

Latvian Tourism Marketing
EXTERNAL COMMUNICATION
STRATEGY 2011-2013

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Introduction

In February 2010, The Latvian Tourism Development Agency (Hereinafter LTDA) accepted a Communication Platform, which set the guidelines for Latvian Tourism export product image positioning:

- brand promise;
- brand values;
- brand slogan and visual identity.

In March 2010 the LTDA developed a Tourism Marketing strategy:

- setting the economic objectives for Latvian tourism sector development;
- choosing priority geographic target markets to focus on;
- defining values for Latvian tourism export product development;
- deciding on strategic products for Latvian tourism export.

In order to implement the proposed marketing strategy, and to develop the desired image within the perception of target audiences, this Latvian Tourism External Communication Strategy document details:

- particular segments to be targeted;
- communication objectives for each of them;
- messages to be communicated;
- products to be promoted.

Cornerstones of the Latvian Tourism Marketing Strategy

Prior to defining communication aspects in more detail, these are the main cornerstones of the Latvian Tourism Marketing Strategy.

Economic Objectives

The Latvian Tourism Marketing Strategy has defined following economic objectives:

- To increase the market share of visitors to Latvia that stay in the country for three nights and more;
- To achieve growth in, and market share of, local tourism services greater than the growth of total tourism services;
- To achieve growth in tourism services export by 5-10% in comparative prices year to year;
- To grow the relative share of tourism services within Gross Domestic Product (GDP) up to the average level of Central and Eastern Europe (CEE) countries.

Target Markets

The Latvian Tourism Marketing strategy defines following priority target markets:

Priorities	Countries	Planned marketing activities	Marketing instruments
High Priority markets	Lithuania, Estonia, Germany, Russia, Sweden, Finland	Profound target market analysis, with an objective to develop a marketing strategy for every relevant market, covering existing and future segmentation and activities relevant for a particular market/segment.	<ul style="list-style-type: none"> - Market research, Market segmentation - Fam trips (for journalists, tour operators, travel agents and other specialists) - Advertising campaigns - Workshops for tourism professionals - Public relations and cooperation with media - The Latvian tourism portal - Internet media - International tourism trade shows - Tourism information materials - Cooperation with partners (IDAL/LIAA, embassies etc.)
Secondary markets	Norway, Denmark, UK, Italy, Spain, The Netherlands	Based on availability of resources, market and product potential research, selective marketing activities	<ul style="list-style-type: none"> - Latvian tourism portal - Internet media - Market research - Inquiry visits - Public relations - Cooperation with partners (IDAL/LIAA, embassies etc.)

The Main Values for the Development of Tourism Products

As stated in the Latvian Tourism Marketing Strategy, the products supported by the Latvian Tourism Development Agency should correspond to the following values:

- Quality;
- Sustainability;
- High Added Value;
- Individualization;
- Tourist involvement and an experience aspect.

Strategic Products

As strategic priority products, the Latvian Tourism Marketing Strategy defines:

- Cultural tourism;
- Nature tourism;
- Products with high added value:
 - Medical tourism;
 - Recreational and health tourism;
 - Sporting events and facilities;
 - Business tourism and facilities.

Cornerstones of the Latvian Tourism Communication Platform

To develop a unified and consistent perception of Latvia's tourism products among target audiences. In March 2010, the LTDA adopted the Latvian Tourism Communication Platform, defining the messages and positioning for the promotion of Latvian tourism products.

Positioning

Product, market and potential economical benefit analysis indicates :

- That Latvia has attractive nature and culture attractions;
- Among other trends, "slow tourism" gains significance in Europe;
- "Slow tourism" generates greater economical benefit from each traveller.

Based on those arguments, the LTDA has chose to position Latvia as a "Slow Tourism" destination.

Brand Promise and Values

As stated in the Communication Platform, the Latvian Tourism brand promise to prospective travellers is that:

Latvia is a place, where having arrived,
you have the opportunity to change the tempo of your life,
to relish unhurried leisure experiences, thereby savour new experiences,
allowing you to aspire to harmony
and reveal your true inner values.

Values to be used in crafting the message and choosing the mood and communication implementation:

- Truthfulness
- Profoundness
- Ease
- Dignity

Slogan

Accordingly, the slogan to be used in communicating Latvian tourism products in the Latvian Tourism Communication Platform, is:

Latvia - Best Enjoyed Slowly.

Adapted slogan versions to be used in relevant markets are:

Nimm dir die zeit
(in German)

Отдохни без суеты
(in Russian)

Visual Identity

The visual identity to be used in communication of Latvian tourism products:



Conclusion:

In order to develop consistent and efficient promotion of Latvian tourism products, the messages and communication materials developed in the future must follow and synergize with the principles, values and strategic considerations stated in the Latvian Tourism Marketing Strategy and the Latvian Tourism Communication platform.

Considerations Behind the External Communication Strategy

To develop particular communication messages, after defining strategic communication directions, several additional variables need to be taken into consideration. Segmentation, awareness of and attitude towards the promoted product, availability of communication channels and partners, are among the variables that are further detailed.

This strategy is based on an assumption that to benefit from strengths already identified by market research studies of visitors to Latvia is more useful than focusing on some potential markets or potential products that may or may not materialize in some uncertain future.

Communication theory and practice says that messages crafted especially for a particular segment gain more attention and a higher positive response from target audiences. At the same time, the more segments that are addressed demand more sets of communication materials, more budgets and higher administrative capacity to handle all the distinctive communication lines. The segmentation solution proposed in this document is intended to create a balance between differences in target segments, communication objectives, and the allocated budgets and other resources available for the promotion of Latvian tourism products.

Segmentation in Tourism Promotion

Potential clients with differing motivation, product usage or other traits are interested in different product benefits, expect different kinds of communication and can be reached through different communication channels.

In order to direct appropriate messages to the clients ready to respond to a communication impulse, the communicator must choose the dimensions to base its' segmentation on, and to craft the message as well as overall communication relevant for the particular client group.

Under regular conditions, in real life situations, a segmentation solution rarely is one-dimensional. Usually it combines several dimensions. Latvian tourism should be promoted using several segmentation dimensions¹.

The choice of strategic products in the Latvian Tourism Marketing Strategy uses segmentation based on purpose of travel.

However, these segments are too wide to decide on particular messages and the mode of communication, which is of high importance for the creative implementation of communication materials. The Client Life Stages model provides additional detail, necessary for the production of communication materials. A popular version of the Client Life Stages model (for details – see Attachment III) defines easy-to-stick-to and relevant communication for the major stages in life:

- “Students & Youth”;
- “Young professionals”;

¹ For an extensive list of segmentation dimensions used in tourism, see Attachment II – Segmentation Dimensions in Tourism

- “Families with dependent children”;
- “Middle-aged”;
- “Silver-aged”.

This grouping allows for the use of the so called “negative definition approach” – to define “what to do” through defining “what activities to skip”. In the case for Latvian Tourism product promotion, this leads to the exclusion of “Young Professionals” group from the list of actively targeted groups:

- Net Promoter’s Score (NPS) client research² shows that business tourism possibilities in Latvia receive least endorsement, and that Latvia is most criticized among younger travellers;
- The Riga Tourism Development Bureau has defined MICE (Meetings – Incentives – Conferences – Exhibitions) tourism as one of its priorities;
- Riga’s tourism brand “Live Riga” values have a better fit with the tastes and lifestyles of young professionals than “Best Enjoyed Slowly”.

This leads to a conclusion that targeting the “Young professionals” segment with “Best Enjoyed Slowly” message would be a duplication of efforts/resources. An attempt to change the perceptions of an audience not open to accept the message would not be rational from a communications point of view.

“Families with dependents”, “Middle-aged” and “Silver-aged” groups are active in travelling and have significant disposable incomes to spend on travelling. The “Best enjoyed slowly” brand values have a very good match with the expectations of these groups.

“Students & Youth” is a group open for different kind of fresh and unknown messages. At the same time their discretionary income is limited. This puts forward a need to reconsider the economic viability of communicating with this group on a case by case basis.

Geographical segmentation is the basis on which the choice of the high priority markets – Lithuania, Estonia, Russia, Sweden, Finland and Germany (in the Latvian Tourism Marketing Strategy), was made.

When addressing large geographical areas, or ones with many centres of population density, one general geographical area is often not enough for an effective communication plan. As in the case of Germany and Russia, large geographical distances, different consumption habits, different media usage habits and other variables, will necessitate the use of a more detailed breakdown with the geographical segment.

Since different segments require different channels to reach them and different execution, every additional segment chosen requires additional communication resources. Therefore, communicating bodies must limit themselves to a reasonable number of segments. Analysis of available communication budgets shows that at the time of developing this communication strategy, it is unlikely that the LTDA will have the resources to produce different communication

² High Priority Tourism Markets’ traveller research, Research Studio “Factum”, 2010

materials for more than two distinctive target groups in any of the identified high priority target markets. A more realistic solution is to choose one or two target audiences to communicate with actively, in each of the high priority target markets.

Conclusion:

Based on the Life-Stage segmentation dimension, further communication will be focused on:

- i) "Students & Youth";
- ii) "Families with Children";
- iii) "Middle-aged";
- iv) "Silver-aged".

Although the "Young Professionals" segment is attractive for its economic potential, research of attitudes of tourists to Latvia and the "Best Enjoyed Slowly" communication platform, does not support choosing "Young professionals" as a targeted segment.

