



FOREIGN TRAVEL PROFESSIONAL SURVEY ABOUT ICELAND TOURISM

September 2018

Fieldwork summary

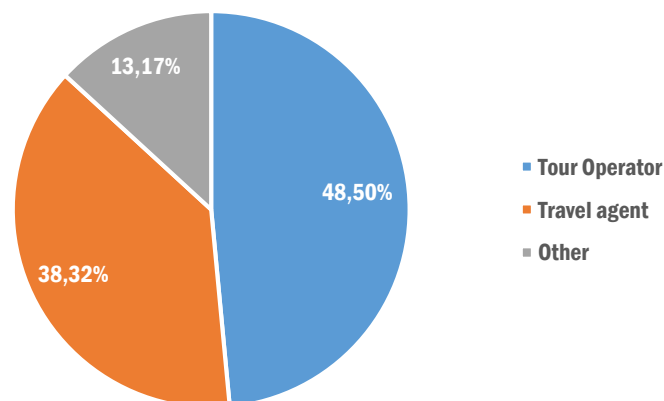
Promote Iceland carried out an attitude survey in July and August 2018 amidst foreign travel professionals that sell tours to Iceland. Their outlook on the development of Icelandic tourism and prospects regarding sales of tours to Iceland were surveyed. A comparable survey was carried out in January 2018, June 2017 and December 2016*. The survey was sent by email to over 4000 travel professionals that sell tours to Iceland, 167 of whom took part in it.

Fieldwork period: July and August 2018

Methodology: Online Survey

Sample: Foreign tour operators that offer tours to Iceland

Proportional breakdown of tour operators by categories:



Started survey	Completed survey	Proportion of valid answers
167	146	87,43%

Market Area	Country	Number	Proportion	
N-America (59 answers)	Canada	14	8,38%	
	United States	45	26,95%	
Central and Southern Europe (62 answers)	Austria	1	0,60%	
	Belgium	1	0,60%	
	France	4	2,40%	
	Germany	16	9,58%	
	Italy	9	5,39%	
	Netherlands	16	9,58%	
	Portugal	1	0,60%	
	Spain	9	5,39%	
	Switzerland	5	2,99%	
Nordic countries (9 answers)	Denmark	7	4,19%	
	Finland	1	0,60%	
	Norway	1	0,60%	
British isles (27 answers)	Ireland	1	0,60%	
	United Kingdom	26	15,57%	
Other countries (10 answers)	Australia	1	0,60%	
	China	1	0,60%	
	Hungary	1	0,60%	
	India	1	0,60%	
	Lithuania	1	0,60%	
	Malasia	1	0,6%	
	Poland	2	1,20%	
	Russia	2	1,20%	
	Total		167	

*Varies in timings of the surveys may reduce comparability of the results

Main findings

This survey indicates that the status of bookings of tours to Iceland in the year 2018 has changed, compared to previous year, just as the prospects for the coming winter season. Overall the status is similar from one market area to another, but individual countries stand out.

Looking at the status of bookings of tours to Iceland this year compared to same time last year a certain shift seems to have taken place as proportionally more participants say their booking status is worse than before. Prospects for bookings this winter season seem slightly better than for the year as a whole, and therefore align with the growth in tourism in the winter months.

As previously participants mention how **trendy the destination** is (18%), the **destination's safety** (16%), **increased air connections** (12%) and **marketing** (10%) as the main positive factors to move Icelandic tourism forward. On the other hand the **price level** (28%) was most often mentioned as a negative factor followed by **availability of service from local suppliers** (14%), **growth in tourism in Iceland** (13%) and **competing destinations** (10%).

