



„On the MIC with Petra Hedorfer“ – Episode 4 Scandinavia

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Guest: Monica Linegård (CEO der schwedischen Staatsbahn SJ)

Guest: Daria Krivonos (CEO Copenhagen Institute for Future Studies)



Thorsten Schaubrenner

Welcome to “On the MIC with Petra Hedorfer”, the podcast of the German National Tourist Board. Petra Hedorfer, as the CEO of the GNTB you are again speaking to international experts in this podcast. And I, Thorsten Schaubrenner, can support you again. So, what is our topic in this episode and who are our guests?

Petra Hedorfer

Thank you, Mr. Schaubrenner, and thank you listeners for tuning in. We have already received lots of positive feedback on our previous episodes. Thank you for that as well, but of course some of you may be joining us for the first time. Also, a warm welcome.

In this episode, Thorsten, we will be discussing sustainability. One of the most pressing issues facing society today. Tourism and the protection of our environment are closely linked. But what is happening in terms of specific projects? How does green travel actually work? How are customer requirements changing and how can we in the German tourism industry meet these needs? A lot of questions. Today we are travelling, unfortunately only virtually, to Scandinavia. The Nordic countries are after all regarded as models of sustainability and so I am delighted to welcome to our virtual studio, from Stockholm, Monica Lingegård, CEO of Swedish Rail Operator, and, from Copenhagen, Daria Krivonos, Director of the Copenhagen Institute for Future Studies.

A warm welcome to you both. Daria, in your work you look at short term risk, but you also deal with future scenarios. I'm looking forward to you telling us about how consumers in Scandinavia factor sustainability into their choices. Well:

Daria Krivonos

Thank you so much for having us.

Petra Hedorfer

The pleasure is with us, and Monica I'm also delighted that you have been able to join our podcast episode today. The Swedish Rail Operator, where you have been in charge since August 2020 has significantly expanded its train connections to the rest of Europe as an alternative to air travel. Thanks in part to a quite remarkable initiative by the Swedish government, as I learned. It's a really interesting development that definitely needs highlighting. Welcome, Monica!

Monica Lingegård

Thank you so much! And thank you so much for having me on this podcast!

Thorsten Schaubrenner

Petra Hedorfer, our conversation today clearly promises to offer some exciting insights. A quick word at the beginning on geography. We mentioned Scandinavia in the teaser. Today we'll be focusing on the two largest markets in the region: Denmark and Sweden. But the market data will also include Norway and Scandinavia's north-eastern neighbour Finland. And so my first question to you, Petra Hedorfer: How were the Scandinavian countries faring a source market for travel to Germany in the boom years before Corona virus, and what impact did the pandemic have?

Petra Hedorfer

Well, if we bracket the four Nordic markets – just to mention them again: Denmark, Sweden, Norway and Finland – they accounted for approximately, guess what, 7,000,000 overnight stays within Germany before the crisis. Compared to the inbound volume of other markets, they were listed behind the Netherlands, China

and the US. Our largest source market in the Nordic region is Denmark. Pre-pandemic, Denmark contributed 50% of all overnight stays from the Nordic countries to our destination. Because of coronavirus, of course, overnight stays dropped significantly to 1.5 million in Q20 and more or less same same last year in 2021.

Thorsten Schaubrenner

Let's go on and look especially to the Swedish market. Maybe we can bring in Monica Lingegård into the discussion. I heard so far, Petra Hedorfer, that you prepared a question for her.

Petra Hedorfer

Well, as far as I learned from our Swedish data, that trips by rail currently account for 8% of all travel to Germany. Monica, do you have any suggestions on how we can extend this market share?

