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1. Background

The Visit Arctic Europe (VAE) project runs from August 2015 to March 2018. Its budget is 6.4 M€. The partners in the project are Finnish Lapland Tourist Board Ry, LME (the head funding grantee), Northern Norway Tourist Board and Swedish Lapland Visitors Board.

The aim of the Visit Arctic Europe project is the development of northern Scandinavian area into a cross-border, high-quality tourist area, which is an internationally competitive and well-known Arctic tourist destination.

The project has its focus on tourism marketing and strengthening the networking and co-operation of the tourism operators in the area with international tour operators. The joint product development aims at high-quality cross-border tourism products that meet the expectations of demanding international tourists in the future. One of the goals is that possible border obstacles and intra-regional traffic with its bottlenecks are diminished in co-operation with other actors.

The result of the project will be an internationally renowned, high standard single Visit Arctic Europe tourist area. The objective is that the region’s tourism volume will increase, profitability and turnover of SMEs will grow, as well as international expertise will be further strengthened. Another objective is that in the future the Visit Arctic Europe operating area will be easily accessible and travelling in the area will be easy for tourists.

Main objectives of the VAE project are:

- Internationally renowned high standard single, Visit Arctic Europe travel destination.
- Strengthen cross border cooperation between travel businesses in the VAE area.
- Region’s tourism volume will increase, profitability and turnover of SMEs will grow
- International expertise will be further strengthened.
- Visit Arctic Europe area will be easily accessible in the future.
- Internal accessibility is developed, travelling in the area easy for travelers.

Objectives of the evaluation

The purpose of this external evaluation is to find out how effectively the VAE project has been organized and how the project is led. The result of this external project evaluation includes following key aspects:

1. Organization and project management
2. Expediency
3. Performance of the project
4. Efficiency and effectiveness (regionally, nationally and internationally)
Methodology of the evaluation

This evaluation’s main objective is to evaluate the results and impacts of the project. This requires a highly qualitative approach. We performed a number of interviews in order to fully understand how, where and why the results were achieved. This approach is derived from the European Commission’s guidelines (Evalsed 2013) for using TBIE (theory-based impact evaluation) methods in evaluation. A key question in TBIE is forming a logic between different steps of the project and how they help reach the objectives. The core idea is not only to tell what worked and what did not – but also answer the question “what works for whom and under what circumstances” (Pawson & Tilley 1997; 2004). The strength of this approach is that this type of evaluation helps planning future projects as it takes into account where the action took place (circumstances) and what the logic was that led to the results and impacts.

Data collection and reporting was based on three different forms of data collection:

- Desk research (based on project documentation)
  - The study started with a desk research of all relevant project documentation. Focus lied on going through guiding documents, project reports, decisions on project selection and all other relevant material. It provided material for web surveys as well as personal interviews.

- Websurvey (targeted to beneficiaries, cooperation partners etc.)
  - Web survey was targeted to beneficiaries of the project and other cooperation partners as well as other organizations with experience and knowledge of the project.

- Interview study (targeted at stakeholders, project management etc.)
  - Interviews were targeted at key actors like stakeholders. They were conducted in Finland by the Finnish evaluator and in Sweden and Norway in the local languages by local evaluators. The total number of interviews was 10. The key personnel of the project as well as other stakeholders was interviewed.
2. Evaluation of the Visit Arctic Europe project

Part I: Organization and Project Management

Organization of the VAE project was built on three levels:

- Arctic Team
- Working Group
- Steering Group

The Arctic Team was responsible for practical implementation of the project. Its tasks included project management in accordance with the project plan and the Interreg regulations as well as guidance and supervision from the Working Group. One of its key activities was communication with participating companies and with the Working Group and with the Steering Group. The Arctic Team was the project’s active “task force” with full-time (and part-time) personnel. It was responsible for practical project activities and for management duties, including financial administration. Its office was located in Rovaniemi.

The Working Group had members from companies in the tourism industry and other organizations promoting tourism development in the project region, like tourist boards. It had members from all three participating countries. Its main task was steering and supporting the Arctic Team’s work in cooperation with the Steering Group.

The Steering Group’s tasks were of a more administrative kind. It was responsible for making decisions about the project’s budget and for controlling and monitoring project activities. The Steering Group consisted of two members from each participating country and their substitutes. All members and their substitutes were experienced experts in the tourism industry.

Even though the Arctic Team, the Working Group and the Steering Group were basically independent from each other, they were in close contact with each throughout the project.

Arctic Team

The Arctic Team consisted of a Project Manager and a Project Coordinator (located in Finland) and three Project Chiefs, one in each country. The Arctic Team was responsible for on-going communication with all VAE companies and implementation of project activities under supervision of the Working Group.

