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**Marketing strategy under the INTERREG IVA project
„Friendly Island Routes (FIR AI2)”**

**TM-BALTIC
Bräcke­gatan 1
S-16261 Stockholm-Vällingby**

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Recommendations

1. Communications with Russia

- There are no functioning railway connections to St.Petersburg from Estonia. The train connection to St.Petersburg is essential for the influx of guest from the biggest city in the Baltic Sea region – St. Petersburg
- The difficult and time-consuming boarder control Narva-Ivangorod is a serious obstacle to the increasing influx of Russian guests to Estonia. An improvement of the boarder crossing procedures has high priority.
- There are too few non-stop flight connection between St.Petersburg and Tallinn. Good flight connections to St. Petersburg are also essential for the influx of Russian guests to Tallinn and Estonia.

2. Communications to the islands – Prangli, Aegna, Naissaare, Pakri islands, Hiiumaa

When the tourism infrastructure on Prangli has been improved (accommodation, catering, attractions) the frequency of the ferry trips between Prangli and Leppneeme has to be increased. Furthermore a new bigger ferry would also increase the number of tourists on the island.

The ferries to Aegna/ Naissaarre are too expensive for both – domestic visitors and foreign visitors. A better, less expensive more frequent ferry would increase the number of visitors.

2. Accommodation

According to the number of beds and the occupancy rate there is no need for more accommodation facilities either in Harju county nor Hiiu county. However the reason for the low occupancy rate is most probably the low quality of the accommodation/ high price level.

(Only 25% of Estonians are satisfied with the quality of accommodation and catering facilities in Estonia !)

It is therefore necessary to increase the quality of the accommodation facilities and to reconsider the pricing policy (the Euro introduction in 2011 should not be used for a price increase).

Furthermore it would be advisable to have some accommodation facilities in every marina (guesthouse, hostel, bed & breakfast).

3. Marina infrastructure

In order to increase the number of boats in Estonian harbours and to increase the attractiveness of Estonia as a sailing destination it is necessary to increase the service level in the existing marinas.

Minimum requirements for all marinas are the following:

1. Visitor berths
2. Drinking water
3. Fuel
4. Electricity
5. Refuse disposal/ toilette drainage
6. Shower/ toilets/ sauna
7. Food store/ bar/ restaurant
8. Internet

All technical equipment like crane, slip etc. are welcome but not in the first place necessary. As stated above – some form of accommodation facilities would also be advisable. More services like laundrette, catering services including both, food shop and bar and restaurant etc. would increase the attractiveness of the harbour.

For security reason it would also be advisable to have a harbour office with 24h service during the season.

The following harbours need to be reconstructed/renewed according to the requirements above:

Viinistu, Turbuneeme, Mohni, Neeme, Pakri, Paldiski (South/North), Kõrgessaare, Kalana, Aegna, Naissaare, Prangli, Leppneeme and partly also Kaberneeme.

There are plans to build a marina in Koljunuki. This harbour would increase the attractiveness of the region east from Tallinn as a sailing destinations. Especially the close location to the Estonian Golf & Country Club would be interesting for the main Estonian source market Finland. However this harbour also needs to fulfill the above mentioned criteria in order to attract a high number of visitors.

4. Marketing

Since EAS put the main effort on internet marketing all websites of the concerned marinas should be improved according the requirements descibed later in this paper.

The local/marina website design should also be synchronized with EAS web-site in order to improve the publicity of the brand Estonia.

As deccribed in the market research and in the marketing strategy the main markets for maritime tourism are Finland, Sweden, Russia and Germany. Due to the nature of the marina business (seasonality, few employed people) I would recommend that all foreign marketing should be organised in cooperation with EAS and Tallinn City Tourism & Convention Bureau. The Estonian marinas should consider to form an own organisation with the aim to promote Estonia as a sailing destination abroad and in Estonia.

Members of the organisation could be marinas, boat industry, restaurants, hotels, transport organisations, EAS and TCT&CB, incoming touroperators, municipalities etc.. No heavy beauracracy is needed to administrate the organisation – members decide which activities should be organised, chairmanship is switching and financing could be arranged by public-private partnership. The

sailing promotional organisations could also be regional like „Sailing Tallinn“ or „Sailing Hiiumaa“.

Municipalities (Tallinn, municipalities in Harju and Hiiu counties) should support sailing by an own sailing section in the tourism part of the municipalities homepage.

EAS and TCT&CB could support sailing in Estonia by inviting journalists from sailing/outdoor journals from the main source markets. Main priority should be given to Finland. Participation in the Matka-Fair, sales calls and press trip in Finnland will give the highest return on investment. The development in Sweden, Russia, Germany should be followed and if funds are available sales/marketing activities should also be started there. Other source markets like Latvia, Poland, Denmark, the Netherlands, Norway are for the time being of minor importance, but the situation might change in the years to come – especially concerning countries like Latvia, Poland and Denmark. Municipalities, EAS, TCT & CB, regional tourism organisations should support the promotion of the sailing in Estonia.

Marketing activities can basicly be started when the infrastructure is ready. The product must be ready first!

Single destination/marina should start marketing on the local level, by journalists invitations, season opening and closing events; by press releases, newsletters to press and customers and social media.

1. Introduction

Twenty years after regaining independence Estonia is an established tourism destination with a good tourism infrastructure, very good communications and skilled hospitality labour force. However the majority of all overnights in Estonia are concentrated in the capital city – Tallinn and in summer in Pärnu and Saare county. The rest of the country could not take proportionally advantage of the tourism boom which happened until the breakout of the financial crisis in 2008. Especially the coastal areas on the north coast but also the islands in Estonia's western parts (except Saaremaa) are in terms of tourism overnights underdeveloped. Although one prerequisite for a successful development does exist – a fascinating landscape.

Yachting or boating tourism in Estonian waters has developed tremendously. However boating is even more seasonal than tourism in Estonia in general. Basically the boating month is July plus to a minor extent June and August. In order to increase profitability of marinas and attached restaurant and accommodation facilities it is essential to increase the number of visitors during the other summer months and even outside the summer season.

The main source markets for boating in Estonian and for tourism in the coastal areas are the domestic market and Finland. Minor source markets are Sweden and Germany and partly also Latvia, although the current economic crisis had a high impact on the travel behaviour of Latvians which reduces substantially the growth possibilities of the Latvian source market in the near future.

In order to prolong the season it is essential to develop the land-based tourism. Here it is necessary to find out, what is the unique selling point of the regions – mainly Harju county and the island Aegna and Kõrgessaare municipality.

Marinas have a key role in developing coastal areas. They attract other businesses connected to boating or hospitality like boatyards, maritime equipment shops, restaurants, accommodation facilities etc.. Furthermore marinas develop previously neglected areas like fishing harbours or industrial areas. "In the US 40-60 % of all marine related products are sold through marinas and boatyards. One dollar spent in a marina generates an income of 2-3 dollars for the community." (source: International Council of Marine Industry Associations – ICOMIA). Shortly, building a marina gives benefits not only to the the marina owner but also to the municipality or region where the marina is located. However the marinas in the US are usually larger than in Northern Europe on average. Employment within the marina equates to about 3 jobs per 100 berths. The number of berths in Estonian harbours is normally substantially lower and the season is shorter which reduces in return the working hours in a Estonia marina and emphasizes again the need of other service offers in a marina which could draw the attention of tourists.

Due to the size of marinas and tourism service companies like pubs, restaurants, accommodation companies, renting companies etc. the number of employed person is rather low. All hands are needed in order to run the businesses and that during a short season. The number of working hours dedicated to marketing and sales activities is limited and it is therefore needed to find affordable and efficient instruments to keep the old customers and to attract new customers to the region.

One solution is certainly the internet with its growing importance as information source and booking tool. Furthermore marketing cooperations like EAS or regional tourism organisations are useful in order to attract new customers. But also other – sector-crossing marketing cooperations are possible. Estonia for example has an established boatyard industry and marinas are certainly important in order to reach new customers with the help of advertisement or

also service offers. This would give an input also to other sectors of the economy.

However in almost all of the Estonian coastal regions investments needs to be done in terms of tourism infrastructure in order to have a tourism product, which can be promoted.

Only by improving the infrastructure of the existing tourism destinations and by identifying and developing new destinations the existing high influx of first of all domestic and Finnish guest can be secured.

The Russian market has from all foreign source markets the highest growth potential. Russia has become the main source for the incoming tourism business to Finland. With a Russian speaking minority (29% in Estonia and 42% in Tallinn – source Statistics Estonia), historical and cultural ties Estonia has good prerequisites to increase the Russian tourist share as well. At the same time the Russian speaking minority in Estonia is a still not sufficiently addressed domestic source market.

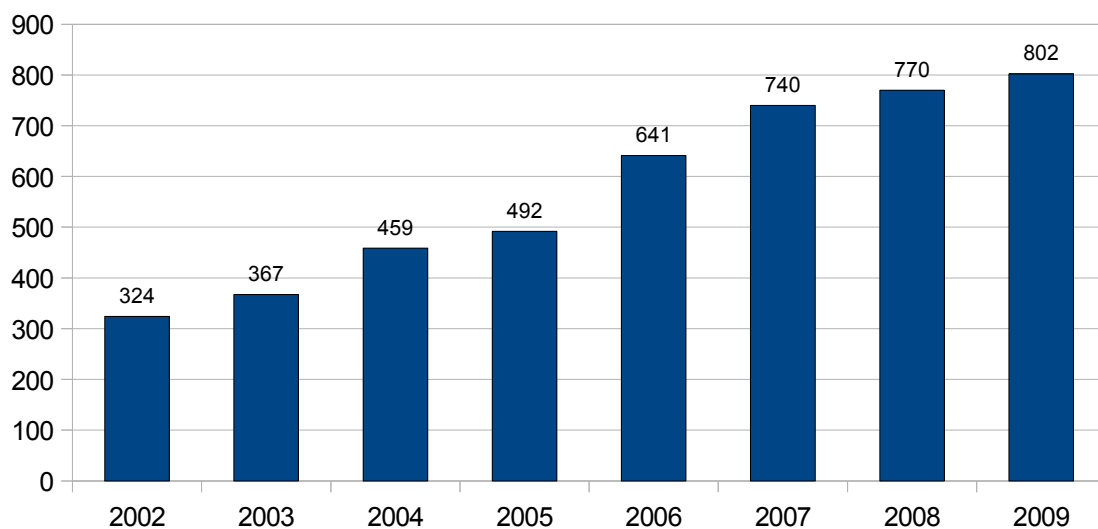
2. Results of the market research

2.1 Tourism Infrastructure

Accommodation

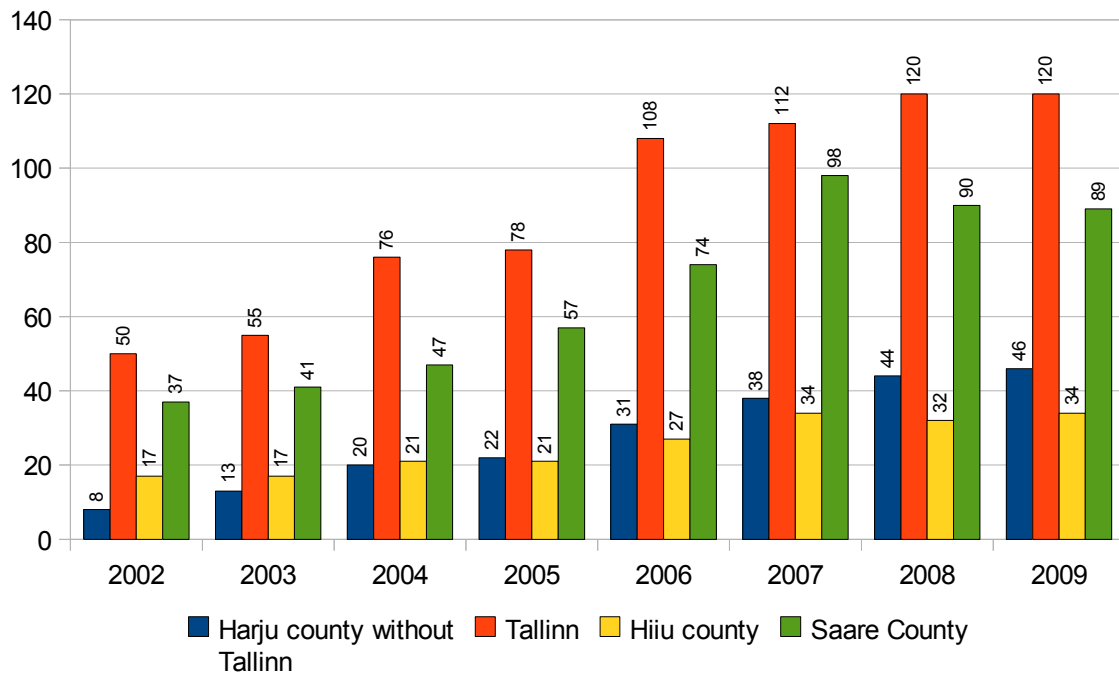
Tourism infrastructure has developed and is still developing in Estonia. The number of accommodation establishments has increased with an average growth rate of 12 % between 2002-2009.