Choice of Tourism Products to Be Promoted

As a state institution, the LTDA does not have an option to use state budget financing to benefit any particular private tourism product supplier. However LTDA has an option to offer a list of relevant product options that, based on creative implementation solutions, seasonality match or other message implementation considerations can serve as a basis to build particular communication materials upon.

In several motivation segments, the choice of venues and events to attend is done only after the particular time of visit is decided. Therefore, lasting or regular product options that are not limited by narrow time constraints (museums or castles, regular shows or concert-halls) have an advantage over one-time events that can be used for tourism communication only at one particular day/time (particular concerts or events, including but not limited to Song Festivals and other one-of-the kind events), thus requiring disproportionate allocation of administrative and other resources compared with the relatively limited number of guests who can experience the particular event.

For a full list of Strategic Product options, refer to Latvian Tourism Marketing Strategy.

Conclusion:

While formulating particular communication message a Strategic Product list from the Latvian Tourism Marketing strategy can be used. In message creation larger attention should be devoted to regular attractions that are not constrained by particular time limits.

The Communication Process and Purchasing Decision-Making

In the majority of situations clients make a purchasing decision/choice gradually. At first they need to acknowledge the product option, then they need to learn

some product attributes and their advantages. Only then they compare the list of realistic alternatives they have, and take the final purchasing decision.

To move the client towards the purchasing decision, at each of the stages of awareness he/she needs different kinds of messages (more details in Attachment IV – AIDA + Channels + Messages).

As different messages involve different amounts and kinds of information pieces and details, different media are relevant for different types of messages (details in Attachment IV).

In different markets, the level of awareness about Latvia's tourism products is different. For example, travellers from Estonia and Lithuania are well informed about the attractions of the Latvia's tourism offering and have wide possibilities to look for personal feedback about their experience in Latvia from their colleagues and peers. Russian travellers are aware of Latvia as a destination; however their opportunities to get personal feedback about recent experiences in Latvia are not that wide. For most of Finnish, Swedish and German travellers, Latvia is not among their top choices and their possibilities to get personal feedback from peers is limited.

This requires different communication messages, together with appropriate communication channels to deliver those messages.

The overall logic of the "AIDA + Channels + Messages" model can be found in Attachment IV.

In promotion and marketing communication, the two basic approaches are to concentrate:

- on distribution intermediaries (through distribution partners, sales intermediaries, in the tourism industry – this would mean travel agencies and/or professional tourism associations);
- directly on end-users (through advertising avenues to deliver the message about the product to be promoted, directly to prospective travellers).

Work through distribution intermediaries in marketing practice is usually referred to as *PUSH strategy* – the product owner stimulates sales via work with the distribution partner and "pushing" the product through the distribution channel.

Communication directly to end-users in marketing practice is referred to as a *PULL strategy* – the product owner stimulates end-users to come to channel partners and actively demonstrate their interest / demand for particular products.

The particular strategies and tactics chosen depend upon availability of suitable channel partners, variables characterizing target market and segment. Therefore, in order to achieve optimal promotion results both strategies should be considered and analysed. There should be some particular rational arguments (lack of suitable partners, limitations of communication resources or other) to give up either of these approaches.

Conclusion:

Latvian tourism promotion should use both *PUSH* and *PULL* strategies in situations when there are appropriate channel partners or communication resources available.

The messages communicated and channels used in promotion should be matched to the overall level of awareness of target market segments about the offering. More detailed implications of this approach for particular communications is in the detailed plans for markets, and in the Summary Table (Attachment I).

Other Implications of Segmentation

In different markets or in different segments, not only product awareness, but other variables that influence the communication may also vary.

The usage of communication channels may be different among segments. For example, the “Students & Youth segment” is very active in internet usage, but uses travel agencies less than the average for other markets.

The purchasing ability of client segments may differ in different markets. For example, the “Silver-aged” segment in Russia, Estonia and Lithuania has significantly smaller disposable income that makes them a less attractive target for tourism promotion.

Communication can also be influenced by cultural background. For example, Finnish travellers have close ethnic ties with Estonia. That makes it difficult to attract them to Riga or Latvia, before they have visited Tallinn and Estonia. Similarly, shared recent history and political context influences the way Russian travellers perceive Latvia, thus influencing the communication objectives and messages directed towards them.

Conclusion:

The messages, communication channels and communication mode should be adjusted accordingly to target market and the target segment’s particular needs.

Communication Channels & Methods

The increasing share of internet purchases in the hospitality industry shows that the internet grows in importance also in tourism communication as. This is why to promote a destination to tourism end-users, there are no realistic alternatives to internet communication.

Internet as a primary communication channel can be supported with some limited above-the-line advertising activities.

Another tool/method having no substitutes in tourism product communication, is public relations. As customers tend to question the reliability of advertising and perceive journalistic content as more trustworthy, publicity about Latvian attractions and Latvia as such, should be stimulated with public relation tools on all possible occasions.

As B2B (Business To Business) communication involves cooperation with different types of intermediaries who pass on the information to relevant target audiences, it can be highly efficient to achieve wide impact with limited

administrative and/or financial means. However, highly desirable work with B2B information channel partners is only possible if relevant cooperation partners are available in particular markets.

Public relations methods are uniformly applicable in all the markets Latvia is trying to communicate with. Therefore, this strategy recommends benefiting from public relations activities in all the identified markets and segments .

Application of the Chosen Segmentation & Targeting Approach

In December 2010, the LTDA created a set of short video films targeted to the Scandinavian “Silver-aged” segment. Complementary short films tell the story of the experience of two real Scandinavian older travellers in Latvia.

These videos emphasize the emotional aspects of Latvia’s tourism product experience. The choice of particular products & experiences selected for the story complies with strategic products defined in Latvian Tourism Marketing strategy.

After a trial of the effectiveness and efficiency of films for communicating (number of views, sales, channels, middle-men feedback etc.) Latvian tourism products, if positive, the creation of similar materials should be considered for:

- Other geographic markets (Germany and, perhaps, Russia)
- Other life-stage segments (primarily – Families with Children).

Communication in High Priority Target Markets

Based on the Latvian Tourism Marketing Strategy, the Latvian Tourism Communication platform, and the communication considerations described above, the LTDA has developed a communication strategy and a communication plan for high priority target markets.

Both the strategy and the plan should ensure a rational usage of communication budgets and the administrative resources available, in order to ensure the maximum possible economic contribution of the Latvian tourism industry to the country's Gross Domestic Product. Therefore, for each market, only the primary and secondary target audiences are defined, and a limited set of communication channels are recommended. For each target group, indicative priority products are allocated to target communication, in context, where product attributes need to be used.

It is also understood, that target audiences can be deliberately identified in terms of future growth and product development potential, not limited to existing capacity.

It is also assumed, that where applicable, the digital environment needs to be used to communicate to the target audience, promote peer to peer distribution and information sharing. One of the key short term quantitative objectives is to drive traffic to www.latvia.travel. The midterm objective is traveller and spending growth, according to the objectives set out in the marketing strategy.

More detailed description of the objectives, considerations and activities in each particular high priority target market follows in the next chapters.

Germany

Latvia has long historical ties with Germany that allows for the positioning of Latvia as a friendly destination, having cultural ties with German travellers.

Relatively recent European Union accession has for many, made Latvia a still unexplored “home destination”.

Challenge

Research of German tourist satisfaction³ after visits to Latvia reveals, that compared to tourists from other high priority target markets, their overall satisfaction is below average. German travellers are looking for good value-for-money offers. They are ready to pay a premium if the value proposition is well justified.

Another challenge to attract tourists from Germany comes from a combination of several factors: a) the physical distance between Latvia and Germany, and no shared border between the countries means that travellers must either rely on air travel, or to have a motivation impulse strong enough to experience longer land or sea transit to get to Latvia; b) Low awareness of Latvia as compared to the Baltikum brand, and the range of products Latvia can deliver as a single destination; c) competition for mainstream travellers with offers to enjoy sun and sea (e.g Mediterranean region), high quality active and recreation travel (e.g the Alps).

Regardless of historical ties, there is no reason to assume that as a tourism destination, Latvia would be high in the consideration set of mainstream German travellers. Therefore, Latvia’s communication challenge is to find a segment that is more open for Latvia’s tourism offering and resources, sufficient to build the communication pressure required. To communicate messages compelling enough to move Latvia higher in the consideration set, the solution is to focus on existing product groups delivering the highest satisfaction level.

Communication Objectives

Primarily:

- To raise awareness of German travellers about the Latvian tourism offering;
- To focus on products with an already existing higher level of satisfaction.

Secondarily:

- To emphasize shared cultural heritage;
- To communicate attractions unique enough to be motivation for a longer transit;

Segments to be Addressed

Segments that are to be addressed first in Germany’s tourism market are “Middle-aged” aged 40 to 60 and “Silver-aged”.

³ High Priority Target markets research, LTDA with Factum Research studio, 2010.

As “Students & Youth” have smaller disposable income, their economic impact is limited. Families travelling with children (frequently – campers) are not likely to make the long transit through or around Poland to Latvia. Therefore, those groups are not likely to be chosen first for the production of communication materials.

Middle-aged travellers from Germany communicate in English, are active consumers of cultural programs and travel for relatively long time periods. They tend to go for undiscovered locations and are difficult to attract for the second time. An important sub segment could be nature lovers and travellers showing relatively high satisfaction levels with the existing product offer and higher repeated purchase tendencies.