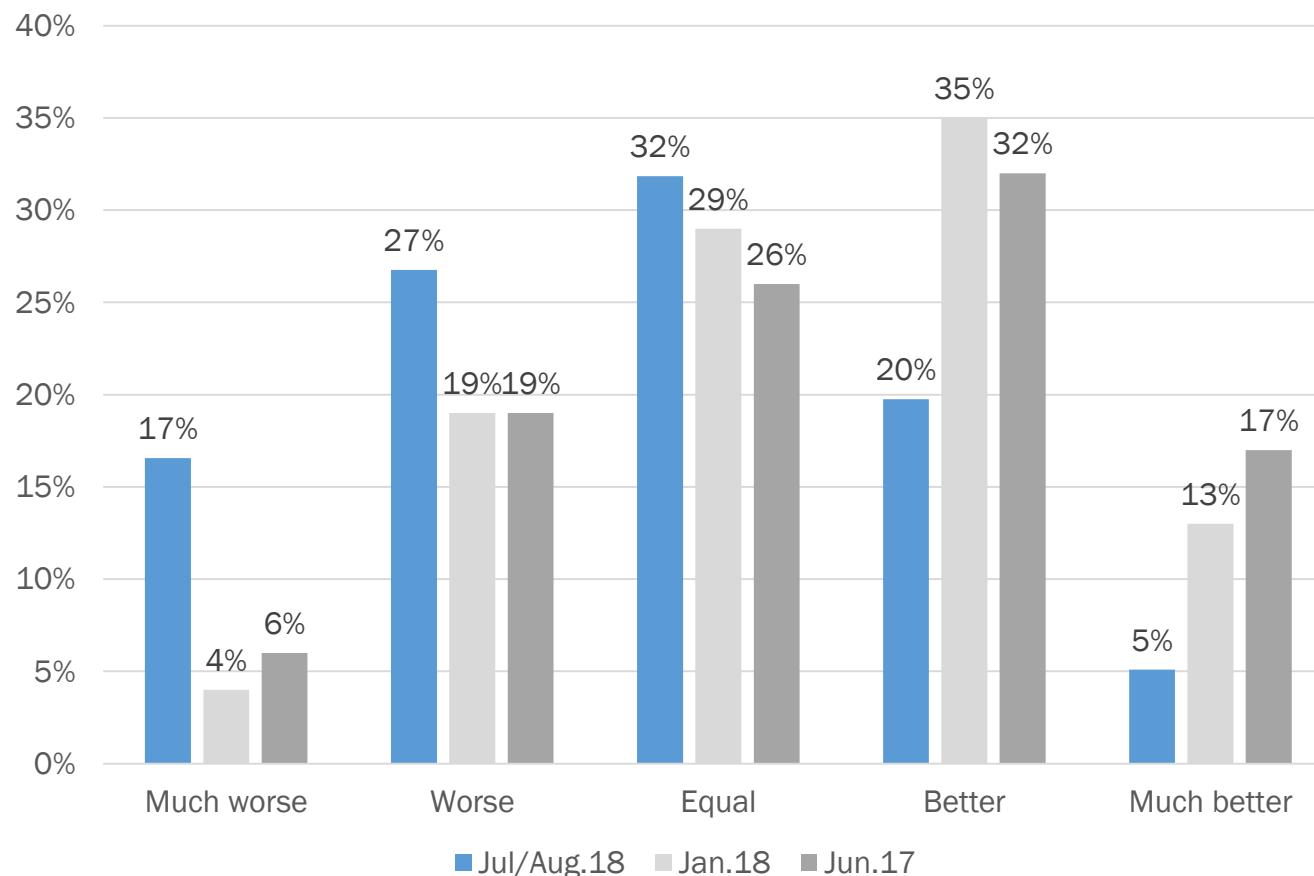


Tour bookings to Iceland in 2018

57% of participants reported similar or increased number of bookings to Iceland in 2018 compared to 2017

(-20% from the survey in January 2018 and -18% from the survey in June 2017)

Compared to this time last year, how are the number of bookings with arrivals to Iceland this year for your company?



Bookings to Iceland in 2018

Market breakdown

Although the majority of participants reported similar or better booking status for 2018, compared to same time last year, there were for the first time proportionally more participants that reported negative booking status than positive for 2018.