Average annual number of accommodation establishments in Estonia 2002-2009 (source Statistics Estonia)



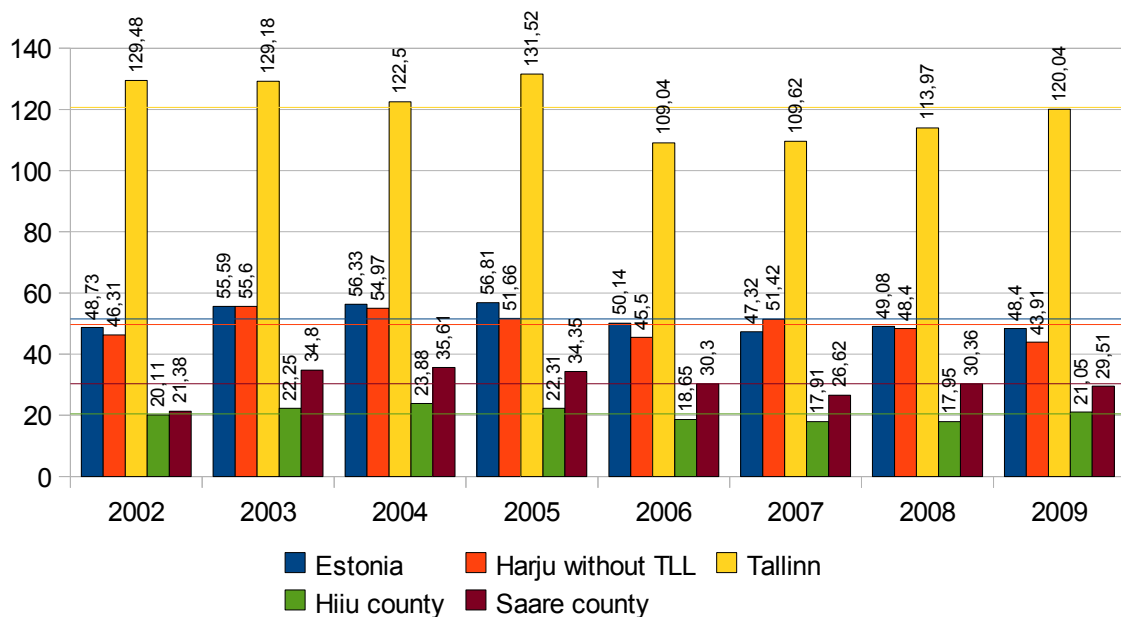
Also in Harju county and in Hiiu County the number of accommodation establishments have increased in the last 10 years. Between 2002 and 2009 the annual growth rates for tourism accommodation facilities in Hiiu county was 6% and in Harju county 17%. The trend is still an increasing number of accommodation establishments although the growth rate becomes lower. The number of accommodation establishments is much lower in Harju county without Tallinn and in Hiiu county compared with with the big holiday destinations Tallinn or Saare county .

Average annual number of tourism accommodation establishments 2002-2009 (source Statistics Estonia)



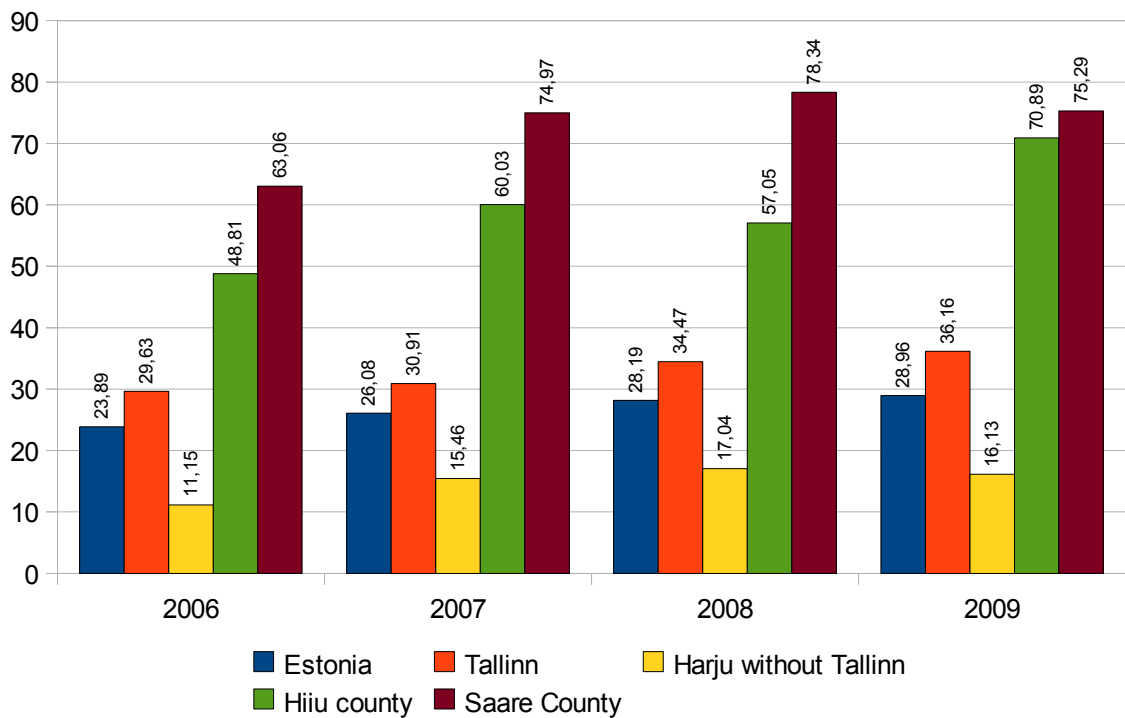
The accommodation establishments are rather large in Tallinn with plenty of hotels and small on the countryside. The vertical lines show the average number of beds per accommodation establishment 2002-09.

Average number of beds per accommodation establishment by destination 2002-09 (source statistics Estonia)



If we look at the number of tourism accommodation beds per 1000 inhabitants (number of beds divided by the number of inhabitants multiplied by 1000) it shows, that Saare county and Hiiu county have the highest density of tourism accommodation beds per 1000 capita. Harju county's accommodation bed density is low and in accordance with the low tourism intensity (see p. 34 - Market research) and has even decreased in 2009 mainly due to the growing number of inhabitants in Harju county. Hiiu county's number of inhabitants has decreased approximately by 100 every year from 2002-2009. (source statistics Estonia).

Average number of tourism accommodation beds per 1000 inhabitants by destination (accommodation bed density) 2002-2009 (source statistics Estonia)



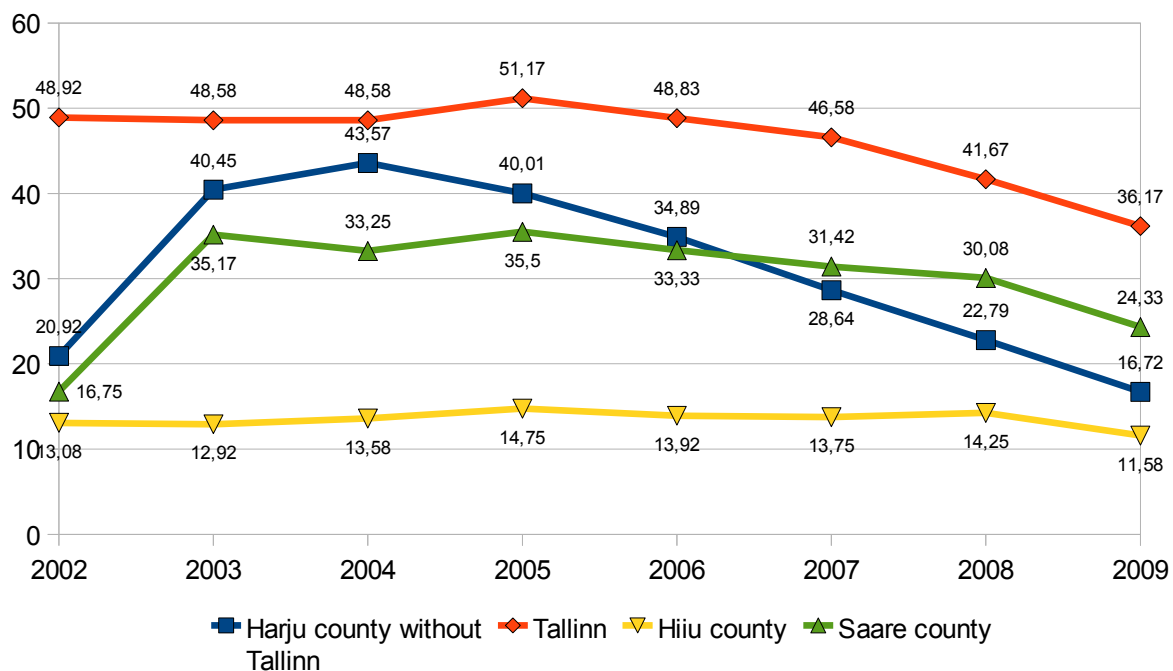
If we look now at the average annual bed occupancy in percent we can see a decrease for all destinations in the graph below.

In Harju county without Tallinn the bed occupancy started to fall much earlier than in other destinations and with a higher decrease

rate. Hiiu county has a constant low bed occupancy rate but we know from the marketing research, that July is the summer season in Hiiu county for mainly domestic travellers. There can be different reasons for the declining bed occupancy – saturation of the market, increasing prices, image- or/and quality problems etc.

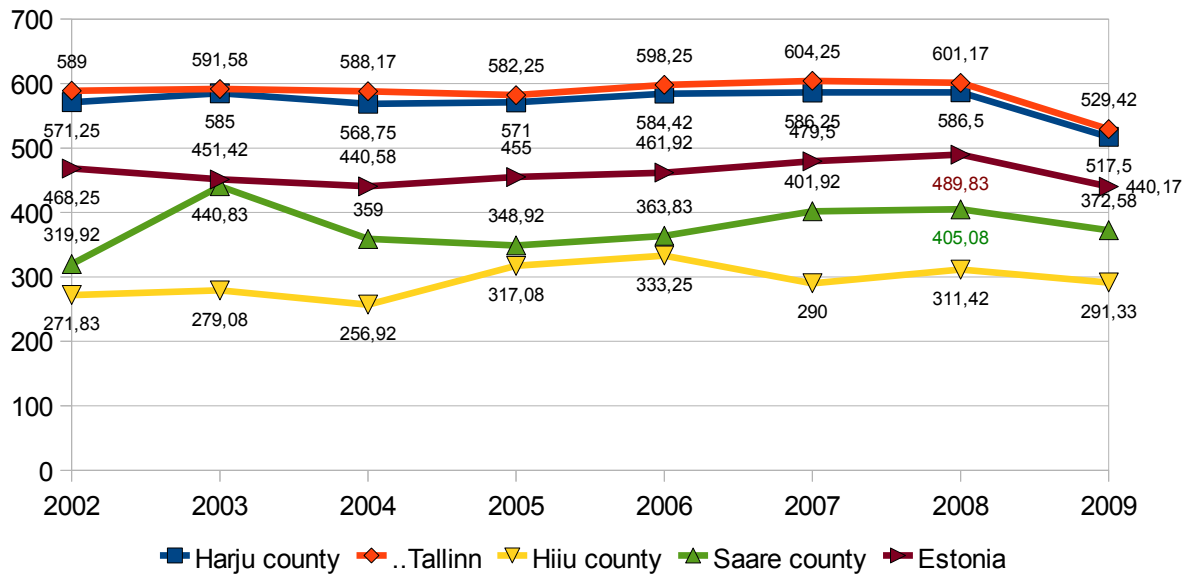
The decline for Hiiu county can be explained by the ongoing economic crisis. The decline for Harju county started in 2004 when – according to the market research - the number of Finnish guest started to fall. Since the number of Finnish overnights in Tallinn in the last two years has increased, Harju county has a problem with attracting Finnish people to their accommodation establishments.

Average annual bed-occupancy rate in percent 2002-09 by destination (source statistics Estonia)



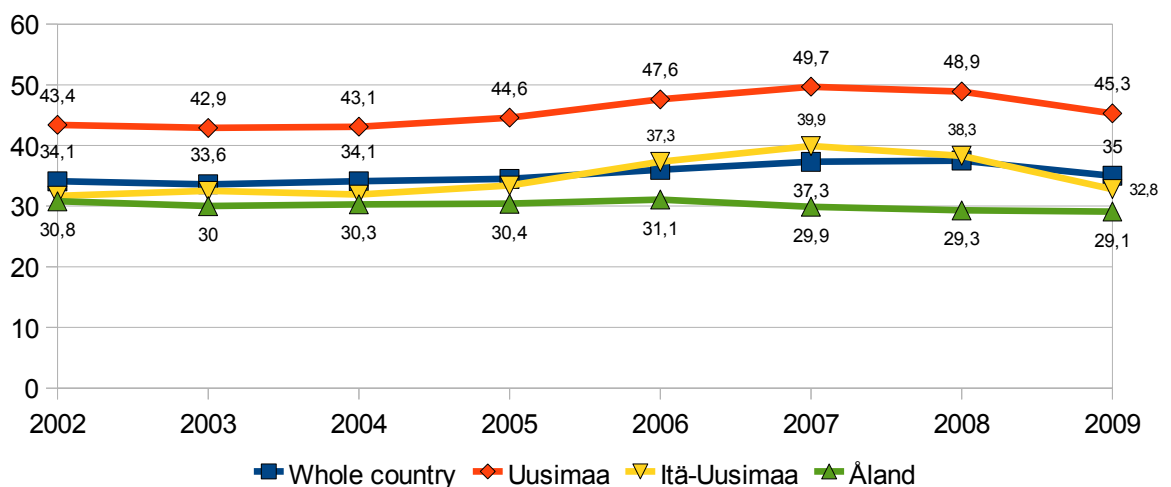
The average price per guest night has remained stable except in 2009 when there was price-fall per guest night mainly due to the economic crisis. Harju county's guest night price in the graph below includes also Tallinn. I assume that the average guest price of Harju county is close to average Estonia level.

Average price per guest night in EEK by destinations 2002-09 (source statistics Estonia)



Compared to the southern regions in Finland the bed-occupancy rate in Estonia has decreased more. The Finnish regions of Uusimaa and East-Uusimaa and Finland in total had an increasing bed-occupancy until 2007 and a slight decrease afterwards.

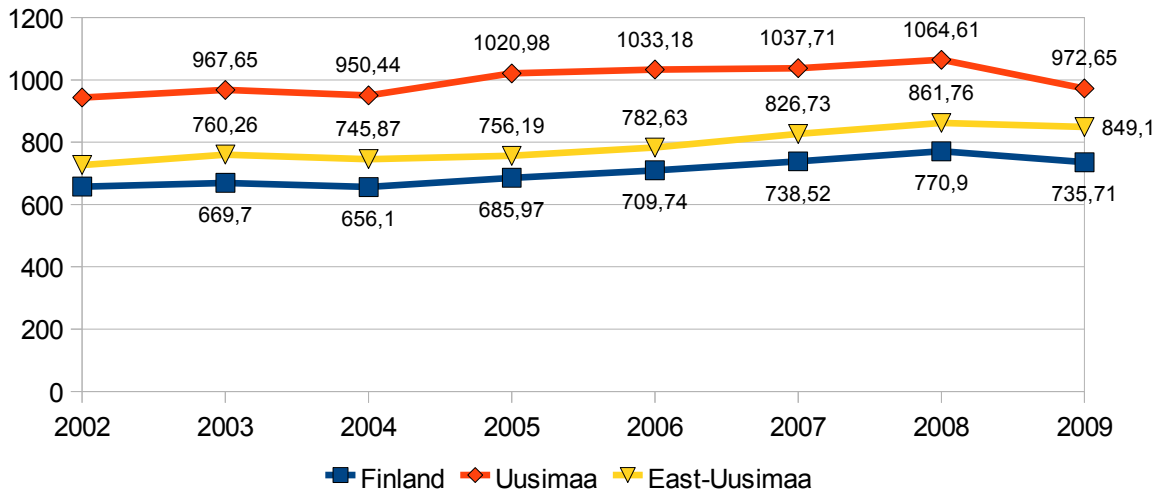
Annual average bed-occupancy in Finnish accommodation establishments 2002-2009 in percent (source statistics Finland)



There average guest-night price in Estonia is approximately 40% lower than in Finland. The average hourly labour costs in Estonia

were 2008 74,44% less and the GDP per capita in Purchasing Power Standards (PPS) (EU-27 = 100) was 42,35% less than in Finland (source Eurostat). Is the average guest-night price to high in Estonia?