“Silver-aged” travel either in pairs or in small groups. Once they have arrived, they spend quite a long time travelling, most likely by means of campers and cars. They are looking for emotional experiences, rest and wellness. They are looking for service in the German language and are demanding in all the socializing aspects of their experience.

The primary target audience is to be “Middle-aged” and the secondary is “Silver-aged”.

Geographic Segmentation

Because of its large geographic area, and internal differences among clients (including media usage, purchasing power, accessibility to Latvia), a geographic segmentation also needs to be done in the German market.

Primarily the target audience in Germany is city dwellers, with a higher focus to the cities & regions that have direct airline or ferry connections and members of the historic Hanseatic League – **Munich, Hamburg**, Bremen, Dusseldorf, Koln, Stuttgart, Nurnberg, Rostock, Lubeck, Munster, Vienna, and Zurich.

According to research by German federal lands, the highest tourism potential is from the Nordrhein Westfalia region, followed by Baden Württemberg, Bayern, Niedersachsen, Hessen and **Berlin**.

For communication activity, Munich, Hamburg and Berlin should be prioritized.

AIDA & Messages

German “Silver-aged” tourists overall are aware about Latvia as a possible tourism destination in terms of the broader destination Baltikum. However, Latvia is not high in the consideration and choice set for German “Middle-aged” tourists.

As it is unlikely to trigger buying behaviour with time-bound offers of particular service packages, the messages should be directed toward building the overall awareness of the Latvian tourism offering. Special attention should be allocated to replace the aging “Silver-aged” segment travellers with a younger visitor base from the “Middle-aged” segment.

Messages for Middle-Aged

- Historical ties (historic knowledge/architectural experience/cultural tourism/music/culinary/ personalities) establish Latvia as a friendly destination;
- Nature/green/slow/eco tourism aspects are of importance for the majority of German tourists.

Messages for “Silver-aged”

- Nostalgia/nature/socializing/wellness/slow tourism establishes Latvia as a friendly destination.
- Historical ties (historic knowledge/architectural experience/cultural tourism/music /culinary) makes Latvia a special part of a Baltikum trip;

Communication Channels & Instruments

B2B channels:

Tourism agencies should be actively used to reach German travellers in “Silver age”, as they tend to be less active Internet information users and look for trusted information sources and consultation from German suppliers. Additional opportunities may rise from cooperation in information provision with transportation carriers, especially camper and auto travel associations, such as ADAC. The LTDA marketing representative in Berlin can implement the “communication PUSH” function.

“Middle-aged” rely more on independent information searches and tend to book services and accommodation via the Internet. Therefore, the usage of travel agencies is of lesser importance for this target segment. However, travel agency newsletters to consumers via the internet could be used to redistribute the content of the LTDA newsletter.

Media representative visits and informative support for journalists (communication PULL function) in Germany is as important and beneficial as in any country, where Latvia as a tourism destination is relatively low in customers` consideration set.

As competition in the German market is wide and LTDA resources limited, public relations activities should be targeted precisely to target groups through interest-based media (nature, opera and classical music, Hanseatic heritage, geographic targeting etc.). This is assuming that both (primary and secondary) target groups, sharing travel interests, could be reached. If sufficient resources and partners are available, the digital environment should be used as it provides opportunities to direct traffic to the www.lettland.travel information source. It could also support the distribution of video clips developed in the “emotional stories and experience of travellers” format.

Tourism exhibitions are also a good opportunity for communication. ITB is of primary importance to keep and develop a presence in the German market. If budget allows, it could be extended to smaller size exhibitions to target special product groups (marine, nature etc.) or consumer

exhibitions in other geographic locations (Stuttgart etc.) An alternative for budget usage could be workshops and/or FAM trips for top and specialized tour operators.

Criteria for prioritization of participants for travel exhibitions:-

For destinations: Number of visitor nights, tourism attractions, marketing materials suitable for target groups and products.

For travel agencies: relevant products for target groups, scheduled meetings with business partners.

B2B and Public relations budget (except www.greetingsfromlatvie.lv newsletter, Tourism exhibitions, Balticconnecting workshop and FAM trip costs)

2011	2012	2013	Year
12 000	14 500	14 000	LVL

Advertising:

According to the AIDA model, Latvia for the “average German traveller” is unlikely to be close to the “Action” phase. Therefore, advertising instruments could be used to raise awareness and direct potential customers towards internet sources. It is most relevant to target the “Middle-aged” target group.

Advertising partners should suggest the most effective application of investment in terms of reaching the communication objectives within the allocated financial resources (which season to advertise, communication channels, pattern of communication campaigns etc.), as well as looking for distribution channels for LTDA generated thematic video clips.

For advertising, tourism exhibitions, product/interest based internet media and www.lettland.travel promotion, a 2-3 min. Video clip set for the German market in the “Middle-aged” target group will be developed by LTDA in q3 2011. (Similar to the “Hakan and Asa emotion video stories” available at www.tava.gov.lv/lv/video).

The quantitative result for measuring advertising, is traffic growth and quality (bounce rate, length of stay, relevant content observed) to www.lettland.travel.

2011	2012	2013	2014*	Year
10 000	22 000	17 000	3 000	Creative & media strategy LVL
55 000	100 000	100 000	10 000	Media LVL

* Riga 2014, European Capital of culture advertising

Internet:

Research and German tourism specialists suggest that travelling, based on independent information search and booking, is likely to rise. Therefore, the Internet, already a highly important information source among “Middle-aged” travellers, is likely to rise even more in importance. Search Engine Optimization work and activities in product related interest groups could be among the activities to be considered. The distribution of video clips developed in an “emotion stories and travellers’ experiences” format also needs to be supported.

Latvian Tourism Products With Promotion Potential

For the “Middle-aged” segment – Products with highest potential (not listed in priority order)

- Medical tourism
- Beauty care
- Visiting festivals
- Cultural / historical trips, City breaks
- Celebrations and cultural entertainment
- Active tourism / hiking and cycling (Nature parks: Tērvete, Gauja, Ķemeri, Slītere etc.)

For the “Middle-aged” segment – products with high potential but limited supply, are unsuitable for communication needs (not listed in priority order)

- Nature watching (flora & fauna etc.)
- Seaside cities (Jūrmala Ventspils, Liepāja, Saulrasti, etc.)
- SPA & Wellness holidays
- Events (City celebrations, thematic, traditional seasonal)
- Arts and Crafts workshops
- Castles & estates
- Celebrations & entertainment

For the “Silver-aged” segment – Products with highest potential (not listed in priority order)

- Nature parks (Tērvete, Gauja, Ķemeri, Slītere etc.)
- SPA & Wellness holidays
- Beauty care
- Visiting festivals
- Cultural / Historical trip / City break
- Castles and open-air museums (1/2 day excursions)

For the “Silver-aged” segment – Products with the highest potential but limited supply are unsuitable for communication needs (not listed in priority order)

- Nature watching (flora, fauna etc.)

Russia

From a marketing perspective, Russia is different from other target markets. Shared history gives us many historical ties, helping to attract travellers from Russia. At the same time, there are several aspects that create particular perception barriers and risks stronger than those to be handled in other High Priority Target Markets.

Challenge

In eyes of Russian travellers Latvia as a destination has a list of perception attributes to capitalize upon. Relatively high awareness, historical perception of the Baltics and Latvia as “Western Europe” and the advantage of being “an EU country” that “also speaks Russian”, Russia’s “window to the West” could be a sample of those.

At the same time, in the two decades since Latvia has regained its independence, the political controversies for many Russian travellers have created intensively negative emotional barriers to come to Latvia. It also assumes that recent political trend towards a constructive and more open relationship is a positive trend.

From the product prospective, Latvia’s offer is neither cheap enough to fight the price leaders nor fancy enough to keep luxury seekers satisfied (price seekers tend to go to Turkey, luxury seekers to status destinations – eg Monaco etc.). There are also competitive offers from Lithuania and Estonia as part of the Baltic brand.

Communication Objectives

Primary:

- To maintain and emphasize the positive stereotypes Russian travellers have about Latvia.
- To build a perception of service quality and hospitality.

Secondary:

- To offer particular time-bound impulses to come to Latvia and to create off high season tourism traffic (likely to be adjusted to long New Year, Easter and other holidays, and school study breaks etc.)

Segments to be Addressed

For Russian “Students & Youth”, visas and travelling costs to Latvia may be a barrier difficult to overcome.

Relatively low disposable income level of Russian “Silver-age” makes them less active travellers and as a consequence – a less attractive target for communication.

At the same time – Russian travellers who have experienced the Soviet period, have more historical sentiments towards Latvia and therefore could be easier to attract specifically to Latvia, once they decide to travel.

“Families with Children” (possibly – “a three-generational family”, including grandparents as well) and “Middle-aged professionals” (aged 30 to 50, travelling

without children, SME owners, state employed specialists, middle level management of private companies etc.) are a likely target-segment for communication in the Russian market. The primary target audience is set to be “Families with Children” and secondary is “Middle-aged professionals”. In reality these audiences overlap, where in one case travel may take place with family and in another case with friends or as a couple.

Geographical Segmentation

Since the Russian market is huge and very diverse, geographical segmentation needs to be defined for this market as well.

If above-the-line advertising activities are implemented (PULL communication function) or tourism product distribution partners are addressed, it is more useful to do this in the western parts of Russia. Such a choice is motivated by geographical proximity (some travellers may wish to come to Latvia by car), availability of direct railway travel lines (a quite popular travelling option in Russia’s market) and higher purchasing power of consumers there.

