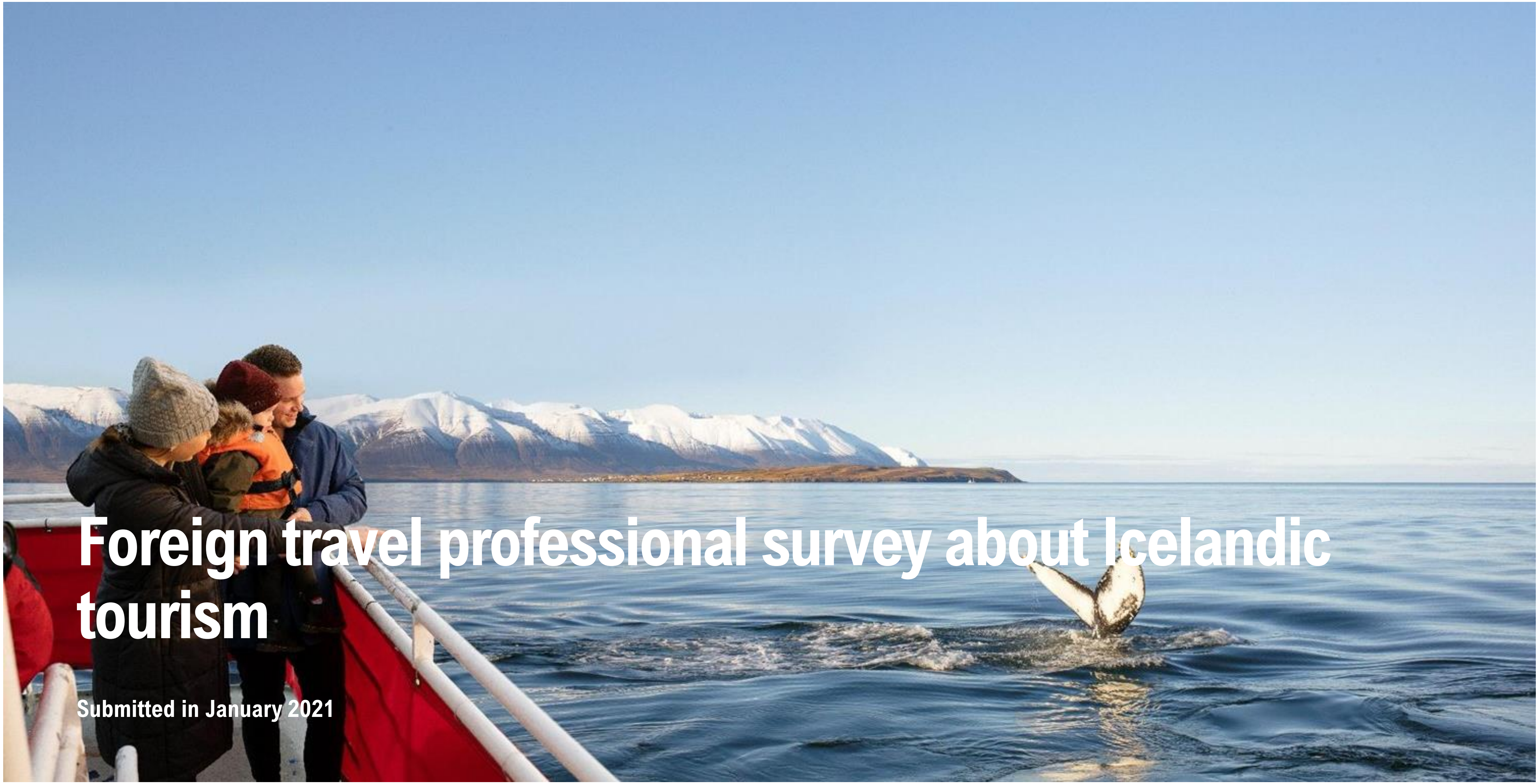
ÍSLANDSSTOFA
PROMOTE ICELAND



Foreign travel professional survey about Icelandic tourism

Submitted in January 2021

Main findings

The survey was conducted in January 2021. The respondents' replies are affected by the border closures and restrictions on gatherings caused by the COVID-19 pandemic.
It should be borne in mind that, while the level of infections is relatively low in Iceland, the situation in many markets in very serious.

Existing and expected bookings for 2021 are significantly lower than seen in previous surveys. Foreign providers seem to be expecting a slow recovery this year and a wait of 1–2 years before bookings reach their pre-border-closure levels. However, most respondents expect bookings to pick up this spring or summer and that tourist numbers will increase in the summer or autumn.

It is also positive to see that foreign providers' willingness to recommend Iceland as a destination has risen by 4 points as compared to the previous year and that COVID-19 does not appear to have had a negative effect as far as this is concerned. Iceland also comes out well in a comparison of sustainability.

Safety and Iceland's response to the COVID-19 pandemic are the factors that respondents deem most likely to have a positive impact on the development of tourism in Iceland, while prices (ISK exchange rate) and the availability of flights (of lack thereof) are most likely to have a negative effect.

Fieldwork summary

Business Iceland carried out an attitude survey in January 2021 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 has been carried out twice a year since 2017.

The survey was sent by email to over 5.400 travel professionals that sell tours to Iceland, All in all 521 took part in the survey, 396 of whom completed it in whole.

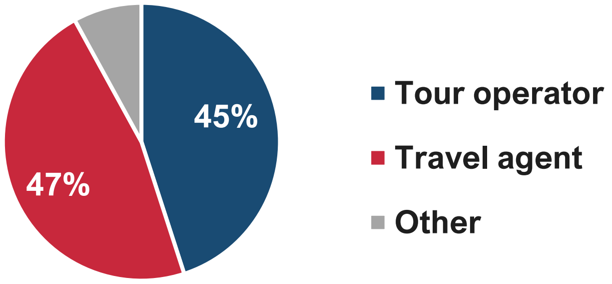
Fieldwork period: January 2021

Methodology: Online Survey

Sample: Foreign travel professional that offer tours to Iceland

Languages: English, French, German and Spanish

Proportional breakdown of participants by categories



Market Area	Country	Number	Proportion
N-America	Canada	119	30 %
(143 answers)	United States	24	6 %
Central- & Southern Europe	Austria	1	0 %
(151 answers)	Belgium	14	4 %
	France	17	4 %
	Germany	29	7 %
	Italy	40	10 %
	Netherlands	13	3 %
	Spain	24	6 %
	Switzerland	12	3 %
Nordic countries	Denmark	9	2 %
(15 answers)	Norway	1	0 %
	Sweden	5	1 %
British isles	Ireland	1	0 %
(18 answers)	United Kingdom	17	4 %
Eastern Europe	Poland	5	1 %
(6 answers)	Other countries	1	0 %
	Russia	0	0 %
Distant markets	Argentina	1	0 %
(63 answers)	Australia	8	2 %
	Brazil	0	0 %
	India	30	8 %
	Malaysia	9	2 %
	Other counties	11	3 %
	Singapore	5	1 %
	Sum:	396	

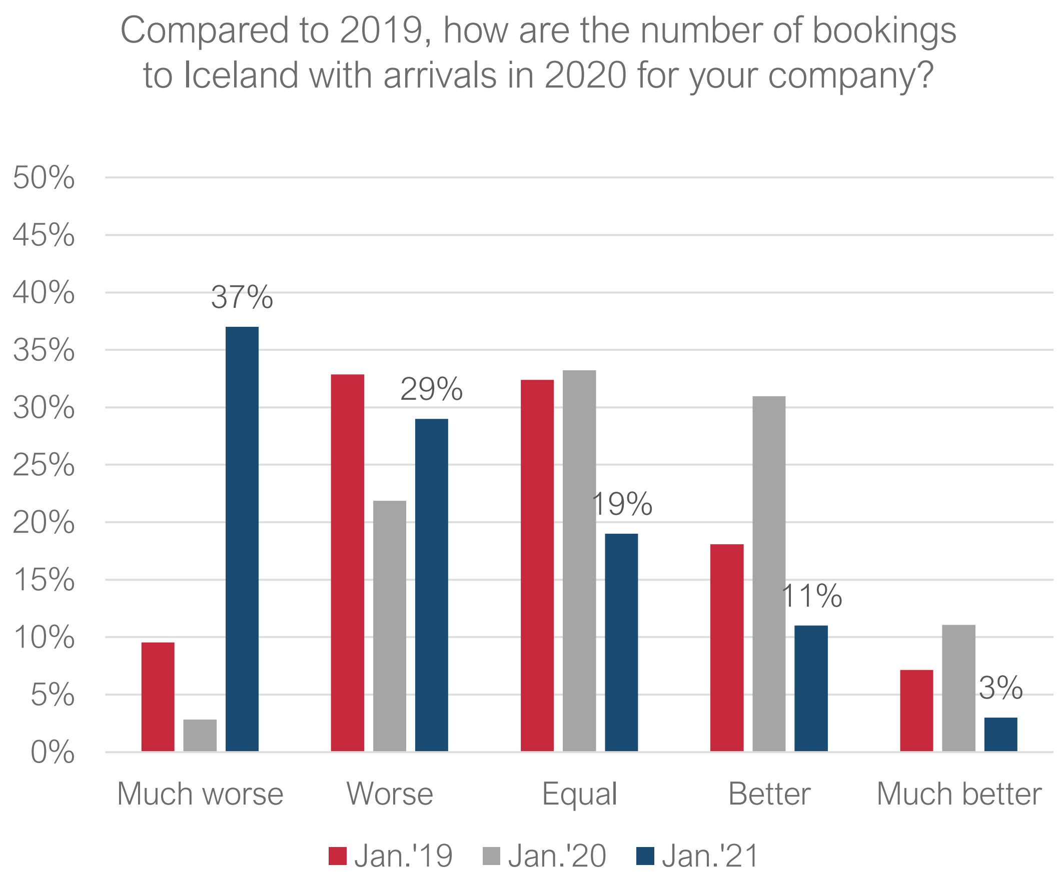
Booking status for Iceland last year

67% of respondents reported that booking status was 'worse' or 'much worse' today than a year ago.

33% replied that it was 'equal' or 'better'.

