

IntelMedia Ltd.

Affirmed by
CEO
IntelMedia Ltd.

_____ A. Kozeichouk
September 27, 2019

EXECUTIVE SUMMARY
on the services aimed at the creation of the most effective model of
the cross-border cycling tourism on the territory of the Leningrad region
under the contract № 1263 dated August 12, 2019

**PART 5. Executive summary on the development of recommendations and
activities for cycle tourism growth in the Leningrad region**

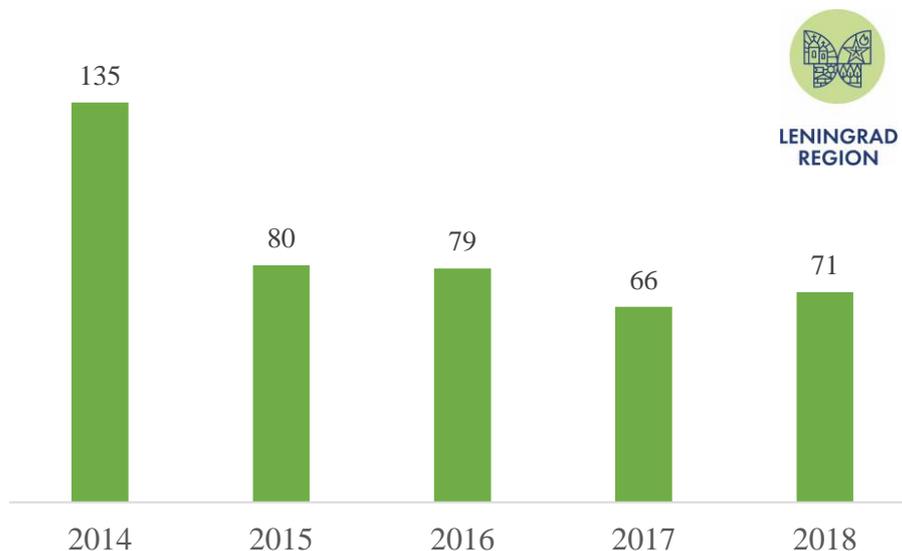
St. Petersburg
2019



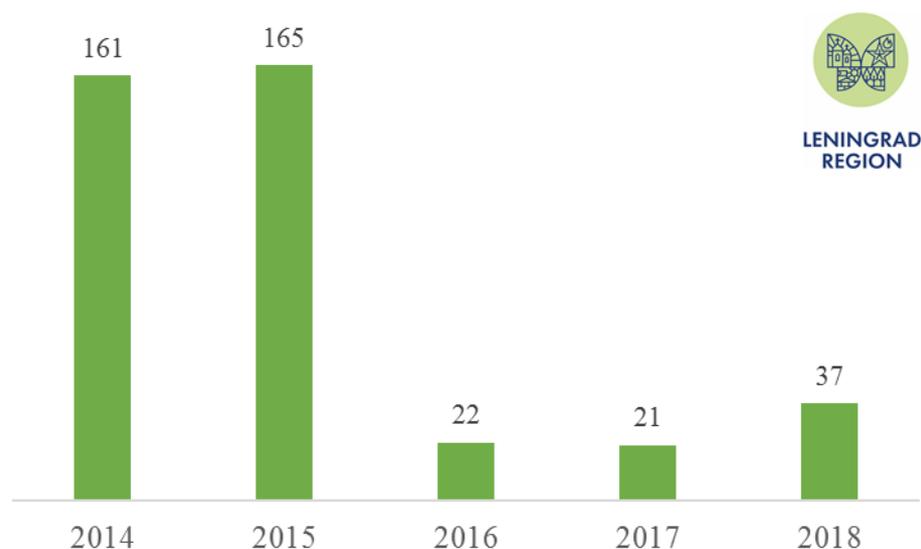
Within the project, recommendations and activities were developed for the cycle tourism growth in the Leningrad Region. To create a context for the development of recommendations, the following conclusions were made:

- ✓ Currently, the volume of tourist flows in the “cycle tourism” segment in the Priozersky and Vyborgsky districts of the Leningrad region remains at a negligible level. However, if measures are taken to develop cycle tourism, the border areas of the Leningrad region are able to demonstrate impressive volumes of the cycle tourists flow.
- ✓ The number of accommodation facilities in the border areas of the Leningrad region demonstrates a decline. In the Vyborgsky district, Vyborg city settlement accounts for almost 40% of all accommodation facilities. In the Priozersky district, accommodation facilities are distributed more evenly.

Amount of accommodation facilities in the Vyborgsky district of the Leningrad region, 2014-2018



Amount of accommodation facilities in the Priozersky district of the Leningrad region, 2014-2018



- ✓ The average annual occupancy of accommodation facilities in the Priozersky and Vyborgsky districts of the Leningrad Region is about 60%, which is comparable to St. Petersburg.
- ✓ More than 70% of the region's attraction facilities are in demand among cycle tourists. At the same time, statistics on attraction facilities' attendance in the Priozersky and Vyborgsky districts of the Leningrad region by foreign cyclists demonstrate a low interest of attraction facilities in targeting foreign cycle tourists. Thus, only a third of attraction facilities have foreign cyclists among their visitors.