Average guest night price in Finland in EEK 2002-2008 (source statistics Finland)



It is difficult to evaluate the need of new accommodation establishments. But due to the low occupancy and the increasing tourist bed-density one could assume that the number of beds will continue to grow and that there is a potential to increase the number of overnights by increasing the occupancy rate.

Since statistics are available only region wise (Harju, Hiiu) it is hard to evaluate the need of tourism accommodation facilities in smaller administration units. However in order to increase the service level of the investigated marinas all marinas except Kalana, Kaberneeme, Viinistu and partly also Naissaare and Aegna which have some kind of accommodation would need to build or to reconstruct the existing accommodation facilities.

Viinistu offers the best accommodation facilities of all investigated small harbours. The Paldiski/Pakri area has basically no accommodation facilities.

Communications

The gateways to Estonia – by air and boat are well developed. The ferry traffic is increasing despite of the crisis. Although some airlines have reduced their traffic to/from Tallinn, the biggest Baltic airline – AirBaltic – opened in Tallinn it's third base which will improve the flight connections to the Estonian capital.

Hiiu county's ferry connections are good with frequent connections to the mainland and to Saaremaa. However during the summer period the limited ferry capacity might be an obstacle to increase the number of tourists. All points of interest in Harju and Hiiu county can be reached by car. Public transport connections exists but they are often not frequent enough in order to be an alternative to private transport.

Viinistu

As mentioned before Viinistu has good accommodation facilities with 37 rooms and 89 (+35) beds, restaurant, conference and other hotel facilities. The marina is not existing and needs to be constructed. Viinistu is unique in terms of location in the Lahemaa National Park, which is one of most important Estonian tourism attractions. Furthermore Viinistu is situated opposite the Estonian main source market-Finland. The **Mohni** island - an island opposite Viinistu with a natural harbour is a perfect destinations from short trips from Viinistu but also as a marina destination itself.

Furthermore the art museum at the Viinistu area is unique in its kind and attracts cultural/art interested visitors.

For sailing boats both destinations - Mohni and Viinistu are not accessible due to missing marinas.

Turbuneeme

is the closet marina to Viinistu with some essential marina facilities. Beside Vergi is Turbuneeme the only marina in the attractive Lahemaa National Park. However in order to increase the

attractiveness of Turbuneeme the service level of the marina needs to be improved.

Kaberneeme

has some accommodation, restaurant/bar and a functioning marina. Kaberneeme is also an attractive surf destination. The marina needs to be registered by the Estonian Maritime Association.

Koljunuki

There are plans to build a marina with attached service buildings in Koljunuki - close to the Estonian Golf & Country Club in Jõelähtme. According to development plan at 1st stage (ready by the end of May 2011) main services shall include accommodation (12 visitor berths), drinking water, electricity, toilette drainage and shower with sauna. Attached service building (part of 1st stage) for self repair works as shipyard, cafe bar and harbour office with parking place for motor caravans should support attract of Koljunuki harbour as well from sea side as from mainland. The construction of the marina will increase substantially the attractiveness of the sailing region east of Tallinn.

Leppneeme

has a reconstructed quayside with water and electricity but no other services.

Neeme

There are no accommodation facilities. The Old Fish tavern is 259 meters away from the harbour. There is a shop and bus stop in the harbour. There is a floating berth but no other harbour services.

Prangli

The accommodation in Prangli has very low quality and can hardly be offered to any tourist. However a marina with some services exists.

Aegna

Accommodation on Aegna does exist but has either a low standard or is not really accessible/bookable for tourists. The marina will be constructed.

Naissaare

has some collective accommodation establishments which are also bookable. The marina is popular but needs more service – water and electricity supply and probably also enlargement in order to meet modern standards.

Paldiski/Pakri

There is no suitable accommodation available on Pakri and except the railway station hostel rooms there are no accommodation facilities suitable for tourist in Paldiski. There are no marina facilities with services.

Kõrgessaare and Kalana

In both destination there are accommodation facilities although the hotel/restaurant “Viinaköök” is 1000 m away from the marina. The marinas in both destinations have just a quayside which needs to be reconstructed – there is neither water nor energy supply.

Tourism attractions/restaurants other facilities related to tourism industry

Tourism attractions are one of the most important ingredients of a tourism product. Why should a person visit this place? What is the reason for the trip? As we have seen from the market research, most of the people visiting Tallinn, Harju county and Hiiu county are on holidays. We will therefore neglect the business and VFR (visiting friends and relatives) share of visitors. However business travel in form of incentive travel, business meetings is an important share of the incoming tourists.

Tallinn is Estonia's main tourism attraction and the islands close to Tallinn – Aegna, Naissaare and Prangli but also Viimsi (Leppneeme) and Jõelähtme (Koljunuki, Kaberneeme, Neeme) will definitely benefit from their location close to the capital with its vast number of tourism attractions, shops, restaurants etc. The island destinations and also the other coastal destinations are a great nature focussed compliment to the urban destination Tallinn.

Also Viinistu's location in the Lahemaa national park can take advantage of its location in one of the most visited nature parks Estonia's close to Tallinn.

More difficult is the situation in Pakri and Paldiski. Due to the development after the war the area was closed for non-locals. However one should see the possibilities in the after war history. The 'Soviet' part of the city history is the only part which has survived and attractions related to this part should be identified and restored as history monuments. There are plenty of Soviet/Russian era monuments or attractions in the Baltic countries – The park of Soviet sculptures in Druskininkai, the Karosta prison in Liepaja etc. which attract many tourists and offers employment opportunities. Pakri islands offer again a good compliment to the 'soviet inspired' environment in Paldiski – nature with possibly bird watching and a hiking trail. However this is far to little for attracting tourists to

Pakri. The costs for getting on the island are rather high and for 'normal' visitor to Estonia there are other areas in Estonia which are easier to access and have more to offer.

It is therefore necessary to increase the attractiveness of the area by increasing the number of tourism attractions and other tourism related facilities like museums, restaurants etc.

Kalana and Kõrgessaare on the Kõpu peninsula are mainly nature and watersport related destinations. The Kõpu lighthouse is the biggest attraction in the area but more can be done in terms of biking and hiking trails in the area – the RMK (State Forest Management) centre on the peninsula should be involved in increasing the attractiveness of the area. The number of restaurants/bars on the peninsula is rather limited and should be increased. The Kõpu lighthouse together with “Viinaköök” in Kõrgessaare offer some catering. The area around “Viskoosa” in Kõrgessaare is interesting from the history point of view but it needs to be 'brought to life” - in form of a museum, experience park etc..

Generally speaking the Estonian nature is the reasons why tourists come to areas outside the capital. Therefore all possible attractions in the respective areas should be identified, marked, made accessible and should be offered to visitors as nature experiences like watersports (boating, surfing, diving ...) or biking, hiking – on the coastline or in bog/swamp areas, birdwatching, visiting sauna etc. The combination of attractions and experiences combined with a variety of accommodation and restaurant facilities makes the area unique.

Quality combined with a moderate price level are the two key-elements for success.

Conclusions/main findings:

- The number of tourism accommodation beds has been increasing (Hiiu county) or remained stable (Harju county).
- The average size of the accommodation establishment is in Harju county around 50 beds/per accommodation establishment and around 20 in Hiiu county (Estonia on average is approximately 50 beds).
- The bed occupancy rate is low (Harju) / very low (Hiiu county), although Hiiu county has a high seasonality (higher than Estonia on average).
- Hiiu county has had a stable bed occupancy rate through 2002-09, Harju county's bed-occupancy rate has decreased dramatically after 2004.
- Bed occupancy rate and guest-night price are in Finland higher and more stable.
- Guest night prices in Estonia are high compared to the income level in Estonia in general.
- In order to improve profitability of the accommodation establishments, the bed-occupancy rate must be increased in the first place.
- Depending on the location and customer requirements, new/reconstructed tourism accommodation facilities with a good quality are necessary in the near future.
- The tourism infrastructure for all destinations in this project is deficient and needs improvement.
- Lacking tourism infrastructure is an obstacle for marketing efforts in all destinations.

2.2. Tourism development

After many 'growth' years the economic crisis hit the Estonian tourism industry severely with reduced number of overnights for the domestic market and all foreign source markets (except for Russia) and with a stable number of nights spent for Finland (229 overnights more in 2009 compared to 2008 – 1.416.113 nights spent in total). The main Estonian source market is Finland with over six times more overnights per year in 2009 than the next biggest source market – Russia. Overnights from Russia has increased since 2007 and exceeded the number of German and Swedish overnights. The domestic part of nights spent in tourism accommodation establishments is over 1/3 for whole Estonia, 11% in Tallinn, 13% in Harju county without Tallinn and almost 74% in Hiiu county. Until 2008 the domestic share of the overnights grew but decreased after 2008 due to the economic crisis. Until 2008 the growing domestic market compensated the decrease in foreign overnights. This situation changed in 2009 when the total number of overnights sank.

Tallinn as main Estonian destination could consolidate this position with a growing influx of Finnish tourist. The Finnish share in Tallinn overnights was almost 40% in 2009.

For Estonia the primary source market is Finland, followed by the domestic, Russian, German and Swedish market. For Hiiu county the main source market is the domestic market followed by the Finnish market.

The majority of pleasure boats visiting Estonian harbours comes either from Finland (43%) or from Estonia (28%), followed by boats from Sweden (11%) and Germany (10%). Boats from these four countries took in 2008 a share of 92 % of all boats in Estonian small harbours. The highest number of boats was registered in boat harbours with a good location (around Tallinn, cities like Haapsalu,

Kurressaare, Pärnu). The number of boats visiting Estonian small boat harbours has a declining trendline.

3. Cooperation with Enterprise Estonia, Tallinn City Tourism and Convention Bureau (TCT&CB), other tourism service providers and events

The task of **Enterprise Estonia (EAS)** is to promote Estonia as tourism destination. There are no specific programs to promote boating, yachting or tourism to the coastal areas only. Enterprise Estonia has divided its target market in five categories:

1. Primary markets: Finland, Russia, Germany, Sweden.
2. Secondary markets: Norway, Great Britain, Latvia.
3. Domestic tourism
4. Tertiary markets: Poland, Italy, France, Lithuania, Spain.
5. Developing markets: Japan, USA.

'Our' (Harju and Hiiu county and the islands offshore Tallinn) priority markets coincide with EAS's primary markets. However, due to the fact that Finland had 2009 over six times more overnights than the second biggest source market and in addition to that a large number of day visitors from Finland (over 7 million passengers were handled by the port of Tallinn last year with the majority of Finnish residence) – Finland has highest priority compared to all other source markets. Secondly the domestic market is after the Finnish market important followed by Russia and then Sweden and Germany. Smaller source markets like Norway, UK are also important for Tallinn and Harju county. Tourists from these source markets have the longest duration of stay in Tallinn (see market research p. 18). For Hiiu county the domestic market and Finland are important.

EAS divided its marketing activities into five main themes: touring around the cities; countryside tourism; health tourism; nature tourism and the promotion of knowledge.

From those themes touring around the cities, nature tourism and partly even health tourism are important (Viimsi spa and Laulasmaa spa).

For EAS the main „marketing channels include Internet environments, premier travel books, offering of Estonian package tours by target market tour operators or target market journalistic publications. The aim is to extend the length-of-stay in Estonia, and repeat visits from near markets and visits outside the peak season.“ (source visitestonia.com)

The main marketing and sales channel for EAS is the internet: „The potential consumer will be directed to the Estonian Tourist Board website (visitestonia.com). The main communication channel of the campaign therefore constitutes different web environments and activities directly referring to webs. Different media channels are additionally used in order to create interest. „

For the domestic traveller the site puhkaeestis.ee will be used to launch seasonal product campaigns.

The site www.visitestonia.com is an excellent web-site offering comprehensive information and links to other web-sites in an multilingual environment. A special section is devoted to sailing in Estonia with a short presentation of marinas and island destinations. None of the marinas involved in this project is mentioned in section.

The website provides also a list with all travel agents in the main markets – Finland, Russia, Sweden and Germany and a list with all incoming agents established in Estonia.

Tallinn City Tourisms & Convention Bureau (TCTO&CB)

promotes Tallinn's surroundings in different ways: 1. In the city break brochure information is given about Paldiski, Pakri, Naissaare and Aegna. 2. In the "Incentive" brochure the islands around Tallinn are promoted by different products with contact to the Destination Management Companies (DMC) (in brackets): Olympic Regatta – learn to sail as incentive in Tallinn's bay (BalticEvent), RIB safari (Btgroup), voyage to the islands by yacht or RIB (Pulp), yacht racing in the Bay of Tallinn (baltcoming – Estravel), yachting trip to Aegna (Pulp) and to Naissaare (Estonian Holidays). Lahemaa National park is promoted as day out destination with a link to ViaHansa and Vihula. 3. Tallinn's promotional tourism video shows a glimpse of the yachting in the bay of Tallinn. 4. Tallinn card owners get a free ride on different Monica cruises which often include Aegna, Naissaare and Prangli.

All the information below can be found in TCT&CB print material/films which can be also downloaded from the web. The information given in the internet directly is less comprehensive with often missing booking links etc.

Another marketing organisation responsible for Northern Estonia is **SA Põhja-Eesti Tourism** as Umbrella organisation for tourism in the following counties: Harju, East-Viru, Järva, West-Virumaa and Rapla. The internet presentation is deficient.

Hiiumaa tourism offers a comprehensive web-site for the visitor to Hiiumaa – accommodation, restaurants, attractions are listed – very often with links to the service provider.

A good information sources for nature tourism is the **Association for Estonian Rural tourism** (Eesti Maaturism) with a comprehensive multilingual web-site about accommodation, activities, restaurants etc. in the countryside.