-42% from January 2020

-24 from January 2019

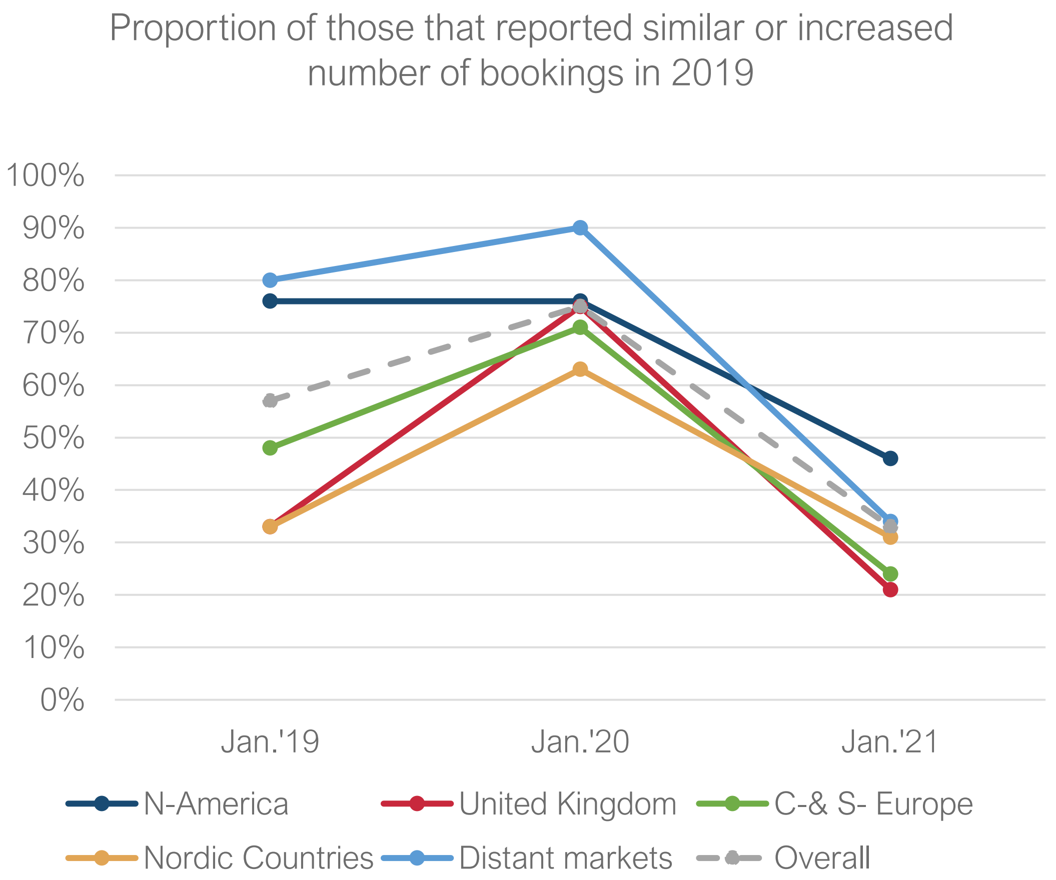


Booking status for Iceland last year

Market breakdown

Unsurprisingly given the consequences of the COVID-19 pandemic and related travel restrictions, this year considerably fewer respondents than in previous surveys indicated that booking status was equal or better.

The rate was lowest in the UK (21%) and in Central and Southern Europe (24%). Providers in North America were significant more optimistic, with 46% indicating that booking status was equal or better now than at the same time last year.



Expectations about bookings to Iceland this winter

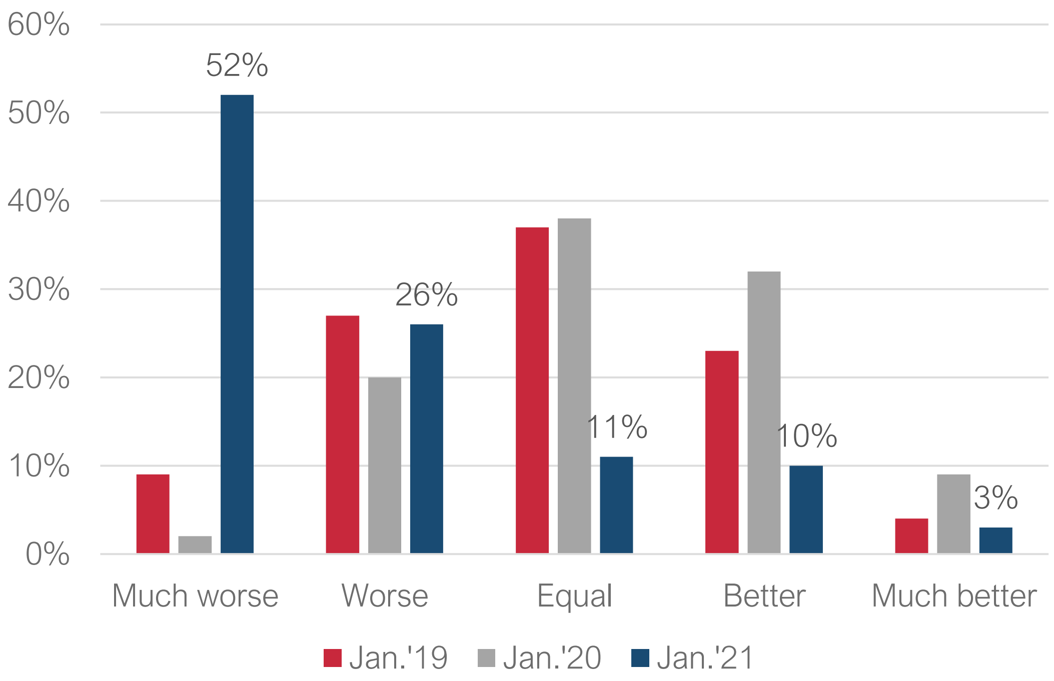
78% of respondents reported that bookings for the winter were ‘worse’ or ‘much worse’ today than at the same time last year.

23% expect equal or better sales over the current winter period than last year.

-56% from January 2020

-41% from January 2019

Compared to last winter season what is your company’s prospects for bookings to Iceland with arrivals this winter season?

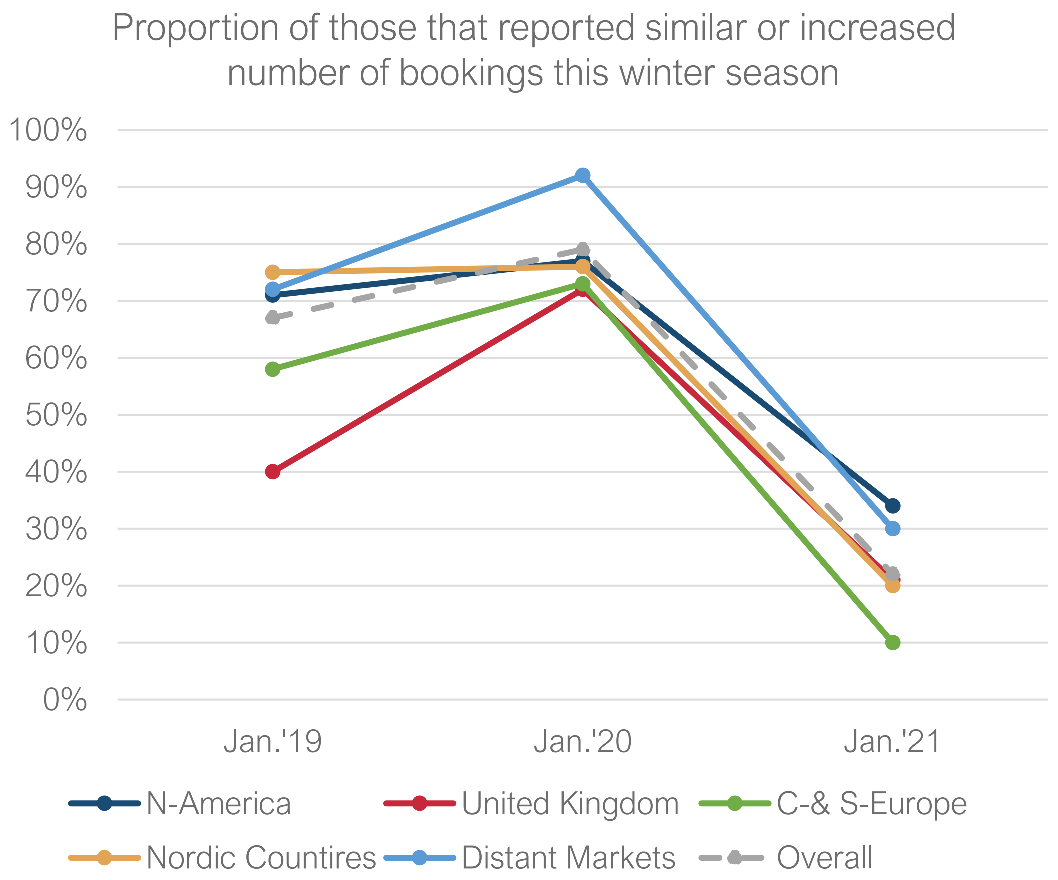


Expectations about bookings to Iceland this winter

Market breakdown

Considerably fewer respondents expect equal or better sales over the current winter period than in previous surveys.

90% of respondents in Central and Southern Europe report that the situation is worse or much worse now than a year ago.

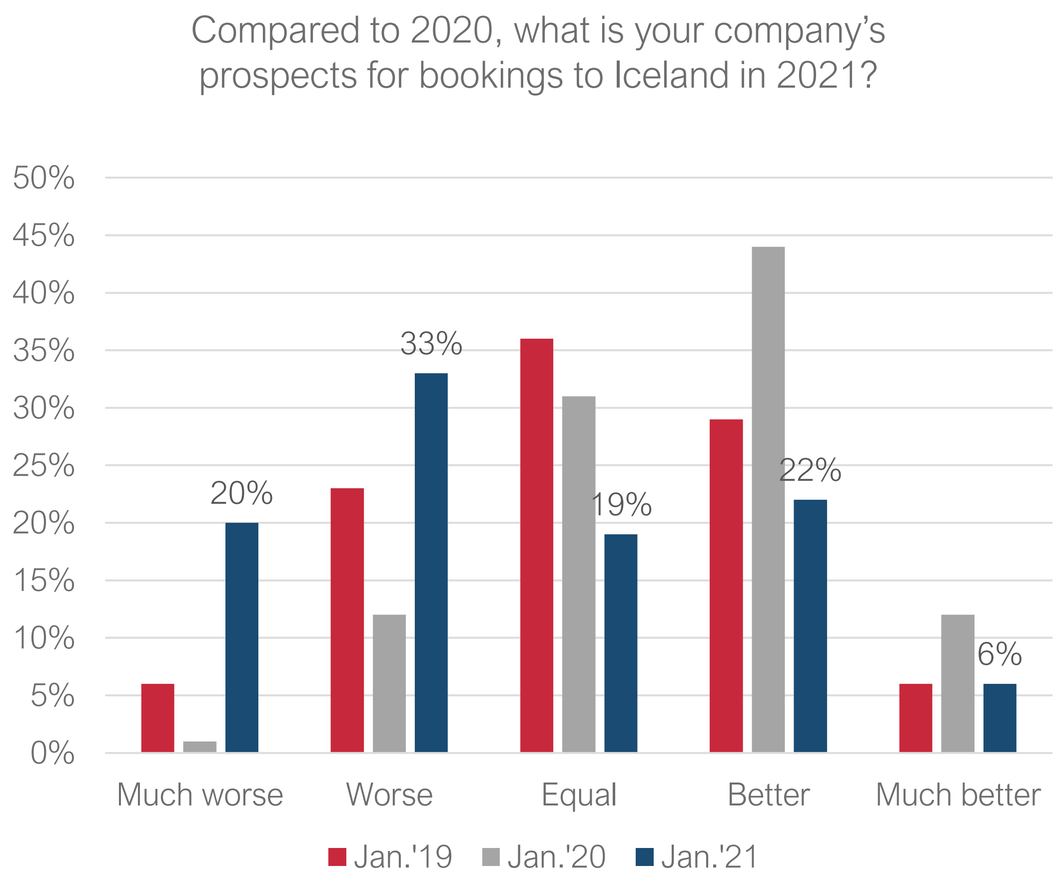


Expectations about bookings to Iceland this year

47% of respondents indicated that they expect equal or higher sales for travel to Iceland this year.