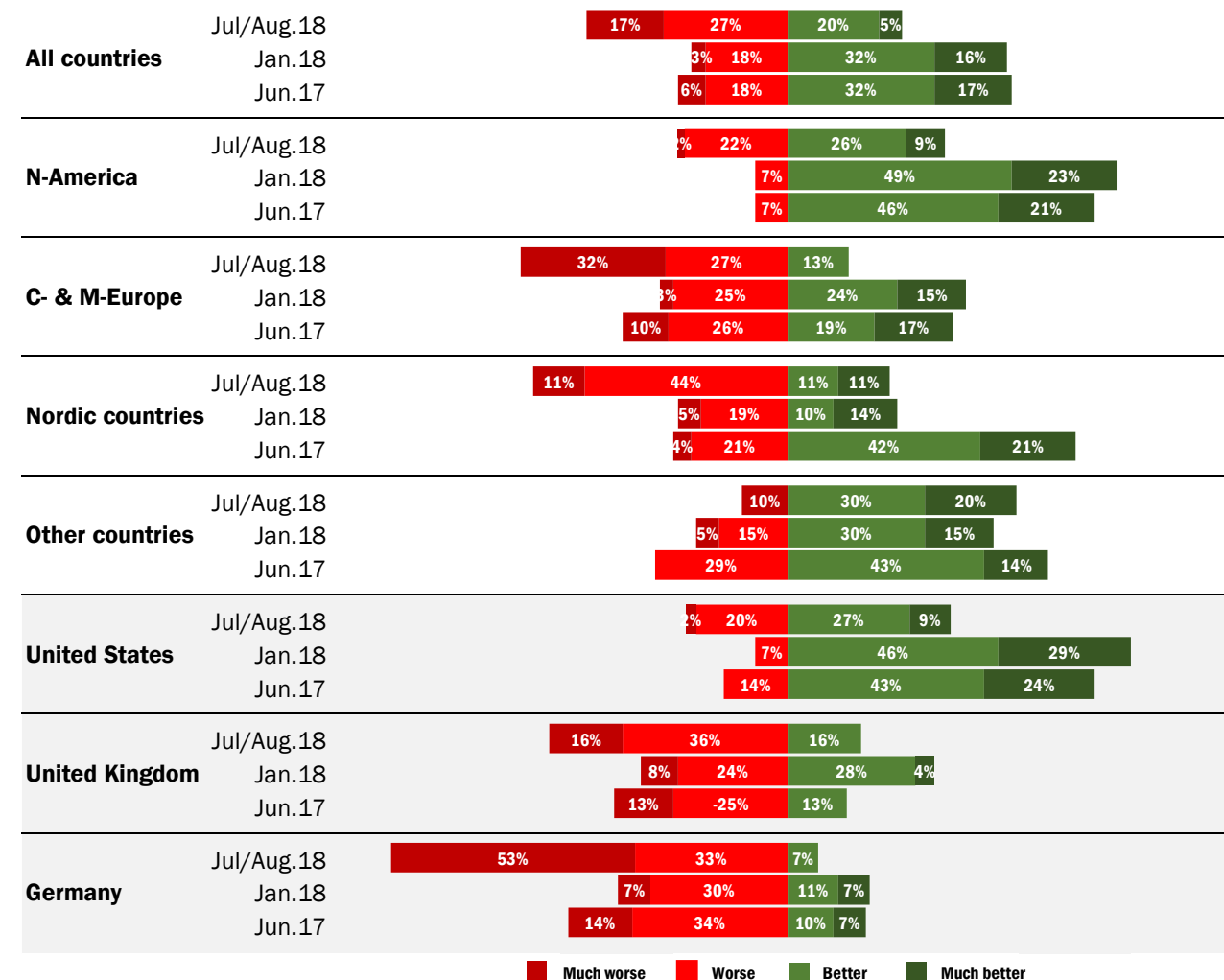
Participants from Central and Mid-Europe, Nordic countries and the United Kingdom were more pessimistic than other participants.

On the positive side participants from the United States stand out, as 78% of them reported similar or better bookings status than previous year. Digging into these findings it's worth noting that of those, there were still proportionally fewer participants that reported better booking status than in previous surveys.

The worsening booking status in Central and Mid-Europe can largely be explained by the booking status reported by participants from Germany. Only 14% of German participants reported similar or better booking status this year compared to same time last year. The proportion of those that report worsening booking status stands out as there's a considerable increase from previous surveys.

Proportionally more participants from the Nordic countries and United Kingdom also reported worse booking status than better, compared to same time last year. Although this ratio has increased from previous surveys the increase is not as great as the reports from Germany indicate.

Compared to this time last year, how are the number of bookings with arrivals to Iceland this year for your company?