Monica Lingegård

Absolutely, and we will definitely do in the near future. I mean, being the largest commercial rail operator in Sweden, we have not only a great responsibility, but we also see the huge opportunity when consumer behaviours are changing. We see clearly now, even though we are in a pandemic, we see so clearly, that you know, consumers and travellers are looking for sustainable alternatives for travelling. So SJ is now investing in both new night trains and also in a new digital platform in order to be able to secure that. You know, Swedes can travel directly by night train, to Hamburg and Berlin obviously, but also being able to take Germans to Sweden, of course. Welcoming them both in terms of you know business wise and for tourists' purposes. It's a huge change in the market and a huge opportunity for us, where ... where people definitely with the new, I would claim "the new normal" after the pandemic, two things are really driving the behaviour and one thing is sustainability. Searching for low CO2 emission traveling, you know, making sure that, you know, we do travel, we do want to be tourists in different countries, but we want to do it in a sustainable way. And that's our responsibility to secure that that can happen. So we will see, we foresee a larger market share when it comes to not only Sweden, but

northern Europe and also southern Europe as a whole. And what we also see a trend is that with the pandemic, people want to stay within Europe and not travel so far as before. So, you know, the market share with two driving trends, you know: sustainability and also wanting to stay within, you know, kind of European boundaries because it feels a lot safer than traveling, you know, longer will increase our market share.

Thorsten Schaubrenner

Monica Lingegård, one question from my side. Do you have an idea, how can Sweden's outstanding culture of sustainability be explained? Why are the people in Sweden so in this theme?

Monica Lingegård

Well, I hate to brag, but I think that, you know, having you know sustainability high up on the agenda both comes from, you know, the level of education within a country, not comparing to Germany, but compared to many other countries. You know, the level of education and training is high in Sweden, that's why, you know, I think that people want to be responsible. It's also highly driven from the corporate sector agenda, where the kind of ESG agenda, as we call it, you know environment, sustainability and governance agenda is, you know, something that drives value and it's very well talked upon in Sweden. Sustainability is, you know, top of mind, both in a consumer perspective and from a corporate perspective in Sweden. And I think that also the "Greta effect". And you know she wants to stay on the ground. She doesn't fly and that helps us and that has also put the whole sustainability agenda on top of politicians and making sure that, you know, policy makers are, you know, in the forefront of taking responsibility for the future.

Petra Hedorfer

Monica, thank you for mentioning! I think that this matches perfectly the Scandinavian demand and interest on some sustainability, also when it comes to travel not only in the way of living on a daily basis, but also when we're talking about travel, it fits very well because I don't know whether our listeners are familiar with the

Sustainable Development Goals Index, the SDG Index, which is measuring the United Nations Sustainable Development Goals ... quite complicated, but it is listed Finland ranked first in this index, followed by Sweden, Denmark, all of them Nordic countries. And then already comes Germany. So with our "German Gründlichkeit" we obviously did something well, which matches perfectly with the demand of your countries we are talking about. So it's a good combination in marketing Germany in these countries talking about the travellers' demand and needs.

Thorsten Schaubrenner

So maybe that's a good possibility to bring in Daria Krivonos from the Copenhagen Institute for Future Studies. You look in a professional way into the future. Daria, let's now bring in Danish, Norwegian, and Finnish consumers alongside our Swedish travellers. From a high level of electric power transport to innovative and sustainable consumer products, what role does sustainability play in society in general?

Daria Krivonos

Well and thanks again for inviting us to the conversation. Now what we do at the Institute is that of course we don't forecast the future as such, but we look at the underlying trends and drivers and then we try and assess the direction in which reality can then pan out. And I agree, I would like to agree with the co-speaker and the host of course that sustainability is very high in the agenda if we look to Sweden, as was also mentioned, the Greta effect already before the pandemic, back in 19 we saw a 7 or 8% drop in air flight, just as this flight shame effect, so that was before all the planes were grounded due to the pandemic. So of course it's a mover in terms of businesses, in terms of the SDGs, which were also mentioned, we can see that these Danish flagships such as Maersk, the big shipping company, the biggest shipper in the world, Carlsberg, also a renowned brand worldwide, are trying to put their best foot forward in terms of having a sustainable brand leading the way. Having said that, unfortunately we're also seeing a little bit that the consumers remain if not hesitant, at least a little bit hypocritical and, and I hope you'll forgive me for saying this, but I think it's very high on the agenda. It's top of mind for most people, if it's price wise and convenience wise comparable, that people are happy to select sustainable options. If