-40% from January 2020

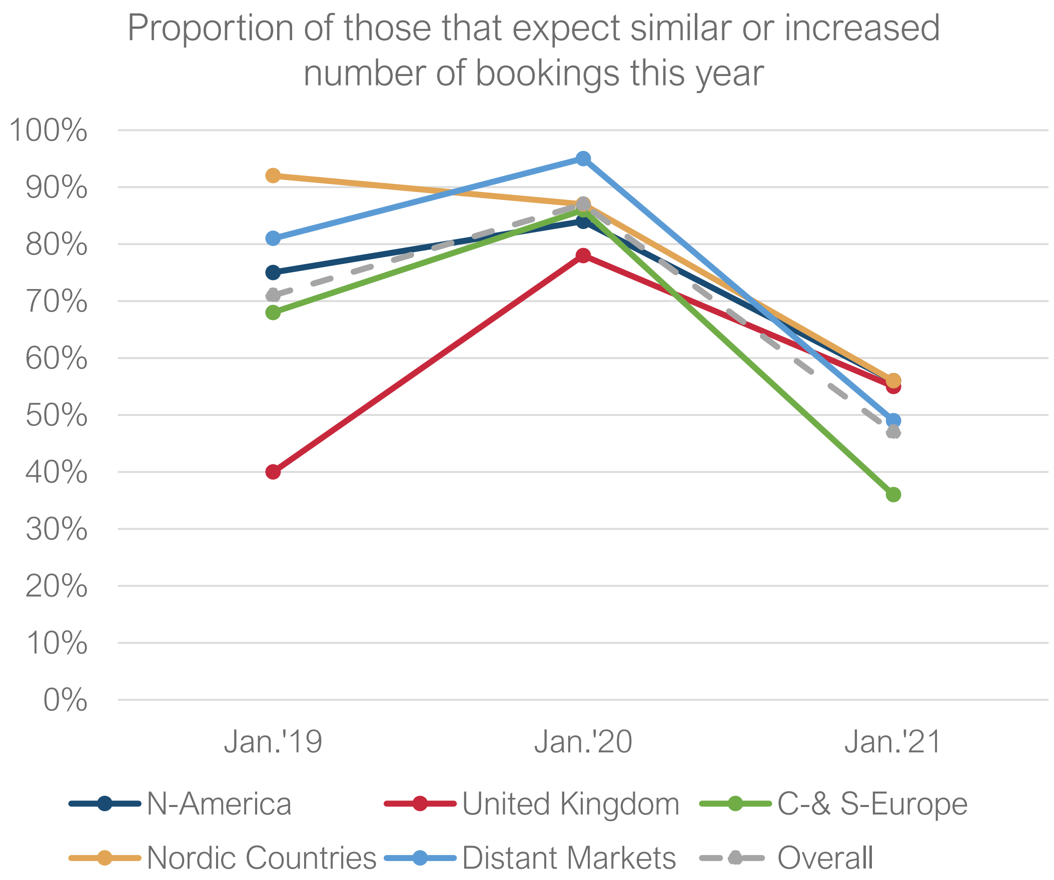
-24 % from January 2019



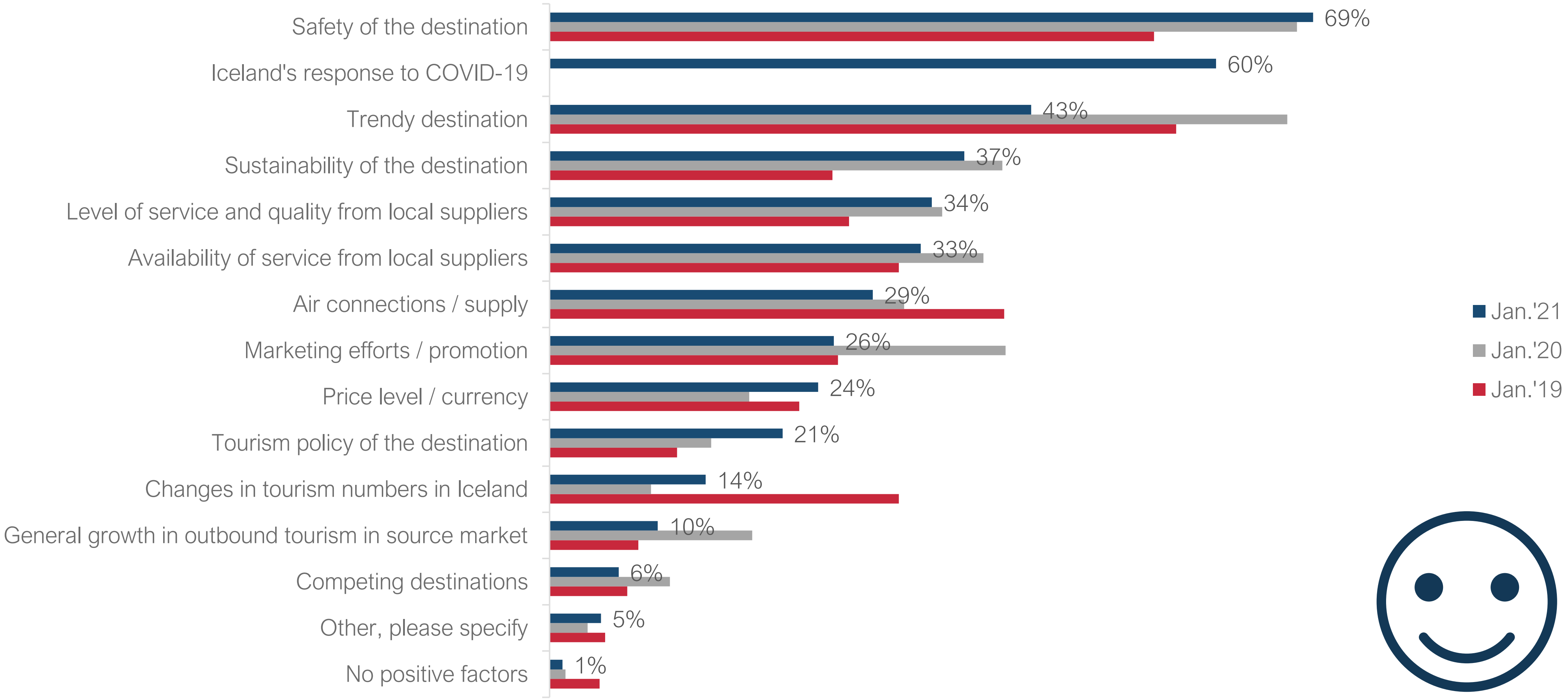
Expectations about bookings to Iceland this year

Market breakdown

Expectations are moderate in all markets and strikingly lowest in Central and Southern Europe.



Top positive factors for the development of tourism in Iceland



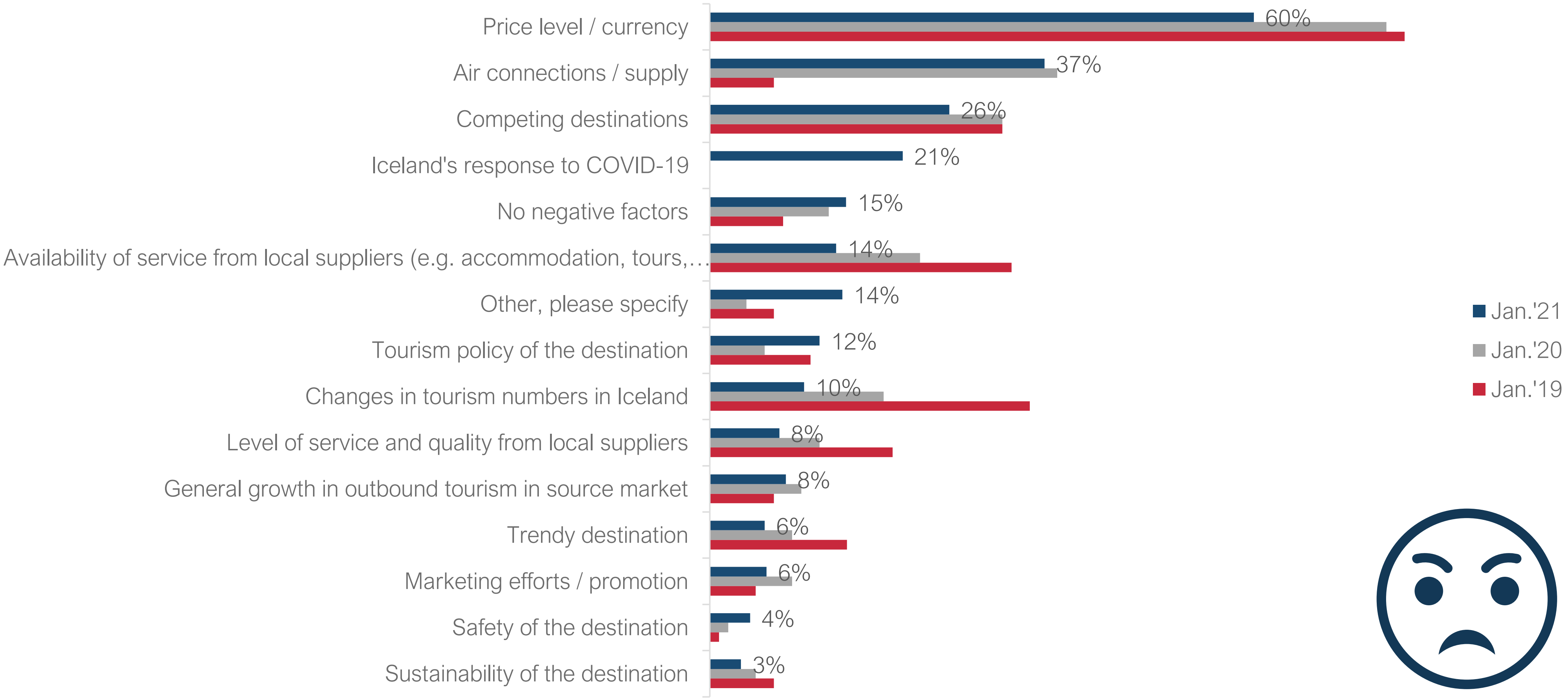
*In your opinion, what are the top five positive factors for the development of tourism in Iceland this year? (Please select up to 5 factors)