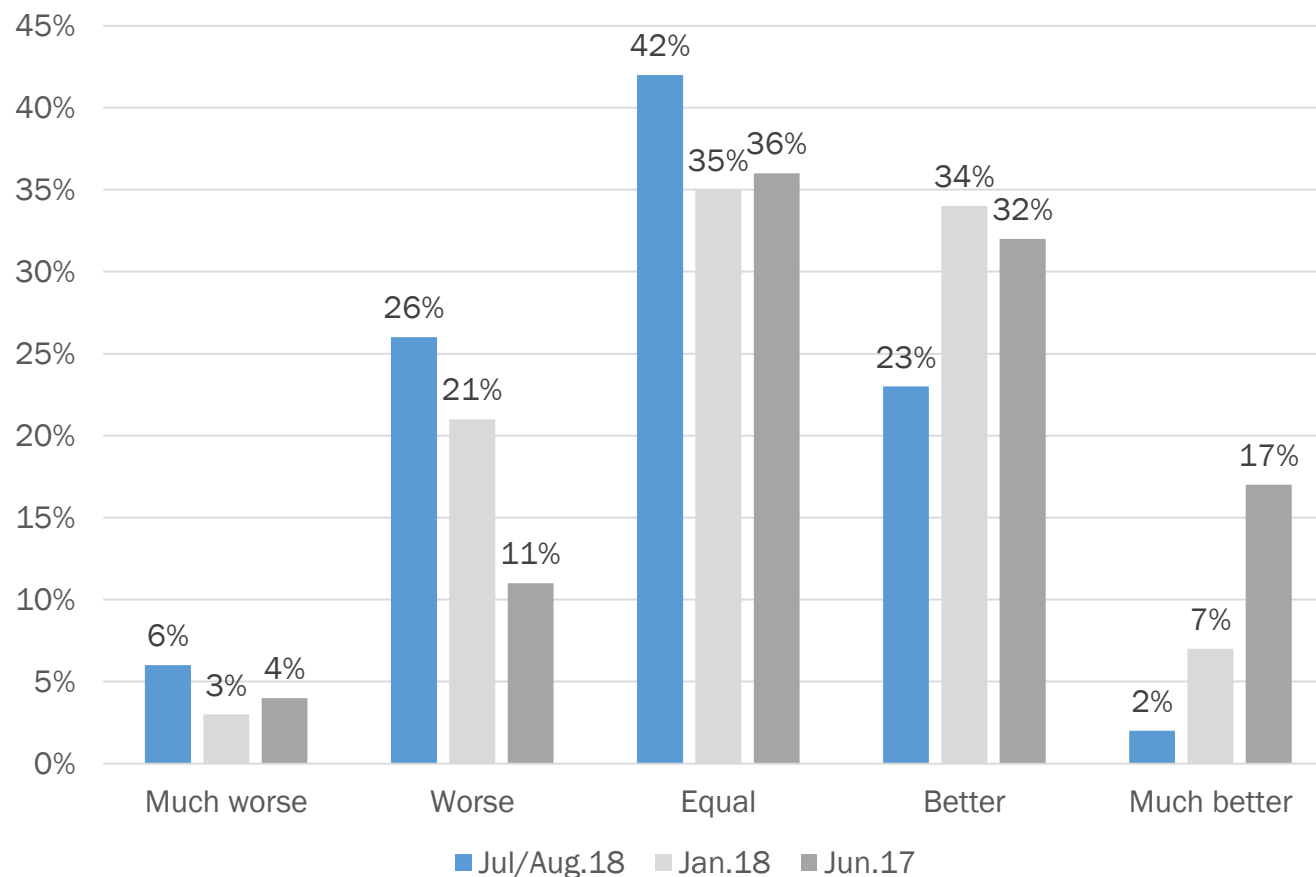


Expectations about bookings to Iceland in winter 2018/2019

67% of participants reported equal or better number of bookings to Iceland in winter 2018/2019

(-9% from last survey in January 2018 and -18% from last survey in June 2017)

Compared to last winter season, what is your company's prospects for bookings to Iceland with arrivals next winter season?