it chips away at convenience, if there is too high a premium, unfortunately we see that people are not putting their money where their mouth is. So it is very much a competitive parameter, but the moment someone has to pay a premium, people tend to still deselect the sustainable options unless you belong to the 10 to 11% of those who say that they're willing to go as far as accepting a higher price. Now there was a study conducted some years ago which put people in these different brackets. And we saw, so it was divided into the advocates, so people who would go a long way and purchase brands that are even more expensive. Then there were the aspirationalists, who wanna do good, feel good, so this is about, if it's not visible that I'm choosing something better, then I may not do it. And it sounds horribly cynical, but if I cannot brand myself as a sustainable consumer, I may not do it. And this goes to say, the fuel premiums that we can now select when you buy airline tickets, you can select to pay fuel premium. Well, it's not something that will be visible, so many people tend to not do it despite saying that they're sustainable conscious. Then we have the practical, so people more focused on efficiency of products and then those who are completely indifferent. So we still have this segmentation of an increasing awareness, but still a relatively lacking willingness to pay. So perhaps hypocrites are a bit of a harsh word, but they're still pragmatists, if you will. So yes, it's high on the agenda. It's still a trend that has come to stay. It's building stronger because the companies are taking the first steps, triple bottom lines, employer values, and not just brand, but also as an employer you can attract talent by being responsible and sustainable. People want to do the right thing. We're seeing more reporting and compliance, being introduced, etc.

And now the big change in the last few years is also that sustainability goes beyond just environment and climate. It also includes the wider SDG's, so something like being socially responsible. Having, treating your employees properly and just being a responsible social agent and then of course people need to be trusting your brand. And on the flip side, we then have the low willingness to pay. Can we flash it? Does it make me look better? And then maybe more, to the kind of tourists that we are when we go somewhere and less so where we decide to go and how we decide to go there.



Thorsten Schaubrenner

Yeah, it's very interesting! Petra Hedorfer, concerning this, you've got some interesting information I think about the topic of Germany as a location for sustainable conferences and events. What can you tell us about that?

Petra Hedorfer

Yes, what we see in our data, and I completely agree with Daria, there is a fact that more and more companies are paying attention to the carbon footprint. You mentioned the big ones, but also the small, medium-sized enterprises. As far as we learn from neighbouring countries and especially also from the Scandinavian markets, they put very much effort when it comes to conferences, business events, travel management guidelines and so on. And this is good news for us because first of all, this expertise is here in Germany. Nearly thousand employees in the event sector have already been trained as sustainable advisors under an initiative of the German Convention Bureau and another good example is that we established the right and fair sustainable code since O12 that was initiated by the GCB. Indeed, several 100 German venues, hotels and event agencies are now adhering to event related sustainability criteria based on the United Nations global impact. As we would say, we did our "Hausaufgaben", our homework. And another big positive argue is the event ticket offered by the Deutsche Bahn, for example, that promises to use 100% green electricity. There's nothing else like it in Europe. But it's not just Germany's green credentials that make it so appealing as a place to host conferences in advance by the physical, virtual or hybrid. It's also the fact that the country is so multifaceted. I mean, forgive me for promoting Germany. What do I mean by this? Well, instead of having just one major centre or one main conference venue, Germany boasts a multitude of cities and urban centres with various branches of research and science represented and with a strong base of small and medium sized businesses.

For us, it's so important today that conferences and events are held somewhere where there is a relevant community with expertise in order to provide the necessary depth of content. My example, just to mention one of these places for renewable energies, would be Freiburg, located in the South of Germany, which excels in teaching and research in this field and is home to many renewable energy

companies. Making the diversity of Germany's offering better known internationally is a key task for German providers in the conference and event sector.

So far, Thorsten!

Thorsten Schaubrenner

Thank you very much, Petra Hedorfer. This brings me and my mention directly back to Monica Lingegård and her company the Swedish Railway. Monica, your company is facilitating more and more cross border business trips to Europe and of course to Germany.