Top positive factors for the development of tourism in Iceland

Market breakdown

	All market areas	N-America	C- & S-Europe	Nordic Countries	Distant markets	United States	United Kingdom	Germany
Safety of the destination	68,5%	68,4%	72,6%	70,6%	66,3%	66,4%	64,7%	77,4%
Iceland's response to COVID-19	59,8%	59,4%	64,0%	47,1%	55,0%	57,7%	76,5%	61,3%
Trendy destination	43,2%	47,1%	39,8%	17,6%	47,5%	47,7%	58,8%	35,5%
Sustainability of the destination	37,2%	35,5%	43,5%	29,4%	31,3%	33,8%	41,2%	38,7%
Level of service and quality from local suppliers	34,3%	46,5%	23,0%	58,8%	27,5%	45,4%	47,1%	9,7%
Availability of service from local suppliers	33,3%	32,3%	29,8%	35,3%	40,0%	34,6%	52,9%	29,0%
Air connections / supply	29,0%	31,6%	29,8%	23,5%	22,5%	33,1%	41,2%	38,7%
Marketing efforts / promotion	25,5%	24,5%	19,3%	5,9%	38,8%	25,4%	58,8%	16,1%
Price level / currency	24,1%	21,9%	19,3%	47,1%	33,8%	21,5%	29,4%	22,6%
Tourism policy of the destination	20,9%	21,9%	17,4%	23,5%	26,3%	22,3%	23,5%	9,7%
Changes in tourism numbers in Iceland	14,0%	12,9%	17,4%	17,6%	10,0%	12,3%	11,8%	35,5%
General growth in outbound tourism in source market	9,7%	7,7%	6,8%	5,9%	18,8%	8,5%	17,6%	6,5%
Competing destinations	6,2%	4,5%	5,6%	5,9%	11,3%	4,6%	5,9%	3,2%
Other	4,6%	5,8%	5,0%	5,9%	1,3%	5,4%	5,9%	3,2%
No positive factors	1,2%	2,6%	0,0%	0,0%	1,3%	3,1%	0,0%	0,0%

Top negative factors for the development of tourism in Iceland



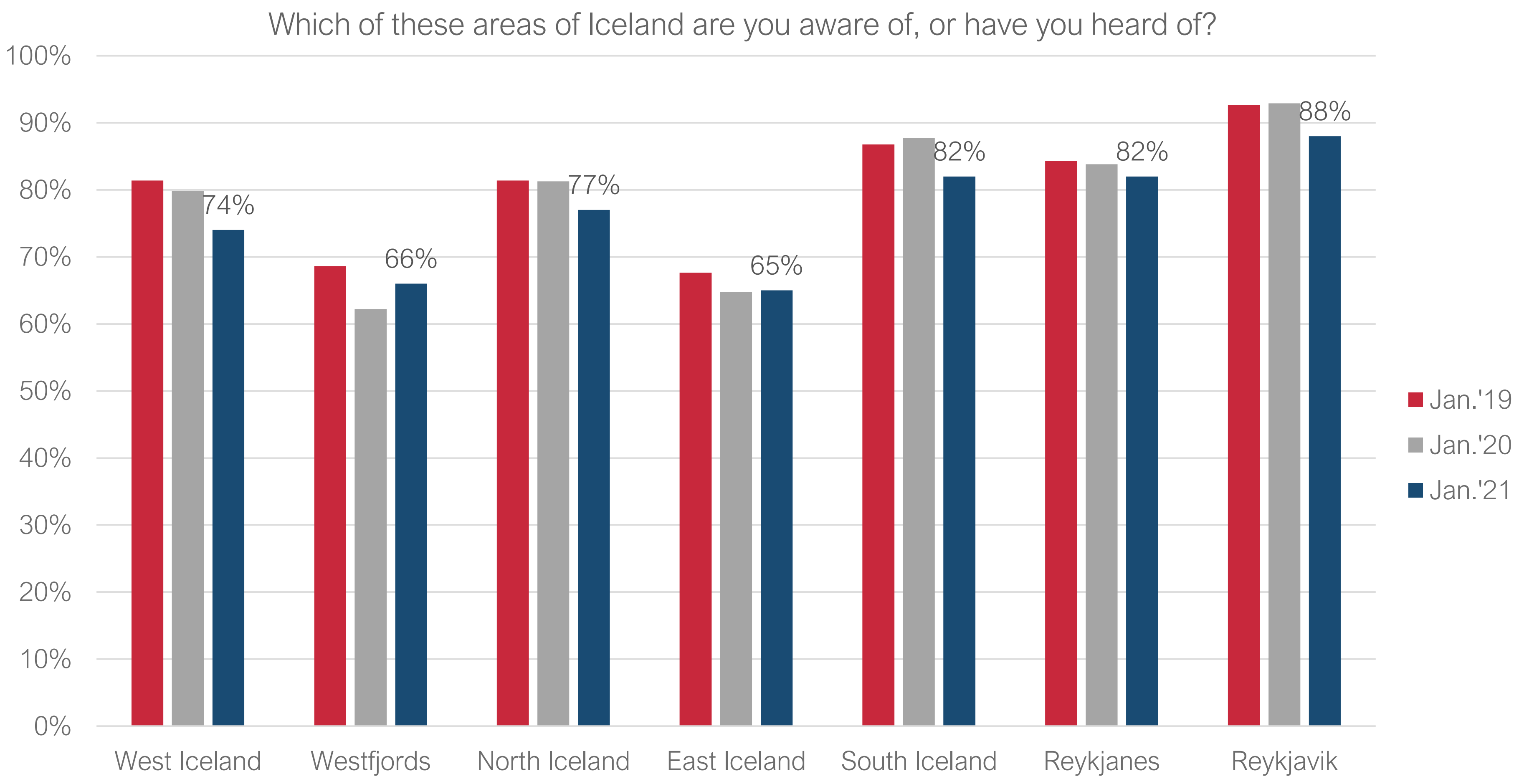
*In your opinion, what are the top five negative factors for the development of tourism in Iceland this year? (Please select up to 5 factors)

Top negative factors for the development of tourism in Iceland

Market breakdown

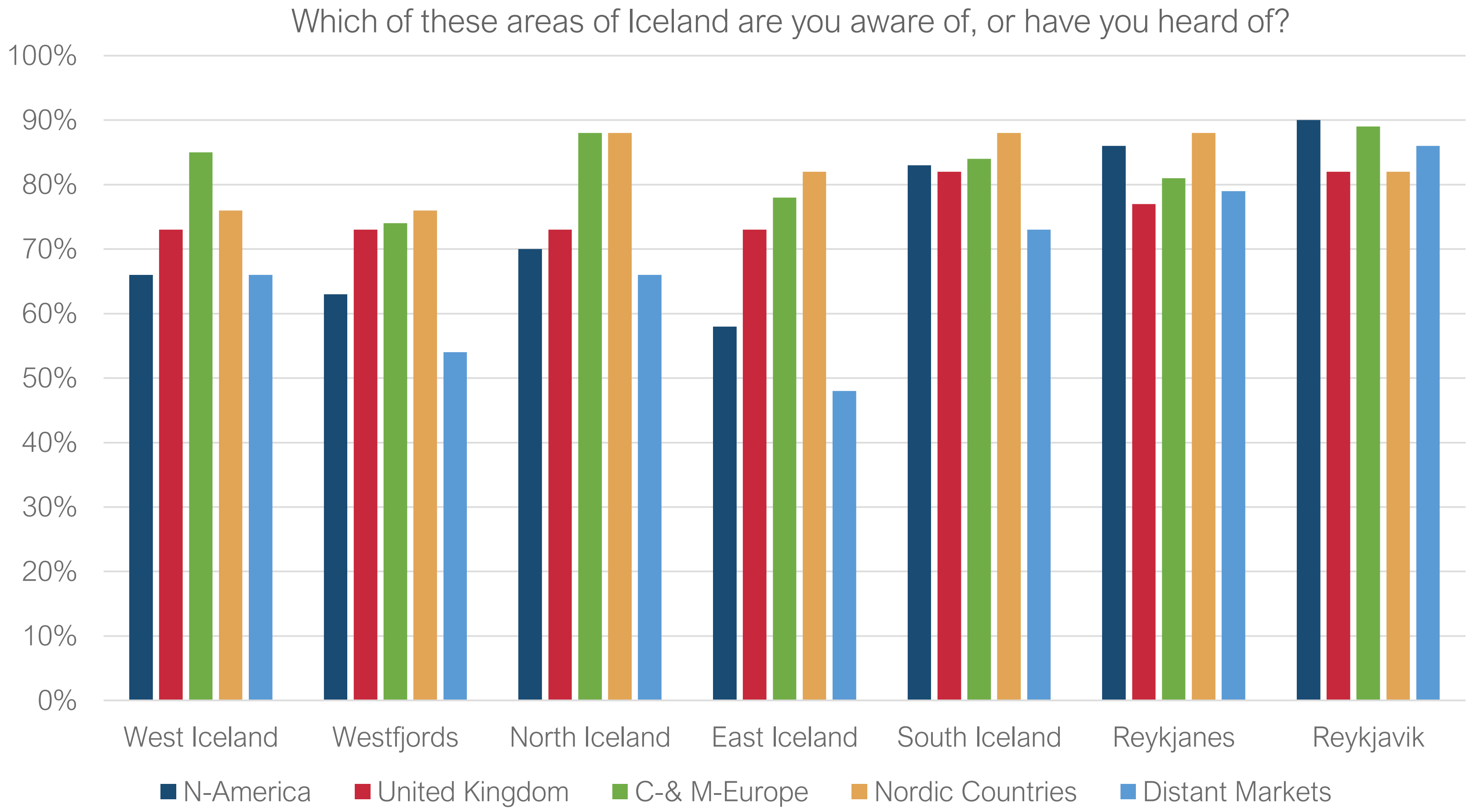
	All market areas	N-America	C- & S-Europe	Nordic Countries	Distant markets	United States	United Kingdom	Germany
Price level / currency	59,5%	58,1%	63,4%	41,2%	61,3%	56,9%	64,7%	54,8%
Air connections / supply	36,6%	26,5%	40,4%	70,6%	45,0%	26,9%	29,4%	38,7%
Competing destinations	26,2%	28,4%	19,9%	17,6%	32,5%	27,7%	52,9%	22,6%
Iceland's response to COVID-19	21,1%	14,8%	27,3%	41,2%	16,3%	16,2%	29,4%	29,0%
No negative factors	14,9%	17,4%	9,3%	5,9%	21,3%	17,7%	29,4%	3,2%
Availability of service from local suppliers	13,8%	12,3%	13,7%	23,5%	16,3%	13,1%	11,8%	9,7%
Other	14,5%	21,9%	13,0%	11,8%	6,3%	22,3%	5,9%	9,7%
Tourism policy of the destination	12,0%	10,3%	13,7%	17,6%	8,8%	11,5%	23,5%	12,9%
Changes in tourism in Iceland	10,3%	7,7%	8,7%	11,8%	12,5%	7,7%	41,2%	16,1%
Level of service and quality from local suppliers	7,6%	4,5%	9,3%	5,9%	11,3%	5,4%	5,9%	3,2%
General growth in outbound tourism in source market	8,3%	6,5%	6,3%	11,8%	12,5%	7,7%	23,5%	12,9%
Marketing efforts / promotion	6,2%	3,2%	5,6%	11,8%	11,3%	3,1%	11,8%	0,0%
Trendy destination	6,0%	5,2%	8,1%	5,9%	2,5%	4,6%	11,8%	16,1%
Safety of the destination	4,4%	5,8%	3,1%	0,0%	6,3%	6,2%	0,0%	3,2%
Sustainability of the destination	3,4%	0,6%	4,3%	0,0%	7,5%	0,8%	5,9%	3,2%