The above mentioned organisations are often represented at tourism fairs in the main source markets.

RMK (Center for state forest management) is promoting outdoor life like hunting, hiking etc.. However RMK is an administration and not a organisation focussed on tourism, but it has certainly some importance providing information on the spot in the RMK office all over Estonia.

Viro web offers all kind of information about Estonia in a multilingual environment. TallinkSilja refers to Viro web when providing more information about tourism destinations in Estonia.

Airlines - Estonian Air or Avies promote mainly just the destinations they are flying to. For our case important are Tallinn and Kärdla. Estonian Air promotes mainly Tallinn and not the surroundings. The same is valid for Avies, which is simply promoting the flight and not the destination. **AirBaltic** as the newcomer at Tallinn airport enlarges the possibilities to reach Tallinn and Tartu, but as the other mentioned airlines Airbaltic promotes just the the destination they are flying to.

Ferry companies

– **TallinkSilja** has a wide range of promotional activities in its main source market countries. Harju and Hiiu county are promoted as 'drive yourself' destination. The big islands on Estonia's west coast are promoted, mentioning Kõpu and Kõrgessaare. **Vikingline, Lindaline** and **Eckeröline** are just mentioning general tourism information about Estonia without going into details.

Events

Tallinn 2011 has a web-site in English, Russian and Estonian (Finnish is missing). Tallinn 2011 is not promoted in terms of a tourism product, however a link to 2011 is given from the TCT&CB web-site. One topic of the cultural year is "Stories of the seashore" which put the focus on Tallinn located at the Baltic Sea shore.

The **Tallinn Maritime Days** in July does involve the islands. The website for the Tallinn Maritime days is only in Estonian and English!

The **Käsmu Folk festival** offers information in Estonian, English and Finnish (no Russian) together with tourism packages. Viinistu is not listed among the accommodation service providers.

The **Hiiu Folkfestival, Sõru Jazz 2010** and **Hiiumaa Chamber Music Days** have no website or only in Estonian.

The **Nargenfestival** has a web-site in Estonian and English without special focus on the locations of the concerts

Conclusions/main findings:

- EAS is already actively promoting Harju county and Hiiu county as a tourism destination and also as sailing destination
- TCT&CB is also promoting the islands around Tallinn and the surroundings
- Regional tourism organisation are promoting tourism to the respective regions

4. Tourism target markets

4.1. Finland

As seen before Finns are the biggest customer group from one country visiting Estonia – 1.772.000 trips to Estonia were made in 2008. (source Statistics Finland)

| | Daytrips | Cruises | Overnight trips | Total |
|-------------|----------|---------|-----------------|---------|
| 2008 | 456000 | 462000 | 854000 | 1772000 |
| 2007 | 420000 | 472000 | 782000 | 1673000 |
| Change in % | 8,57 | -2,12 | 9,21 | 5,92 |

| | Daytrips | Cruises | Overnight trips | Total |
|-------------|----------|---------|-----------------|---------|
| 2008 | 410000 | 424000 | 714000 | 1548000 |
| 2007 | 374000 | 422000 | 668000 | 1464000 |
| Change in % | 9,63 | 0,47 | 6,89 | 5,74 |

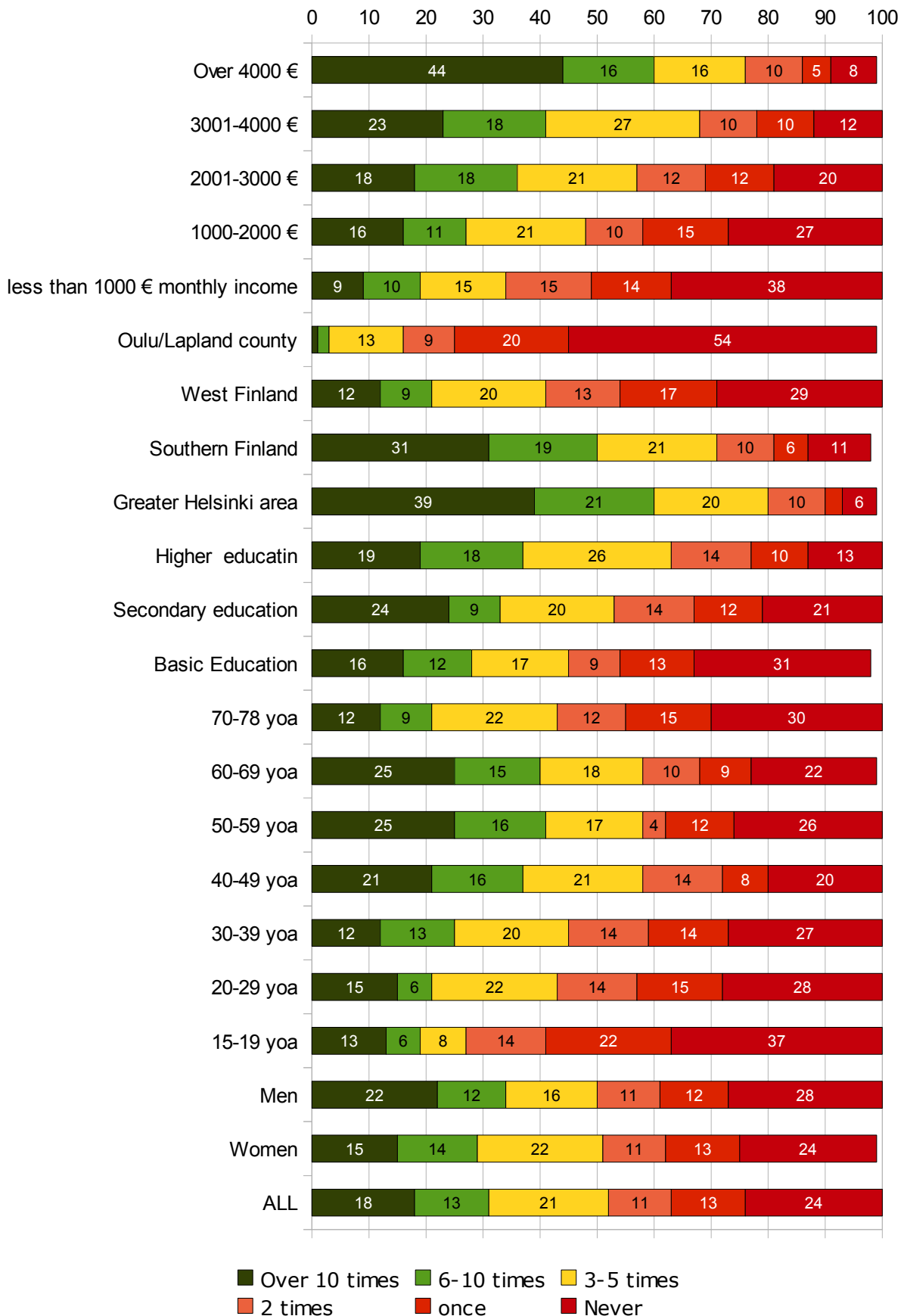
| | Day trips | Cruises | Overnight trips | Total |
|-------------|-----------|---------|-----------------|--------|
| 2008 | 46000 | 38000 | 140000 | 224000 |
| 2007 | 46000 | 50000 | 114000 | 210000 |
| Change in % | 0 | -24 | 22,81 | 6,67 |

The majority of Finns (54%) come for holidays and only a minority (10%) for business reason or for shopping (5%). Finns visit mainly Tallinn for a day trip or for a short overnight trip and the reason for the trip to Estonia was its close location to Finland, Tallinn's old town and the good price level.

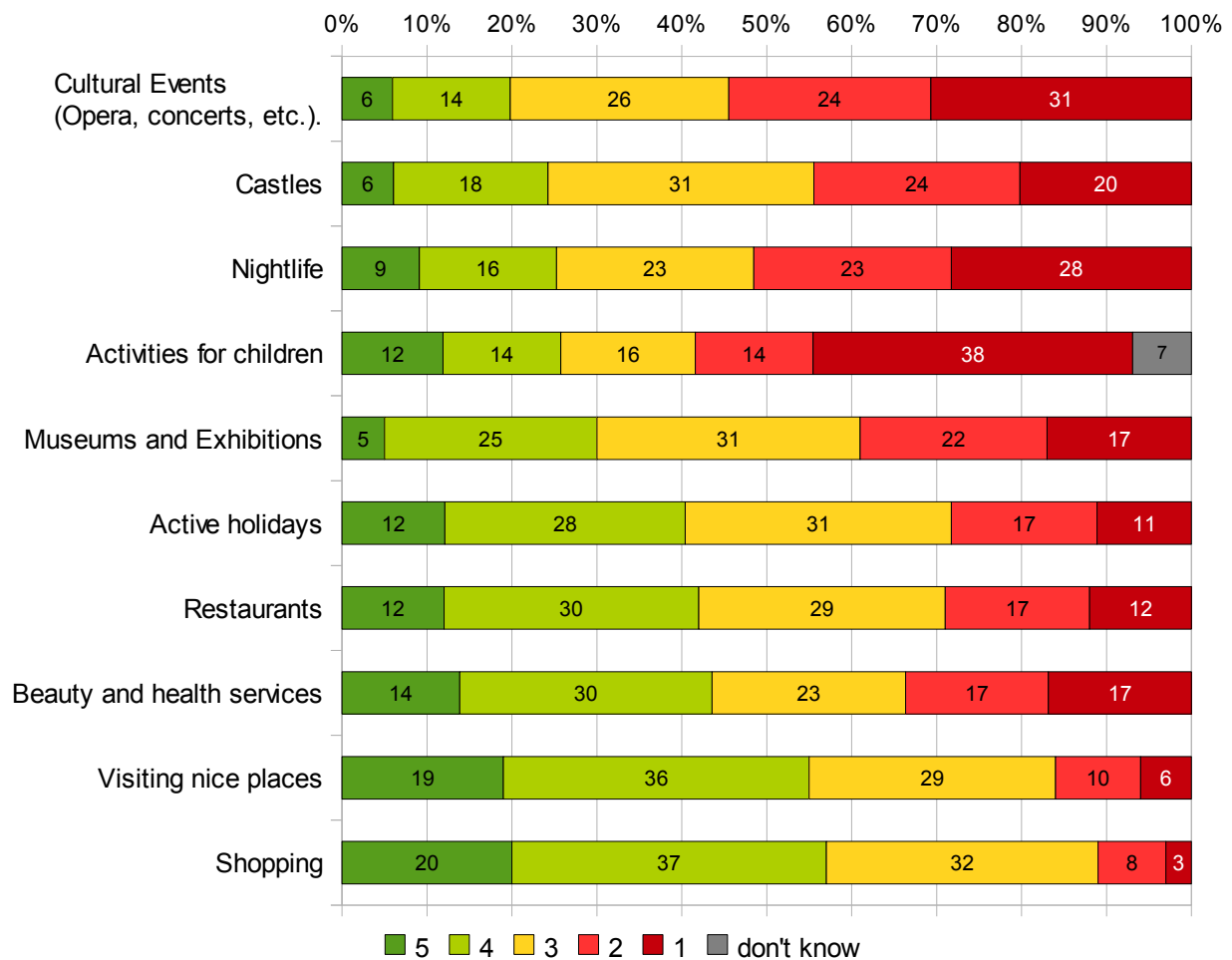
One third of Finnish tourists travelled to Estonia with a spouse or partner – just under a quarter went alone and only 10% of of the visitors came with children under 15 years of age. 42% of the travellers used the services of a travel agency and 51% booked and organised the trip by themselves.

Who is coming to Estonia? The typical Finnish tourist in Estonia is from the Greater Helsinki area, earns over 4000 €/month and is over 50 years of age. The surprising fact is, that in November 2007 24% of the Finnish population have not been to Estonia. That means roughly, that 1 million adult Finns have not been to Estonia! If we look at the graph, what Finns are interested in when travelling to Estonia, shopping is the main incentive, followed by sightseeing, beauty- and health services, restaurants and active holidays. Also museums, exhibitions and castles are interesting for Finnish visitors. Family holidays are surprisingly unpopular, though one could think that the lower price level benefits most families with children. However the fact, that we have mainly middle-aged, wealthy visitors from Finland, who are also interested in active holidays, is a good sign for our destinations. We have mainly the same kind of Finnish people who are visiting Estonia land-borne and sea-borne, since the same target group is in the majority also a boat owner.

How many times have you visited Estonia (in %)? (Source EAS) questionnaire done in November 2007



*What are you interested in when visiting Estonia? Nov. 2007 (source EAS)
(5-completely agree ... 1-don't agree at all)*



If we look now at the main target group, it is easy to understand, that those customers are quality conscious but also price sensitive. They travel a lot and can compare service- and quality levels. It is good to have such clients but they will come less or not at all if service/quality is not meeting their demands. Price sensibility is crucial for the success and increasing price was in the past one reason for less Finns arriving to Estonia. The change of travel patterns is not a sufficient reason in order to explain the decline in the number of Finnish overnights. Other countries like Turkey offer more value for money compared to Estonian destinations outside Tallinn plus it is warm and sunny in the south. But this is not only an Estonian problem but all neighbouring countries to Finland face the same problem.