Additional aspect – Best Enjoyed Slowly (Otdahni bez sujeti) positioning of Latvia’s offer seem to be more attractive for urban target audiences.

Top cities: **Moscow, St. Petersburg**, Niznij Novgorod, Voronez, Yaroslavl, Krasnojarsk, Kazan and Ufa.

AIDA & Messages

According to the AIDA decision-making model, Russian travellers are well informed about Latvia as a destination. They have basic knowledge about the attractions Latvia can offer, and are close to readiness to define their travelling destination choice. However, they have the previously mentioned negative perceptions about Latvia as well. Those need to be managed and diminished via means of communication.

At the same time, the Russian traveller needs to be triggered with product information and quality for money perception stimulation.

Message for Families with Children

Messages to be communicated:

- Latvia – a place inhabited by friendly people (Russian language knowledge as especial advantage for travelling parents);
- Seaside and nature for family leisure activity (everything related to Riga city, Jūrmala and other seaside cities, rest at the 500 km of seaside, SPA and wellness, family activities and national parks);
- Time-bound solutions and particular tourism offerings (adjusted to school breaks or longer holidays – New Year, Easter etc.);
- Time bound cultural tourism opportunities for parents (theatre, opera, concerts, festivals etc.);
- Geographical proximity of Latvia (all means of transportation available).

Message for Middle-aged

Messages directed towards “Middle-aged” segment must benefit from sentiments from shared longer term history.

Messages to be communicated:

- Latvia as a quality and high value for money service provider (Latvia – the nearest European Union country, and quality standards);
- Cultural tourism opportunities (various types of events, knowledge-tourism, Gastronomy, events and celebrations, concerts, castles and museums);
- Seaside and nature (everything related to Jūrmala, other seaside cities and rest at the 500 km seaside, SPA and wellness, active recreation activities).

Communication Channels & Instruments

B2B channels:

Although a network of specialized travel agencies in Russia offering segmented products for Baltic countries and Latvia is only developing, the need for a travel visa if coming to Latvia makes Russian travellers contact travel agencies. This makes agencies important partners for communication with customers (communication *PUSH* function). This raises the importance of electronic newsletters to agencies, informative (printed and electronic) materials, distribution and support with advertising and promotion materials. An important channel is local travel agencies and their partners in Russia.

Recognition and keeping personal contact and consultancy services via a dedicated Russian market specialist at LTDA is important.

Tourism exhibitions are also an opportunity for communication. MITT is of primary importance to keep and develop a presence in the Russian market. Criteria for prioritization of participants in travel exhibitions.

For destinations: Number of visitors of visitor nights, tourism attractions, marketing materials suitable for target groups and products.

For travel agencies: relevant products for target groups, scheduled meetings with business partners.

Public Relations:

The middle and upper-middle income class within target audiences chosen as a target for communication, tend to get information about travel destinations from lifestyle magazines. It also suits the service quality, value for money and attitude changing (removing of barriers) proposition facilitation. This makes public relations work with media representatives of utmost importance. Tourism products to be covered during journalist visits: opportunities for families, seaside and nature parks, active tourism, SPA and wellness, culture tourism. If resources allow, the internet environment is also growing in the target group as a source of reference with travel peers. In the mid term, it could be considered as a primary channel overtaking activity from printed magazines. Activity in the digital environment gives opportunities to direct traffic to the www.latvia.travel information source. It could support distribution of video clips developed in the “emotion stories and experience of travellers” format.

B2B and Public relations budget (except www.greetingsfromlatvia.lv newsletter, Tourism exhibitions, Balticconnecting workshop and FAM trip costs)

2011	2012	2013	Year
12 000	14 500	14 000	LVL

Advertising:

Russian travellers are generally aware about Latvia as a travel destination. Therefore, the communication impulse needed quite often is a particular time-bound offer that triggers a sense of urgency and positive travelling decision (communication *PULL* function).

The most effective way to deliver a controlled and scheduled impulse is via means of advertising. At the same time, the high costs related to advertising, restrict it from being used, except in the most favourable conditions.

Conditions justifying advertising expenses may be - a need to communicate particular tourism product offers at geographical places where there are low barriers (available convenient transportation and travel visas) to get to Latvia – e.g., **Moscow, St. Petersburg**, Nizhniy Novgorod, Voronezh, Yaroslavl, Krasnoyarsk, Kazan and Ufa.

For communication purposes, limit targeting to Moscow and St. Petersburg.

Advertising partners should suggest the most effective solutions for investment in terms of reaching communication objectives with the financial resources allocated (which season to advertise, balance of barriers removal vs. time bound offers, communication channels and patterns etc.). Look for existing video material distribution channels.

For advertising, tourism exhibitions, products/interest based internet media and www.lettland.travel promotion needs, a 2-3 min. video clip for the Russian market in the “Middle-aged” target group will be developed in q3 2011. (Similar to Hakan and Asa “emotion video stories” available at www.tava.gov.lv/lv/video).

A quantitative objective for advertising result measurement is traffic growth and quality (bounce rate, length of stay, relevant content observed) to www.latvia.travel

2011	2012	2013	2014*	Year
10 000	22 000	17 000	3 000	Creative & media strategy LVL
55 000	100 000	90 000	10 000	Media LVL

* Riga 2014, European Capital of culture advertising

Internet:

The chosen target groups – Families with Children and Middle-aged professionals – are among regular Internet users. Once they get initial travel destination information, they are likely to continue searching in the internet and to comment about their experiences or findings in internet social media – LiveJournal, Facebook, Yandex and other platforms. This makes the Internet an especially important communication channel with chosen target audiences. Search Engine Optimization should be included in Internet marketing activities. It also supports the distribution of video materials developed in the “emotion stories and experience of travellers” format.

Latvian Tourism Products With Promotion Potential

For the “Families with children” segment – Products with highest potential (not listed in priority order)

- Nature parks (Tērvete, Gauja, Ķemeri, Slītere etc.)
- Seaside Jūrmala (Ventspils, Liepāja, Saulkrasti)
- Castles and open-air museum (excursions)
- Off summer season holiday offers
- Cultural / Historical trip / City break

For the “Families with children” segment – Products with high potential but limited supply, do not need to be considered for communication needs (not listed in priority order)

- Gastronomic and Cuisine
- SPA & Wellness
- Seaside (Kurzeme, Vidzeme holiday houses)
- Horse riding and bicycles
- Water tourism and fishing
- Sporting events
- Camps for kids and amusement parks

For Middle-aged segment – Products with highest potential (not listed in priority order)

- Cultural / historical trip / City break (Local Cuisine, Castles and open-air museums (excursions))
- Events (City celebrations, thematic, traditional seasonal)
- SPA & Wellness holidays
- Seaside cities Jūrmala (Liepāja, Ventspils, Saulkrasti)
- Celebrations and entertainment

For the Middle-aged segment – Products with high potential but limited supply thus do not need to be considered for communication needs (not listed in priority order)

- Gambling
- Medical tourism
- Nature watching (flora & fauna etc.)
- Country side SPA
- Horse riding and bicycles
- Marine
- Golf
- Museums

Finland

The recognition of Latvia as a possible and geographically close tourism destination in Finland is relatively high. Finns perceive Latvia's tourism products as good value-for-money, however they are more critical about aspects of quality of the overall service when visiting Latvia.

Challenges

Due to ethnic and cultural proximity, Estonia/Tallinn has closer ties with the Finns than Latvia has. One of the challenges Latvia has in communication with Finns is to get them through/past Tallinn. Recently there is sense that Estonia has become "usual" destination for Finns and they are looking forward exploring Latvia or some other nearby destination. This well facilitated with airBaltic expansion in Finland and good connectivity via ferries through Helsinki and Stockholm.

Finnish travellers tend to stay in Riga and its closest surroundings. One of the challenges is to attract tourists to the activities/locations further away from Riga.

As research shows Finns are concerned about the security aspects of their stay in Latvia (fraud). Communication must override the impact of those worries.

Communication objectives

Primarily:

- To demonstrate the emotional benefits of visiting Latvia.

Secondary:

- To emphasize attractive value-for-money products aligned with Finnish tourists' perceptions;
- To emphasize security aspects while staying in Latvia.

Segments to be addressed

Being among Top Priority markets for Latvian tourism's products communication, "Families with Children" and "Middle aged" should be addressed, delivering selling arguments about all strategic tourism products in Finnish tourism markets. In the context of Finland, the "Middle aged" segment is described as active tourist, in age starting from 45 with still active career, travelling with airlines, but also ready to travel with car. Finnish "Middle aged" tourists travel in couples or in small groups. Both "Middle age" and "Family with children" traveller are likely to travel with caravans and this could be used in segmentation and crafting of the message.

Though students seem to be open for Latvia's tourism message, still Estonia, other Scandinavian and European countries are more likely destinations for them. When prioritizing target audiences, this factor puts "Students and Youth" after "Families with Children" and "Middle aged". "Middle aged" is set to be primary target audience.

Due to equally distributed purchasing power and reasonably good access to points of travelling connection with Latvia Geographic targeting in Finnish market is not relevant.

AIDA & Messages

Finnish travellers have a basic awareness about Latvia as a destination; however they are not well informed about particular tourism products that they can find in Latvia and the emotional benefits those opportunities bring.