Expectations about bookings to Iceland in winter 2018/2019

Market breakdown

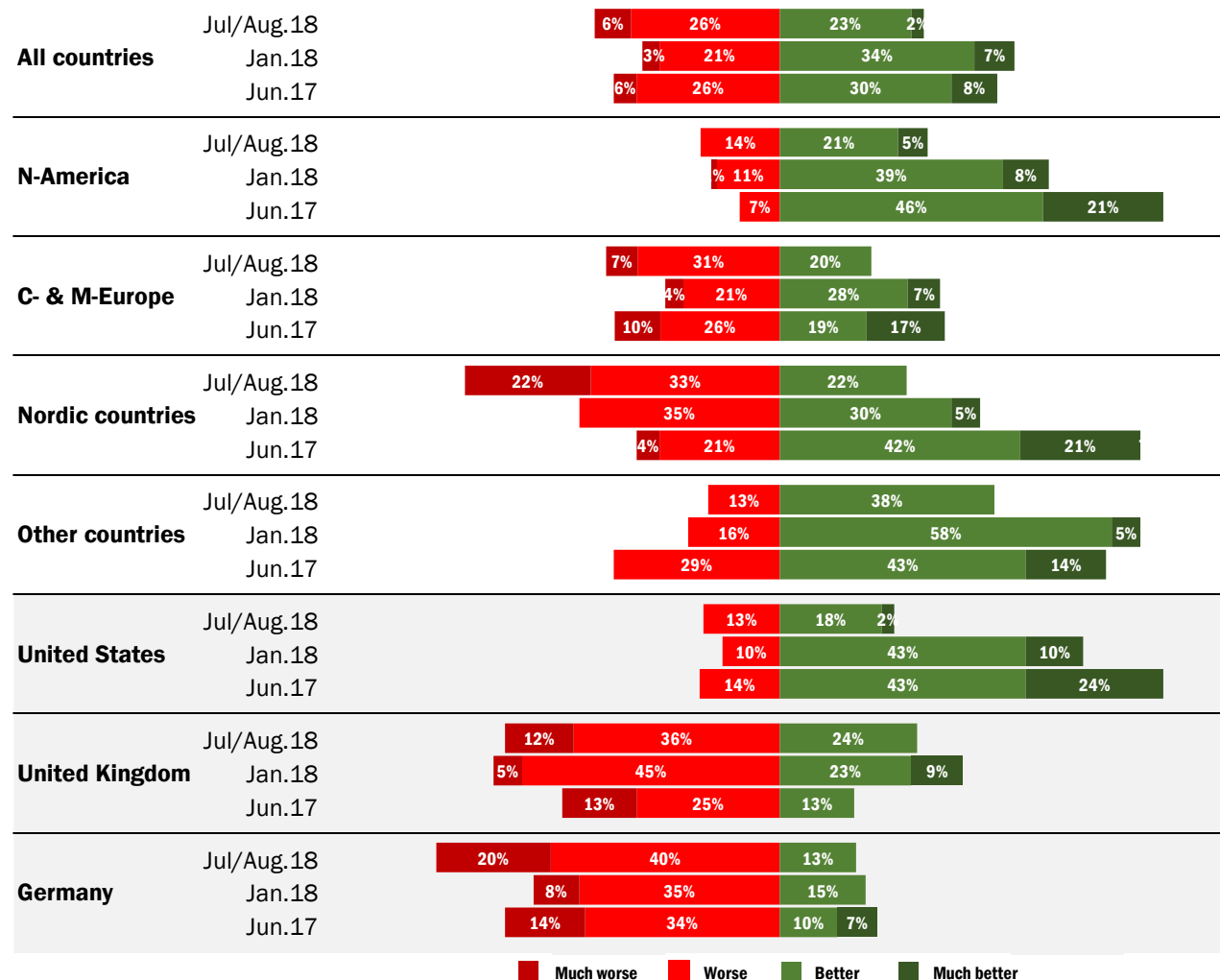
Overall it's clear that the expectations about bookings to Iceland this winter season follow a similar trend as the bookings for the year 2018. The expectations are not as high as they were in previous surveys, as more participants reported about negative than positive bookings compared to same time last year. As proportionally more participants reported about similar booking status the expectations are though higher for the coming winter season than for 2018, or 67% compared to 57%.

The responses from participants from Mid and Central Europe, the Nordic Countries and United Kingdom continue to differentiate from the responses from participants from North America and "other countries".