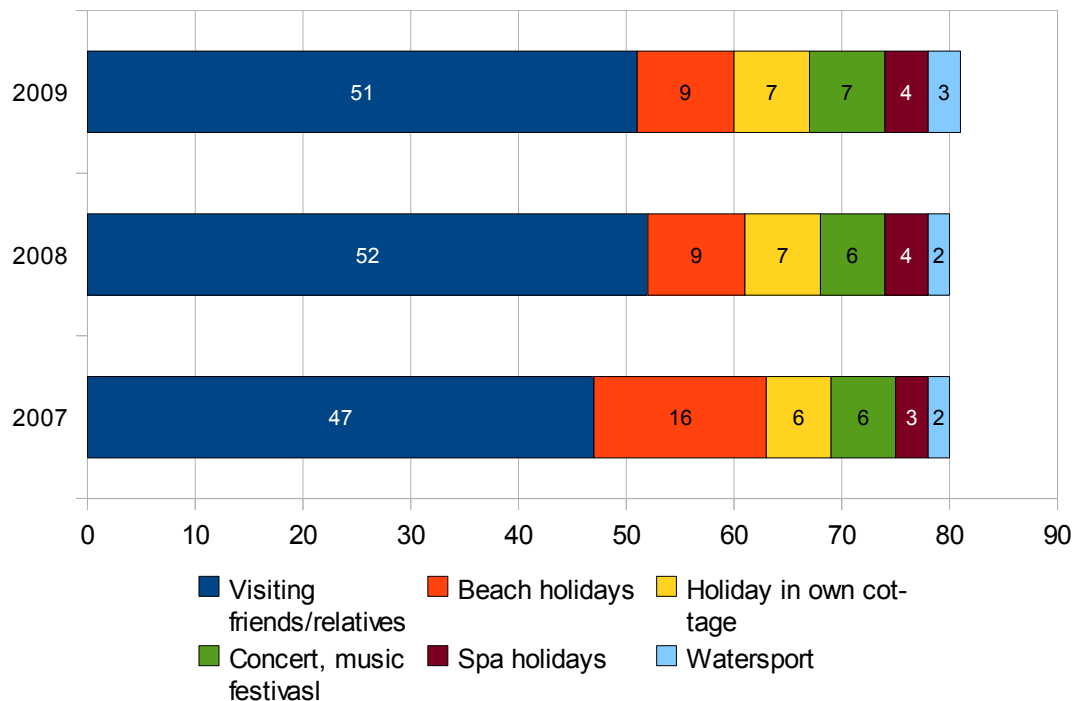
Conclusions/main findings

- From all foreign sources markets Finns are the most experienced visitors to Estonia
- Finns from Southern Finland, with no kids, secondary/higher education with, income over 3000 € and used to travel are visiting Estonia
- They are mainly interested in shopping but also nature sights are important when visiting Estonia
- 1 million Finns (from a total population of approximately 5 million have not been to Estonia!

4.2. Domestic

In summer 2009 71% of Estonian residents between 15-74 y.o.a. (742.000) did at least one holiday trip in Estonia – these are 38.000 (4%) less Estonians travelling in Estonia compared to 2008. The reason for non-travelling was mainly – lack of money (economic crisis). The purpose of a domestic holiday trip is in the first place – visiting friends and relatives:

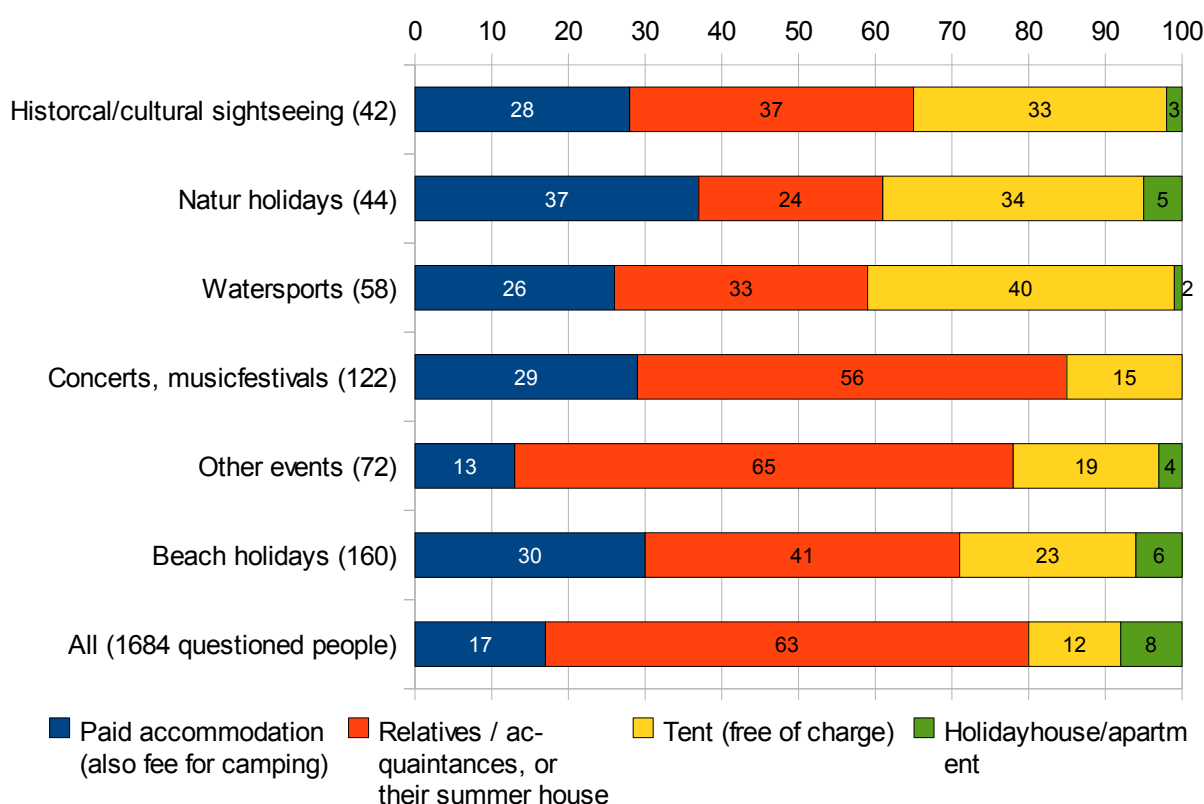
Main purpose of the holiday trip 2007-2009 in % (source EAS)



The average length of an overnight stay was 2,5 days in 2009 (2,6 in 2008). Estonian citizens, aged between 20-29 with a higher education and a higher income (over 8000 EEK per family member) stay longest – 3-4 days. Trips with one overnight were most common – 40% of all trips, followed by 2 nights -31%, 3 nights 12% and longer -17%. The majority of Estonians stay with their friends or relatives – 63% the number is approximately the same for all Estonian residents and does not depend on age, income or residence.

Form of accommodation by kind of holiday – summer 2009

(source EAS)



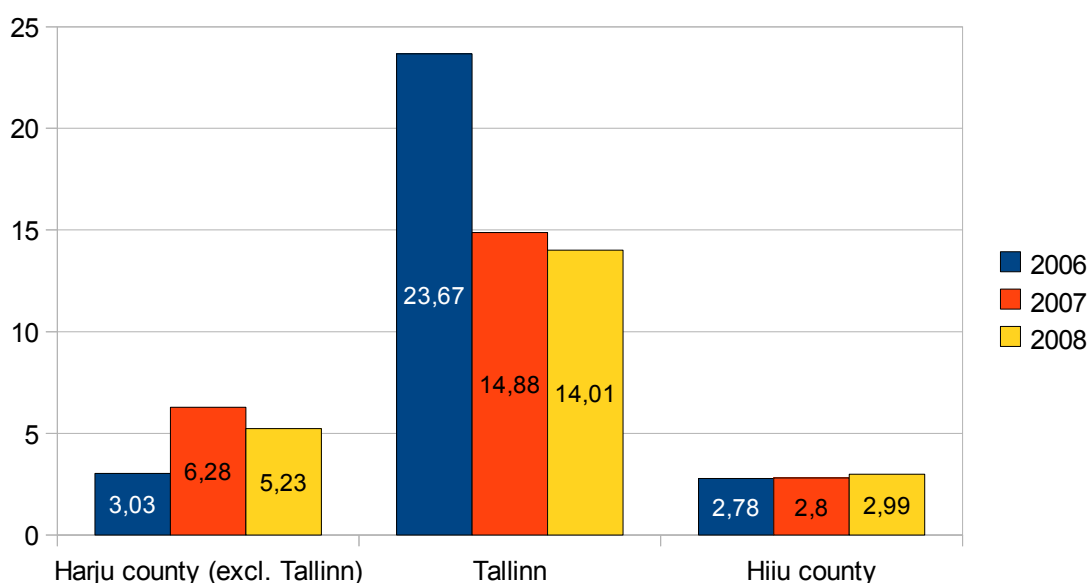
Where did Estonians travel to in summer 2009? Tallinn was the main destination for domestic holiday trips. The second destination is Tartu, followed by Saaremaa. Hiiu county is on the 13th place with a bit over 5% and Harju county without Tallinn on the 19th place with less than 4% of all domestic holiday overnights.

For beach holidays Estonians went to Pärnu (18 %), followed by Saaremaa (15%) and Pärnumaa (11%). Hiiumaa (10%) was on the 6th place after Ida-Virumaa (10%) and Tallinn (10%). For water related hobbies Estonians went to Saaremaa (17%), followed by Pärnu (14%). Hiiumaa was here on the 8th place (8%). For events people went to Tartu (17%) and Saaremaa (16%)- Hiiumaa is on the 10th place (7%). For visits of natural sights – Saaremaa was he first destination (16%) and Hiiumaa on the 9th place (9%)

Overnight domestic trips by Estonian residents by destination and year in thousands (source statistics Estonia)

| | 2006 | 2007 | 2008 |
|-------------------------------------|-------|-------|-------|
| Whole country | 643,1 | 885,3 | 802,5 |
| Harju county (excl. Tallinn) | 19,5 | 55,6 | 42 |
| Tallinn | 152,2 | 131,7 | 112,4 |
| Hiiu county | 17,9 | 24,8 | 24 |

Share of domestic overnights in the total number of domestic overnights by destination and year in % (source Statistics Estonia)



The share of people who went with their children (younger than 15 yoa) on a trip as been more or less stable since 2002 – 39 % in 2002, 33% in 2003, 30% in 2005, 31% in 2007 and 31% in 2009.. If we look at the destination where there were more families with kids under 15 compared to families travelling without kids Ida-Virumaa (12% of all trips with kids) and Pärnumaa without Pärnu (10%), Põlvamaa (7%)Valgamaa (6%) Jõgevamaa (7%) are the main destinations. Hiiumaa has also more families making holidays with their kids (6%) - 5% without kids. Harjumaa is more preferred by families without kids – 4% compared to 3% with kids.

It is worth noticing that only 29% of all questioned people were satisfied with the accommodations price/quality ratio and 39% with the restaurant price/quality ratio!

Conclusions/main findings

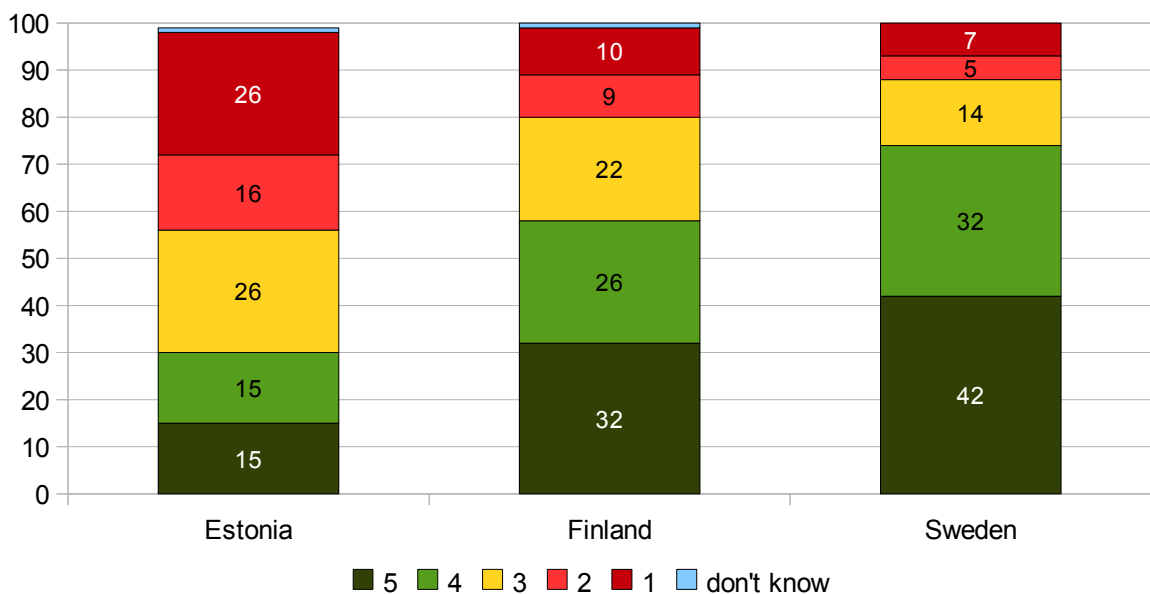
- The main reason for Estonians to make holiday in Estonia is visiting friends and relatives.
- The main form of accommodation is at friends and relatives.
- 83% of all Estonian use free of charge accommodation.
- Estonians are price and quality sensitive.
- Estonians are interested in nature holidays.
- Many families with children stay in Estonia for holidays.
- Hiiu county and also Harju county are still undiscovered holiday destinations for Estonians.

4.3. Russia

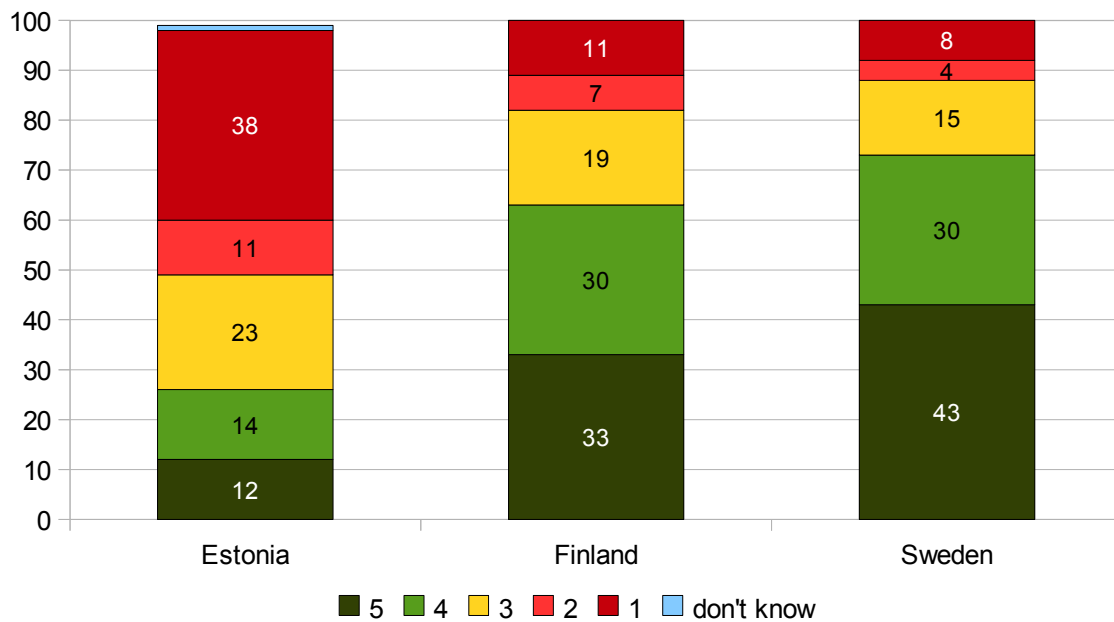
Russia is after Finland the biggest source market for Estonia with 220.945 nights spent in Estonia. Russians visit mainly Tallinn and that during the change of the year – new years eve or orthodox Christmas. EAS did a questionnaire asking 1000 Moscow (530 answers received) and 1000 St. Petersburg (506 answers received) inhabitants. Half of the surveyed in St.Petersburg and 76% of the surveyed in Moscow have not been to Estonia.