What advice do you have for German providers in the conference and event sector, looking for compete in a world of low or zero carbon footprints?

Monica Lingegård

Yes, no it's true that we see the corporate sector wanting to arrange traveling, sustainable conferences, and going to, you know, at least the northern part of Germany and obviously to Denmark. As mentioned before, I think what is important, you know, driving the change and helping companies, you know. Helping companies securing the changes, you know, looking at both price and convenience. And I think that new technology creates also fantastic opportunities with where we as, as German companies can offer us new attractive services when it comes to conferences and events, making it very available.

And I think that also we should package traveling and events and conferences as a kind of service or, or a package where you know, sustainable conference is something that we do together. We see an increasing trend of corporations wanting to have, hire a train. They hire a train, they go down to Europe, perform a conference and then they go back with that hired train. And on the train they can then, you know, also work, use it as an office space or having presentation and workshops and so forth. So I think that in order to increase this, because it is a certain drive to do things in a more sustainable way, we should package and make it available in an easy way. So I think that, you know, one opportunity for German companies within the sector would be to cooperate with an alternative like SJ, to make it more easy and more available and more price wise to do these kind of trips.



Thorsten Schaubrenner

Do you have any information about how important it is for Scandinavian people traveling to Germany that they have the possibility for a seamless travel, that they drop off the train and then go to a electro car. Is that really important for the Scandinavian people to have this seamless travel along the travel line?

Monica Lingegård

I would claim YES when it comes to international travel. I think that, you know, the Swedish consumer or the Swedish citizen would think that you know mobility as a service in, in one sense is not that important when it comes to just being in Sweden. There, it's very easy, you know your way around, but as soon as you kind of cross the border and move into Germany, you want to feel safe and secure and make sure that you have these kind of door to door traveling opportunities and also being able to acquire a service and not stumbling into hurdles or difficulties along the way. And it's something that we offer to our digital platform, which is an important part of our service offering not just the train but the whole platform is an important place to gather consumers and make services and offerings available.

Thorsten Schaubrenner

Wonderful! Petra Hedorfer, what do you think about, going back to Daria Krivonos, she has some very interesting information for us. As you mentioned, Petra Hedorfer, there will be a change in the future of business travel, but I think Daria could bring us some information. What other sustainability megatrends should providers be aware of?

Daria Krivonos

No, of course, I mean one is sustainability as a whole. The whole value chain assessment I think increasingly, and this is where Germany and the Scandinavian countries have a lot in common. This is the trust in the brands, the trust in the information coming out of the providers or operators, or anyone who offers the service. Because increasingly, brands are just one hashtag away from being taken hostage on any social media. So you only get to step out of line once or twice and

then your brand can suffer significantly. So the other element is, as I mentioned before, is that sustainability is becoming a broader element, so it's not just pollution and environment. It's not just climate and CO2. It's also quality of water, it's your social impact. It's in particular what kind of responsibility the companies take, etc. Now, of course, there's also a regulatory push, and again, this is now we're back to life cycle assessments, because until now it's been hard to distinguish between "feel good" and "do good". So an example could be that we when people remove the plastic wrappings from broccoli, everybody cheers, because of course, broccoli has a natural protection against damage etc and it's ridiculous to use plastic, but then if you do the full life cycle assessment, it turns out that the shelf life is reduced significantly, we increase food waste. So this net effect of our potential activities or branding exercises of the services we offer is becoming more of a consumer focus. So life cycle assessments, the net effects of things we do. And yeah, and unfortunately, as I said, I think the consumer willingness to do the right thing is higher and it's increasing. But it's counter weighed by the willingness to pay for it and to what extent they can showcase the world that they did the right thing. So mind you, there is a reason why we see a high pick up of electric cars in Norway was because for one they're highly subsidized and the consumer choice is much easier than some of the other Nordic countries. But I also hear what Monica is saying, and of course there is a reason why travel by rail is picking up etc. and it's taking away some of the volume you would usually see in airlines.

