries about high prices have revealed the market to be more price-sensitive than in previous years, in particular for travellers from Sweden and Finland.

Nevertheless, understanding and applying global travel trends to product development is a good way of targeting the Scandinavian travel consumer.

Sustainability and responsible tourism are a great fit with the Scandinavian traveller

Sustainability and responsible tourism is a major trend, as consumers have become increasingly environmentally conscious and have serious concerns about the negative impacts of their daily lives on the health of the planet. In the Euromonitor Consumer Lifestyles Survey 2021 (available for purchase), 66.4% of consumers globally wanted to have a positive impact on the environment through their daily actions.

This extends to their holidays and trips: tourists are increasingly keen to know their travel habits have minimal impact on the destination they visit and want to make a positive contribution to local communities' lives. Scandinavians live in some the greenest countries in the world and have adopted high levels of sustainable businesses practices. Its citizens are therefore highly aware of sustainability and global environmental issues.

Turkey has recently announced the introduction of a national sustainable tourism scheme in conjunction with the Global Sustainable Tourism Council (GSTC) to implement widespread standards across the industry. It is anticipated that all international standards will be met by 2030. However, many local tour operators in Turkey are already promoting their trips and holidays as sustainable, such as Nature and Eco Tours in Turkey.

Therefore, it is important to understand that sustainable activities and responsible tourism are rapidly becoming the new norm. Consult our report on entering the Scandinavian tourism market for more information about sustainability and to learn what requirements and certifications Jordanian tour operators must comply with to be allowed on these markets.

Scandinavians love being out in nature

Being out in nature is a top trend for Scandinavian travellers, whether they are travelling domestically or further afield. They are seeking to travel more 'slowly', which means they like to take their time and immerse themselves in a place to get a true sense of local life.

To stay safe while travelling, taking part in outdoor activities and visiting off-the-beaten-track destinations where it is possible to travel without coming in to contact with lots of people are top trends.

Offering authenticity

Travellers are seeking unique and authentic experiences. They are looking for 'once in a lifetime' trips and are prepared to spend more on something that is more special to them. Scandinavian travellers are enthusiastic adventure tourists and seek experiences that are immersive and enable them to experience a true sense of a place and understanding of a new and different culture.

Taking tours

Taking guided (and/or self-guided) tours while on an overseas trip is a growing trend in Scandinavia and around the world. For example, a 2019 research by Arival Travel (report available for purchase) found that 47% of American travellers were taking tours; by 2021 this had risen to 71%. Tours are usually short, guided tours that can last from an hour or two up to a whole day and can cover a huge range of activities, the most popular of which are sightseeing tours and tours/experiences with a local.

Table 4: Tour types

Type of tour	2019	2021
Sightseeing	24%	26%
Tour/experience with a local	14%	21%

Shopping or market tour	12%	20%
Nature/eco tour	9%	20%
Drink-related tour	8%	19%
Active adventure tour	8%	18%
Self-guided tour via mobile app	9%	17%
Food tour	6%	16%
Cultural tour (art, photography, film etc)	8%	15%

Source: Arival Travel

Tours are often conducted in small groups or organised privately, which helps to add to the authenticity of an experience, can be more sustainable, and helps to moderate contact between people in today’s market.

This means that the trend for ‘experiential travel’ is continuing to evolve as travellers are choosing to spend more of their budgets on activities, trips and experiences than in other areas, such as luxury accommodation.

Going digital

Digital technologies are now commonly applied across the entire tourism sector. As new technologies become available, there are greater opportunities for businesses to compete effectively. Examples of digitalisation processes in the sector include digitalisation of daily business operations, optimising websites for the target market, managing social media accounts, implementing digital marketing campaigns, ensuring mobile connectivity, making sales online, contactless payments, and working with (not against) online travel agencies (OTAs) to mutual benefit.

Scandinavians are among the most tech-savvy travellers in Europe and they now expect digital business practices as the norm. Therefore, they will be looking for operators who can meet their needs quickly and efficiently, whether through communication, via a website, or on a mobile device.

The CBI report, Tips to go digital in the tourism sector, gives detailed information about the trend and how to benefit from it.

Tips:

- Take the time to research the Scandinavian market fully, so you are prepared for when long-haul travel resumes.
- Assess your current tourism product to see whether it meets the needs of Scandinavian travellers.
- Find out what plans there are to increase direct air access to Aqaba and Amman from Scandinavian countries via Royal Jordanian, other national airlines and LCCs. You should keep an eye on Royal Jordanian news and other news sources such as Anna Aero.

This study was carried out on behalf of CBI by Acorn Tourism Consulting Limited.

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