Estonia is not on the top list of the countries which Russians desire to travel to. Only 30% of the St.Petersburg inhabitants and 26% of the inhabitants of Moscow would like to go to Estonia. From the inhabitants of St.Petersburg those who are between 60-74 y.o.a. would like to go to Estonia on a holiday trip – 45%. The respective age group in Moscow is between 45-59 y.o.a. with 31%.

Travel desire, inhabitants of St. Petersburg 2009, How much do you desire to travel to Estonia, Finland, Sweden? (5-a lot ...1 – not at all) (source EAS)



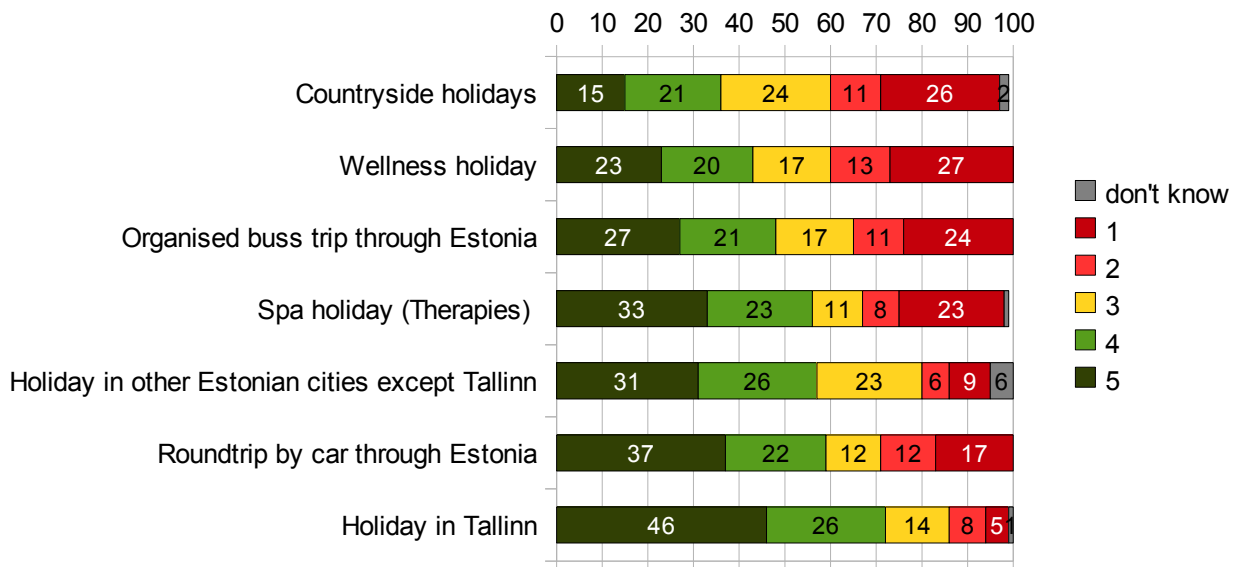
Travel desire, inhabitants of Moscow 2009, How much do you desire to travel to Estonia, Finland, Sweden? (5-a lot ...1 – not at all) (source EAS)



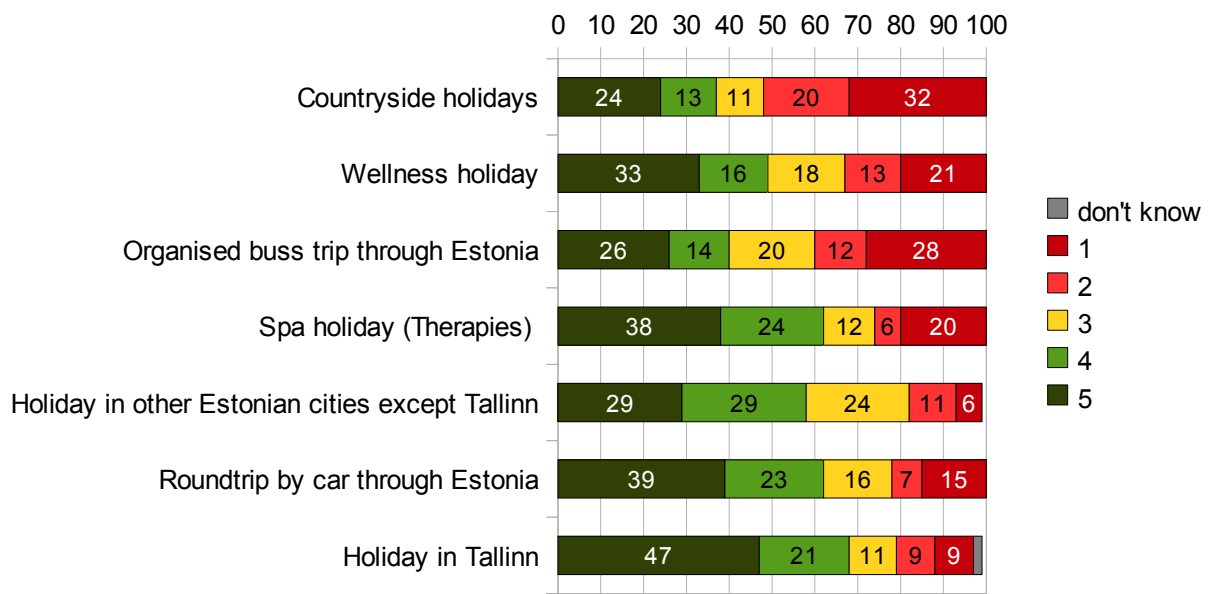
It is easy to receive tourism information about Estonia (4,54/4,34) and to visa (3,74/3,44) to Estonia but Russians do not feel themselves welcome to Estonia – on a scale from 1 to 5 where five is very welcome and 1 not welcome at all, St.Petersburg inhabitants answered with 2,94 and Moscow's with 2,63 (in brackets: How easy is it to get tourist information about Estonia and visa to Estonia – 1=difficult and 5=very easy - figure for St.Petersburg/ figure for Moscow). 29 % of the surveyed in Moscow does not know anything about Estonia – in St.Petersburg -17%. When asked what comes into your mind when you think of Estonia 15% of the St.Petersburg inhabitants remembered Tallinn, 10% mediaeval architecture and 9% said that Estonia is a neighbouring country to Russia. 10% of the Moscow inhabitants answered that Estonia belongs to the Baltic's. Asked about the season when to visit Estonia the majority of both cities answered summer (St.Petersburg 71%; Moscow 82%).

If travelling to Estonia they prefer to stay in Tallinn but also round trips by car are interesting. Holidays in the countryside are less interesting for inhabitants from both cities.

*What would interest you when travelling to Estonia? -
St. Petersburg (5- very interesting, 1- not interesting at all)
(source EAS)*

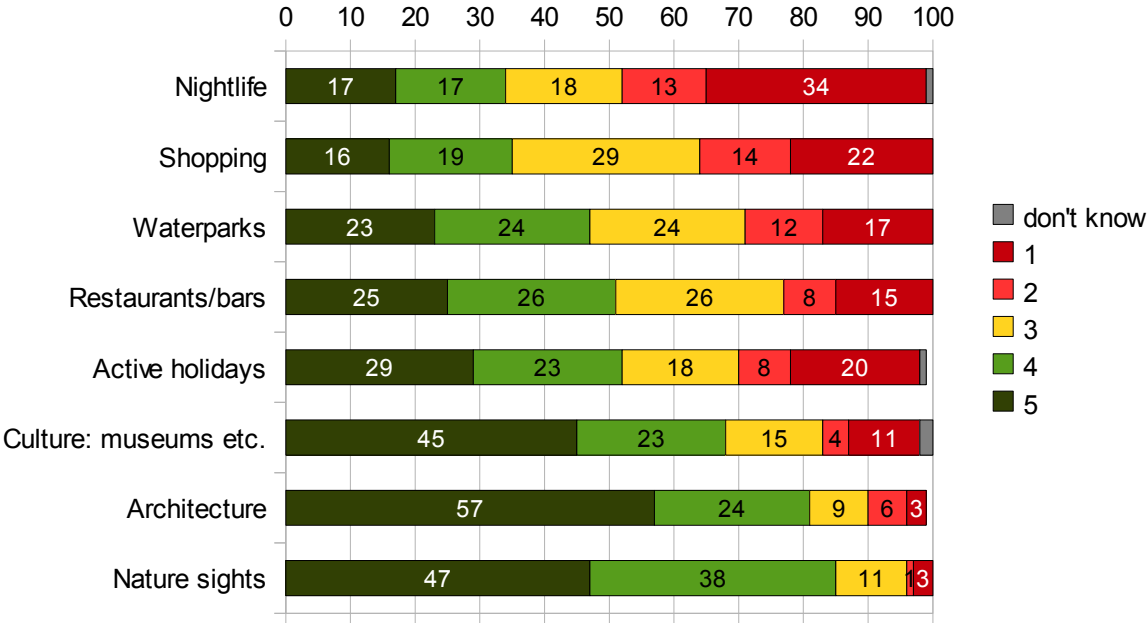


*What would interest you when travelling to Estonia? -
Moscow (5-very interesting, 1-not interesting at all)
(source EAS)*

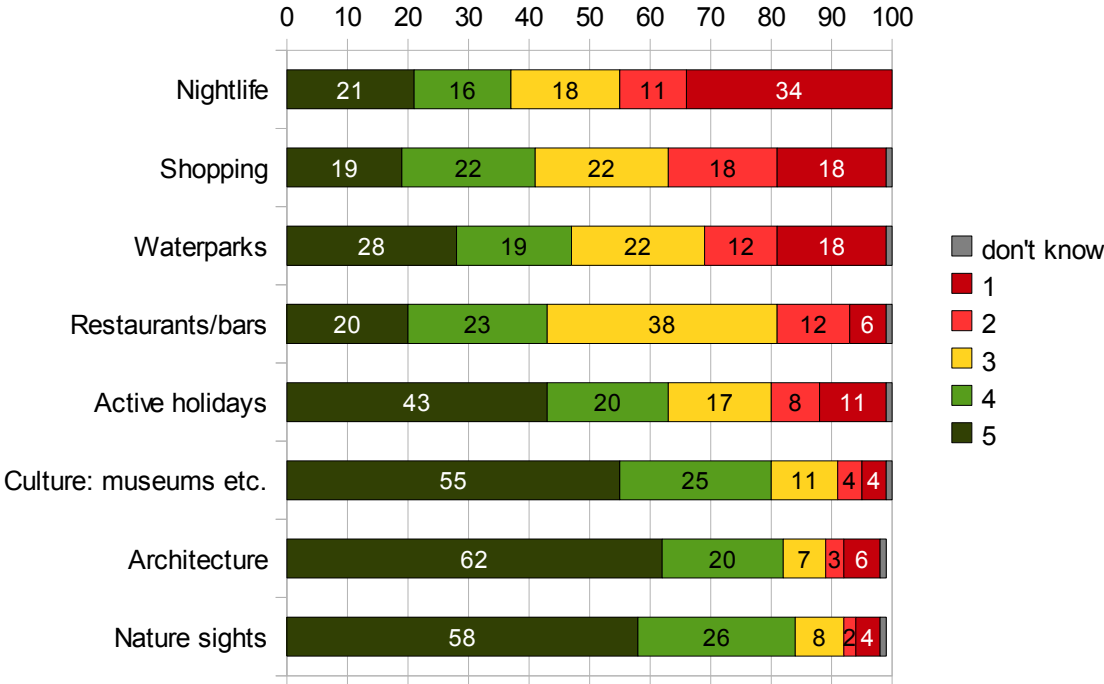


On the other side the majority of Russians wants to see nature sights, followed by architecture and museums and exhibitions.

What is important for you when travelling to Estonia? St.Petersburg (5-very important 1-not important at all) (source EAS)



What is important for you when travelling to Estonia? Moscow (5-very important 1-not important at all) (source EAS)



The main source of information for Russians before the trip are relatives/ friends followed by internet and travel bureaus.

Main findings/ conclusions

- Russians have some knowledge about Estonia.
- Russians are largely interested in Estonia and its sights.
- Ties with relatives, friends are the main source of information.
- Russians don't not feel themselves welcome to Estonia (Estonia's image in Russia-compared to Finland/Sweden).
- Russians prefer to visit Estonia in summer but do visit during change of the year.

4.4. Sweden

Sweden is after Russia the third biggest Estonian source market with 158.492 overnights in 2009. However the overnights trend is negative since 2006.

Change in the number of Swedish resident overnights compared to the previous year in % (source Statistics Estonia)

| 2006 | 2007 | 2008 | 2009 |
|-------------|-------------|-------------|-------------|
| 0,76 | -17,41 | -5,19 | -14,6 |

In 2007 81% of the Swedish population between 15-75 y.o.a. have not been to Estonia, 12% have once been, 4% twice and 3% three times or more. The majority of Swedish visitors comes from the Stockholm region, followed by central and South-East Sweden. Swedish people coming to Estonia are usually older than 40 y.o.a.. If travelling to Estonia the preferred form of the trip would be a ferry trip to Tallinn with 2-3 nights in Tallinn (49%), spa-holidays (48%) and a round-trip in the Baltic countries (40%). Holidays in the countryside are interesting for 21% of the surveyed people. When travelling to Estonia restaurants and café's are interesting for 87%, nature sights are interesting for 69% and shopping for 55% and active holiday possibilities for 42%.

