

The Role and Effects of Visit Finland in the National Tourism Network

What kind of impact does funding Visit Finland have on the Finnish tourism industry?

Visit Finland is a crucial actor in the Finnish tourism network, with its activities significantly enhancing the network's efficiency, collaboration, and innovation capabilities.

This policy brief highlights the critical role of Visit Finland, a national tourism organization, in enhancing collaboration, innovation, and information exchange within Finland's tourism network. The brief is based on research conducted in "Metaverse Meets the Experience Industry" project (Business Finland, 2024-2026). We analyzed the websites and networks of Finnish tourism destinations using hyperlink network analysis. This brief presents the main results on the impact of Visit Finland's activities on the national tourism network and provides policy recommendations to strengthen these activities for improved network efficiency and innovation. The research suggests that the absence of Visit Finland would lead to significant fragmentation of the network, decreased innovation, and reduced information flow. This likely leads to a loss of competitiveness in the tourism sector, especially in the international markets. Therefore, it is imperative to ensure sustained support and strategic enhancements to Visit Finland's role in the national tourism ecosystem.

Metaverse meets the Experience Industry

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This brief is part of the Metaverse meets the Experience Industry (2023 – 2025) research project, funded by Business Finland (Dnro 4348/31/2023). More information: Juho Pesonen, juho.pesonen@uef.fi, + 358 40 184 2698.

Introduction

Visit Finland plays a crucial role in the Finnish tourism ecosystem, acting as a central node that connects various regional Destination Management Organizations (DMOs). The research reveals that Visit Finland significantly boosts collaboration among DMOs across the country, facilitating the exchange of information and fostering innovation. Given the challenges faced by the Finnish tourism industry, including the slow recovery from the COVID-19 pandemic and geopolitical tensions, the importance of a cohesive and efficient tourism network cannot be overstated.

Data/materials

We use Domain-Restricted BFS (Breadth-First Search) Scraping that starts with 64 Finnish DMOs, including Visit Finland, using homepages as seed URLs. These 64 DMOs represent all the main destinations developing international tourism in Finland. We collected all the links present on the homepages, and then divided the hyperlinks into internal and external link categories. Then we repeated the process until the fifth level of depth including the home page. We used this scraped data to create a network of Finnish DMOs. The external links are only kept in the main domain part as targeting nodes from the seed website. The frequency of links from the seed website to the external domain are counted as weights of the hyperlink network. We analyzed the dataset with network analysis with and without Visit Finland, measuring Overall Reciprocity, Global efficiency, Assortativity (region), Average Clustering Coefficient, Average Edge Betweenness, and Average Simmelian Brokerage in the networks. Visual presentation below helps to illustrate the descriptive statistics. The two networks are depicted in Fig 1 and Fig 2. Figure 1 shows the current network where Visit Finland plays a significant role in connecting tourism destinations from all over Finland together. Figure 2 shows that removing Visit Finland from the network puts emphasis on the regional clusters that hardly exchange information with each other.

Results

Without Visit Finland, the network's efficiency and innovation capabilities would drastically diminish, leading to fragmentation and a reduction in competitive advantage. Simulated removal of Visit Finland dramatically changes the topological characteristics of the network. The first effect of the removal is a fragmentation of the network that has strong influence on all the measurements. For what interests this study, we see that global efficiency almost cancels out, meaning that there is practically no more exchange of information or knowledge in the system. A second relevant outcome is the great reduction in the value of Simmelian brokerage that signals a significant drop in the capabilities of the network to foster that creativity and production of innovative ideas that so much mean for the positive development of the tourism system. The results also show that Visit Finland supports DMOs in Finland in adopting and using technology. Even though we simulated complete removal of Visit Finland, we can conclude that reducing funding will have similar effects, only smaller depending on the amount of reduction and allocation of remaining resources.

