

IntelMedia Ltd.

Affirmed by
CEO
IntelMedia Ltd.

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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 1. Executive summary on the survey of the cycling communities'
representatives (cycling tourists) carrying out their programs (trips)
in Vyborg and Priozersky districts of the Leningrad region

St. Petersburg
2019



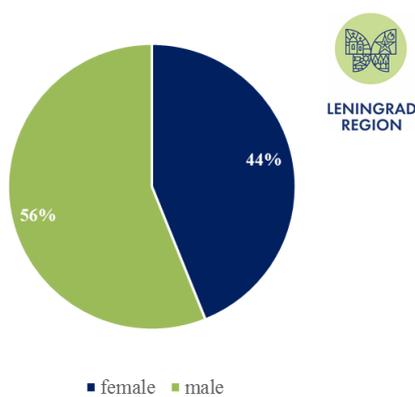
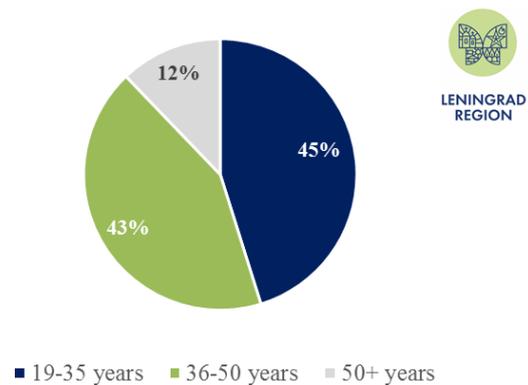
Within the project a survey of cycling communities' representatives (cycling tourists) carrying out their programs in Priozersky and Vyborgsky municipal districts of the Leningrad region was conducted.

IntelMedia company interviewed 239 representatives of the cycling communities (cycle tourists) carrying out their programs (trips) in the Priozersky and Vyborgsky districts of the Leningrad region. The sample included representatives of the following cycling communities of St. Petersburg, the Leningrad region and Russia:

- ✓ Baltiiskaya zvezda (<http://balticstar.spb.ru/>),
- ✓ Peterburgskoye velosoobshchestvo (https://vk.com/bikes_spb),
- ✓ VeloPiter (<http://velopiter.spb.ru/>),
- ✓ Velomatras (<http://velomatras.com/>),
- ✓ BikeTeam St.Petersburg (<https://vk.com/biketteamspb>),
- ✓ Velosipedizatsia (<https://velosipedization.ru/>),
- ✓ Rusvelos (<http://rusvelos.ru/>),
- ✓ VeloLGBT (<http://velolgbt.ru/>),
- ✓ Bike Friendly (<https://vk.com/bikefriendly>),
- ✓ Let's bike it! (<https://letsbikeit.ru>),
- ✓ I Love Supersport St. Petersburg (<https://spb.ilovesupersport.com/>),
- ✓ other.

In general, the following conclusions were made basing on the results of the survey of cycling communities' representatives (cycling tourists) implementing their programs in the Priozersky and Vyborgsky municipal districts of the Leningrad region:

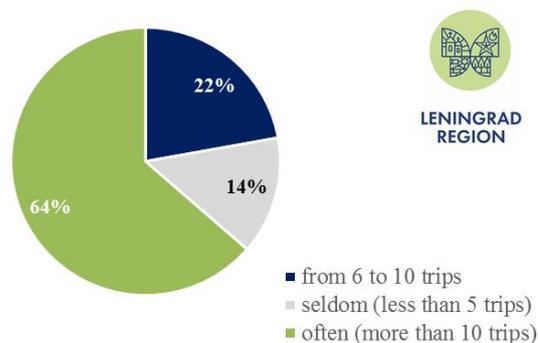
✓ Currently, the target audience of the bicycle tourism industry in the Leningrad region differs from foreign markets. In particular, while in the European countries the core segment is represented by cycling tourists aged 50+, the cycling tourism of the Leningrad region is dominated by people younger than 50.