Since few of the Swedish population have travelled to Estonia negative prejudices are predominant when asked about Estonia. After the trip the view about Estonia changed completely. The ignorance about Estonia is also one reason that only 12% of the surveyed agreed that Estonia has a developed tourism infrastructure and only 13 % that Estonia is suitable for travelling with kids. Estonia is as a summer tourism destination unknown. The company Snabbasvar asked between 27 April and 4th May 2010 1131 Sweds about their travel plans in summer 2010:

2/3 answered that they will do one or more trips this summer, 30% did not have any plans and 8% did not know. Due to the economic crisis Swedes prefer to stay at home (39%), Italy, Germany, Spain follow with 5% each, Finland is on the 9th place. Although the trend shows that less expensive destinations become more attractive none of the Baltic countries is between the 20 first countries where Swedes plan to travel to. (source: snabbasvar.se)

Conclusions/main findings

- Estonia is still an undiscovered country
- mainly middle-aged, wealthy people are interested to visit Estonia
- Estonia's image in Sweden is often described with negative words, has still the ' Sovietunion' mark
- Swedes do not have high expectations towards visits to Estonia
- after visiting Estonia – attitude has changed to the positive

4.5. Germany

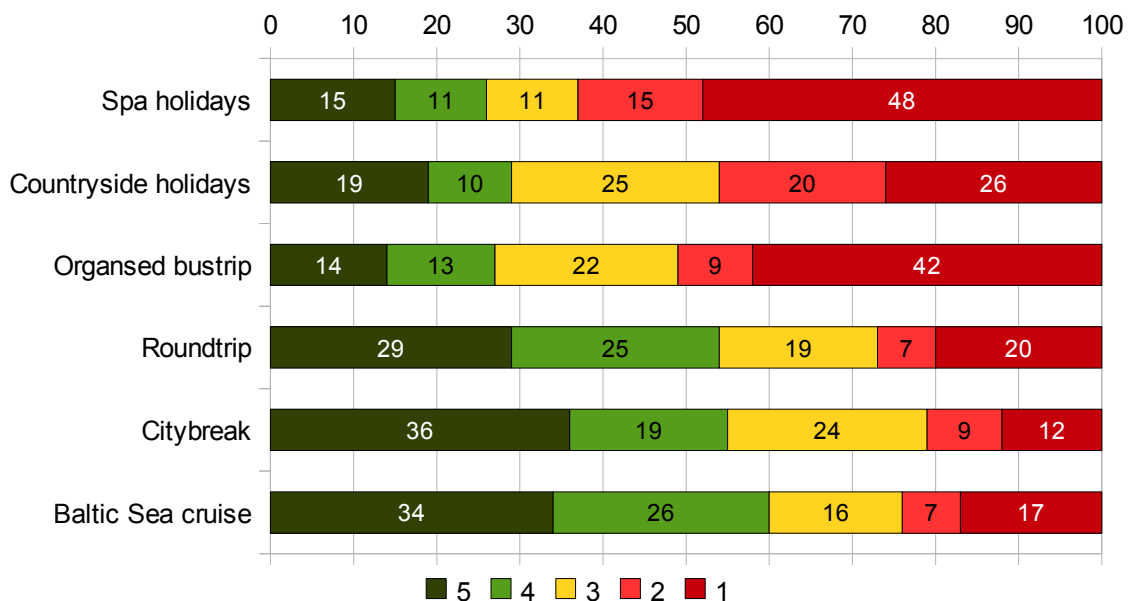
Germany is the 4th biggest Estonian source market with 154.260 overnights in 2009 – slightly less than Sweden. The overnights development has also been negative in the last years.

Change in the number of German resident overnights compared to the previous year in % (source EAS)

| 2006 | 2007 | 2008 | 2009 |
|--------|-------|------|-------|
| -14,05 | -4,42 | 5,81 | -17,8 |

German visitors to Estonia are often over 65 y.o.a., have a higher education and come predominantly from the Northern parts of Germany. Only 15% of the surveyed could consider to travel to the Baltic's. Germans do not have any special preferences for Estonia but all three Baltic states are seen as one unit.

What kind of trip would you prefer for visiting the Baltic countries? (Preferences 5-maximum ... 1-minimum) German residents 2007 (source EAS)



Cruises and city breaks are the preferred kind of trip, though one could see cruises also as a kind of short city break.

Germans are mainly interested in visiting nature sights (88%), in Baltic German manor houses/history (73%) and in museums/exhibitions (68%).

Germans receive tourism information in the first place from travel related literature (73%), travel bureaus (55%), brochures (53%) and from the internet (52%).

Germans know generally little about Estonia – 43,5 did not answer anything, when asked what do you know about Estonia. From those who have been to Estonia 31% did not answer! About 15% know that Estonia is one of the Baltic countries.

Conclusions/ main findings

- The German traveller is often older (older than 55 y.o.a.), well educated and with a high income.
- Germans are interested in city breaks and a round trip through all three Baltic countries.
- For Germans it is obviously difficult to make a distinction between the three Baltic countries.
- Compared with other nations Germans rely more on traditional travel literature when looking for information about the travel destination.

5. SWOT analysis

Strengths

The main strength of the region to be promoted is its nature. Islands or coastal areas with few inhabitants, partly glint coast, vast bog/svamp and wood areas form a landscape for individual, nature oriented holidays. Due to climate and hence seasonality the number of tourists visiting the area is small compared to major tourism destinations around the Mediterranean. The location close to Tallinn and its visitors offer a great potential visitor pool for the islands offshore Tallinn but also of the regions around Tallinn (Paldiski, Viimsi, Viinistu).

The main source market – Finland – is very close and language, cultural ties and former visits make it easy to attract visitors from Finland. The Russian speaking minority with many ties to Russia favours the influx of Russian tourists. Good communications by sea and by air allow a relatively large number of tourists to get to Estonia cost efficiently.

TCT&CB and EAS are professionally promoting the area.

Weaknesses

The infrastructure for a successful tourism development does either not or to a minor extent exist:

- no marina/no service in Paldiski, Pakri
- no marina in Viinistu
- low service level in Prangli, Leppneeme
- no marina with services in Kõrgessaare, Kalana,
- just berth places with water/electricity in Kaberneeme and Neeme, no other services
- The longevity of reconstruction of Neeme harbour and harbour building
- reconstruction of marina in Aegna ongoing

- low service level of marina in Naissaare

The missing infrastructure makes it difficult to attract boats to the harbours and hence the boating possibilities are not promoted sufficiently by TCT&CB and EAS.

Poor internet presence of the existing tourism facilities:

- Viinistu's website only in Estonian and not updated
- Kaberneeme has a deficient web-site
- Kõrgessaare has no web-site
- Naissaare and Aegna with deficient web-sites
- Neeme harbour has no web-site and is not mentioned neither by TCT&CB by nor EAS

Due to the nature of the marina business – the number of people employed is low and there will be no labour force available dealing with sales and marketing when all facilities are ready. Therefore other ways need to be found to promote the coastal areas/small harbours.

The geological structure of Estonia's islands is different to Finlands or Swedens with their large solid rock archipelagos. The number of natural harbours is high in Scandinavia and makes the area more attractive for sailing tourism compared to Estonia for many foreigners.

Opportunities

Finland as established source market and Russia as a newcomer offer a great potential for new customers. The domestic market had a big growth in the last years but due to the crisis people prefer to stay at friends and relatives. These customer groups need to be approached by new tailor-made products. Internet as information provider and as sales channel and marketing opportunities offered

by TCT&CB and EAS offer a cost-efficient way to attract more tourists.

Threats

Tourists become more price and quality sensitive. Other European but also long-haul destinations compete with nearby destinations due to better, non-expensive flight connections. Prices in Estonia have increased and an excess price increase might hamper the future tourism growth. The future introduction of the EURO in Estonia might lead to an ungrounded general price increase. Deficient quality might lead to image problems.

The building of a nuclear power station on the Pakri islands will stop the tourism development of Pakri and Paldiski.

Although Estonia's economy and political system are stable, the impact of the financial crisis was higher in Estonia than in the established market economies and can also be so in the future.

Riots caused by dissatisfaction of the Russian speaking minority with the current situation have a negative impact on tourism to Estonia. Growing income gaps and a deepening economic crisis might cause social tensions.

Security and safety issues are important for foreign visitors.

Sweden and Finland are more attractive sailing destinations and will keep many boats in their respective domestic waters.

6. Vision and development goals for Harju county and Hiiu county as maritime tourism destination

Vision

Harju county and Hiiu county are attractive sailing and maritime tourism destinations in the north-eastern part of the Baltic Sea based on high class and affordable tourism service and tourism products.

Development Goals

Marketing activities can only be started after or short before the completion of the marina construction work. For the majority of destinations in this report - a marina does not yet exist or will be completed in the near future. It is therefore difficult to give an exact timeframe for the development goals. The vision above is meant for a longer period - probably the next 10-15 years.

However the development goals are the following:

1. First class marina and service facilities
2. Increased number of visitors to the islands, to Tallinn, higher hotel occupancy, increased length of stay, increased number of visitors to all tourism attractions and service facilities and thus more income to the city of Tallinn and the municipalities in Harju county and Hiiu county.

7. Marketing activities

7.1. General

The coastal areas of Harju county and Hiiu county are to be promoted. Special focus is on the small harbours of Viinistu, Kaberneeme, Leppneeme, Aegna, Naissaare, Paldiski, Pakri, Kõrgessaare, Neeme, Mohni, Turbuneeme and Kalana. The task is to attract more sea- and land- borne visitors. The boating season is rather short and service facilities attached to the marina must also be used during off-season and must be open also for non-sailors in order to increase profitability.

As stated in the introduction due to the nature of the marina business in our Baltic Sea region the number of people working in a marina is small which limits substantially own sales – and marketing activities. Therefore possibilities to unite forces or to use other marketing and sales platforms are essential for future success.

Marketing activities like press releases etc. can be started before any facilities, houses etc. are built but the main activities can be executed when everything is ready. It is therefore essential to complete the reconstruction of the marina in Aegna, Kaberneeme, Kalana, Kõrgessaare and Viinistu, to build at least some infrastructure in Paldiski or Pakri.

What needs to be done?

- Increase publicity for the harbours mentioned above
- Increase number of boat visitors/visitors to the harbours mentioned above
- Increase visitors to islands off-shore Tallinn
- Expand the season, expand the length of stay of visitors in the harbours or in accommodation facilities

The target groups for the marketing activities are:

Harju county (Viinistu, Kaberneeme, Leppneeme, Prangli, Aegna, Naissaare, Paldiski, Pakri)

- domestic market – inhabitants of Tallinn, domestic visitors to Tallinn
- foreign visitors – mainly Finland, Russia, Sweden, Germany
- boat owners from Estonia, Finland, Sweden, Germany, Russia

Hiiu county (Kalana, Kõrgessaare)

- visitors/tourist from Estonia, Finland
- boat owners from Estonia, Finland, Sweden

It is important to see the destination not simply as one harbour or one island but the destination is part of a greater region and increased influx of tourist to the region will in return benefit all destinations in the region. TCT&CB has a good approach when promoting on the TCT&CB web-site also destinations in the Lahemaa National Park or Paldiski.

What are the key elements what can be offered (unique selling points)?

Harju county

- close location to Estonia's main tourism attraction Tallinn
- clean, sparsely populated area, nature – wood, beaches, water, limestone, bogs/svamps, berries, mushrooms, fresh air close to the urban centre of Tallinn
- activities in the nature – hiking, cycling, mushrooming, birdwatching etc.
- water activities – boating, swimming, surfing, diving etc.
- manor houses
- legacy of the Soviet occupation

- lower price level than in Tallinn for restaurants, services, accommodation

Hiiu county

- clean, sparsely populated landscape – away from bigger urban settlements
- few tourists compared to the area and the population on the island
- activities in nature -> see above
- water related activities -> see above
- net of hiking trails
- ferry connection to Saaremaa
- still undiscovered tourism destination
- low price level
- special cultural traditions
- legacy of Soviet occupation
- Kõpu and other lighthouses

7.2. Own marketing activities

7.2.1. Internet

As seen before the internet becomes more and more important as a sales channel. Estonia is one of the frontrunners in terms of internet users per inhabitant, the coverage of free Wifi in the country is exemplary. EAS has given the www.visitestonia.com web-site highest priority.

A company without a web-site does simply not exist for many consumers. Furthermore social network web-sites like Facebook, Twitter etc. should be used in order to increase publicity.

The respective web-site should have the following characteristics:

- multilingual – minimum the following languages – Estonian, Russian, Finnish, English
- all translations must be made by a professional translator and checked by a native speaker
- short presentation of the destination with detailed contact details
- How to get there? - use of a map (google or other) from land and from sea with necessary navigation information for sailors
- short description of the services with prices and pictures
- presentation of the whereabouts (region)/ how to get there/ what to do
- link to tourist-information (city, region), restaurants, transport companies, museums, next/neighbouring harbour
- the website design should be brought into line with the website of the regional tourism organisation and finally EAS in order to increase publicity for Estonia as a whole country
- link to social networks – facebook, twitter
- multilingual newsletter
- optional: booking engine for services – berth place, accommodation

In general there is no web-site for the above mentioned harbour destinations in Harju and Hiiu county or for Aegna, which meets the minimum demands above. Some destinations have no web-site, few are multilingual and updated.

7.2.2. Print Media

Due to high costs, the short life cycle of print products and the increasing environmental consciousness of the population the importance of print media for promotional purposes is decreasing. However in order to promote the web-site and to give a potential

customer quickly information about a destination a small leaflet is needed to promote the destination. This might not be necessary for all harbours concerned and depends on the promotional budget but for example the islands offshore Tallinn need to have a small leaflet with basic information what to see, what to do, how to get on the island which can be distributed in the TCT&CB tourism information centre to consumers and to business partners – destination management companies (DMC), professional conference organisers (PCO) or at the ferries to Estonia.

7.2.3. Direct marketing

Direct marketing to consumers is expensive and beyond the possibilities of a small marina. However services should be published in local branch catalogues, local information papers, local information desks etc.. Furthermore all harbour visitors who have registered should also be asked if they want to receive a newsletter which should be multilingual and published regularly for promotional purposes. This newsletter should also be sent out to press – local press, specialised yachting/boating/outdoorlife/tourism press and web-portals in the four main source markets and in Estonia.

In order to attract visitors to certain events, openings etc. advertisement in a newspaper could be necessary.

7.2.4. Marketing with cooperation partners

Enterprise Estonia (EAS)

EAS is mainly for Kalana and Kõrgessaare an important cooperation partner but also for the destinations in Harju county.

Firstly it is important to get all destinations on the www.visitestonia.com web-site with detailed description, contact details, picture and link to the own web-site.

EAS organises also regularly familiarisation and press trips to different regions in Estonia. Here it would be necessary to offer free or discounted accommodation, food, programme services in cooperation with other partners to EAS in order to increase publicity.

EAS arranges also the Estonian national stand at international fairs. Hiiu County or Harju County are represented at Tourest.