Finland is among World leading countries in Internet penetration and usage activity. Already an ever increasing part of travel related choices and purchases are done over the Internet. This makes Internet communication of utmost importance for activities (communication *PULL* function) in the Finnish market. Finland has a well developed network of specialized tourism agencies. Through making them viable partners for Latvia's tourism messages (communication *PUSH* function), it is necessary to get maximum communication benefit. Latvia's plans to hire a dedicated tourism marketing consultant in Finland should bring a contribution to those efforts.

Message for Middle-aged

- Emotional benefits emphasizing the value of Latvian tourism products (with emphasis on security perception);
- An “new alternative” for destination to Estonia or St Petersburg;
- Culture and heritage – richness and diversity;
- Riga plus nature / green / slow / eco tourism products.

Message for Families with Children

- Geographical proximity - it's possible to visit Latvia with a family car, camper;
- The positive quality of curiosity – sandy beaches, castles;
- Culture and heritage – richness and diversity – that include activities for children.

In both cases value-for-money proposition need to be considered in the messages.

Communication channels & instruments

B2B

Usage of local travel agencies or travel related organizations for “Middle aged” segment is important to build trust as safe destination and trigger purchase decisions. It could be used as a means to attract travelers in groups, which is common travelling pattern for this target group. Therefore FAM trips to appropriate specialists as part of “*Balticconnecting*” event or separately is needed to raise awareness about Latvian tourism products.

It is important to benefit from cooperation with major established transport and tourism operators. At the moment *Tallink* and *airBaltic* are leading ones. This is in particular important as such partners can offer effective combination of joining forces in PR, media buying and access to travel agencies and operators. Good alternative is various travel related organizations, such as camper travelers associations.

Communication channels such as direct mailing campaigns (redistribution and adaptation of www.greetingsfromlatvia.lv content in Finnish language) and information materials in Finnish language distributed with support of intermediaries could be effective.

In Finland press is a still valued source of information. Therefore public relations activities are of high importance and should be practiced actively. Primary focus would be media consumed by “Middle aged” target group. Messages rising tourism product awareness and overall quality (security and safety against fraud) of destination should be priority for approaching target groups.

Tourism exhibitions are also opportunity for communication. *MATKA* is of primary importance to keep and develop presence in Finnish market. If budget allows it could be extended to smaller size exhibitions to target “Families with children” or “Middle aged” target group (or FAM trips to relevant tour operators or journalists).

Criteria for prioritization of participants in travel exhibitions:

- For destinations: Number of visitors of visitor nights, tourism attractions, marketing materials suitable for target groups and products;
- For travel agencies: relevant products for target groups, scheduled meetings with business partners.

B2B and Public relations budget (except www.greetingsfromlatvia.lv newsletter, Tourism exhibitions, Balticconnecting workshop and FAM trip costs)

2011	2012	2013	Year
7 500	9 500	8 500	LVL

Advertising

As communication budgets available for communication in Finnish market are moderate and (according to AIDA model Finnish travelers could be considered as close to Action phase, when advertising becomes more relevant), the paid advertising in Finnish market need to be carefully planned. Aim is joint advertising activity when we can achieve a) economy of scale objectives, b) strengthen message with particular offers triggering action. When planning activities, seasons, phasing and intensity as well as media capability to ensure delivery of communication messages should be considered. Possibilities to benefit from co-promotional activities could be important advantage of particular communication solutions.

Since there is video material developed for “Silver aged” target audience (“Hakan and Asa “emotion video stories” available at www.tava.gov.lv/lv/video), distribution channels (also apart from internet) for this material need to be considered and actively used. However, recommendations and testing need to be done whether this material (originally in Swedish) will be well accepted in Finland.

Quantitative objective for advertising measurement is: a) reference from transport and tourism operators on traffic growth in the target audience segment; b) traffic growth and quality to www.latvia.travel (bounce rate, length of stay, relevant content observed).

2011	2012	2013*	2014*	Year
0	17 000	17 000	3 000	Creative & medi strategy LVL
0	50 000	50 000	60 000	Media LVL

* Partly devoted to Riga 2014, *European Capital of culture* advertising as there are plans

to develop cultural events across Latvia

Internet

- The high penetration level and wide usage of the Internet in all target groups prescribes implementation of great part of consumer communication efforts (communication *PULL* function) via Internet. Growth of purchase decisions and transactions in Internet is also growing. Thus development of www.latvia.travel in Finnish language is priority and plans to be launched during Q4 2011. Most important this is for “Families with children” target audience. SEO activities in web-space should be considered when considering target audience and relevant products in Finnish language, while social-media activities and other relevant directions could be performed through English language.

Latvian Tourism Products with a Potential To Be Promoted

For “Families with children” segment – Products with highest potential (listed not by priority)

- Seaside cities Jūrmala (Ventspils, Liepāja, Saulkrasti);
- Active tourism (Water tourism, horse riding, bicycles, activity parks and Nature parks etc.);
- Castles and open-air museum (excursions & accommodation);
- Museums, thematic events, gastronomic and cuisine.

For “Families with children” segment – Products with high potential but limited supply thus do not need to be considered for communication needs (listed not by priority):

- SPA & Wellness, also country side.

For Middle-aged segment – Products with highest potential (listed not by priority):

- Cultural / historical trip / City break ((Local Cuisine, Castles and open-air museum, military/soviet heritage, museums (excursions), Finnish heritage);
- Events (City celebrations, thematic, sport, traditional seasonal);
- SPA & Wellness holidays , Beauty care;
- Nature parks (Tērvete, Gauja, Ķemeri, Slītere etc.);
- Celebrations and entertainment;
- Seaside cities Jūrmala (Liepāja, Ventspils, Saulkrasti).

For Middle-aged segment – Products with high potential but limited supply thus do not need to be considered for communication needs (listed not by priority):

- Medical tourism;
- Gastronomy and cuisine;
- Golf.

Sweden

Closely linked with Latvia historically and now economically as well, geographically close, with high purchasing power, ready to pay higher prices for a quality service, having high Internet penetration and usage rates, Sweden's tourism market is of high importance and potential for the promotion of Latvia's tourism products.

Challenge

Latvia appears regularly in the Swedish media. On the one hand the banking crisis and financial meltdown which hit the Swedish banking sector especially hard in the Baltics, has left a negative perception of the region, but on the other hand this awareness can be cleverly utilized to market "value for money" tourism products for specific sectors. The challenge is to find the right message for the specific target markets without ruining the image of the country as a whole. Swedes have an aversion to "the east" (European, not oriental) perceiving these countries to be fraudulent, corrupt and scary.

Communication objectives

Primarily:

- To demonstrate the emotional benefits of visiting Latvia to improving the quality perception of Latvian tourism products.

Secondary:

- To attract Swedish travellers with high-value-added Latvian tourism products like culture, heritage and design;
- To emphasize common historical ties and geographical proximity;
- To emphasize eco, green, and spa opportunities.

Segments to be addressed

Market purchasing power and the communication situation in Sweden suggests that "Middle aged" and "Silver-aged" groups seem to be easier to target and quicker to deliver tangible results (economic benefit). In practical terms, perception of Latvia as tourism destination, interests and barriers for both target audiences overlap. "Middle Age" needs to be considered as having less of free time for travel and ready for higher level of activity. Other target audiences seem to have rather high barriers to change existing travelling habits.

Due to strong purchasing power and relatively good access to connection points for travelling to Latvia Geographic targeting is not important.

AIDA & Messages

Swedish travellers are relatively well aware about Latvia as a country and geographically close destination, at the same time they have quite a weak idea about what they could actually expect once they decide to come to Latvia.

Therefore, communication should provide them with emotional justification to look for more detailed, supportive information independently.

Messages to be communicated are relevant for both target groups:

- Emotional benefits raising the value of Latvian tourism products, and that highlight "the authentic and old";
- Rational arguments that highlight price and quality e.g. food, culture, spa;

- Green / eco / slow tourism products those are relevant for many Swedish tourists;
- Cultural and historical ties with Sweden;
- Geographical proximity – possible to come to Latvia also by car;
- Are ones in line with Swedish advertising trends – quirky and creative;
- Good for small groups.

Communication channels & instruments

B2B

Usage of local travel agencies or travel related organizations for “Silver-age” segment is important to build trust as safe destination and trigger purchase decisions. It could be used as option to attract travelers in groups, which is common form of traveling for this target audience. Thus organizing FAM trips to appropriate specialists to raise awareness of products as part of “*Balticconnecting*” event or separately is needed.

It is important to benefit from cooperation with major established transport and tourism operators. At the moment *Tallink* and *airBaltic* are leading ones. This is in particular important as such partners can offer effective combination of joining forces in PR, media buying and access to travel agencies and operators.

Communication channels such as specialized travel fares for “Silver-age”, direct mailing campaigns (redistribution and adaptation of www.greetingsfromlatvia.lv content in Swedish language) and information materials in Swedish language distributed with support of intermediaries could be effective.

Swedes expect and consume intelligent and analytical media. Press and radio are still valued sources of information. Therefore public relations activities are of high importance and should be practiced actively. Primary focus would be media consumed by “Middle age” target group. Messages rising tourism product awareness and overall quality of destination should be priority. ANTOR (Association on National Tourist office Representatives) is valuable as information channel to work with local travel journalists and raise awareness of Latvia as destination.