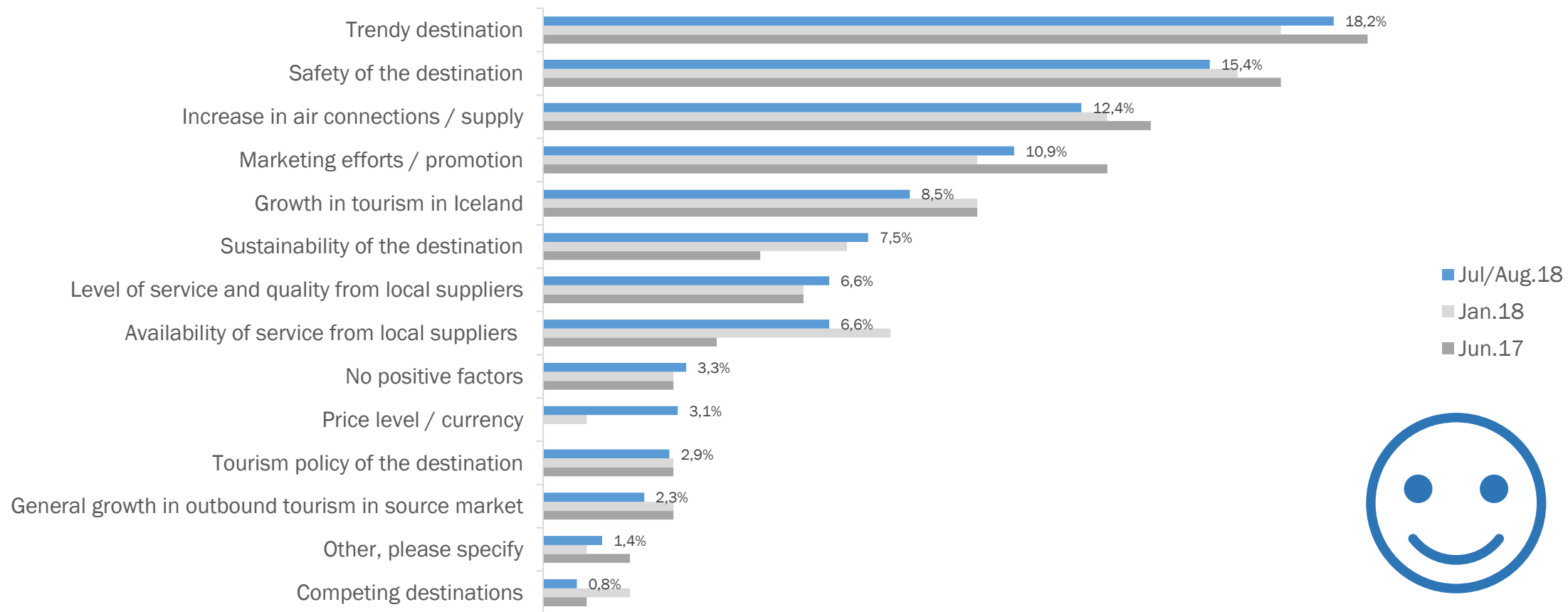
Although proportionally fewer participants from the United States reported increased bookings than before the proportion of those that report worsening booking status has not grown in the same vein. The expectations about similar bookings have also grown considerably among participants from "other countries" compared to previous surveys, which explains why proportionally fewer participants reported about both increased and decreased expectations compared to previous surveys.

Promotionally more participants from the United Kingdom and Germany reported about worse booking status for the coming winter season than in previous surveys. These findings are though not as negative as the reported booking status for these markets for the year 2018 as proportionally more expect similar booking status as previous year.

Compared to this time last year, how are the number of bookings with arrivals to Iceland this winter season for your company?



Top positive factors for the development of tourism in Iceland



Question: In your opinion, what are the top five positive factors for the development of tourism in Iceland this year? (Please select up to 5 factors); Marketing efforts / promotion, Safety of the destination, Increase in air connections / supply, Sustainability of the destination, Tourism policy of the destination, Trendy destination, Price level / currency, Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.), Level of service and quality from local suppliers, Growth in tourism in Iceland, General growth in outbound tourism in source market, Competing destinations, Other, please specify