According to both interviews and inquiry into project participants the Arctic Team was well-motivated and highly skilled. Interviews of the Arctic Group, the Working Group and the Steering Group members show strong mutual trust in each other and specifically in the Arctic Team. Companies participating in the VAE project seem to share the same view: two thirds of all respondents fully agreed with the statement “Management team of the VAE project (Arctic Team) has been successful in its work” (see Table 1).
Table 1. Distribution of replies in the internet-based inquiry; statement related to project management (Arctic Team). “Management team of the VAE project has been successful in its work.”

Strong goal-orientation of the Arctic Team was highly appreciated among interviewees as well as the team’s knowledge of tourism as business, and their knowledge of the specific circumstances in the region. Interviews showed that the Arctic Team was considered to be competent and strongly committed to its work. However, some criticism was presented as well. According to some interviewees the Finnish members of the Arctic Team were considered to have an unexpectedly straight-forward approach to the tasks. Some of the Swedish and Norwegian interviewees said that especially the start of the project was a bit too hasty, and that a bit more time for planning and discussions might have resulted in better results in the long run.

Quotations from interviews

“Project management is extremely competent.”

“With different backgrounds...we complement each other.”

“We expected cultural differences, yet they were greater than we thought...it was challenging at the beginning.”

“It is about building trust, seeing new opportunities and possibilities of cooperation.”

“Now we have a well-functioning network.”

“I trust the project manager 100%.”

According to some interviewees, differences in speed of decision-making were probably related to the stronger business-orientation of the Finnish partners. However, most of the interviewees agreed that cooperation turned smoother towards the end of the project. They told that members’ mutual respect and understanding of each other’s working culture got stronger during the project.
Working Group and Steering Group

According to interviews, both the Working Group and the Steering Group worked fluently throughout the project. Meetings were held, decisions were made, and members of both groups were highly skilled and motivated to develop tourism business in the VAE region. The Working Group had an advisory role, and the Steering Group was in a more managing role – checking administrative and financial issues. In general there seemed to be mutual respect to each other’s work in and between both of the above mentioned groups and the Arctic Team.

Quotations from interviews

“Working Group was very efficient and very important to the VAE project.”

“We don’t always agree on everything but there was always space for discussion.”

“Communication between teams could have been better.”

“Everyone knew the substance and everyone knew their tasks. This was very satisfying.”

“Cooperation in the Arctic Region has never been this comprehensive before.”

However, two issues for further development were raised: (1) especially representatives of the companies were often absent from the meetings. It lead to participation of substitutes (or no-one) - and as a consequence of that - having different people in different meetings. This was not considered to be beneficial for the project since the substitutes were not aware of everything what had been discussed. Second issue (2) for development was communication between the groups. According to some interviews the Working Group members were not always aware of what had been discussed in the Steering Group, and vice versa. Despite these problems both the Working Group and the Steering Group were considered to be active, competent and useful in promoting project’s objectives.

The problems related to absences from meetings and not getting all information are related to the same problem. Both company representatives and other members of both groups are often busy with their other duties. However, participation of companies and other highly qualified experts of tourism industry was considered to be very important. Therefore, if the highly skilled members of both groups can and should not be replaced with someone less busy, the only solution lies in developing communication. All members and their substitutes should be aware of all plans and decisions made during all previous meetings and activities. This sets a remarkable challenge to the internal communication of the VAE project. The easiest solutions – like e-mailing minutes of the meetings to all members - is probably not efficient. Communication through delivering formal documents needs to be supported by other types of communication.
Interviewed members of the Working Group and Steering Group seem to agree about sufficient levels of expertise, cooperation and creativity as well as goal-orientation and effectiveness in decision-making within both groups. Despite the above-mentioned problems in communication and participation they considered that the work in both of the groups, and the VAE project in general, has been very fruitful, and that the project has remarkably improved communication and cooperation between different actors in all participating countries.

Part II: Expediency

The VAE project has four main sets of activities: (1) Functional networking and cooperation; (2) R&D activities; (3) Improving accessibility; and (4) Product development, marketing & communication. They will be discussed below based on desk research, personal interviews and results of an inquiry sent to project partners. A large majority of them are tourism companies.

Table 2. Distribution of replies in the internet-based inquiry; statement related to expediency of the project. “Activities of the VAE Project have been expedient.”

Following subchapters present facts and views related to implementation of the VAE project. Attention will be paid mainly to the project’s implementation and its expediency, and answering questions like “what was done?”, “how was it done?” and “was it done in a smart way?” Results and effectiveness of the project will be discussed later in the report. However, indications of them will be seen already in this chapter.
Expediency in the section Functional Networking and Cooperation

Improving functional networking and cooperation between all relevant actors in tourism business was based on originally planned activities like (A) entrepreneurs’ and partners’ meetings, (B) excursions in each region for partners and companies, (C) International & domestic study trips, (D) product workshops, (E) establishment of a reference group of tour operators, (F) developing guidelines for the use of the VAE brand, and branding.