The priority target segments in the cycle tourism market of the Priozersky and Vyborgsky districts of the Leningrad region

Segment	Brief description	Skills level	Level of requirements to the infrastructure	Capacity	Peculiarities
«Beginners»	People (often – families, retirees) who can ride a bicycle but have not enough skills for cycle routes of the Leningrad region	Low	High	Currently, zero capacity. In the future, subject to the infrastructure development – significant capacity	Willingness to pay for additional services, the target audience for travel companies
«Non-professional»	People with active lifestyle, not athletes. Cycling is a hobby. Often – healthy lifestyle advocates	Intermediate, upper-intermediate	Low, medium	Currently boasts significant capacity. In the future, subject to the development of infrastructure - further growth	Diversity of demand due to current multiplicity. Needs division into subsegments

Segment	Brief description	Skills level	Level of requirements to the infrastructure	Capacity	Peculiarities
«Professionals»	Athletes. Cycling is not just a hobby but a lifestyle. Associate themselves with cycling.	High	Low, medium	Small, less than 10%	May represent as cycle tourism ambassadors in the Leningrad region
Foreign tourists	Foreign tourists which either prefer cycling as the most interesting way of travelling or include bike trips in the program of a complex tour package	Any	High	Currently, the capacity is negligible. In the future, subject to the development of infrastructure – significant capacity	Higher purchasing power. Willingness to pay for additional services. Need for adaptation of the infrastructure. Target audience for travel companies

Segment	Brief description	Skills level	Level of requirements to the infrastructure	Capacity	Peculiarities
«Gourmet»	Russian tourists who are currently willing to travel abroad only	Any	High	Currently, zero capacity. In the future, subject to the infrastructure development, the growth due to transfer to the market of the Leningrad region	Higher purchasing power. Willingness to pay for additional services

Recommendations on optimizing existing tourist products and the possible development of the new ones

The recommendations are based on the results of an expert survey with representatives of travel companies developing and promoting cycle tourist products in the Vyborgsky and Priozersky districts of the Leningrad region.

Firstly, it should be noted that the vast majority of tourism industry experts believe that there is a need to develop new tourist products in the field of cycling in both Priozersky and Vyborgsky regions. It is expedient to focus on the development of the following tourist products:

- ✓ Theme cycle trips for several days. Tourist products related to local history, the history of relations between Russia and Finland (in particular, the period of the winter war), the history of the ethnic groups that inhabited these territories earlier (Korela fortress, etc.). For the Priozersky district - tourist products in conjunction with a visit to Valaam and the northern shore of Ladoga Lake;
- ✓ One-day cycle trips, easy one-day cycle routes with an opportunity for rental and a picnic on the road;
- ✓ Two-day programs with an emphasis on the history of the region, the study of inaccessible natural objects; weekend bike trips,
- ✓ Multi-tours (combination of cycle tourism and water, pedestrian and other types of tourism); etc.

When optimizing the existing tourist products and developing new tourist products, it is important to take into account the following:

- ✓ the demand for auto escort services. For example, a cyclist needs to carry heavy luggage along the route. In addition, in the Vyborgsky district there is a demand for the delivery of cyclists from the station to the border;
- ✓ the demand for cycle rental services;

- ✓ the potential interest in the linear routes laid from one city to another (when a tourist needs to get from one hotel in one city to a hotel in another city and so on);
- ✓ the potential for cooperation of the Vyborgsky and Priozersky districts of the Leningrad region in order to create joint products (for example, Priozersk - Sortavala - Valaam - Priozersk);
- ✓ the need to add an active component to the tour package (picnic, visit to the zoo or farm, etc.)
- ✓ fragmentation of routes.

Recommendations on the priority tasks for creating tourist infrastructure for the identified key routes and possible solutions based on best practices

Recommendations on the priority tasks for creating tourism infrastructure are based on the results of an expert survey with representatives of travel companies developing and promoting cycle tourist products in the Vyborgsky and Priozersky districts of the Leningrad region, as well as representatives of SMEs in tourism and hospitality industry and managers of attraction facilities operating in these districts.

As the survey revealed, the main infrastructure tasks for the development of cycle tourism in the border areas of the Leningrad region include:

- ✓ increasing the safety of cycle tourism;
- ✓ developing the approved cycling routes;
- ✓ popularization of Priozersky and Vyborgsky districts of the Leningrad region as destinations for cycle tourism
- ✓ creating of a network of cycle paths.

Recommendations on the replication of best international practices in the development of cycle tourism in the Priozersky and Vyborgsky districts

The summarized list of recommendations for replicating the best international practices in the development of cycle tourism includes the following activities:

- ✓ Development of a strategy for growth and improving the coordination in cycle tourism industry (in terms of marketing strategy, monitoring, etc.)
- ✓ Increasing involvement of government bodies in the development of cycle tourism. Collaboration and partnership with SMEs (including public private partnership model);
- ✓ Active interaction with cycling communities;
- ✓ Solution of the infrastructure problems such as the development of a network of roads adapted to the needs of cyclists, road repair and timely replacement of road surfaces, land use planning, the creation of a network of green parking lots etc.;
- ✓ Development of route taking into account the recommendations on the optimization of existing tourism products and the creation of new tourist products. Increase in the awareness of cyclists on the benefits of traveling these routes;
- ✓ Strengthening the integration of the cycle tourism industry and public transport: launch of a hop-on / hop-off bus for passengers with bicycles, launch of buses equipped for bicycles transporting, introducing a free-of-charge bicycle carriage for the rail transport etc.;
- ✓ Implementation of information technologies: development of adequate mobile applications that would help cyclists plan their bike trips more easily;
- ✓ Development of a destination brand of the Leningrad region in the cycle tourism market: not just creating a brand, but developing a strategy for its growth, a communication policy for targeting various segments (professionals, beginners, etc.).

- ✓ Development and implementation of a quality system for services in the field of cycle tourism (bike-friendly, cyclist-friendly). Support for enterprises in implementing bike-friendly standards implementation programs (expanding the range of services aimed at meeting the needs of cyclists, etc.).