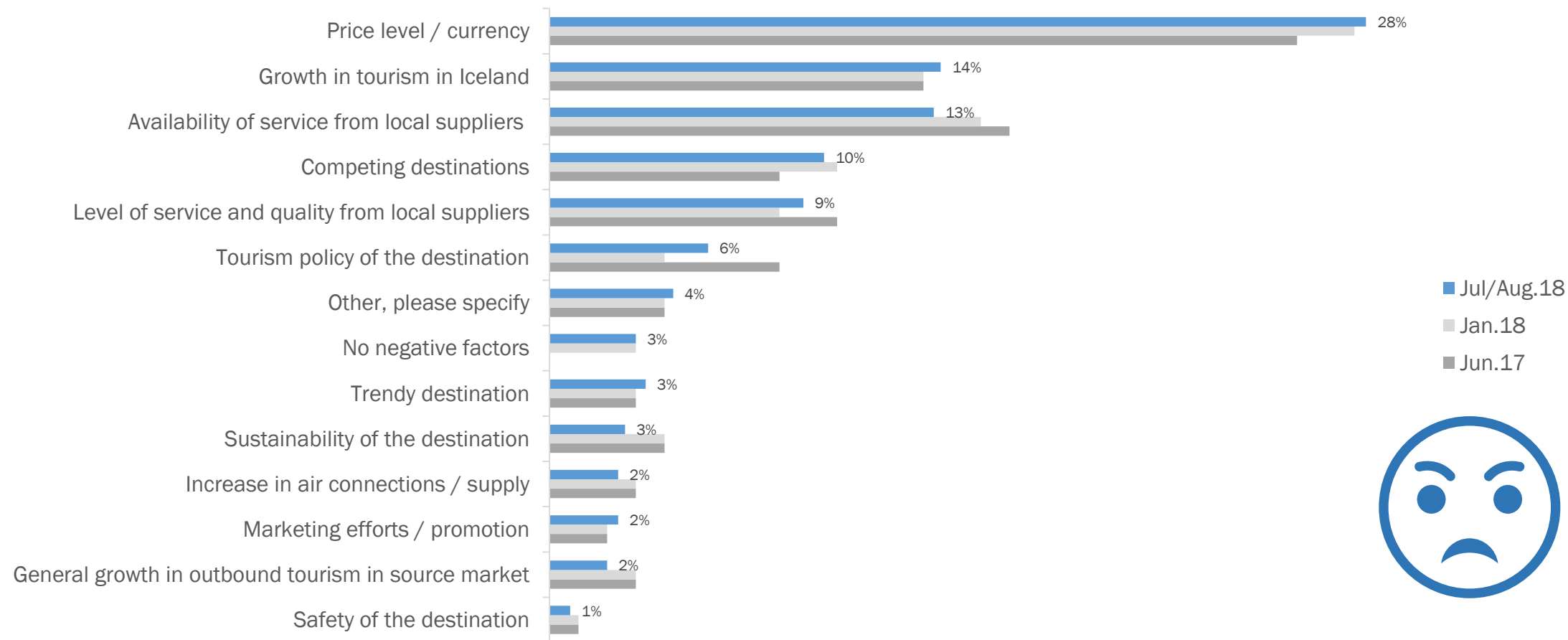
Top positive factors for the development of tourism in Iceland

Market breakdown

	All countries	N-America	Central & S-Europe	Nordic countries	Other countries	United States	United Kingdom	Germany
Trendy destination	18,23%	16,97%	19,53%	16,67%	20,00%	17,65%	18,75%	17,14%
Safety of the destination	15,36%	14,68%	18,34%	16,67%	6,67%	13,53%	13,75%	25,71%
Increase in air connections / supply	12,48%	14,22%	10,65%	8,33%	10,00%	14,12%	13,75%	8,57%
Marketing efforts / promotion	10,75%	11,01%	10,06%	12,50%	13,33%	10,59%	10,00%	8,57%
Growth in tourism in Iceland	8,45%	11,01%	4,14%	4,17%	16,67%	11,76%	8,75%	0%
Sustainability of the destination	7,49%	6,88%	10,65%	4,17%	3,33%	6,47%	5,00%	5,71%
Availability of service from local suppliers	6,72%	5,96%	7,69%	8,33%	3,33%	6,47%	7,50%	11,43%
Level of service and quality from local suppliers	6,53%	5,96%	4,14%	12,50%	10,00%	5,88%	10,00%	2,86%
No positive factors	3,45%	0,46%	8,28%	4,17%	3,33%	0%	1,25%	14,29%
Price level / currency	3,26%	5,50%	1,78%	4,17%	0%	6,47%	1,25%	0%
Tourism policy of the destination	2,88%	3,67%	2,37%	0%	3,33%	4,12%	2,50%	2,86%
General growth in outbound tourism in source market	2,30%	1,83%	1,18%	4,17%	6,67%	1,18%	3,75%	0%
Other, please specify	1,34%	0,92%	1,18%	4,17%	0%	1,18%	2,50%	2,86%
Competing destinations	0,77%	0,92%	0%	0%	3,33%	0,59%	1,25%	0%