Expected results of the planned activities were (1) getting a better understanding of regional products and strengthened cooperation in the region, (2) increasing trust among partners and companies in the VAE area, (3) better awareness of international competition, finding and applying best practices, (4) understanding the clients’ point of view in decision making, (5) creating cross border travel packages, and (6) carrying out clear communication in the chosen market areas.

Quotations from interviews

“The most important thing is networking between companies. And it works.”

“Foreign tour operators tell us that this is the way it should have been for a long time already.”

“Product workshops started maybe a bit too early, but it started to work afterwards.”

“Cooperation with tour operators has brought the region’s companies together and it has led to about 50 new cross-border products.”

“The VAE project has a clear B2B approach in its activities. Cooperation with tour operators should be still developed.”

“It is about building trust, seeing opportunities and possibilities of cooperation.”

Funding of the activities related to Functional Networking and Cooperation was increased from 505 000 € to 534 000 € during the project. The 5,7 % increase in funding networking and cooperation, like all other changes in the budget, was a result of practical needs and opportunities that occurred during the project. According to the interviews the VAE project’s target setting was focused on the most important and useful parts, keeping in mind the main objectives of the project: increased numbers of visitors, helping companies find new customers and increasing cross-border cooperation in order to support networking and business development across the region – and all that as one cross-border tourist destination. Therefore, all planned activities were not given equal emphasis. Instead some activities were stressed at the cost of some others in order to keep the project as expedient and target-oriented as possible, and in order to reach the desired results. For example, branding was targeted at tour operators rather than to tourists.
According to interviews the VAE project is going to achieve its most important targets in increased understanding of products and regional cooperation as well as increasing trust among partners. However, it seems that – compared to the original plan – more weight was set on cooperation with foreign tour operators and their expertise in selling travel packages to their customers. Communication and cooperation with foreign tour operators appears to be more strongly emphasized than originally planned. However, the results show that this solution was justified: increase in sales to the chosen target regions was remarkable. According to some interviews also the foreign tour operators considered the VAE approach very practical – marketing the Arctic region as one destination was seen as an innovative approach.

Results of the internet-based inquiry to the participating companies show similar results as the interviews. According to its results the cooperation and other contacts between tourism companies have grown and they are expected to grow at all levels in the future as well. Cross-border cooperation seems to be growing as well, and the companies expect to develop a better connection to the tour operators in the future. (see Table 3)

Table 3. Distribution of replies in the internet-based inquiry; statements related to Functional Networking and Cooperation.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAE project will increase cross-border cooperation</td>
<td>2</td>
</tr>
<tr>
<td>Cooperation between different companies will be increased as a result of the VAE project (B2B)</td>
<td>12</td>
</tr>
<tr>
<td>My company will have better connections to tour operators as a result of the VAE project</td>
<td>11</td>
</tr>
<tr>
<td>Cooperation between tourism companies and other businesses will increase due to activities of the VAE project</td>
<td>13</td>
</tr>
<tr>
<td>Meetings with companies and other organizations increase possibilities for future cooperation</td>
<td>7</td>
</tr>
<tr>
<td>Tourism companies will cooperate more frequently as a result of activities of the VAE project</td>
<td>13</td>
</tr>
</tbody>
</table>

The business to business communication was carried out in English. According to both interviews and the internet-based inquiry (see Table 3), the B2B communication was considered to be very successful. It spread new ideas and information across different regions and companies, and it helped the participating companies in business development. Some interviewed members of the Working Group and the Steering Group considered development of B2B communication as one of the success factors of the VAE project. According to them it led to increased learning and applying new innovations, and its importance has also been recognized by external organizations, like Visit Finland. One of the key issues in the project was communication and cooperation between companies in different countries. It gave the participants new points of view and new ideas – and this was something that could not have been achieved without the cross-border elements of the VAE project.
Implementation of activities related to Functional Networking and Cooperation can most easily be described through some practical examples:

- Arranging meetings between companies mainly in order to introduce entrepreneurs to each other has created new connections and possibilities for present and future cooperation. Networking is expected to lead to more permanent results since the companies are reportedly already making direct contacts to each other without participation of the VAE project.

- Target areas for marketing and cooperation with tour operators were chosen together with participating companies. Primary target areas were the Benelux countries, Germany, Austria, Switzerland and the UK. Cooperation was discussed with about 30 tour operators, and finally co-operation agreements were signed with 12 tour operators. The participating tour operators cover half of the costs of commercialization in the target area.

- Foreign tour operators have familiarized themselves with the VAE region and its companies through so-called Fam-trips. Altogether 200 representatives of tour operators have visited the area, and according to some interviews the organized sales workshops have been successful in planning travel packages in cooperation between foreign tour operators and tourism companies in the VAE region.