Tourism exhibitions are also opportunity for communication. TUR is of primary importance to keep and develop presence in Swedish market. If budget allows it could be extended to smaller size exhibitions to target “Silver age” target group (or FAM trips to relevant tour operators or journalists).

Criteria for prioritization of participants in travel exhibitions:

- For destinations: Number of visitors of visitor nights, tourism attractions, marketing materials suitable for target groups and products;
- For travel agencies: relevant products for target groups, scheduled meetings with business partners.

B2B and Public relations budget (except www.greetingsfromlatvia.lv newsletter, Tourism exhibitions, *Balticconnecting* workshop and FAM trip costs)

2011	2012	2013	Year
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7 500	9 500	8 500	LVL
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Advertising

As communication budgets available for communication in Swedish market are relatively small and (according to AIDA model majority of Swedish travelers are not close to Action phase, when advertising becomes more relevant), the paid advertising in Swedish market need to be carefully planned. Aim is joint advertising activity when we can achieve a) economy of scale objectives, b) strengthen message with offers triggering action. When planning activities, seasons, phasing and intensity as well as media capability to ensure delivery of communication objectives and messages should be considered. Possibility to facilitate co-promotional activity is strong advantage. Since there is regular transportation services with Sweden available the emphases could be made on products with no seasonal fluctuation.

Since there is video material developed for “Silver age” target audience (“Hakan and Asa “emotion video stories” available at www.tava.gov.lv/lv/video), distribution channels (also apart from internet) for this material need to be considered and actively used.

Quantitative objective for advertising measurement is: a) reference from transport and tourism operators on traffic growth in the target audience segment; b) traffic growth and quality to www.latvia.travel (bounce rate, length of stay, relevant content observed).

2011	2012	2013*	2014*	Year
0	17 000	17 000	3 000	Creative & medi strategy LVL
0	50 000	50 000	60 000	Media LVL

* Partly devoted to Riga 2014, *European Capital of culture* advertising as there are plans to develop cultural events across Latvia

Internet

- The high penetration level and wide usage of the Internet in all target groups prescribes implementation of a great part of consumer communication efforts (communication *PULL* function) via the Internet. Growth of purchase decisions and transactions in Internet is also growing. Thus development of www.latvia.travel in Swedish language is priority and plan to be launched during Q4 2011. At the higher level it is relevant to “Middle Aged” target audience. SEO activities in web-space should be considered when considering target audience and relevant products in Swedish language, while social-media activities and other relevant directions could be performed through English language.

Latvian Tourism Products With a Potential To Be Promoted

For “Silver-aged” segment – Products with highest potential (listed not by priority):

- Seaside cities (Jūrmala Ventspils, Liepāja, Saulrasti, etc.);

- SPA & Wellness holidays;
- Beauty care;
- Cultural / Historical trip / City break (Gastronomy, Castles & estates, Museums and open-air museums, Swedish heritage);
- Medical tourism.

For “Silver-aged” segment – Products with highest potential but limited supply thus do not need to be considered for communication needs (listed not by priority):

- Events & Festivals (City celebrations, thematic, traditional seasonal);
- Craftsmen workshops;
- Celebrations & entertainment;
- Country holidays (Biological farming, eco travel).

For Middle-aged segment – Products with highest potential (listed not by priority):

- Cultural / historical trip / City break ((Local Cuisine, Castles and open-air museum, Swedish heritage, museums (excursions));
- SPA & Wellness holidays , Beauty care;
- Nature parks (Tērvete, Gauja, Ķemeri, Slītere etc.);
- Celebrations and entertainment.

For Middle-aged segment – Products with high potential but limited supply thus do not need to be considered for communication needs (listed not by priority):

- Events (City celebrations, thematic, sport, traditional seasonal);
- Seaside cities Jūrmala (Liepāja, Ventspils, Saulkrasti);
- Medical tourism;
- Golf.

Lithuania

Neighbor to Latvia and having many its citizens passing Latvian territory, Lithuania has strong potential to give additional tourists to Latvia. Common cultural roots, shared recent history and physical proximity (Riga and sea-side in Latvia for several regions of Lithuania are physically closer than Vilnius and/or Lithuanian sea resorts) give even more opportunities to address Lithuanian travellers. In order to capitalize on those opportunities, there are several significant challenges however.

Challenge

Even though many border-passers are from Lithuania, many of them come to Latvia only as transit travellers thus adding a little value to local tourism service provides.

Additional challenge for mass tourism from Lithuania comes from overall tendency of Lithuanian customers to be relatively price-conscious.

Communication objectives

Primarily:

- To provide travel ideas and emotional triggers for visits to an already well-known destination.

Secondary:

- To increase interest about counter-seasonal offers;
- To stimulate the consumption of products with higher value-added and longer stay in Latvia.

Segments to be addressed

Compared to, for example, German or Swedish pensioners, "Middle-aged" in Lithuania have smaller discretionary income and less purchasing power. This assumption makes the segment not as attractive to invest a communication budgets into.

Because of physical proximity and possibilities to come to Latvia with a car, "Families with Children" segment is relatively easy-to-convert, making it a primarily target for communication activities.

"Middle aged" who travel without children should be addressed as secondary target audience. In practical terms these audiences to a large extent overlap.

Tourism products' communication in Lithuanian market should concentrate on urban dwellers, especially inhabitants of Vilnius, Kaunas, Šiauliai, Klaipėda, Panevėžys and their surroundings, with medium to high income, travelling by car.

AIDA & Channels & Messages

Lithuanian travellers are well aware of Latvia as destination. As many people have visited Latvia already, once a person gets interested into feedback, it is easy to obtain personal recommendations from friends and relatives. This shifts the objective of communication activities away from awareness building or

informing about basic possibilities at destination, towards particular offers that build and trigger particular visit considerations.

Message for Families with Children

- Time-bound product offerings (primarily – winter and off-season holidays);
- Friendly atmosphere and common cultural grounds.

Message for Middle-aged

- Time-bound solutions and particular tourism offerings;
- Physical proximity of Latvia as a travel destination;
- Tourism opportunities across all seasons (Cultural events, short holiday (weekend) offers out of summer season, Manors).

Communication channels & instruments

B2B

As using middlemen is not among Lithuanian core travelling habits for travelling to Latvia tourism agencies as information channel (communication PUSH function) is of limited use to promote Latvian tourism. Such marketing needs can be covered by participation in *Balticconnecting* event, or similar events in Lithuania. Participation in tourism exhibition *Vivattur* is important as well.

Criteria for prioritization of participants in travel exhibitions:

- For destinations: Number of visitors of visitor nights, tourism attractions, marketing materials suitable for target groups and products;
- For travel agencies: relevant products for target groups, scheduled meetings with business partners.

Public Relations

Public relations activities in Lithuanian market are of high importance, especially among “Middle age” target group. To address them weekly media, targeted for weekend reading and digital media would be most appropriate. Messages triggering interest for particular season and tourism products should be priority.

B2B and Public relations budget (except www.greetingsfromlatvia.lv newsletter, Tourism exhibitions, *Balticconnecting* workshop and FAM trip costs)

2011	2012	2013	Year
3000	4500	4000	LVL

Advertising

Internet communication in combination with some above-the-line informative advertising activities (communication PULL function) could be among considered channel solutions in Lithuania. Strengthen message with offers triggering action. When planning activities, seasons, phasing and intensity as well as media capability to ensure delivery of communication objectives and messages should

be considered. Possibility to facilitate co-promotional activity with particular offers with industry participation will be considered an advantage.

Quantitative objective for advertising measurement is: a) reference from Top destinations on traffic growth in the target audience segment; b) traffic growth and quality to www.latvia.travel (bounce rate, length of stay, relevant content observed).

2011	2012	2013*	2014*	Year
0	11 000	16 000	2 000	Creative & media strategy LVL
0	30 000	30 000	20 000	Media LVL

* Partly devoted to Riga 2014, *European Capital of culture* advertising as there are plans to develop cultural events across Latvia.

Internet

The high penetration level and wide usage in all target groups in Estonia puts emphasis in consumer communication (communication *PULL* function) on Internet. The share of purchase decisions and transactions in Internet is growing. Thus development of www.latvia.travel in Lithuanian language is priority and plans to be launched during Q3 2011. SEO activities should be managed (in connection with PR and advertising activity for relevant products) in Lithuanian language, while social-media activities and other relevant directions could be performed in English.

Latvian Tourism Products with a Potential To Be Promoted

For “Families with children” segment – Products with highest potential (listed not by priority):

- Seaside cities Jūrmala (Ventspils, Liepāja, Saulkrasti) and villages;
- Active tourism (water tourism, horse riding, bicycles, activity parks and Nature parks etc.);
- Castles and open-air museum (excursions);
- City brake, museums, thematic events (all seasons);
- Active tourism for winter season.

For “Families with children” segment – Products with high potential but limited supply thus do not need to be considered for communication needs (listed not by priority):

- Sport events.

For Middle-aged segment – Products with highest potential (listed not by priority):

- Seaside cities Jūrmala (Ventspils, Liepāja, Saulkrasti) and villages;

- Active tourism (water tourism, horse riding, bicycles, activity parks and Nature parks etc.);
- Cultural / historical trip / City break ((Local Cuisine, Castles and open-air museum, military heritage, museums) all seasons;
- Events (City celebrations, thematic, sport, Festivals);
- Active tourism for winter season.