Knowledge of the Icelandic regions

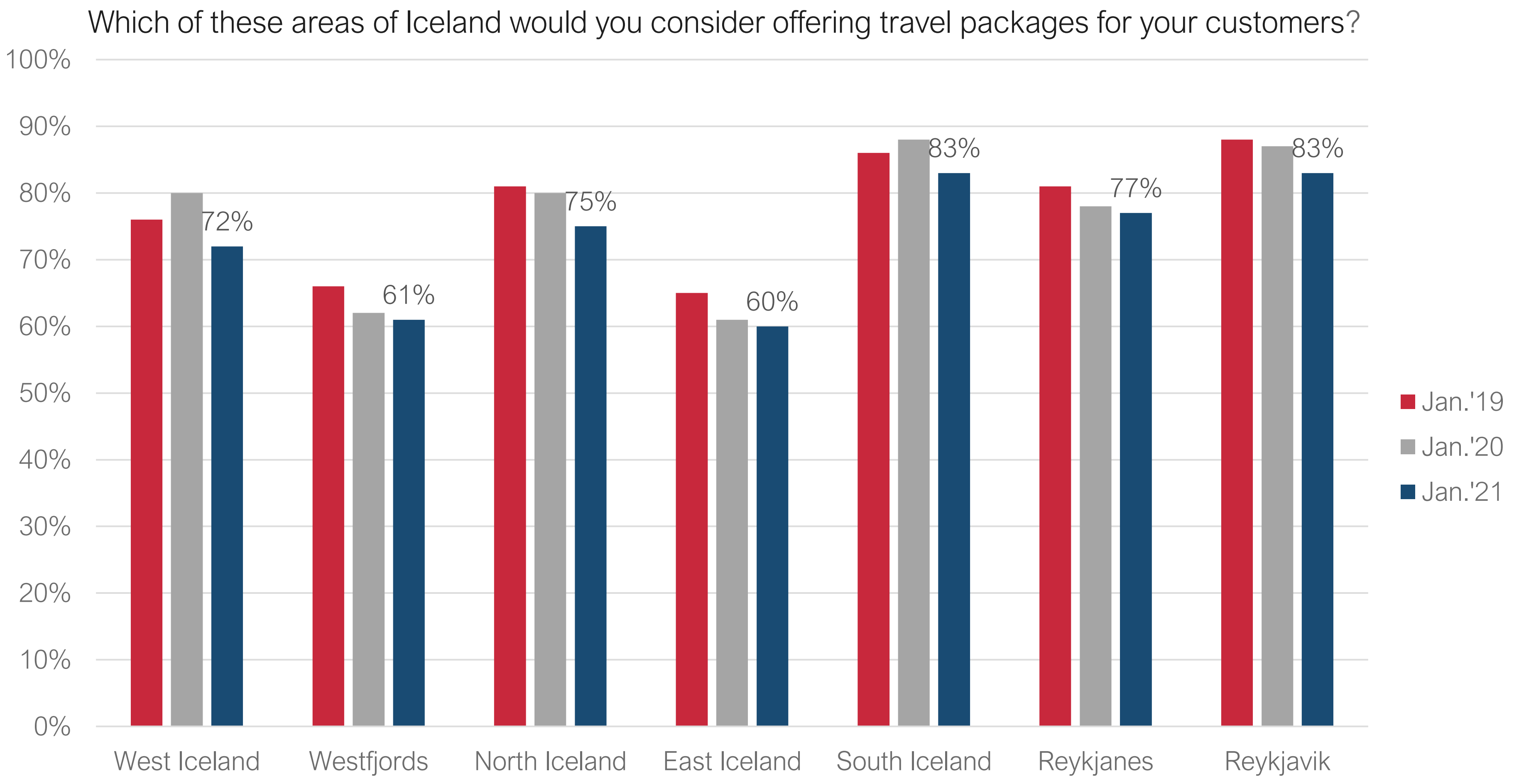


Knowledge of the Icelandic Regions

Market breakdown

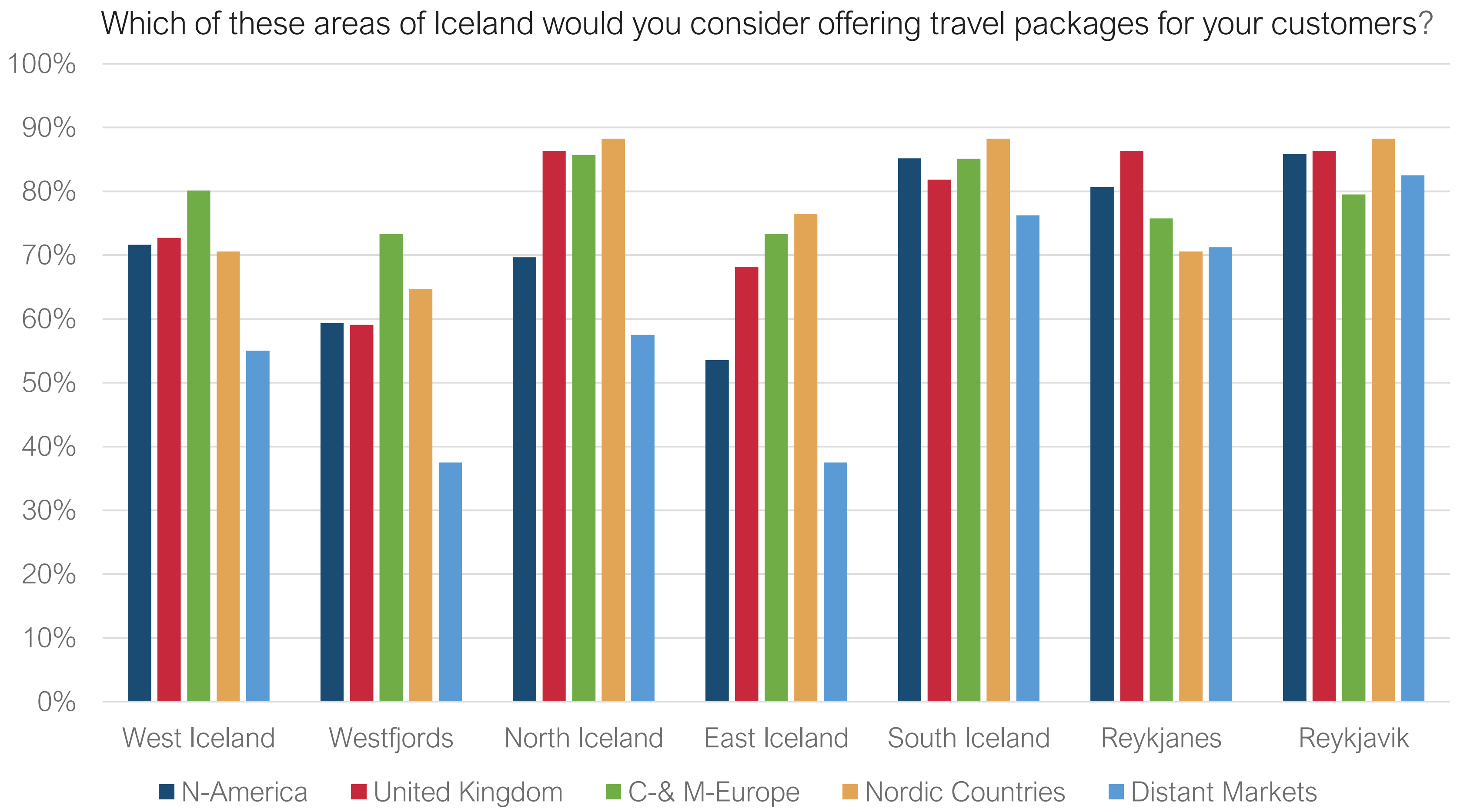


Knowledge of the Icelandic Regions



Knowledge of the Icelandic Regions

Market breakdown



Net Promoter Score (NPS)

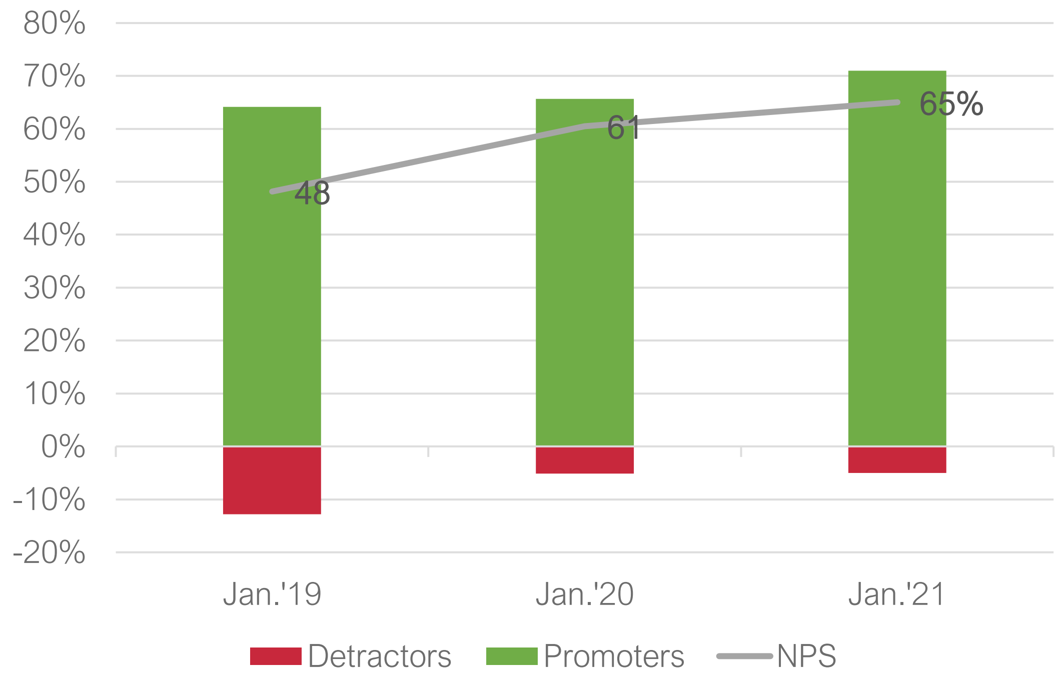
The NPS score for Iceland as a destination was 65 points

+4% from January 2020

+17 % from January 2019

"Net Promoter Score is a metric for customer experience and predicts business growth based on grouping customers into three categories: promoters (9-10), passive (7-8) and detractors (0-6)."