Most of the interviewees and partners who filled in the inquiry told that the cooperation between companies in the region has increased. However, some others told that it has not happened at all. It seems that some of the companies have benefited from the VAE project’s activities more than others. According to an interview this question may be related to level of activity of the participating company – on the other hand it may also be a question of external factors like location or type and size of business.

Expediency in the section R&D Activities

Planned activities in the section R&D Activities included (A) creating indicators of measuring project success, (B) analyzing future travel trends and (C) learning about digital trends in tourism and customer digital and mobile behaviors as well as (D) discussing cross-border obstacles, and finding solutions to remove them.

Expected results consisted of (1) a measurement of the project’s impact with relevant indicators, (2) increasing awareness of relevant future travel trends in the VAE area, and consequently being at the forefront of developing new services for travelers, (3) developing communication with final customers and improving B2B communication, and (4) understanding cross-border obstacles as well as lobbying relevant organizations in order to influence decision makers.

Funding of the activities related to Research and Development Activities was increased from the planned 80 000 € to 95 000 € during the project. The 18,8 % increase in funding was based on requirements and needs which emerged during the project.

The VAE project commissioned two studies on Future Travel Trends (“Digital tourism - An analysis of digital trends in tourism and customer digital mobile behaviour for the Visit Arctic Europe project” written by Hans Gelter from the Luleå University of Technology, published in May 2017; and “Disoriented Travellers or Disoriented Destinations? – An analysis of future travel trend studies for the Visit Arctic Europe project” written by Sanna Kyyräs and Outi Rantala from the University of Lapland, published in August 2016). They provided the project and its participants with ideas and views on how the tourism business is expected to develop in the future. Key issues were related to customer behavior now and in the future. Understanding how travelers make up their minds about travel destinations and how their needs and wishes turn into
decisions to purchase services. The studies had a strong base on digital development and analyzing modern (and future) customers’ motivations, needs and habits as well as other developments in consumer behaviour.

Quotations from interviews

“Reports on tourism development are a bit too academic. We could use more simplified versions for the partners.”

“Having regional suppliers (universities) from our area was very positive...I would like to further integrate the academic environments in our region to the VAE project.”

“This work has brought the universities closer together and has established ties between academia and businesses.”

In addition to the above mentioned studies the VAE project is producing other types of research and development activities. An example of them is Airline Business Case Prototype which is currently under construction, and will be completed during the autumn of 2017. Also, Cross-border obstacles were discussed from different points of view. The focus lied mainly on barriers related to networks of public transportation and issues like national regulations limiting possibilities of flexible solutions in e.g. car rentals. Lobbying organizations requires lots of relevant information and lots of time. These R&D activities are also related to questions of accessibility in the following subchapter (about accessibility).

Expediency in the section Improving Accessibility

This part of the project aimed at activities like (A) Creating toolkits for motivating flight companies to open new routes, (B) modelling an optimal internal travel-chain system, (C) negotiating with flight companies in order to create strategic partnerships and common actions in market areas, and (D) negotiations with tour-operators and transport carriers.

Expected results included (1) establishment of the needed toolkit(s) in order to motivate the air companies to open new air routes from European hubs to the VAE region, and (2) creating models for internally connecting traffic and travel chains allowing smooth transfer of travelers from stations to destinations, between destinations and across borders in the VAE region.

The original budget of 800 000 € was reduced by 5,5 % to about 756 000 €. These financial resources were retargeted to other parts of the VAE project. According to the interviews this part of the project was not completed at the time of the evaluation (summer 2017). However, some activities have been launched, like the Airline Business Case Prototype tested in Enontekiö. Also, discussions with decision-makers about cross-border obstacles related to transportation systems and new plans for future development are according to interviews not yet implemented. Accessibility has been discussed in a report on development needs of transportation in the region. The report produced by WSP was described more closely in the previous subchapter on R&D Activities.
Table 4 shows that the majority of respondents expect that the project will lead to improvements in the region’s accessibility. However, compared to other statements, distribution of answers is not as positive as in most other statements, and the share of those answering “I don’t know” is higher. This is probably due to the early phase of the activities targeted to improve accessibility of the VAE region.

**Table 4. Distribution of replies in the internet-based inquiry; statements related to Improving Accessibility.**

<table>
<thead>
<tr>
<th>Accessibility of my company will be improved within the region</th>
<th>1</th>
<th>4</th>
<th>14</th>
<th>6</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility of the region will be improved to customers from outside the region.</td>
<td>0</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>

- Fully disagree
- Partly disagree
- Partly agree
- Fully agree
- Do not know

**Quotations from interviews**

“We need to find new operating models. Growth in flights require new forms of land transport for reaching all targets.”

“Logistics is tricky subject in this area. Changing volumes of travelers between high and low seasons is a challenge.”