So sustainability has come to stay. It will be much wider. Part of it will be regulatory push for higher reporting of life cycles and full, you know, scope emissions, etc. The other element that is a really great branding exercise. But it will take some investment from the providers rather than consumers being willing to pay premium at least in the shorter term.

Thorsten Schaubrenner

Petra Hedorfer, I would like to turn our attention back to Germany now. How are our business travel providers here and the research community? How are they working together? What do we know about that?

Petra Hedorfer

Well, it's a long way since the beginning of, I think it's more than a decade now. Back in 2011, we established the first sustainability conferences for the industry, thinking about solutions and thoughts across the entire industry. And there had been an establishment of mega trend analysis, like Daria said, called "meeting conventions", "leisure business 2030". What are the megatrends and how do we all together have to change our setup? A long way of studies and business intelligence and we're working hand in hand. Sustainability is clearly identified just to state it. I think that Corona was like a booster for this trend. We're talking about the change of demand for safety issues, but also on a sophisticated way of giving impact to the nature, to the environment. I fully agree. We learned that sustainability also has to be inclusive. All of our information is prepared also for handicapped people in any dimension. Tourism should be inclusive. This is something we did not mention right now, but it's very important for us. For example, there are a lot of test labs, so we are going in this kind of laboratory together with foundations, together with ministers to analyse how new formats, campaigning and behaving affect sustainability. And how do we have to manage it and how is the reaction on carbon footprint?

So there is quite a lot of money into this research and strategic thinking. The number of people flying between Germany and Sweden fell in O19 before the crisis, yes. We created a campaign, for example called "Undiscovered Gems in Germany". Deutsche Bahn saw its revenue from ticket sales in Sweden doubled. Can you imagine? All of a sudden we've also been successful in our efforts to bring together and promote sustainable products in Germany as a part of marketing campaign. And we called it Daria, it's interesting that you mentioned it, we called it "Feel good" with a call for action to feel good and to have some leisure days in Germany. There are so many sustainable offers, so "feel good" is really possible in Germany. And talking about the price range shows it is not cheap, but it is compatible and comparable to other offers, so it's not only at any time a question of money. There are many, many interesting offers here in Germany.



Thorsten Schaubrenner

So maybe we ask Monica Lingegård from the Swedish Railways. When you look back to this campaign, very successful, “Undiscovered Gems in Germany”, is there more to come, like this campaign?

Monica Lingegård

Well, we haven't been discussing campaigns and I think that's more connected to the pandemic right now. As I said, I think that, you know, all rail operators within Europe, Sweden, and within Europe as a whole, have a responsibility to secure that it will be easy, comfortable, price-attractive to travel with the train because it is by far the most sustainable way of travelling. So I'm sure that we will see corporations between Deutsche Bahn and the Swedish rail operator and push by making it easier and available and securing that we are an attractive alternative to for example the aviation industry, which is not by far as sustainable as taking the train. So I am looking for a lot more corporations, packaging and making it a lot more easy for corporations and consumer to choose a sustainable alternative rather than, you know, something else. That is something that I think it's important, it's my responsibility and it's also something that is very demanded for.

Thorsten Schaubrenner

I would like to ask Daria Krivonos from the Copenhagen Institute of Future Studies: What do your research say about the positioning of products that play into the sustainability trend? What should our listeners consider for their personal marketing plans? What works, what will not? Do you have an idea or some tips for them?

Daria Krivonos

Yeah, I think if I were to boil down some of the things I shared previous sly and also to echo Monica. One, make it easy to choose, so make your offer easy to choose for consumers. Two, make it easy to track your impact, whether you showcase how much you've saved, or you name it. So, something that gives people a tangible sense of them having done something good. And again also back to our host: that it's something, it's about feeling good about what you do, right, so make it easy to



choose by price, convenience etc.. To make it easy to track, make it visible, tangible. And three, unfortunately, make it easy to show.

So again, unfortunately the hidden effects, or if I take a picture out of a train window, it's easy to see that I choose going by train. If I book a flight and I pay €1.00 for biofuels, it's pretty hard for me to show that. So choose track and show. That would be, those would be the maybe cynical pieces of advice in terms of how to attract the consumers to do that.

