

BEST PRACTICE: TALLINN, ESTONIA



Key Challenge

Seasonality of tourism.

Type of Solution

Stakeholder participation and management; Promotional campaigns; Investments in infrastructure and product development.

Case Classification

Type of Destination | Urban

Territorial Level | < NUTS 3

Size of the Tourist Area | 159.2 km²

Population | 437,811 in 2022

Type of Tourism | Cultural; City; Business; Gastronomy tourism.

Tourism organisation | DMO is a subdivision of the Tallinn Strategic Management Office, which is a 100% subsidiary of the City Administration.

Main Stakeholders Affected | Accommodations; Restaurants and bars; Event organisers; Other tourism service providers.

Additional Challenges Covered | Creating local added value through tourism; Changing consumer preferences towards more sustainability; Lack of knowledge and skills of tourism stakeholders.

Context & Background

Tallinn's tourism showed stable growth from 2010 to 2019 but has not yet fully recovered from the Covid pandemic and the loss of the Russian market (9-15%). In 2023, 1,581,255 arrivals (3,047,073 overnight stays) were recorded, with a peak in the summer months. Tourism contributed 6.3% to GDP in 2023.

Key Challenge

The strong seasonality particularly affects the city's accommodation sector. Many small, privately run accommodations have to close off-season due to a lack of income, causing inconsistent quality standards between low and high seasons. Other local tourism businesses are also experiencing economic pressure due to tourism seasonality.

Implementation of Solutions: To counteract seasonality and at the same time to fully exploit the city's tourism potential, a balance is sought between increasing the total number of tourists and the efforts to balance the seasons.

SOLUTIONS

- The [*Meetings, Incentives, Conferences and Exhibitions \(MICE\) industry*](#) is considered a highly effective market segment for mitigating the effects of seasonality in tourism. Tallinn positions itself as a small destination with good accessibility within the city. Between 2015 and 2019, there were between 3,500 and 4,000 conferences annually with 53 (domestic) and 75 (international) participants on average. Despite a decline due to the corona pandemic to 2,674 MICE activities in 2022, organising conferences during the low season remains a crucial strategy to combat seasonality.
- The wide range of [*innovative cultural events*](#) are another means of relieving the seasonal pressure taking place mainly out of season. Tallinn actively supports the organisation of large international events outside of peak season, such as the Black Nights Film Festival (since 1997) and Tallinn Music Week (since 2009). The city's main event in winter is the Christmas market, which attracts many families and single tourists.
- To promote the low season, the DMO launched a *campaign with Lonely Planet* from October to December 2017, showcasing Tallinn in winter. During the campaign, over 60,000 people visited the pages dedicated to Tallinn and Estonia on Lonely Planet's website, and the campaign reached over 3 million accounts through social media. This initiative was ranked as the second-best tourism campaign of the year at the Emerging Europe Awards. Today, regular marketing activities promoting the low season are carried out in [*cooperation with Visit Estonia*](#) because 70% of international visitors have Tallinn as their only destination in Estonia.
- In an advisory capacity, the DMO is in *regular contact with stakeholders* to help companies address seasonality in their business plans. Companies are finding different solutions, such as restaurants shortening their opening hours in the off-season and focusing more on catering, organisation of [*restaurant weeks*](#) in off-season twice a year, or accommodation providers designing weekly theatre or other cultural packages in the off-season. In addition, the Estonian market is increasingly being targeted as a market for concerts and sporting events in the lower-priced off-season.

Replicability potential: Very high (requires intense collaboration with the stakeholders).

Cost & funding source: Independent budget for marketing of approximately 0.5 million euros per year funded by the municipality, however Tallinn benefits greatly from the cooperation with the national DMO Visit Estonia.

Success Factors & Barriers Regarding the Implementation

Success factors: Diversification of tourism offer; Flexibility of a small destination (different solutions and new trends can be tested more easily); Already existing positioning as a sustainable destination to attract MICE tourism; Creative stakeholders; Perseverance and long-term vision, as seasonality cannot be solved in the short term.

Barriers: Many companies believe that seasonality is a problem that passes, but it repeats itself over years; Fewer opportunities to diversify tourism offer in a small destination.

Results and Impacts

- [Reels created during the Christmas market](#) (01.08.2023) generated more than 8 million impressions and reached 7.5 million accounts.
- Due to the increased tourist offer in low seasons and in winter, there were increases in hotel occupancy, for example to +36% in December 2023 compared to December 2022.
- More domestic tourists come to Tallinn in the off-season to attend the events (e.g. Jazz Festival) and to visit Tallinn.

Takeaways

- Managing seasonality takes time and requires a long-term vision.
- Each destination has its specificity that must be considered when looking for solutions to seasonality.
- Each source market and segment has its own needs and interests that must be considered and met when designing and targeting products.
- It is very important to have a plan for the off-season (a good way to develop this plan is through roundtables with stakeholders).
- An exclusive focus on generating more tourists can end up being less sustainable.

Useful Links

- [Visit Tallinn Professional](#) | [Visit Tallinn](#)
- [Visit Estonia for the Travel Trade professionals](#) | [Visit Estonia](#)

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