Interviews give additional information on the subject. They show that some of the analyses supporting this part of the project have been just recently completed, and most of the actual activities are still at the starting phase. It largely explains the respondents’ uncertainty on the subject. Measures targeted to improve the region’s accessibility is something which will be mainly implemented in later stages of the VAE project.

Some of the interviewees had paid attention to newly created airline routes to the VAE region. They thought that the VAE project may have had an impact on opening them. However, interviews of the Arctic Team members indicate that the VAE project had not taken clear measures to support opening them. Explanation for opening new connections is probably in growing number of tourists. Of course, growing tourism may partially be a result of the VAE project’s activities.
Expediency in the section Product Development, Marketing & Communication

This part of the project aimed at improved product development, marketing and communication and it had six main objectives: (A) developing travel packages for all seasons, (B) low season business development, (C) organizing trade events, workshops and roadshows, (D) setting up points of sales material and campaigns and promotions and (E) trade, press and promotional campaigns as well as (F) advertising, digital media and press visits.

Expected results included (1) increased package acceptance by the market, (2) improved statistical results in low seasons, (3) new packages by Tour Operators for shoulder and low seasons, (4) improved relationships with individual Tour Operators, and (5) their increased willingness to recommend VAE products as well as (6) increased involvement in trade press publications.

The planned budget of 3 270 000 € was reduced by 5,5 % to about 3 000 000 €. These financial resources were retargeted to other parts of the VAE project. Some additional costs caused by exchange rate fluctuations (EUR-NOK) needed to be covered as well.

Companies participating the VAE project have very positive experiences and expectations on the impact of the project. They expect to have growing international cooperation, higher numbers of foreign guests and bigger revenues as a result of participation in the project (see Table 5). They also expect growing international awareness of the Arctic region. These views were strongly supported by interviewees as well. All interviewees agreed on the VAE project’s impact on growing numbers of foreign tourists.

### Table 5. Distribution of replies in the internet-based inquiry; statements related to Product Development, Marketing and Communication.

<table>
<thead>
<tr>
<th>Statement</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAE project gives us better understanding of the customers’ needs</td>
<td>1</td>
<td>4</td>
<td>10</td>
<td>12</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International tour operators will start selling new VAE travel packages</td>
<td>2</td>
<td>3</td>
<td>16</td>
<td>9</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New tourism products will be created due to activities of the VAE project</td>
<td>1</td>
<td>17</td>
<td>13</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities of the VAE project will balance seasonal changes of demand (high, low, shoulder season)</td>
<td>2</td>
<td>4</td>
<td>13</td>
<td>7</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAE project will increase the international awareness of Arctic region</td>
<td>1</td>
<td>8</td>
<td>24</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future activities of foreign tour operators will be more beneficial to your company</td>
<td>1</td>
<td>3</td>
<td>11</td>
<td>13</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My company will have higher revenue due to participation in the VAE project</td>
<td>1</td>
<td>4</td>
<td>14</td>
<td>8</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My company will make more international cooperation due to its participation in the VAE project</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>10</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Expectations related to the project’s ability to balance seasonal changes of demand are mainly positive. However, the distribution of answers shows some uncertainty in this matter, and the same uncertainty can be seen in the interviewees’ comments as well. It seems that the project has not yet been able to balance seasonal changes directly. Some activities have been implemented to support an exchange of labor force between different tourist attractions with different high seasons. As an activity that is not exactly balancing seasonal changes – it is more about balancing staff costs. Of course, if it works well it has a positive impact on companies’ cost structure as well, and it increases cooperation between companies in different countries.

Vast majority of participating companies seem to believe that new tourism products will be (or have already been) created due to the activities of the VAE project. They also expect that international tour operators sell new travel packages to the VAE region, and the VAE project provides a better understanding of the customers’ needs to the participating companies.

Closer look at the list of six expected results and the information received in interviews shows that many of the desired impacts were reached. More travel packages were sold to international guests by foreign tour operators, and the region’s companies had new direct contacts and communication with the tour operators. Some interviewees reported increased visibility in press as well. As discussed above, balancing seasonal changes has not been an easy task.

The interviewees raised some other points of development as well. According to some of them, the VAE project’s website was not considered completely functional, and the way of arranging the web-service was criticized. Some of the interviewees pointed out success and opportunities for success especially in Asia and North America. They saw lots of opportunities for common marketing strategies for marketing the region through the VAE project. According to them the tourists can’t differentiate between small countries from a long distance, and for them the area would rather be called Arctic Europe or Northern Scandinavia. A detail brought up was discussing the Sami issue as a common factor to all three countries. Another interviewee raised the question of insufficient level of product portfolios for marketing the VAE region in general.

Quotations from interviews

“Several local companies have benefited from the VAE project. That’s very clear.”

“Visibility of the VAE region has grown remarkably.”

“We must pay more attention to the low season.”

“Cooperation with the press has been delightful. Tour operators and the press have visited the region quite frequently.”