And I think, some of the more subtle elements will be participatory sustainability. So how can you somehow engage your customers, clients in doing the right thing when they've been travelled? Cause people love to have this tangible sense of having done the right thing whereas help out in a way. Or is there anything activity based that can lead to tangible participation in the sustainability agenda? Again benefiting from the trust, that is present in Germany a society, but also in many of the brands and what Germany is associated with, using that as an asset, using that as a currency and forging alliances with other providers that already have this flair of sustainability about them. Be it, whether it's energy or fuel or, you know, consumption goods, or you name it. But something by association to have it become a synergetic effect on your brand as well. So I don't know if that's short enough but...?

Thorsten Schaubrenner

Yeah, I think this is pretty concrete. Petra Hedorfer, yes?

Petra Hedorfer

I fully underline what Daria said. I just would like to point out that in 20/21 we had a wonderful experience. My team in Denmark in Copenhagen teamed up with the Thuringia region of Germany, which is a very sustainable region, to put together a successful TV show aimed at Danish millennials called, probably you heard about it "One day, two teams and three animals". The show proved a hit. It's a one male team and one female team attempt to find 3 different animal species in the wild and the winner received €3000 to support a nature conservation project of their choice. The campaign generated 2.3 million contacts and we had a lot of interactions with people who follow the show and we saw pent-up demand for this region. So it is entertaining,

it is to educate a little bit our customers but also to entertain them. So just one example how we are bringing in our campaigning this kind of sustainability ideas and, and offers.

Thorsten Schaubrenner

Maybe let's have at the end a view into the future. Can you give us an idea what other sustainability campaigns can Scandinavians expect to see going forward from your company?

Petra Hedorfer

Oh, there is a lot of what we like to showcase this year. We are targeting young people in Scandinavia, especially a demographic for whom sustainability is really important but who might not automatically consider Germany as a place to visit. So we are underlining in every communication effort we are doing this kind of sustainability and storytelling about it. So it's not only one, one spotting, it is integrated fully on a strategic approach via our rollout through all channel management. On social media, on classic campaigns, on TV, wherever we are going, we are pointing out this.

We believe in this and we think this is the future and as both of you already said, it is our responsibility to do so.

Thorsten Schaubrenner

In advance, you talked about the FDM travel, the largest Danish tour operator and a programme launched by them. Can you tell us a little bit more about that?

Petra Hedorfer

Well, we are featuring products including rail and coach trips, electric car hire, and certified sustainable accommodations. And the carbon footprint of each trip is shown online, which is exactly the kind of transparency that customers are looking for. And we will be able to see many more innovations like this in Germany over the coming months!

Thorsten Schaubrenner



Wonderful. Petra Hedorfer, I think this is a very good point to thank our two guests now. We received a lot of very concrete information. Maybe you start first with that. Thank you, and maybe you've got some conclusions also.

Petra Hedorfer

Well, conclusion is that we have to take more responsibility, especially when it comes to the tourism industry. We are so much depending on our environment and we have to protect it. We are fully dedicated to this.

So thank you very much for offering cooperation for presenting this insight. Daria, Monica, thank you so much. And looking forward to cooperate and to learn more and hopefully to cooperate also in the future. Thank you very much and all the best and stay safe first of all.

Daria Krivonos

Awesome, thank you.

Monica Lingegård

Yeah, likewise. And thank you so much!

Thorsten Schaubrenner

Thank you so much also from my side. Thanks to our guests, many thanks to Petra Hedorfer. That's it for today with our podcast from the German National Tourist Board. Thank you for listening. And, of course, we also recommend our other episodes in this podcast. For example on the US market or the special features of travellers from Great Britain. Of course we are extremely pleased if you subscribe to "on the MIC with Petra Hedorfer". You can listen to the GNTB podcast on Spotify, Apple, Google and wherever there are good podcasts, and of course on our website: Germany.travel . Happy listening and safe travels!
Good-bye.