On a scale from 0-10, how likely are you to recommend Iceland as travel destination to a customer or a colleague?

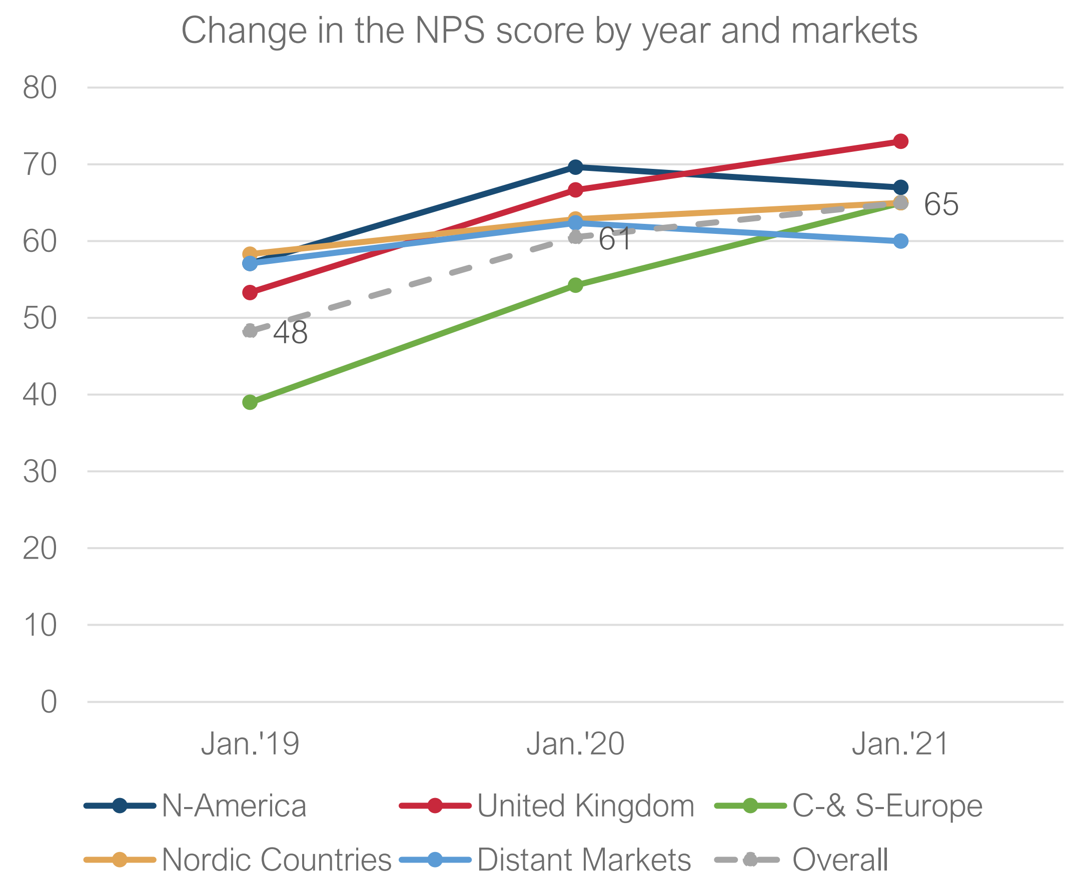


Net Promoter Score (NPS)

Market breakdown

The NPS score varies to some extent from market to market. It has risen considerably in Central and Southern Europe but fallen slightly in North America and distant markets.

The NPS score is highest among respondents from the UK and lowest among respondents in distant markets.



Why are "detractors" not recommending Iceland as a destination?

"Travel is still currently too uncertain."

"Focus will be on warm and sunny destinations after Covid-19."

"At the moment, US citizens are not allowed entry so makes it hard to recommend to my clients."

"Prices are similar to bankruptcy times"

*Can you please specify in one sentence why are you not likely to recommend Iceland as a travel destination?

What would it take to make "neutrals" more likely to recommend Iceland as a destination?

"Need open borders without testing requirements and more air service. "

"A quicker roll out and acceptance of the Covid 19 vaccine worldwide to create herd immunity globally."

"The approach of our clients, who see Iceland as to adventurous, cold and windy destination, and which is to expensive for them. They prefer 'easier', 'friendlier' destiantions with lower rates or at the same rates but with more 'luxurious' opinion."

"security, prices, cancellation policy"

"Make hotel transport from air port to hotel door more friendly and efficient"

*Can you please specify in one sentence what has to be done so that you would be more likely to recommend Iceland as a travel destination?

NPS

Why are “promoters” recommending Iceland as a destination?

“Excellent safe destination- much interest”

“All of the feedback I have gotten from former tourists state they loved Iceland and all it had to offer. ”

“Iceland has always been a destination where social distancing is not a problem, the scenery is stunning, and the people are warm and welcoming.”

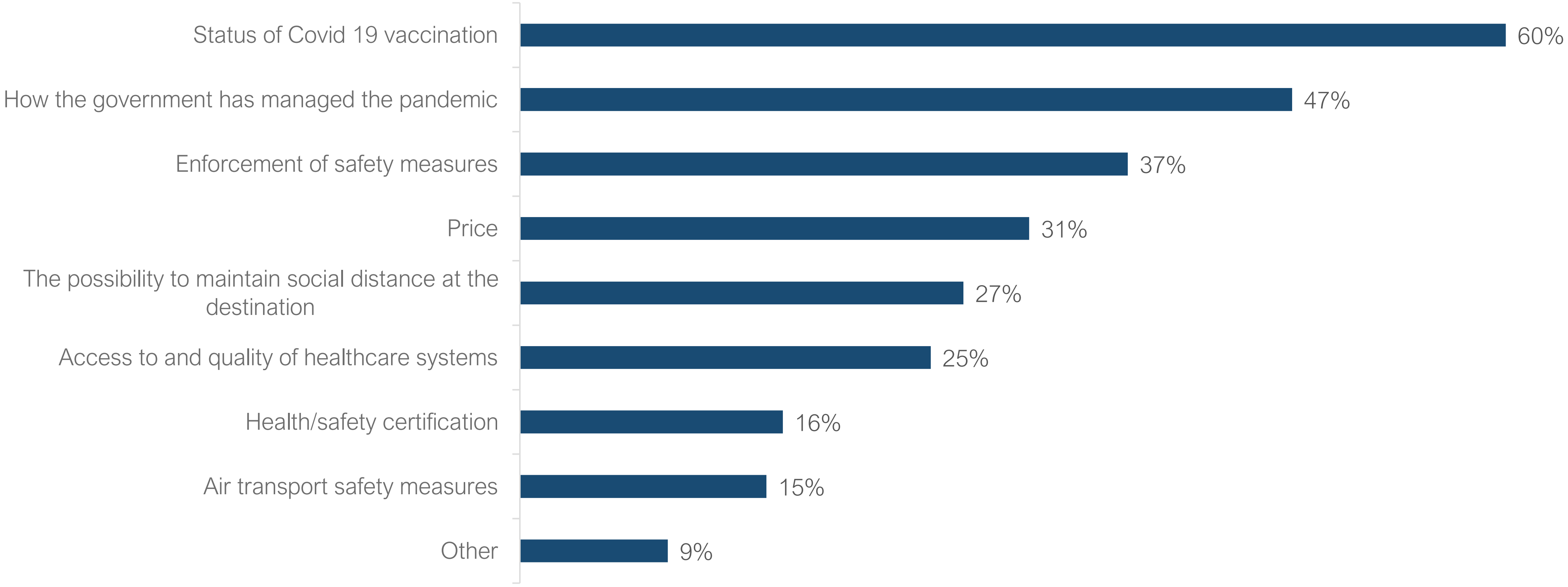
“I always recommend Iceland as a travel destination. Iceland is so diverse, safe and an amazing destination to visit in Summer or Winter.”

“It is beautiful and many different areas to visit.”

“Easy to get to from USA”

*Can you please specify in one sentence why you are likely to recommend Iceland as a travel destination?

Travel decisions: Which aspects will have a greater effect on choice of destination in 2021

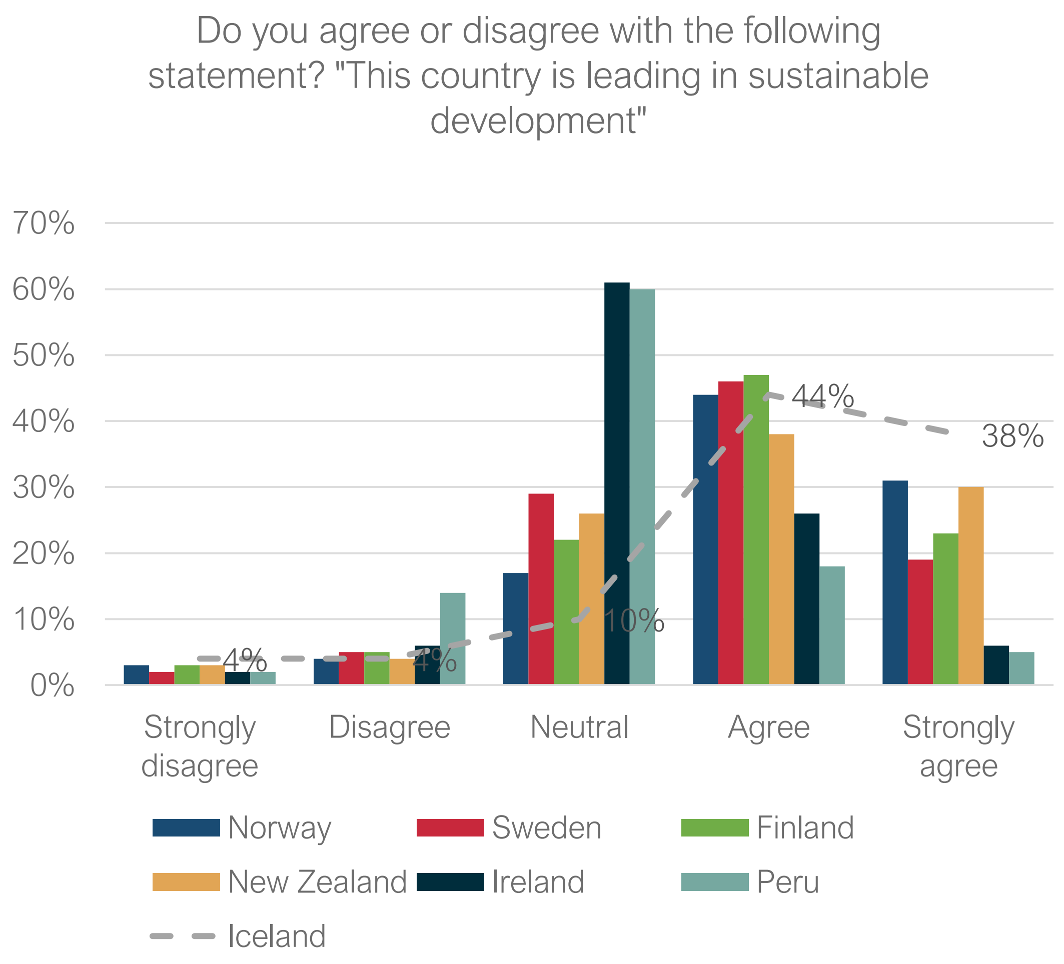


Which of the following do you think will weigh most in your client's decision making when choosing a destination in 2021 than in previous years? (Choose 1-3)

Leading in sustainable development

On the whole, most respondents (82%) either agreed or strongly agreed that Iceland is a leader in sustainable development.