“Different customers have different needs. What works for one group does not necessarily work for everyone. We need to take this into account.”
Part III: Performance of the Project

Performance of the project can be discussed most easily through the measured results of the VAE project. Estimates show that the Visit Arctic Europe project has brought 20,000 new visitors to the region and the number of accommodations has grown by 132,000. Number of recently created travel packages is 164, and 54 of them have a cross-border aspect. Over 200 representatives of tour operators have visited the region to learn about the Visit Arctic Europe region’s supply of tourism services.

Quotations from interviews

“The whole Arctic Team made very good job in all three countries.”

“Extremely high level of intensity (in the Arctic Team)”

“The VAE project has been very efficient.”

“Several local companies have benefited from the VAE project. That’s very clear”

According to the interviews and internet inquiries to project partners (companies) the project has been successful. Large majority of respondents consider the VAE project successful, and they expect that the project will achieve its most important objectives (see Table 6). Following subchapters give an outline of the VAE project’s performance in reaching its objectives in its key functions. More specific information about the content of is available in Part II.

Table 6. Distribution of replies in the internet-based inquiry, statement related to the performance of the project. “The VAE project is going to achieve its most important objectives”.

[Table Image]
Performance in the section Functional Networking and Cooperation

Functional Networking and Cooperation appears to be the key for the Visit Arctic Europe project’s success. Cross-border networks in the Arctic region have proven to be very useful for development of inter-company cooperation. At the same time networking with foreign tour operators is just as important a part of the project. It has clearly increased numbers of foreign visitors from the target areas.

Functional Networking and Cooperation is the basis for all other activities – first it brings the region’s companies together and introduces them to the tour operators from the main market area. Cooperation agreements with the tour operators and new networks of the region’s companies seem to boost the development of tourism development in many ways.

Table 7 summarizes Activities and objectives as well as Results and outcomes of actions related to Part I: Functional Networking and Cooperation. According to all data (including feedback from the interviews and inquiries) the VAE project reaches its main objectives and forms a good basis for other parts of the project.

Table 7. The VAE projects performance in Functional Networking and Cooperation.

<table>
<thead>
<tr>
<th>Activities and objectives</th>
<th>Results and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excursions in each region by the partners in order to learn about each other’s products to enable discussion on cooperation between the region’s companies.</td>
<td>Better understanding of region’s products and strengthened cooperation between companies was achieved. Learning to know other companies led to useful contacts and cooperation.</td>
</tr>
<tr>
<td>International &amp; domestic study trips targeted to benchmark best practices around the world</td>
<td>The focus was on learning from other entrepreneurs in the VAE region, and in creating networks with other companies and international tour operators.</td>
</tr>
<tr>
<td>Product workshops were organized to discuss and create product families, themes and concepts.</td>
<td>Tour operators’ fam-trips to companies’ locations were considered very useful, as well as communication between companies in tourism business.</td>
</tr>
<tr>
<td>Establishment of a reference group of tour operators to provide feedback to companies. Discussions on customers’ needs between tour operators and region’s tourism companies.</td>
<td>Better understanding of region’s products and strengthened cooperation. According to most respondents learning to know foreign tour operators and other companies led to useful contacts and cooperation.</td>
</tr>
<tr>
<td>Branding: creating a light umbrella brand for the VAE area.</td>
<td>Branding was mainly targeted to tour operators and not directly to tourists. Tour operators know the brand now and it used in their marketing efforts.</td>
</tr>
</tbody>
</table>
Performance in the section R&D Activities

The research and development activities of the VAE project have been implemented as planned. The quality of the reports appears to be good. However, the reports are published fairly recently and therefore their impact cannot be evaluated yet. It seems that the collected data can be used as background data for further development in e.g. marketing, communication, product development and removing cross-border obstacles in the future. Table 8 summarizes Activities, Objectives as well as Results and Outcomes of actions related R&D activities of the Visit Arctic Europe project.

<table>
<thead>
<tr>
<th>Activities and objectives</th>
<th>Results and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of the future travel trends increases understanding of future demands in tourism business and finding directions of product development.</td>
<td>Studies on the subject were conducted in region’s universities. They gave a good overall picture of the future trends. They can be used as background information for product development in the future.</td>
</tr>
<tr>
<td>Digital trends in tourism and customer digital and mobile behaviors help managing future demands and improving communication and marketing strategies.</td>
<td>Studies were conducted in region’s universities. Understanding customer behavior in digital environment helped planning marketing strategies.</td>
</tr>
<tr>
<td>Joint cross-border activities aimed at discussing obstacles in cross-border co-operation and finding solutions to them.</td>
<td>Lots of data was collected for making a well-structured approach for tackling the problems related to cross-border traffic and other obstacles in cooperation.</td>
</tr>
<tr>
<td>Service Design was to be improved by creating 3-6 common themes in the VAE region to support tourism sales.</td>
<td>New cross-border travel packages were created in cooperation with foreign tour operators, and in networks between the VAE region’s companies.</td>
</tr>
</tbody>
</table>

Performance in the section Improving Accessibility

Improving Accessibility includes two main objectives: improving accessibility of the VAE region from outside the region, and improving accessibility within the region. Ensuring the availability of easily accessible flight connections can be seen as a precondition for any remarkable increase in the numbers of tourists. Accessibility within the region refers to local and regional transportation inside the VAE region, especially on cross-border level. Some of the activities are currently in development phase and some others have been prepared through statistical data collection and research related to using that data.