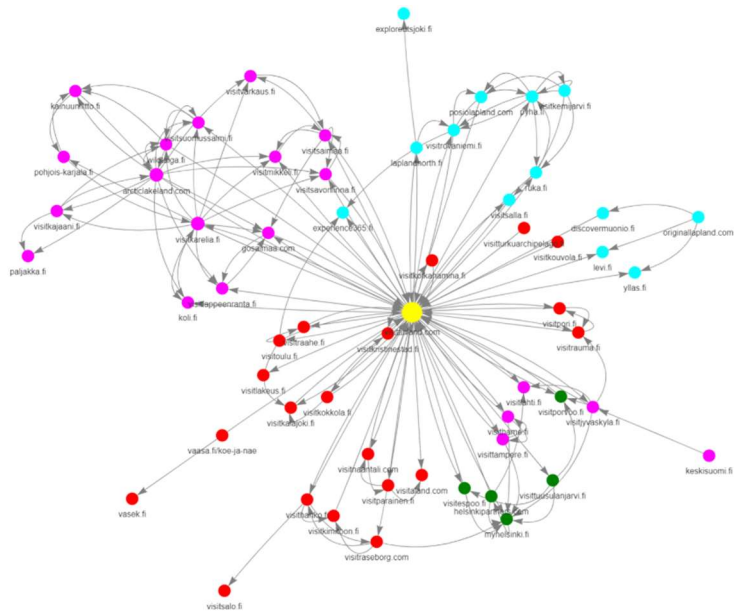


Fig. 1. DMO (Destination Marketing Organizations) network with Visit Finland (magenta=Lakeland, cyan=Lapland, green=Helsinki region, red=Coast and Archipelago)

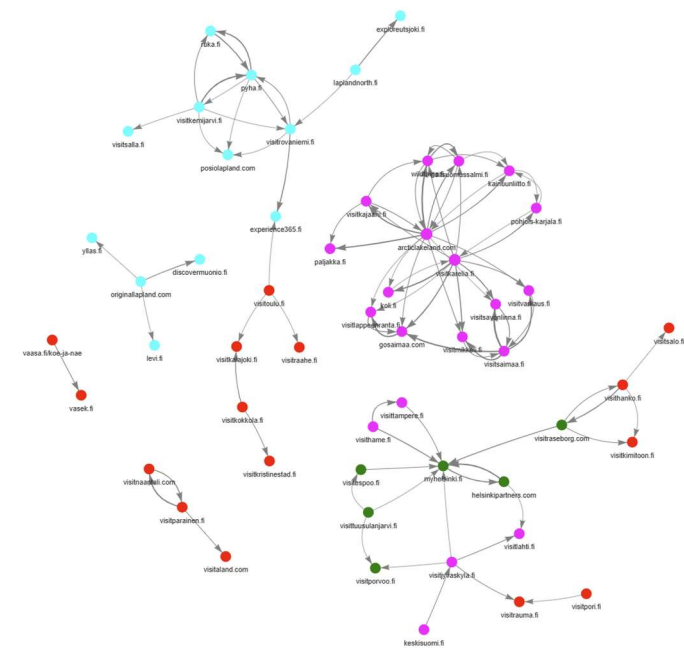


Fig. 2. DMO network without Visit Finland (magenta=Lakeland, cyan=Lapland, green=Helsinki region, red=Coast and Archipelago)

Challenges for innovation policy

The funding of Visit Finland is currently being reduced. The role of Visit Finland not only as a marketing organization but as a leader of tourism development in Finland is

The aim of Innovation and Growth Research funded by Business Finland is to find solutions to the global challenges of the Finnish economy and society.

not recognized adequately. There are several policy options with different kinds of outcomes.

1. **Maintain Current Support Levels:** Continue the current level of funding and support for Visit Finland, allowing it to sustain its role in the network without any major enhancements. This would ensure that the current benefits, such as increased collaboration and information flow, are maintained.

2. **Increase Funding and Expand Activities:** Provide additional funding to Visit Finland to expand its activities, particularly in digitalization and smart tourism. This would enhance its role in the network, further improving innovation and information exchange among DMOs. Tracking return-on-investments of marketing as well as in innovation capability domestically is crucial but doable, as the results of this study show.

3. **Shift Focus to Regional DMOs:** Reduce funding for Visit Finland and instead allocate more resources to regional DMOs. This would encourage more localized collaboration and innovation but might risk the overall cohesion of the national network.

4. **Reduce Visit Finland funding:** Visit Finland uses public funding and policy makers have the choice of reducing Visit Finland funding in case that funding is used more effectively somewhere else. The results show that Visit Finland is not only a marketing organization, but it has significant domestic impact for tourism across all regions in Finland.

Proposals for action

Based on the analysis, the recommended policy action is to increase funding and expand the activities of Visit Finland. This approach will strengthen Visit Finland's role as a central node in the national tourism network, enhancing collaboration, innovation, and the overall competitiveness of the Finnish tourism industry. Specifically, the focus should be on furthering digitalization and smart tourism initiatives, which are critical for maintaining a competitive edge in the global market.

Visit Finland is a crucial actor in the Finnish tourism network, with its activities significantly enhancing the network's efficiency, collaboration, and innovation capabilities. Strengthening Visit Finland's role through increased funding and expanded activities is vital for ensuring the long-term success and competitiveness of Finland's tourism industry.

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