Estonia

Being a neighbor to Latvia and giving many transit travelers, Estonia has potential to be a source of tourists to Latvia. As Estonian consumers, compared with Lithuanian travelers, are less choosy about cost and more tended to evaluate service level and quality, their potential to purchase high-value-added services is even more promising. However there are several challenges to capitalize on this potential.

Challenge

Finland is culturally and linguistically closer for to Estonian travellers than Latvia. Thus Latvia is a natural "second choice" for Estonian short distance and/or short time travellers. The challenge for Latvia's tourism to attract Estonian travellers arise from fact that they may not be interested to come to Latvia until they have fully satisfied (probably – visited more than once) their interest to Finland as a destination. Part of this full satisfaction is also high level of loyalty for local travel and not seeing strong reason traveling to Latvia, as rather "similar destination".

Many of Estonian travelers passing Latvian border come here only for a transit to Lithuania or further towards Europe. Small average staying time into Latvia shows that there is still a lot of work to be done through introducing with tourism products in order to influence habits of Estonian travellers in a way that would benefit Latvian economy more.

Communication objectives

Primarily:

- To offer particular time-bound tourism products.

Secondary:

- To rise the perception of a tourism products quality level Latvia as destination can offer;
- To communicate seasonal offers.

Segments to be addressed

As average discretionary income of Estonian "Silver-aged" segment is lower than that of, for example, Swedish or German pensioners, the economical attractiveness of this segment as a target for communication budgets is lower.

Estonian "Families with children" and "Middle age" in age of 45 and up segments have similar economical attractiveness for Latvian tourism communication as in other markets. Primary target audience is "Family with children".

Both segments are urban dwellers, with average income, having an interest into culture, nature and active leisure tourism products' offers.

AIDA & Channels & Messages

Since Estonians are well aware of Latvia as a near and historically close destination, there is no need to spend communication budgets on overall rising of the awareness. In order to trigger particular travel decisions and destination

choices Latvia needs to work with particular and time-bound holidays', specific tourism attractions offering experience.

Estonians are not very active in usage of tourism agencies in the planning of their (especially short distance and short time) travel. This limits usage of tourism agencies as a communication channel (communication *PUSH* function). At the same time Estonians are actively use Internet for different information gathering and purchasing choice decisions purposes. This makes heavy Internet usage with, possibly, some above-the-line advertising support (communication *PULL* function) a likely communication channel solution.

Messages to be communicated:

Message for Families with Children

- Physical proximity (possibility to reach interesting tourism attractions by car);
- Various tourism attractions for family in all seasons (activity parks, Zoo, Circus, etc).
- Family friendly destinations and tourism attractions

Message for Middle-aged

- Time-bound and particular tourism offerings;
- Tourism opportunities across all seasons (Cultural events and attractions, museums and short holiday (weekend) offers, Manors).

Communication channels & instruments

B2B

As using middlemen is not among Estonian core travelling habits for travelling to Latvia tourism agencies as information channel (communication *PUSH* function) is of limited use to promote Latvian tourism. Such marketing needs can be covered by participation in *Balticconnecting* event. Participation in tourism exhibition *Tourest* is important as well.

Criteria for prioritization of participants in travel exhibitions:

- For destinations: Number of visitors of visitor nights, tourism attractions, marketing materials suitable for target groups and products;
- For travel agencies: relevant products for target groups, scheduled meetings with business partners.

In Estonia media is a still valued source of information. Therefore public relations activities are of high importance and should be focused on exploring cultural events and tourism attractions awareness. Messages triggering interest for particular season tourism products should be considered when making PR. Media for weekend reading and digital environment is the most appropriate.

B2B and Public relations budget (except www.greetingsfromlatvia.lv newsletter, Tourism exhibitions, *Balticconnecting* workshop and FAM trip costs)

2011	2012	2013	Year
3000	4500	4000	LVL

Advertising

Internet communication in combination with some above-the-line informative advertising activities (communication *PULL* function) could be among considered channel solutions in Estonia. Advertising could strengthen the message and trigger activity through communicating particular offers. Possibility to facilitate co-promotional activity involving tourism industry could be a considerable advantage.

Quantitative objective for advertising measurement is: a) reference from Top destinations on traffic growth in the target audience segment; b) traffic growth and quality (bounce rate, length of stay, relevant content observed) to www.latvia.travel

2011	2012	2013*	2014*	Year
0	11 000	16 000	2 000	Creative & media strategy LVL
0	30 000	30 000	20 000	Media LVL

* Partly devoted to Riga 2014, *European Capital of culture* advertising, as there are plans to develop cultural events across Latvia

Internet

- The high penetration level and wide usage of the Internet in all target groups prescribes implementation of a great part of consumer communication efforts (communication *PULL* function) via the Internet. Growth of traveling decisions and transactions in Internet is also growing. Thus development of www.latvia.travel in Estonian language is priority and plans to be launched during Q3 2011. SEO activities in web-space should be managed in connection with PR and advertising activity for relevant products in Estonian language, while social-media activities and other relevant directions could be performed English.

Latvian Tourism Products with a Potential To Be Promoted

For “Families with children” segment – Products with highest potential (listed not by priority):

- Seaside cities Jūrmala (Ventspils, Liepāja, Saulkrasti);
- Active tourism (water tourism, horse riding, bicycles, activity parks and Nature parks etc.);
- Castles and open-air museum (excursions);
- City brake (museums, thematic and cultural events, gastronomic, Zoo, Circus etc.) for all seasons;
- Active tourism for winter season.

For Middle-aged segment – Products with highest potential (listed not by priority):

- Seaside cities Jūrmala (Ventspils, Liepāja, Saulkrasti);
- Active tourism (water tourism, horse riding, bicycles, activity parks and Nature parks etc.);
- Cultural / historical trip / City break ((Local Cuisine, Castles and open-air museum, military heritage, museums) all seasons.

Attachment I – Latvian Tourism Communication Strategy Grid

Table 1. Primary and secondary target audiences by market.

Market/Target audience	Students & Youth (Live Riga)	Young Professionals (Live Riga)	Families with Children	Middle aged	Silver Age
Russia			Primary	Secondary	
Germany				Primary	Secondary
Sweden				Secondary	Primary
Finland			Secondary	Primary	
Lithuania			Primary	Secondary	
Estonia			Primary	Secondary	

Table 2. Tourism products (mentioned with highest potential or priority for more than 4 target groups/markets)

Nature, adventure and water parks, Nature and relaxation at seaside cities and coastal regions, Cultural and Historic week-end (Opera, Architecture, Concerts and exhibitions), Events (Thematic, City celebrations, Festivals, Sports, Traditional seasonal), Castles and Manors, Open – air museums and art galleries, SPA/Wellness, Medical tourism, Beauty care, Active tourism and sports (water tourism, fishing, bicycle routes), Active tourism in winter season (skiing, sledging, skating), Culinary tourism (Local food, Slow food, Gastronomy, Biological farming), Celebrations and Entertainment.

Table 3. Investments summary

Activity/Year	2011	2012	2013	2014
<i>Germany</i>				
B2B & PR	12 000	14 500	14 000	
Creative & Content	10 000	22 000	17 000	3 000
Media	55 000	100 000	100 000	10 000
<i>Russia</i>				
B2B & PR	12 000	14 500	14 000	
Creative & Content	10 000	22 000	17 000	3 000
Media	55 000	100 000	90 000	10 000
<i>Sweden</i>				
B2B & PR	7 500	9 500	8 500	
Creative & Content	0	17 000	17 000	3 000
Media	0	50 000	50 000	60 000
<i>Finland</i>				
B2B & PR	7 500	9 500	8 500	

Creative & Content	0	17 000	17 000	3 000
Media	0	50 000	50 000	60 000
<i>Lithuania</i>				
B2B & PR	3000	4500	4000	
Creative & Content	0	11 000	16 000	2 000
Media	0	30 000	30 000	20 000
<i>Estonia</i>				
B2B & PR	3000	4500	4000	
Creative & Content	0	11 000	16 000	2 000
Media	0	30 000	30 000	20 000