Clear results cannot be shown at this point. The VAE project may have had some impact on opening new flight routes but new flight connections are not results of any specific factor – it is a question of several
different factors together. Table 9 describes Activities, Objectives as well as Results and Outcomes of the VAE project related to the section Improving Accessibility.

**Table 9. The VAE projects performance in Improving Accessibility.**

<table>
<thead>
<tr>
<th>Activities and objectives</th>
<th>Results and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of potential volume of market area, and the accommodation capacity of affected airport area. Showing clear business cases to transport carriers.</td>
<td>Some analysis of transportation capacity and possibilities for improvements has been conducted. This activity is still in development phase and its results and outcomes can’t be evaluated yet.</td>
</tr>
<tr>
<td>Negotiations with flight companies, creating strategic partnerships and common actions in market areas. Finding partners to open the direct flights from selected market areas to Arctic Europe.</td>
<td>Number of flights has increased. This was not directly caused by project activities. However, growing numbers of travelers increase demand for flights. The VAE project may have had some impact to opening some new connections.</td>
</tr>
<tr>
<td>Negotiations with tour operators and transport carriers to create new travel chains in the Arctic Europe region to ease cross-border travel between destinations in the area, and from stations and airports to destinations and hotels.</td>
<td>Some measures were taken. Long distances and different rules in different countries make it difficult. Lots of data collection was made in order to analyze possibilities for planning future development activities, and for lobbying decision makers</td>
</tr>
</tbody>
</table>

**Performance in the section Product Development, Marketing & Communication**

Product Development, Marketing and Communication is the section with most visible results and outcomes. Most of its objectives have been reached and it’s results and outcomes of the successful activities are quite impressive. Growth in numbers of visitors and in numbers of overnight stays are remarkable, as well as those of new cross-border travel packages. This section depended strongly on the success of the section Functional Networking and Cooperation. Together they formed the part which brought quick results. A longer time is required to see any results or outcomes in sections R&D Activities, and Improving Accessibility.

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**Quotation from interviews**

“Destination design has been very successful.”

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Table 10 describes Activities, Objectives and Results of actions related to Part III: Product development, marketing and communication.

**Table 10. The VAE projects performance in Product Development, Marketing and Communication.**

<table>
<thead>
<tr>
<th>Activities and objectives</th>
<th>Results and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing packages across all seasons aimed at increasing cross-border cooperation and thus the competitiveness of project partners</td>
<td>Packages have been developed in cooperation of region’s companies and especially together with foreign tour operators. More than 50 cross-border packages have been created.</td>
</tr>
<tr>
<td>Low season business development targeted at facilitating and encouraging new products and packages to attract visitors to low and shoulder seasons.</td>
<td>Developing low season businesses has not been particularly successful. Some cooperation has been made for shared labor force in order to cut wage costs.</td>
</tr>
<tr>
<td>Trade events and workshops were planned to enable new international cross-border packages and introduce them to the markets.</td>
<td>Very good success in cooperation with international tour operators. More than 20 000 new visitors and 132 000 overnight stays as a result of the project. Over 160 new travel packages were created.</td>
</tr>
<tr>
<td>Roadshows were organized to reach local tour operators and travel agents and provide training and inspiration on products and concepts.</td>
<td>Instead of bringing the companies to the market areas the tour operators were brought to the VAE region to get in touch with local companies and products.</td>
</tr>
<tr>
<td>Point of Sale material was planned to create a base of information material to help inform and inspire trade and consumers.</td>
<td>Results are difficult to measure. Used only for specific purposes or regions. Marginal impact, low costs.</td>
</tr>
<tr>
<td>Promotional campaigns, advertising and digital media were used to raise awareness of the VAE region.</td>
<td>In smaller role than maybe expected. Promotional activities have been targeted mainly to tour operators and not that much to the public directly.</td>
</tr>
<tr>
<td>Press visits as well as articles and/or blog posts were planned to raise awareness and interest in the region.</td>
<td>Numerous press visits have lead led to positive publicity to the VAE project and to the region in general</td>
</tr>
</tbody>
</table>
Part IV: Efficiency and Effectiveness

The following paragraphs discuss Efficiency and Effectiveness of the Visit Arctic Europe project. Efficiency will be discussed very briefly, and effectiveness by its main sections in the same order as in previous parts of the project: (1) Functional networking and cooperation; (2) R&D Activities; (3) Improving Accessibility; and (4) Product Development, Marketing & Communication.