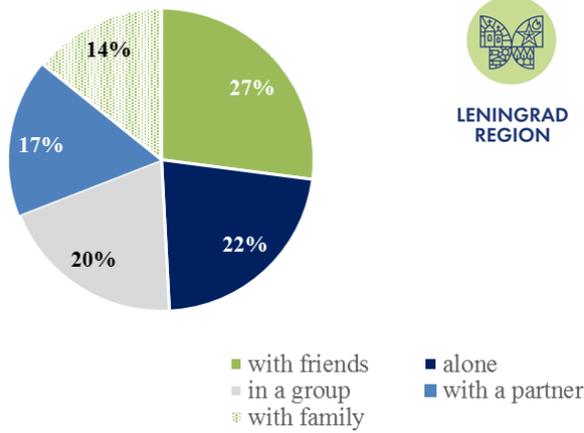


✓ Men more often travel by bicycles in the Leningrad region than women. However, in terms of volume, the segment of male audience does not exceed the female one significantly.

✓ Cyclists of the Vyborgsky and Priozersky districts of the Leningrad region are mainly people with a higher (or incomplete higher) education; specialists and managers. Thus, the core of the target audience in the cycling tourism market is represented by successful people who have reached a certain professional status. Marital status and the presence / absence of children are not significant criteria in terms of the target audience identification.

✓ Cycling tourists of the Vyborgsky and Priozersky districts of the Leningrad region travel quite actively, making more than 10 trips per season. Thus, currently the cycle tourism industry boasts not only latent, but also an established, sustainable demand.





✓ Cycle tourists travel both with friends and alone, slightly less often – in a group, with a partner or with their family. Thus, various types and packages of services targeted at different segments (families, individual consumers, etc.) are potentially in demand.

✓ The most popular option for organizing trips among cycle tourists is independent, which indicates an extremely low level of penetration of travel agencies in the cycle tourism market. Cycling trips are perceived by a significant part of the target audience as a purely unorganized type of tourism. To some extent, this can be explained by the lack of organized cycle tourism popularization from travel agencies, as well as the lack of an adequate supply on the market.

✓ Among cycle tourists, cyclists with an intermediate and upper-intermediate skill level dominate. Professionals, cyclists with a high skills level make up less than 10% of the total amount of cycle tourists. Thus, the cycle tourism industry in the Leningrad region is not an industry of sports professionals but a field of activity accommodating consumers with different skill levels. Beginners represent an important segment for travel agencies organizing bike tours.

✓ Currently, despite the lack of adequate infrastructure for cycling, the vast majority of cycling tourists travel in St. Petersburg, the Leningrad region and Russia. The share of consumers who are not ready for cycle trips in the domestic market is small, namely less than 5%. The results of the survey demonstrate the need to struggle for a narrow but solvent segment (4%), which currently refuses to make bike trips around Russia in favor of foreign cycle tours.

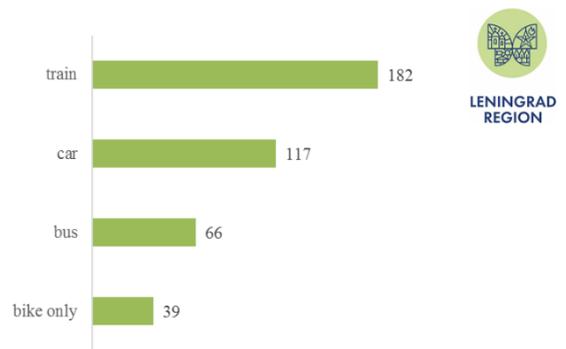
- ✓ Considering the Priozersky and Vyborgsky districts as destinations for cycling, more than 60% of cycle tourists choose these areas for travel more often than other areas of St. Petersburg and the Leningrad region. The demand for these destinations is three times higher than the demand for other areas of the Leningrad region in terms of cycle tourism.
- ✓ The main motives for cycle tourists in the Leningrad region include the opportunity to enjoy the beauty of nature, to see new places, the possibility of active environmental recreation. From this point of view, the motivation of cycle tourists traveling in the Leningrad region is similar to the preferences of cyclists abroad. Sightseeing is important, but to a small extent (due to the frequent lack of time due to the need to overcome a certain distance during the day). As well as abroad, a cycle tourist of the Leningrad region is not inclined to perceive cycling as fitness. The only significant difference between cycling tourists of the Leningrad region and foreign cycle tourists is that while in foreign practice challenge is the key motive, it is relevant for less than 40% of cycle tourists of the Leningrad region.
- ✓ The criteria most important for cycle tourists when choosing destinations include: the diversity and attractiveness of the environment (cleanliness, panoramic views), the quality of infrastructure (in terms of cycle paths, cycle routes, availability of an information center and signs), attractions and safety.
- ✓ Over 67% of cycle tourists are exactly tourists, i.e. they stay overnight in hotels and other accommodation facilities (respectively, only 33% of cycle tourists can be attributed to excursionists). Thus, currently there is an established demand for hotel infrastructure generated by cycle tourists of the Leningrad region.