Of the other countries asked about, Norway came closest to Iceland. Respondents also strongly associate the other Nordic countries and New Zealand with sustainability.

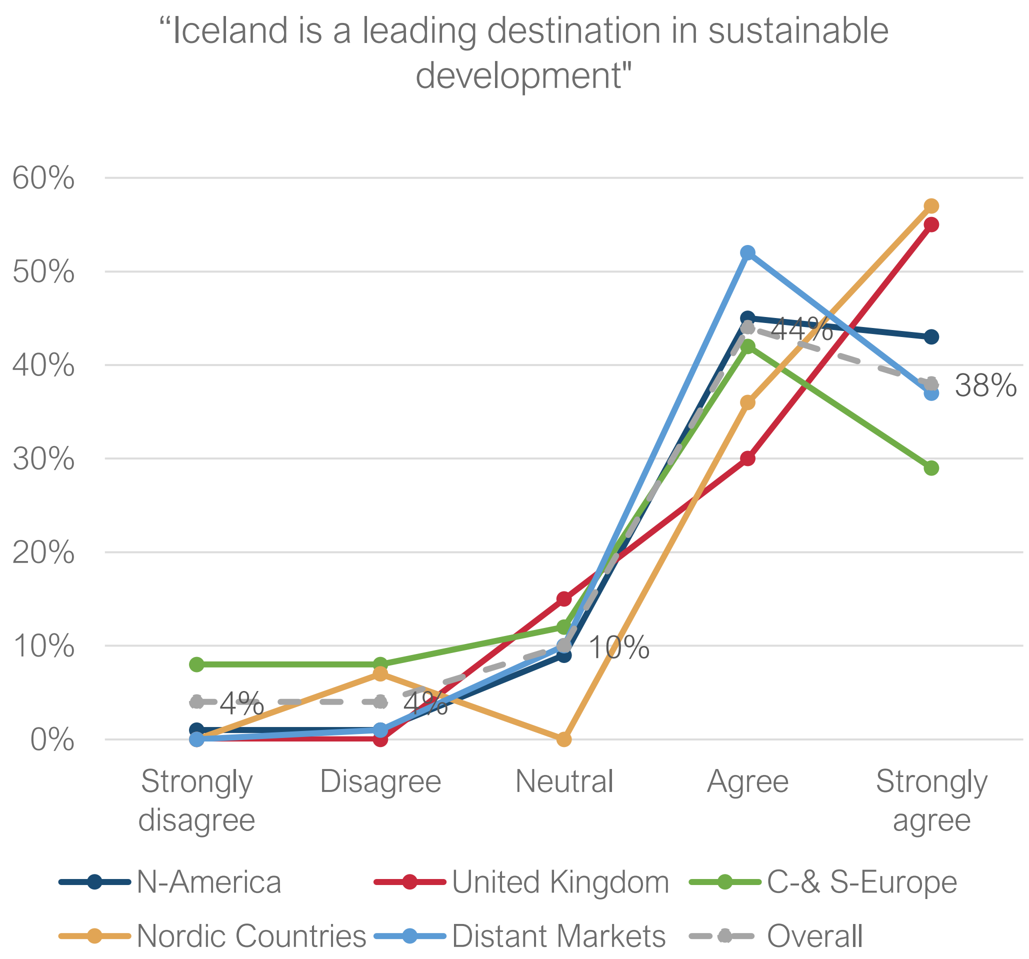


Leading in sustainable development

Market breakdown

Respondents in the various markets generally agree that Iceland is a leader in sustainability development.

The lowest level of those agreeing or strongly agreeing with this statement was 71% for Central and Southern Europe. This compares to 93% in the Nordic countries and 88% in North America.

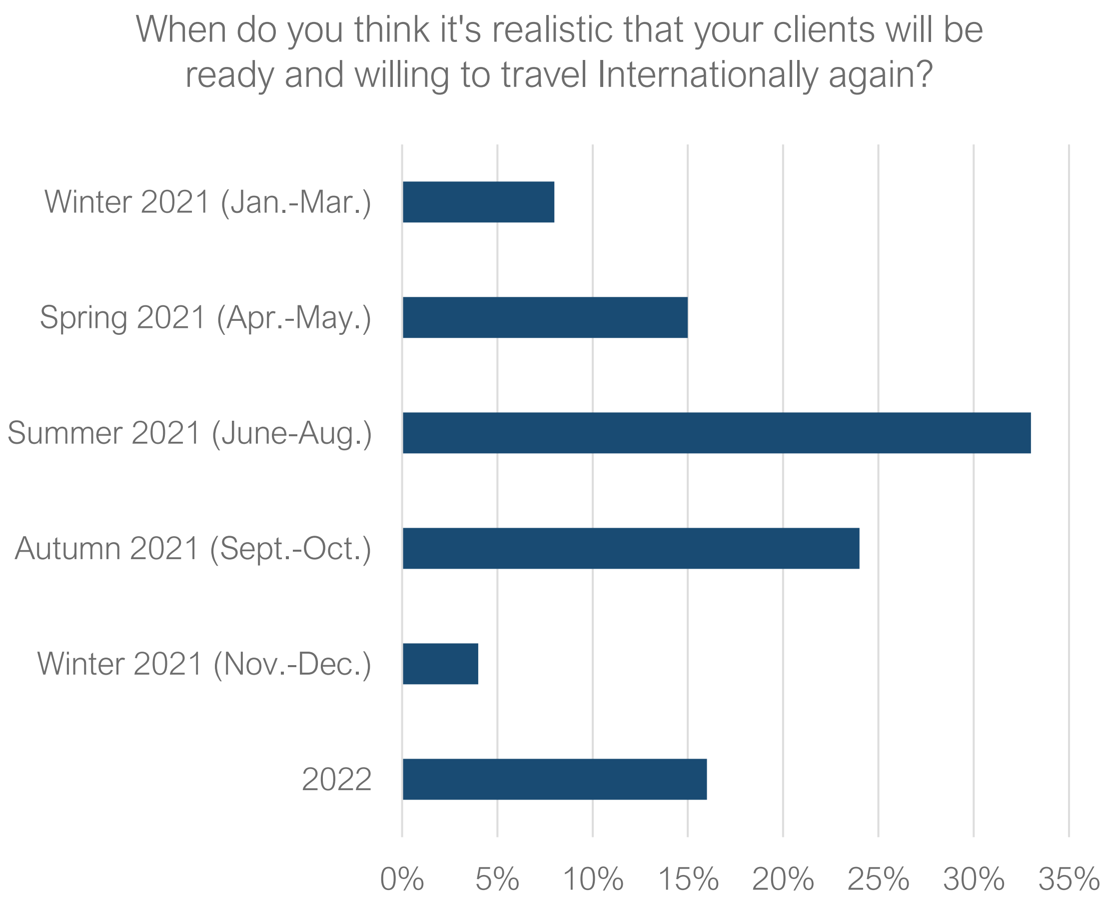


Bookings after COVID-19

International

57% of respondents believe that international travel will resume in the summer or autumn.

16% believe that this will not happen until next year (2022).

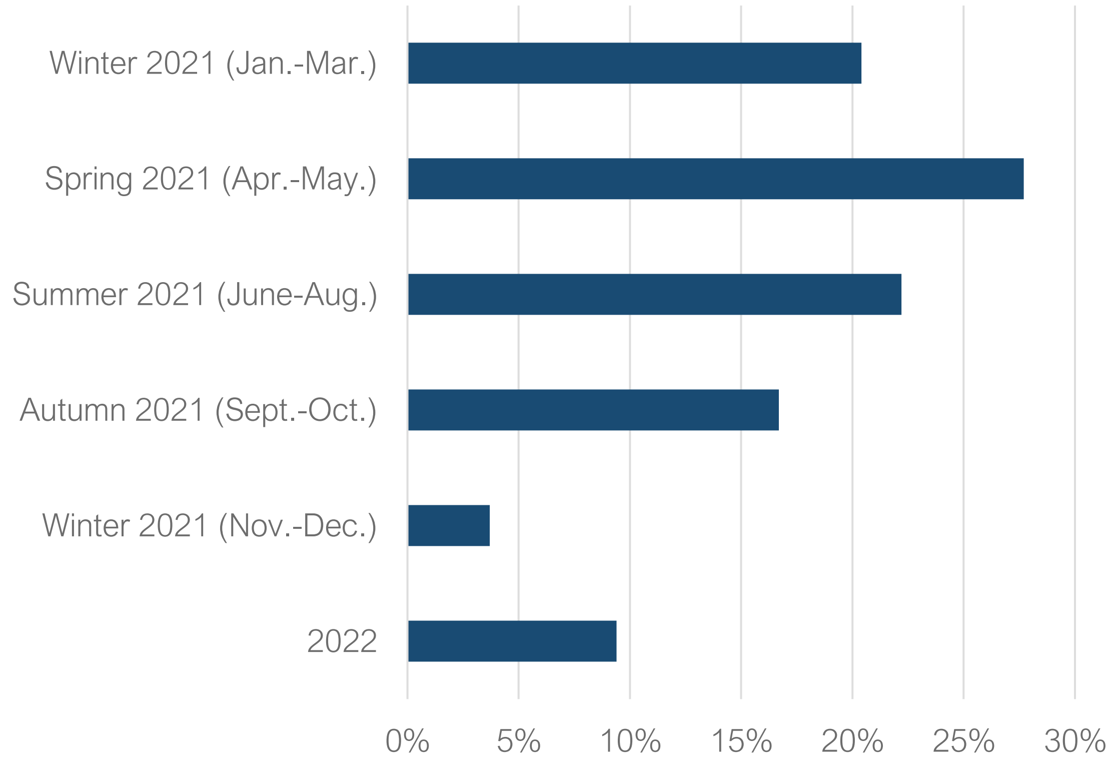


Bookings to Iceland after COVID-19

48% of respondents believe that bookings to Iceland will pick up in January–May this year.

43% expect this to happen later in the year (June–December).

When do you expect bookings to Iceland will pick up again after COVID-19?