Question: In your opinion, what are the top five positive factors for the development of tourism in Iceland this year? (Please select up to 5 factors); Marketing efforts / promotion, Safety of the destination, Increase in air connections / supply, Sustainability of the destination, Tourism policy of the destination, Trendy destination, Price level / currency, Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.), Level of service and quality from local suppliers, Growth in tourism in Iceland, General growth in outbound tourism in source market, Competing destinations, Other, please specify

Top negative factors for the development of tourism in Iceland



Question: In your opinion, what are the top five negative factors for the development of tourism in Iceland this year? (Please select up to 5 factors); Marketing efforts / promotion, Safety of the destination, Increase in air connections / supply, Sustainability of the destination, Tourism policy of the destination, Trendy destination, Price level / currency, Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.), Level of service and quality from local suppliers, Growth in tourism in Iceland, General growth in outbound tourism in source market, Competing destinations, Other, please specify

Top negative factors for the development of tourism in Iceland

Market breakdown

	All countries	N-America	Central & S-Europe	Nordic countries	Other countries	United States	United Kingdom	Germany
Safety of the destination	28,20%	26,23%	29,05%	30,77%	38,89%	27,08%	25,97%	27,27%
General growth in outbound tourism in source market	13,74%	9,02%	17,32%	19,23%	5,56%	9,38%	12,99%	16,36%
Marketing efforts / promotion	13,27%	16,39%	9,50%	11,54%	16,67%	17,71%	16,88%	1,82%
Increase in air connections / supply	9,72%	10,66%	7,26%	19,23%	11,11%	10,42%	10,39%	5,45%
Sustainability of the destination	8,77%	6,56%	10,61%	3,85%	5,56%	7,29%	10,39%	12,73%
Trendy destination	5,69%	1,64%	10,06%	0%	0%	0%	5,19%	18,18%
No negative factors	4,27%	6,56%	2,23%	3,85%	5,56%	6,25%	5,19%	5,45%
Other, please specify	3,32%	4,10%	3,35%	3,85%	0%	3,12%	2,60%	3,64%
Tourism policy of the destination	3,32%	10,66%	0%	0%	5,56%	11,46%	0%	0%
Level of service and quality from local suppliers	2,61%	2,46%	2,23%	3,85%	0%	2,08%	3,90%	5,45%
Competing destinations	2,37%	2,46%	3,35%	3,85%	0%	2,08%	0%	0%
Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.)	2,37%	0,82%	3,35%	0%	5,56%	0%	2,60%	1,82%
Growth in tourism in Iceland	1,66%	1,64%	1,12%	0%	5,56%	2,08%	2,60%	1,82%
Price level / currency	0,71%	0,82%	0,56%	0%	0%	1,04%	1,30%	0%

Question: In your opinion, what are the top five negative factors for the development of tourism in Iceland this year? (Please select up to 5 factors); Marketing efforts / promotion, Safety of the destination, Increase in air connections / supply, Sustainability of the destination, Tourism policy of the destination, Trendy destination, Price level / currency, Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.), Level of service and quality from local suppliers, Growth in tourism in Iceland, General growth in outbound tourism in source market, Competing destinations, Other, please specify

Why are those that are positive towards Iceland recommending the destination?

“It's still an amazing place if you skip all the most popular places”

“There are 30 reasons to recommend Iceland”

“Safe, interesting and clean”

“Iceland is unique in the world”

“A very unique and safe country to visit”

“Amazing destination: nature, people, food...”

“It's a good experience and easy to get to”

“nature, culture and friendly people”

“Authentic destination. Peace and calmness in the right destinations”

“It's new, exciting, affordable and different than any other destination”

What would it take to make those that are neutral more likely to recommend Iceland as a destination?

“Better pricing”

“Suppliers are applying irrational price”

“A media blitz may help”

“Quicker and better response from operators”

„availability of Halal meals“

“Easier to book all in 1 package through preferred suppliers”

“More competitive prices”

“more quality DMC’s”

“Pay attention to the price-performance ratio”

“Support tourism in places other than Reykjavík the south coast and the close West”

Why are those that are negative towards Iceland not recommending the destination?

“Availability, price and limited air options”

“Difficult communication with the suppliers ”

“Iceland is a difficult destination to get accommodation confirmed and the reply from the suppliers is very slow”

“Lack of knowledge and trade seminars to educate the travel industry to promote Iceland”

“High cost compared to other countries”

“price/quality”

“Getting too crowded”

“food , drinks - very expansive in comparison to their destination”

RESEARCH PREPARED BY PROMOTE ICELAND

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