- ✓ Campsites represent the most popular accommodation facilities among cycle tourists, being lagged far behind by hostels and hotels. Thus, the demand for accommodation services focuses mostly on the low and medium price segments. Taking into account the current hotel infrastructure in the Vyborgsky and Priozersky districts, it is possible to draw an evident conclusion about the lack of such accommodation facilities as campsites, hostels and hotels (primarily 3-star hotels). Shower, price and proximity to the route represent the key criteria when choosing accommodation facilities during a bike trip in the Leningrad region.
- ✓ The most demanded services necessary during cycle trips are food retailing (a grocery store), sale of water, toilets and catering.
- ✓ Despite the fact that the majority of respondents prefer to buy food in a store on the route or take food with them, still more than 20% of respondents consume the catering facilities services during a cycling trip, which indicates a demand for catering infrastructure
- ✓ When choosing catering facilities, the key criteria for cycle tourists in the Leningrad region are price, quality of food products and meal, proximity to the main route and sanitary conditions. As in case of accommodation facilities, the democratic catering options such as fast food, cafe at gas stations etc. boast the highest popularity among cycling tourists of the Leningrad region. On one hand, it indicates the demand for quality catering services in the low price segment, and on the other, - the need to popularize cycle tourism among the consumers with higher level of purchasing power (cycle tourists who currently prefer cycling abroad rather than in the Leningrad region).

- ✓ Most respondents use the “train + bike” option to arrange cycling trips.

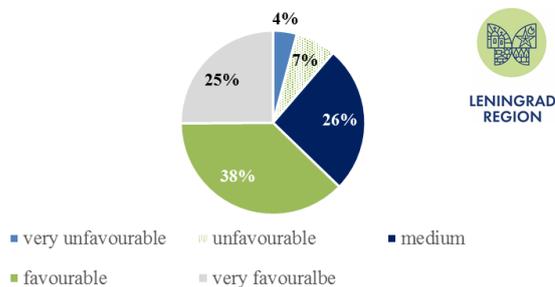
Thus, suburban railway transports are an essential element of the cycle tourism infrastructure of the Leningrad region. In this regard, it may be concluded that for the

development of cycle tourism in the Vyborgsky and Priozersky districts of the Leningrad region, railway is to be adapted to the needs of cyclists. During the survey, respondents repeatedly mentioned the need to create cycle carriage in the suburban trains of the Leningrad region.

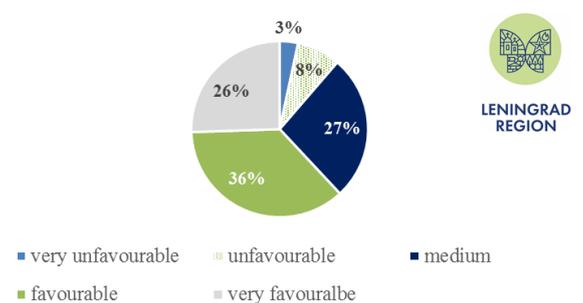


- ✓ The survey participants were highly optimistic about the prospects for the development of cycle tourism in the Vyborgsky and Priozersky districts of the Leningrad region.

Prospects in the Vyborgsky district



Prospects in the Priozersky district



- ✓ Основные факторы, сдерживающие развитие велотуризма в Приозерском и Выборгском районах Ленинградской области, - нехватка велодорожек, отсутствие культуры велотуризма в Ленинградской области и отсутствие утвержденных веломаршрутов.
- ✓ The main factors hampering the development of cycle tourism in the Priozersky and Vyborgsky districts of the Leningrad region are the lack of cycle paths, a cycle tourism culture in the Leningrad region and the lack of approved cycle routes.