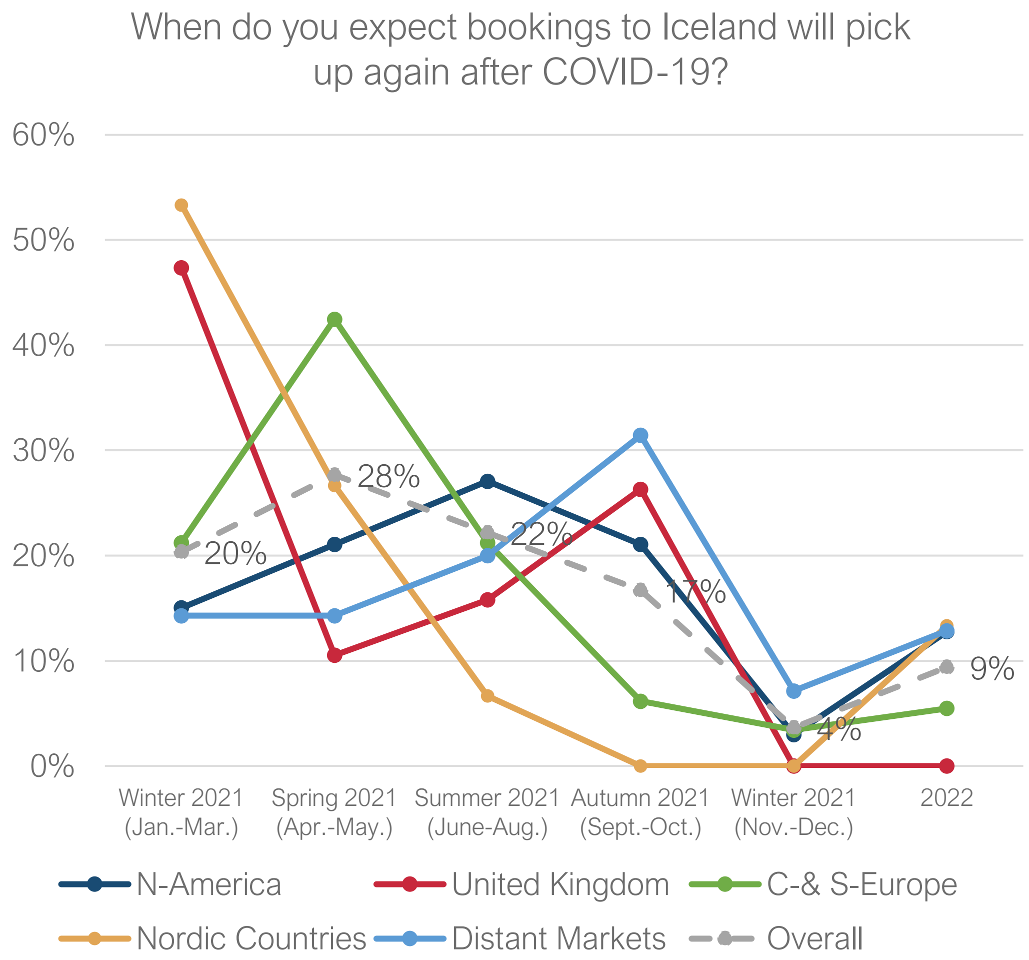


Bookings to Iceland after COVID-19

Markets

Different markets have very different expectations of when bookings to Iceland will pick up after the COVID-19 pandemic. 80% of respondents in the Nordic countries and 64% of respondents in Central and Southern Europe believe that this will happen in January–May this year.

Respondents in North America, however, are the most pessimistic.



*When do you expect bookings to Iceland will pick up again after COVID-19?

Travel to Iceland after COVID-19

56% of respondents expect their customers to want to travel to Iceland by the end of next summer.

82% by the end of the year

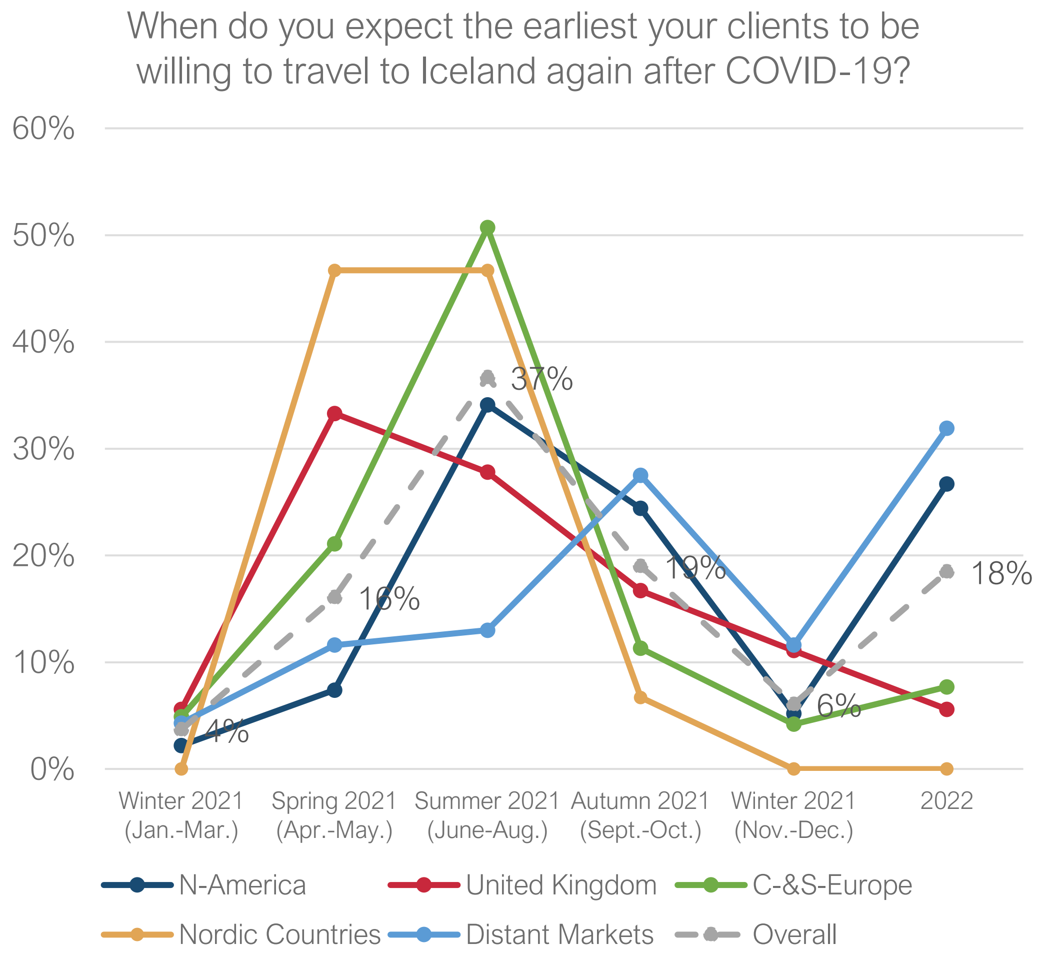
18% next year (2022)

Travel to Iceland after COVID-19

Markets

Here again, there was a considerable difference from market to market as to when respondents expect their customers will want to travel to Iceland. 93% of respondents in the Nordic countries and 77% of respondents in Central and Southern Europe believe that this will happen before the end of the summer.

There was the most pessimism in distant markets, with just 29% of respondents expecting that travel will resume before the end of the summer. The figure for North America was 44%.



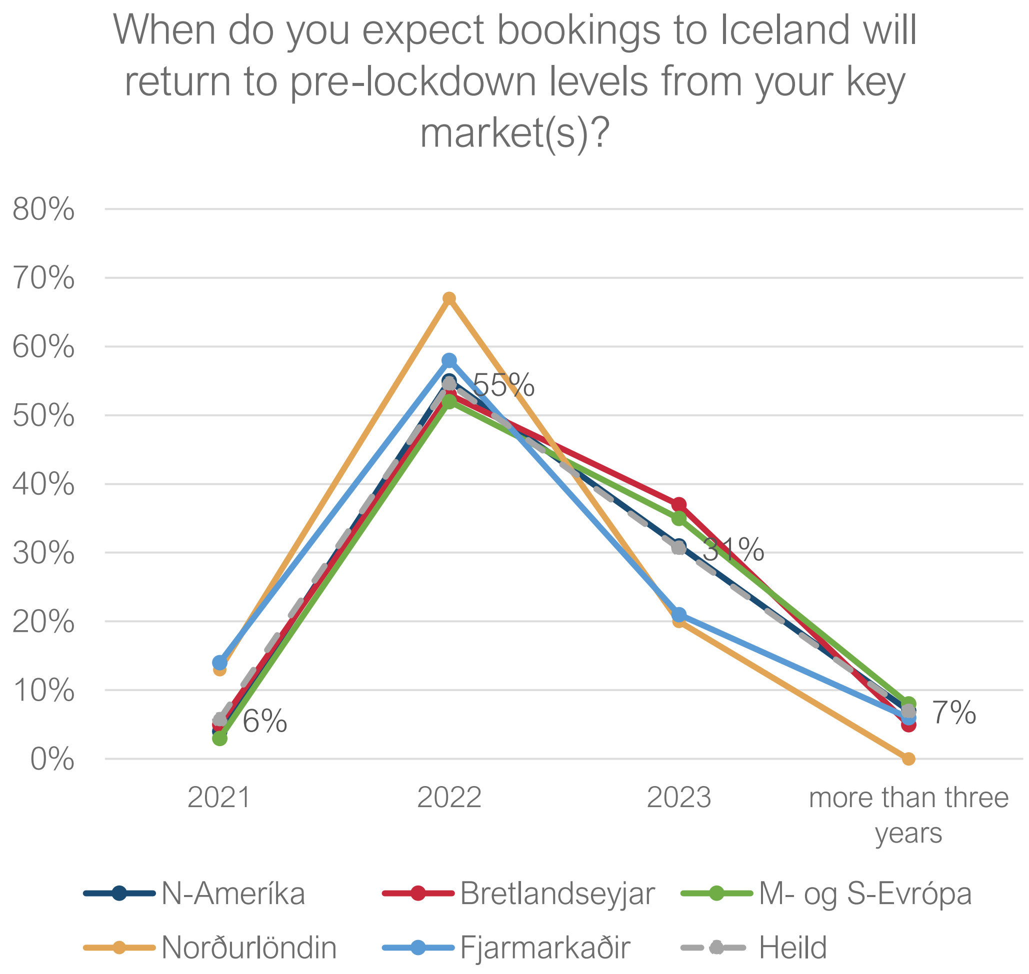
Bookings to Iceland after COVID-19

55% of respondents believe that bookings to Iceland will reach pre-border-closure levels next year (2022), and 31% believe that this will happen in 2023.

Bookings to Iceland after COVID-19

Markets

There is little difference between markets as regards when respondents expect bookings to Iceland to reach pre-border-closure levels.



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Promote Iceland is a public-private partnership established to lead the promotion and marketing of Iceland in foreign markets and stimulate economic growth through increased export.

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