Efficiency

Efficiency means the project management’s ability to avoid wasting resources by working for the desired result. According to the 10 interviews of members of the Steering Group, the Working Group and the Arctic Team, the project’s efficiency has been good in relation to the results and outcomes of the VAE project. This evaluation did not include elements related to auditing or other tasks directly measuring financial issues. Therefore it relies on the comments and views of the above mentioned interviews.

Quotations from interviews

“In my mind the VAE project was cost-efficient – especially the work with foreign tour operators.”

“Different parts of the project have more accountable results then others – but in general is was efficient”

Effectiveness

Effectiveness refers to the degree to which objectives are achieved and the extent to which targeted problems are solved, without any reference to cost. In general, the level of effectiveness seems to be very good. In comparison to many other projects the Visit Arctic Europe project has achieved its objectives very well. Following paragraphs summarize the project’s activities and their efficiency in under its different sections.

Functional Networking and Cooperation

Objectives in networking between the companies were mainly reached, and the objectives of cooperation with foreign tour operators were clearly reached. All companies have not benefited from networking and cooperation as much as some others. However, clearly increased numbers of travelers offer new possibilities for all the tourism companies, even those who did not participate in the project. Numbers of participating companies and their new connections to domestic and Arctic partners and international tour operators are very high.
R&D Activities

Research and Development Activities of the VAE project have mainly taken place close to the end of the project period. The R&D activities have been conducted in a good and reliable way, and they seem to produce data which is useful for later stages of development of the Arctic Region. However, their impact is and will be very difficult to estimate. That is due to the fact that increasing knowledge almost never leads to direct changes. New information increases understanding, and the impact will arise in coming years and decades.

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Quotation from interviews

“In general, I think the VAE project has been successful and effective”

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Improving Accessibility

Just like in the R&D Activities, it takes a long time before the measures targeted at improving Accessibility will show some changes in the working environment of the companies. Accessibility of different locations may be changed through changes in road networks, creation of possibilities to commercial transportation, or changes in rules and legislation. This kind of changes take place very slowly, and the impact of an individual project is difficult to measure. Therefore the effectiveness of the measures taken to improve accessibility cannot be estimated.

Product Development, Marketing and Communication

Effectiveness of Product Development, Marketing and Communication in the Visit Arctic Europe project was impressive. The number of new products both at the national and cross-border levels was large, and marketing and communication activities led to a very functional and productive network of service providers in the Arctic Region and tour operators in the chosen market areas. As a result, the number of new travelers and their overnight stays was also remarkably high. Therefore it can be concluded that effectiveness of this part of the project was good, if not excellent.
Summarizing table

Following summarizing table brings us back to the original research questions of this work: how the Visit Arctic Europe project reaches its main objectives (See Chapter 1: Background). Table 11 presents the general objectives of the VAE project and short comments on each of them.

*Table 11. Summarizing table of the objectives and effects of the Visit Arctic Europe project (until the end of September 2017).*

<table>
<thead>
<tr>
<th>Objective</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>The VAE region will be an internationally renowned high standard single, Visit Arctic Europe travel destination.</td>
<td>Several international Tour Operators are now marketing the VAE region as one destination to its customers in chosen market areas mainly in the Benelux countries, the UK, and the German speaking Europe.</td>
</tr>
<tr>
<td>Strengthen cross-border cooperation between travel businesses in the VAE area.</td>
<td>The level of cooperation between travel businesses across the VAE area has grown, and the experiences are good (from the companies’ point of view)</td>
</tr>
<tr>
<td>Region’s tourism volume will increase, profitability and turnover of SMEs will grow.</td>
<td>Number of new visitors in the VAE area is over 20 000, and the number of their overnight stays is over 130 000. The project has had a strong impact to volumes of tourism in the region.</td>
</tr>
<tr>
<td>International expertise will be further strengthened.</td>
<td>International expertise grows together with the international networks. They are spreading inside Europe and most recently in Asia and North America.</td>
</tr>
<tr>
<td>Visit Arctic Europe area will be easily accessible in the future.</td>
<td>Number of flights to the airports of Arctic area has grown. This is not exactly a result of the VAE project. However, according to interviews, the project may have had an impact on the positive development.</td>
</tr>
<tr>
<td>Internal accessibility is developed, travelling in the area easy for travelers.</td>
<td>First measures to improve internal transportation have been taken quite recently. Any remarkable results cannot be expected in few years. Organizing new regional transportation networks will take time and require lots of discussions and lobbying decision makers.</td>
</tr>
</tbody>
</table>