Attachment II – Segmentation Dimensions Used in Tourism Promotion

Green – the dimension Latvia already uses for segmentation of markets

Yellow – segmentation dimension with potential in the future

Red – Dimension with little significance & potential in Latvia's situation

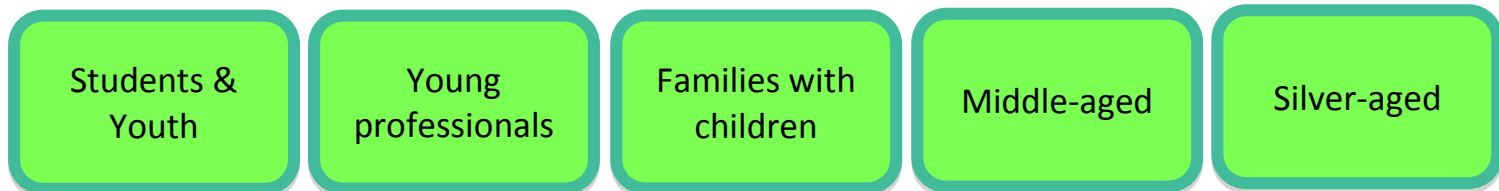
Segmentation dimension	Essence	Relevance for LTDA objectives
1. Socio-demographic	Segmentation based on gender, age, income, education, ethnicity, location and other demographic variables	Method is usable for Latvia's situation, as socio-demographic dimensions, e.g. life-stages model (see Attachment III) offers clear grounds for the choice of message.
2. Purpose of Trip	To base segmentation on the purpose of the trip, e.g. business or leisure purpose.	Method is already used in Latvian Tourism promotion – specialization on medical or conference tourism is an example of Purpose of Trip segmentation.
3. Visiting Friends and Relatives (VFR)	To address the group that has either family or friendship relationships.	Though it has long been considered that this type of motivation is difficult to influence (therefore – no reason to base communication upon this segmentation dimension), lately there are more and more examples of successful usage of this. Taking into consideration Latvian history having many family and friendship relationships divided, this segmentation could have its' potential, especially in Baltic countries & Russia.
4. Trip Pattern and Structure	To segment based on variables that characterize trip pattern (traveling by bike) or structure (longevity of stay, reservation method etc.).	Approach is used by Latvia – LTDA objective to increase the share of tourists staying 3+ days is an example of the method.
5. "First time" vs. "Repeated" visitors	Segmenting based on either first time visitors' attraction or stimulation of repeated visits.	Method is usable in Latvia's case: after accession to EU in 2004 Latvia was a "newly opened neighboring destination" for many Europeans, suitable for "first time visits".
6. Benefit segmentation	To base segmentation on "the main benefit" that travellers experience upon arrival.	Method is usable and used in Latvia's case. "Active and intensive experiences" that the "Live Riga" brand offers in contrast to "Best Enjoyed Slowly" is an example of two different and contrasting benefits, that allow to segment markets.
7. Activity segmentation	To base segmentation on same specific activity, for example – bird watching.	To some extent – usable for Latvia. Though it helps to develop the message relevant for the target audience, it may be relevant to such a small niche, that the potential gains are smaller than the resources spent for communication.
8. Motivation (positive vs. negative) segmentation	Segmentation can be based on a positive desire to see something in particular (<i>pull motivation</i>) or to get out of a usual environment / to escape from something (<i>push motivation</i>).	Approach is to some extent already used in the Latvian case. Positioning based on a promise "to slow down" or "to get out of everyday rush" is an example of <i>push</i> motivation.
9. State-of-the-Art Academic Research	To base segmentation on academic primary data	Approach is academically complicated and at the starting point usually has difficulties to

in motivation	gathering research. Such an approach is useful to get the motivational traits unique for some specific location.	predict an outcome.
10. Life-style segmentation	To base segmentation on life-style traits, not on demographic or geographic variables. Approach has risen in significance in recent decades.	If combined with other segmentation methods, this approach can be used in Latvia's case to shape or adjust messages. To some extent, to travel and to be a traveller is an example of a particular life-style.
11. Niche market segmentation	To segment the market based on some specific interests of travellers, for example – reef diving in Australia etc.	Method could be used in the Latvian case. The challenge – to find motivation niches large and concentrated enough to implement economically rational communication activities.
12. Geo-demographic segmentation	To base segmentation on particular demographic group, in a particular geographical location.	Method is of rational use for Latvian tourism. "Scandinavian Silver-aged people" are an example of this kind of segmentation.
13. Price segmentation	To segment based on the communication of some particular price level of service.	Approach is of little use for Latvia, since our product is neither cheap enough to be a "price fighter", nor have we services exclusive enough to compete in the high-end exclusive niche.
14. Media audience segmentation	To segment based on target market media usage habits and therefore on accessibility through particular communication channels.	Method is usable if paid and controlled communication (advertising) is done. Because of budgetary limits, Latvia can benefit from this approach on a handful of occasions.
15. Internet segmentation	To focus marketing and communication activities on internet users.	As Internet role in purchasing choice definition (especially for tourism destinations) is increasing, this approach is of growing significance. The challenge – as all destinations focus on internet, the competition there is very fierce.
16. Business-to-Business (B2B) segmentation	To segment based on middle-men (tourism agents, as well as media and professional organizations).	Method is used by Latvia already, even a significant portion of communication materials is created to suit the needs of intermediaries. Since one contact with an intermediary can lead to attraction of many tourists, such an approach should be used in the future as well.
17. No segmentation	Not to segment at all. Seems to be attractive as the approach does not exclude any clients.	Method is of limited use for Latvia, as Latvia does not possess budgets big enough to address all the prospects at the same time.
Segmentation dimension	Essence	Relevance for LTDA objectives

* Based on the "Handbook on Tourism Market Segmentation – Maximizing Marketing Effectiveness", by the World Tourism Organization and the European Travel Commission, First printing 2007.

Attachment III – Life-Stages Segmentation Model

In different stages of his/her life, a client has different motivations, different values, uses different media etc.. This allows for defining “Life-stages segments” distinct each from other in the sense of disposable income, expected service, price level, media used, and other variables that are highly relevant for marketing practitioners.



As every customer is unique, in real life there is no such person as an “average” or a “typical” customer”. However, the descriptions of a “typical life-stage segment representative” to be found below, provide generalized insights into the consumption & purchasing patterns of a group. Those patterns provide an opportunity to define what an appropriate product offer and communication for them should look like.

“Students & Youth” are interested to see cultural legacy objects, to meet new people, experience social and sport events. Usually this group is less demanding regarding comfort and service (travel by train or no-frills airlines, stays in hostels etc.), but, as their disposable income is limited, are highly price-conscious. They are proficient users of all travel supporting information / purchasing options available on Internet.

“Young professionals” have recently entered working careers. Usually they have no dependent children and/or no family ties. As a result they have high disposable income and are demanding regarding a program offering. They tend to use everything that is active, social and at a high pace. The price issue is not a top priority for them and they tend to make decisions about destinations & program in an impulse mode.

“Families with children” need to take care of their offspring as well. They tend to do a lot of information search before deciding to go anywhere. Away from rushing every-day professional and private pace, they seek peace and calm. Likely consumers of nature / green / countryside tourism. The accommodation and attractions they use must be suitable to entertain kids, and must explicitly demonstrate this. They are value seekers, expecting adequate service, though are not willing to over-pay for this.

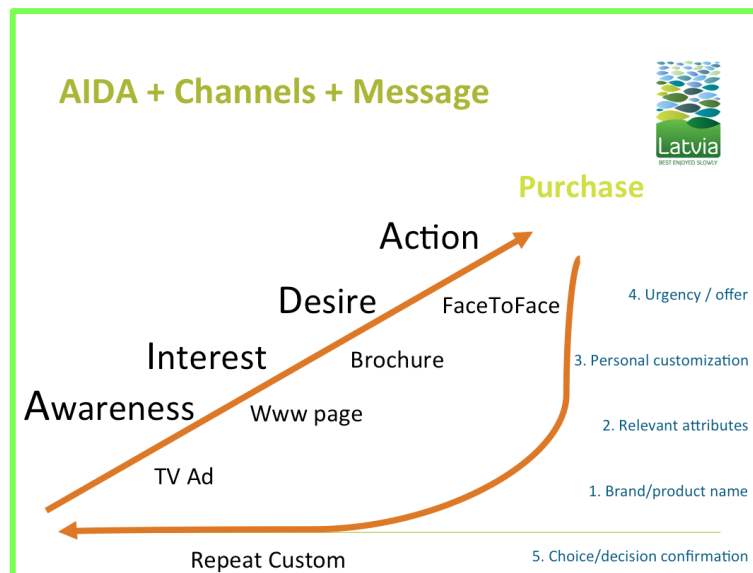
“Middle-aged” have their children already on their own, coming together without influencing the way of traveling, or staying at home while their parents travel.

“Middle-aged” have lived up to their professional ambitions, but are still employed. Therefore “Middle-aged” cannot be relaxed for long trips enjoying nature, but make their limited vacations intensive with active culture programs. “Middle-aged” are comfort seekers and their income allows them able to pay for this.

“Silver-aged” have supported their kids up to their independent lives, have reached retirement age and now they can enjoy experiences they had not time for during their professional careers. They are not very active Internet users (though this tends to change) and use traveling intermediaries more than average. They tend to enjoy culture and/or nature experiences. “Pensioners” seek for comfort and quality. Their travel tends to be longer than for other groups. Their ability to pay for expected quality is rather high.

Attachment IV – AIDA + Channels + Messages model

People get familiar with new products / brands / places gradually. As they go through different stages up to the readiness to make choice/buy, in order to move prospects towards the purchase, different media and different types of message become more efficient.



AIDA

In a movement towards a purchase, a customer usually goes through stages of Awareness, Interest, Desire and Action. For different types of products this movement tends to be at a different pace: on some occasions quick, on others – very gradual. However, regardless of differences in pace, on the way to making a purchase, in most cases, a customer goes through all of them.

Channels

In the different stages on the road towards a purchase, channels have different abilities and applications with which to influence the customer.

- TV & Out-doors are good at initial Awareness building.
- Printed press and Internet information is good at enforcing and developing Interest.
- Internet & Brochures are efficient to strengthen Desire.
- Brochure & FaceToFace contacts push towards a particular action – purchase.

Messages

At different stages on the way towards a purchase, the client is receptive towards different messages with different content.

- Awareness building requires communication of brand/product or destination name.
- Interest creation is achievable through information about particular attributes, elements and possibilities at the particular destination.
- Desire can be strengthened through looking for matches between an individual's interests and the offer of the destination.
- Purchase can be most efficiently stimulated by a time-bound offer that raises a sense of urgency or limited opportunity.
- Repeated purchases can be stimulated through affirmations of the choices already made, and focusing on benefits obtained or enjoyed.