Boat- and outdoor fairs are also organised in different Estonian source markets and in Tallinn (Meremess). Due to the high costs it is not recommend to be at a fair with an own stand but information about the harbours, islands etc. should be a part of the general information about Estonia at the EAS stand or in case of Harju county as a part of TCT&CB information.

Since there is no national Estonian stand at boat- and outdoor fairs abroad – own promotional activities there are not to be recommended. However if national ship/yacht producers plan to participate in the fairs, information about Estonia as a sailing destination could be distributed.

Tallinn City Tourism and Convention Bureau (TCT&CB)

TCT&CB has the key position in promoting the Harju county area. The main reason why people come to Estonia is Tallinn. Tallinn's value as a tourism destination needs always to be improved and enlarged. It is not just the old town with its mediaeval architecture what Tallinn has to offer but also untouched nature a 'stone's

throw' away from Toompea. More tourism offers connected to Tallinn will also increase the length-of-stay of tourists in Tallinn.

Firstly – the internet presentation of all three islands needs to be improved. *Secondly*- the islands should also be included in promotional activities – like familiarisation and press trips with domestic and foreign tour operators and journalists.

Thirdly – TCT&CB should consider to start promoting Tallinn as a sailing destination – promoting all the existing harbours in the Greater Tallinn area – on the TCT&CB web-site, at fairs and through campaigns abroad as part of the general Tallinn promotion. According to the Estonian Maritime Administration there are around 15 harbours registered only in the bay of Tallinn. This forms a pool for the development of a sailing destination.



(map from Estonian Maritime Administration)

The final aim should to build up an association with the name 'Sailing Tallinn'. The aim of the association should be to promote Tallinn as a sailing destination in Estonia and in the main source markets.

Members should be the marinas, the local tourism organisation, service providers like restaurants, gas – stations, marina equipment supplier, entrepreneurs active on the islands etc.. This association could also be active in organising and supporting maritime related events like the Tallinn Maritime days.

Fourthly – events like Tallinn 2011 or Maritime days which focus also on Tallinn's location as maritime capital should more include the islands in their programme/activities.

Regional tourism cooperation

The regional tourism SA Põhja-Eesti Tourism can be used in the same way as TCT&CB but it seems that the range of activities of this organisation is smaller than TCT&CB's.

The web-site of SA Põhja-Eesti Tourism needs to be improved, 'our' destinations need to be added and possible promotional activities like fam/press trips need to be used. Põhja-Eesti Tourism can also represent Paldiski/Pakri and probably also Viinistu at tourism fairs and organise fam/press trips.

Hiiumaa has a informative web-site. There 'our' destinations – Kalana and Kõrgessaare should be added as sailing destinations. Hiiumaa has a number of marinas which should be promoted at the Hiiumaa web-site under 'sailing'.

Hiiumaa tourism can represent Kalana and Kõrgessaare at tourism fairs.

Tourism service providers

Ferry lines

TallinkSilja, Vikingline, Lindaline and Eckeröline are providing tourism information on their web-sites. TallinkSilja has the most comprehensive tourism information about Estonia on its web-site.

'Our' destinations should be included in the information on TallinkSilja's website about travelling in Northern Estonia and on Hiiumaa. Furthermore all ferry lines should receive leaflet information about the islands attached to the Tallinn information for distribution among the passengers.

TallinkSilja and Vikingline publish regularly customer magazines which are distributed through their loyalty programs. These brochures are excellent tools for increasing publicity of Estonia's islands and Estonia's sailing possibilities.

Airlines

Airlines are just promoting the destination they are flying to. However AirBaltic, Estonian Air and also Norwegian have a newsletter and their in-flight magazines providing more information about the destinations they are flying to. These in-flight magazines and newsletters are excellent tools for increasing publicity of Estonia's islands and Estonia's sailing possibilities.

Monica

The ferry company to the islands Aegna and Naissaare should be interested to have more passengers. Therefore its web-site should be multilingual! Furthermore promotional costs for leaflet, web-site etc. could be shared with the city.

In general – prices to go from the mainland to the islands are high taking into account the salary level in Estonia – return-ticket to Naissaare 300 EEK and to Aegna 200 EEK! Certainly one obstacle for a more intensive domestic passenger traffic. The city should

consider to open a more frequent ferry connection to the islands and/or include transport to the islands into the public transport network of Tallinn (same system like Suomenlinna offshore Helsinki). Transport to the islands is already included in the Tallinn card!

Incoming tour operators

The list of incoming tour operators is available under the ETFL website. Furthermore the Association of Latvian Travel Agents - ALTA and the Lithuanian Tourism Association provide list of their incoming travel agents. The majority of all incoming tour operators in the Baltic's sell also the other Baltic states and act often also as professional conference organiser. These companies should be contacted and informed about the offers.

Accommodations

All accommodation facilities provide often tourism information in form of maps, brochures and orally by the reception staff.

All hotels in Tallinn/Harju county should be contacted and informed about tourism offers – how to get to the islands, what to do there etc.

Hotels like Viimsi spa, Laulasmaa spa or Padise manor house (Padise mõis) should be interested to offer information about attractions or activities to their guests. From Laulasmaa or Padise for example a boat trip from Kurkse to Pakri+hiking and some form of catering could be offered.

Estonian Marinas

is the umbrella organisation for all marinas in Estonia. It should be investigated how much Estonian Marinas could be interested in promoting whole Estonia as a sailing destination in Estonia and abroad in cooperation with EAS and/or municipal and regional tourism organisations and with future (to be founded!) local sailing

promotional network organisations like “Tallinn sailing”. Especially in all foreign source markets a common marketing platform of all Estonian marinas is useful.

Estboat - Estonian Boating Industry Association

is the branch organisation of the Estonian boat industry. Estonian boat builders should be interested to increase their sales in Estonia and also abroad. Estboat might be therefore interested to sponsor events and activities in Estonian marinas, co-finance tourism information about selected marinas or have a boat on display in a marina.

7.3. Marketing activities by destinations 2010-13

Aegna, Naissaare, Prangli, Leppneeme

After improving infrastructure, communication, building of a marina the following activities should be undertaken in 2010-13:

- opening of an own sailing section at Tallinn's web-site
- represent all harbours in Greater Tallinn's area with detailed information (see web-site requirements)
- inform incoming tour operators about activities in the harbours
- include those harbours in the incentive and 'day out' brochure of Tallinn City Tourism & Convention Bureau (TCT&CB) with the respective tourism company which is selling the destination
- update the information about Aegna, Naissaare, Prangli, Leppneeme at visitestonia.com
- TCT&CB should promote sailing Tallinn at fairs abroad
- TCT&CB and EAS include/strengthen island-promotion in their PR activities in Estonia and abroad
- investigation around founding a promotional network “Sailing Tallinn” should be undertaken with all potential partners invited
- Viimsi launches its own multilingual tourism related web-portal

- all four destinations improve their own web-site – web-design should be similar – formed after 'Sailing Tallinn' or TCT&CB web-site with more detailed information about the destination, news/ newsletter, blog and social media
- produce a leaflet and/or add a page in Tallinn's promotional brochures with information about Sailing Tallinn

Kaberneeme

is important as marina (Although for some reason Kaberneeme is not any more registered as harbour by the Estonian Maritime Administration – see map above!?) and watersport centre. The range of tourism related products should be enlarged – includes also land-based attraction/sights in order to increase the attractiveness of Kaberneeme as starting/endpoint for excursion in the area. The attractions are: Kaberneeme fisher village, Jägala waterfall, Kiiu-tower, Estonian Golf and Country Club, hiking in the woods/ along the beaches!

- improve the Kaberneeme web-site; multilingual, products, updated, newsletter, social media, blog
- Kaberneeme should be re-registered as harbour by the Estonian Maritime Administration
- Kaberneeme should be mentioned by TCT&CB as 'day-day' out destination
- Põhja-Eesti Tourism should include Kaberneeme in their PR/Marketing activities in Estonia and abroad
- Kaberneeme should be listed as harbour at visitestonia.com
- press-releases, newsletter to visitors, local press
- ads in local newspapers about events important for locals

Viinistu

is not registered as harbour but has a unique location in the Lahemaa National Park with an even more unique art museum. These are good conditions for tourism product development! Viinistu should become the starting/end point for exploring the Lahemaa coast line – by boat or by hiking. Mohni island is a great destination for a short trip to an island. The art museum offers a great frame for incentives, workshops etc. The Lahemaa National park with its natural sights, bog areas, manor houses is an attractive destination. Since Viinistu has no functioning marina – Turbuneeme as the closest marina should be included in the marketing efforts.

- improve web-site – multilingual, products, updated, newsletter, social media, blog
- Viinistu should be listed in TCT&CB 'day-out' programme by contacting incoming tour operators, PCO's
- visitors should be attracted through the network of museums
- PR/promotion abroad should be handled by EAS and/or Põhja-Eesti Tourism
- press-releases, newsletter to visitors, local press
- ads in local newspapers about events important for locals
- gain publicity by providing accommodation for the Käsnu folk festival

Pakri/Paldiski

It is hard to promote these two destinations due to the missing infrastructure and hence due to the missing tourism products.

The legacy of the Soviet Union is an asset in Paldiski and for many foreign tourist worth visiting, but the infrastructure needs to be improved.

- improvement of the Paldiski web-site – tourism
- improvement of the Pakri foundation web-site with prices, where to book etc.

- PR promotion of Paldiski/Pakri abroad should be handled by EAS and/or Põhja-Eesti Tourism
- press-releases, newsletter to visitors, local press
- ads in local newspapers about events important for locals

Neeme

Neeme harbour is important as a yacht harbour. It is important to realise the harbour reconstruction plan and the harbour building project. The sights: Ihasalu fisherman village, Jägala waterfall, Linnamäe together with its museum which is being built, Manniva golf range.

Kalana

The improved accommodation facilities have increased tremendously the attractiveness of Kalana as holiday destination especially among Estonian watersport enthusiasts. In order to attract more guests bigger accommodation with included bath room/ toilet might be needed. The Kalana holiday village web-site has been up-dated recently and is good. An internet booking/pay function could be an useful addition in the future.

From infrastructure point of view – missing catering facilities (pubs, restaurants) nearby is a minus. Also special cultural events – could attract also guests from outside the holiday village.

After reconstruction of the marina – Kalana has all prerequisites to be successful.

- press releases to local and Estonian press about the opening of Kalana holiday village
- contact incoming tour operators in the Baltic's by mail/phone – information about tourism offers
- Hiiumaa tourism/ EAS should take care of promotion of Kalana abroad
- offer to EAS/Hiiumaa tourism to host journalists/tour operators interested in watersport during an information trip on Hiiumaa-

EAS should arrange a press trip with key watersport journalists from the main source markets. These journalists should visit all importing surf/watersport destinations in Estonia (including Kaberneeme and Kalana/Ristna).

- invite watersport specialised journalists to Kalana
- include Kalana harbour on visitestonia.com as sailing destination
- register Kalana at social networks like Facebook and Twitter

Kõrgessaare

has for the time being no developed infrastructure as a marina.

However the conditions for success are given. The area with Viskoosa (hopefully utilized in the future) and the former distillery Viinaköök is already now worth seeing. However as for now the only marketing activity which could be realised is a press-release informing about the plans concerning the reconstruction of the harbour to the local and Estonian press.

8. Investment possibilities

Due to the low bed occupancy rate for accommodation facilities in Harju/Hiiu county there is no direct need of more accommodation facilities. The number of beds per capita is anyhow rising in Hiiu county (as seen above). However on the islands – Aegna are buildings left over from the occupation time which could be used as accommodation or catering facilities. The buildings are from architecture and from history point of view interesting and they have to be preserved. The fortification ruins on both islands should be transformed into a tourism attraction. More catering facilities on Naissaare, Aegna and Prangli are desirable. Communication to the islands needs to be improved by new ships. In the future the cities of Tallinn and Viimsi should consider to include traffic to the islands into the local public transport network with bigger more frequent

commuting ferries. Prangli needs some good tourism accommodation and probably also improvements of the marina. Leppneeme has just a quay-side but needs more service facilities. Viinistu and Mohni needs a full service marina.

Kaberneeme needs some service improvements. Neeme must receive a complete new marina with full services.

Koljunuki has a great location for a new marina - close to the golf course and the mining industry heritage. The building of a marina there is highly recommended.

Paldiski/ Pakri need a full service marina, tourism accommodation facilities, catering facilities and attractions – related to the legacy of the Soviet Union.

Kõpu peninsula needs more catering facilities. Kõrgessaare/Kalana need a full service marina.

9. Conclusions

Balancing threats, opportunities, strengths and weaknesses the above mentioned destinations are tending to the positive side.

In times of economic crisis, volcano ashes and terrorist attacks people tend to stay at home, instead of travelling abroad. Estonia has everything to offer – from a city break, a shorter second/third vacation to the long main holiday in summer. As seen before Estonia has a good location – close to the main source market- Finland which is a huge competition advantage compared to the other Baltic countries. This source market needs special attention. The Estonian price level is still competitive and the tourism infrastructure is well developed. However – except the Finnish neighbours and the Estonians themselves nobody seems to take sufficiently advantage of Estonia as a great holiday destination. Russians seem to be more and more interested in Estonia but compared to the size of the country and the influx of Russian tourists to Finland (Russia is the biggest source market for Finland!)– the number of Russian tourists in Estonia is still small.

Therefore the promotion of whole Estonia abroad as one destination (realised by EAS) has high promotion. As stated before, marinas, accommodation facilities in Harju and Hiiu county have little labour force and that only for a short time period during summer. That fact makes big, costly marketing campaigns impossible. Marketing on foreign markets is expensive and the return on investments questionable. Therefore the good framework offered by EAS , TCT&CB and other marketing organisations should be used efficiently.

Local network promotional organisations exist in many countries – for example the Copenhagen or the Stockholm cruise network has the aim to promote cruise port calls in the respective harbours, to develop the destination as 'turn around port', to check quality requirements etc. Rostock with its 'Hanse Sail' organises annually

one of the biggest sailing events in the Baltic Sea area – supported by a network of companies which benefit from the organisation of this event. Network sailing promotional organisation do not have to be heavy administrative organisations. Work could be split among the members, chairmanship can be switched from one member to another etc..

Quality improvement and lowering costs are important in order to offer a competitive price level for all tourists. Only one fourth of the Estonian holiday makers is satisfied with price/ quality ratio in hotels and restaurants – an alarming sign, that keeps not only the domestic traveller away from restaurants and accommodation facilities but in the long run also foreigners. Therefore it is of highest priority to focus always first on the product, on the quality improvement and then on the marketing and sales.
