

Market insight



United States of America

Analysis of tourist profiles, traveler flows, transportation and target groups

April 2019

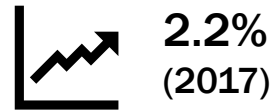


ÍSLANDSSTOFA
PROMOTE ICELAND

Market profile

Economy

Real GDP Growth



GDP per capita



Consumer price inflation



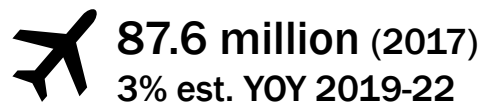
Population



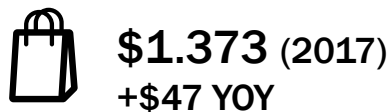
Travel & Tourism

GLOBAL

Total Outbound Trips

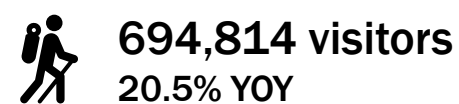


Average spend per trip



ICELAND

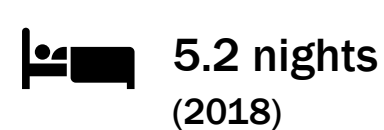
Number of visitors in 2018



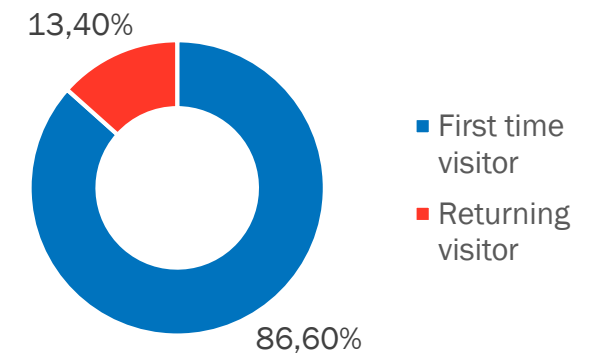
Share of guest nights



Average length of stay



Likelihood of return visit



Air Transportation

All year US direct flights 2019

- Baltimore
- Boston
- Chicago
- Denver
- Minneapolis (St. Paul)
- New York (JFK and Newark)
- Orlando
- Seattle
- Washington, DC

Seasonal US direct flights 2019

- Anchorage
- Cleveland
- Dallas
- Kansas city
- Philadelphia
- Portland, Oregon
- San Francisco
- Tampa Bay

Airlines



Air capacity to Iceland 2018

 **3.43 million seats**
20% YOY



Seasonality

US is the largest visitor market in Iceland. visitors have a similar pattern of arrivals as total. As flight availability increases greatly during the summer months a greater seasonality is to be expected

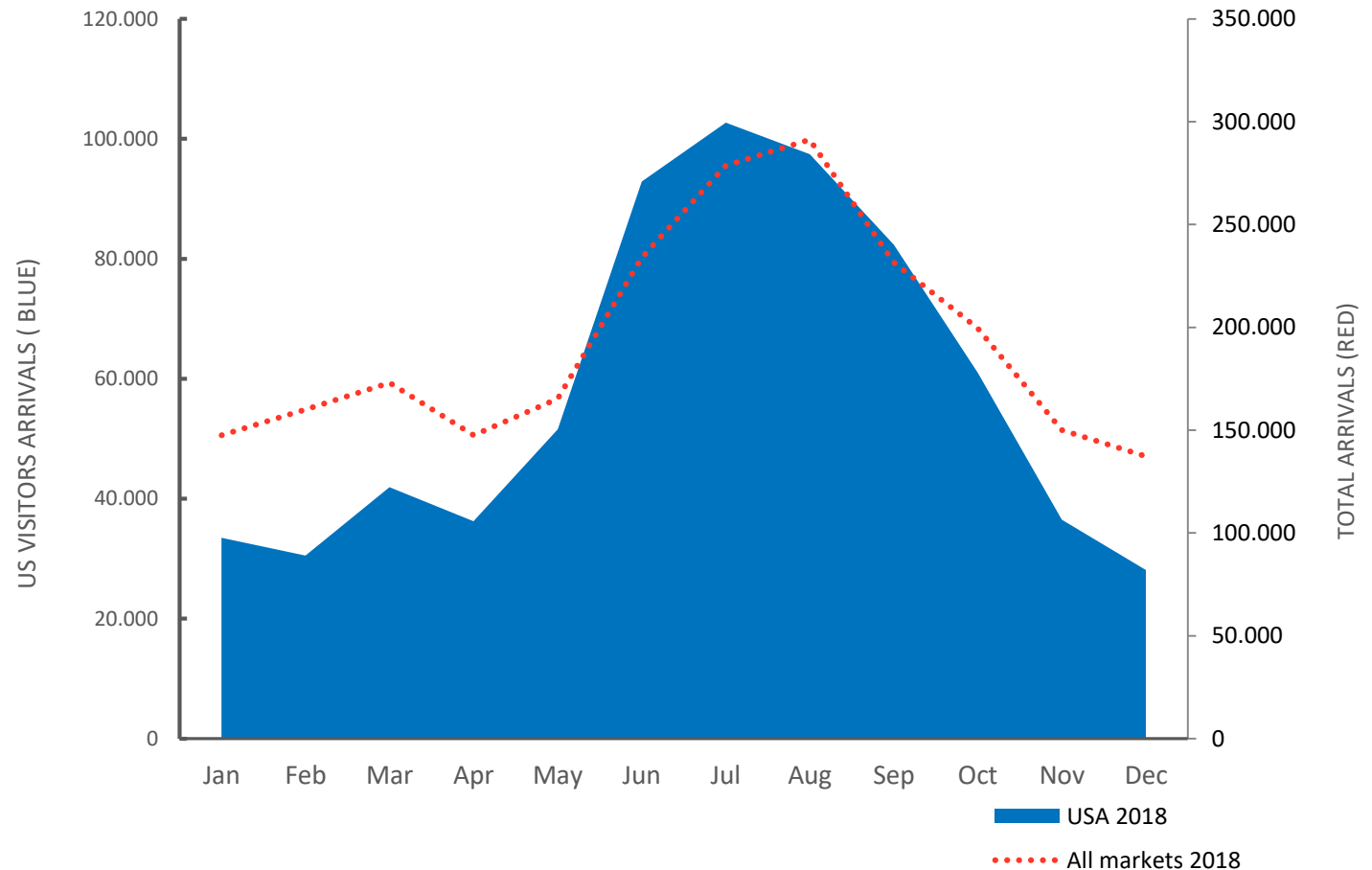
COME DURING

SUMMER: 42%
(JUNE - AUGUST, ALL MARKET AVG 35%)

WINTER: 25%
(JAN - MARCH, NOV - DES
ALL MARKET AVG 33%)

SPRING: 13%
(APRIL - MAY, ALL MARKET AVG 14%)

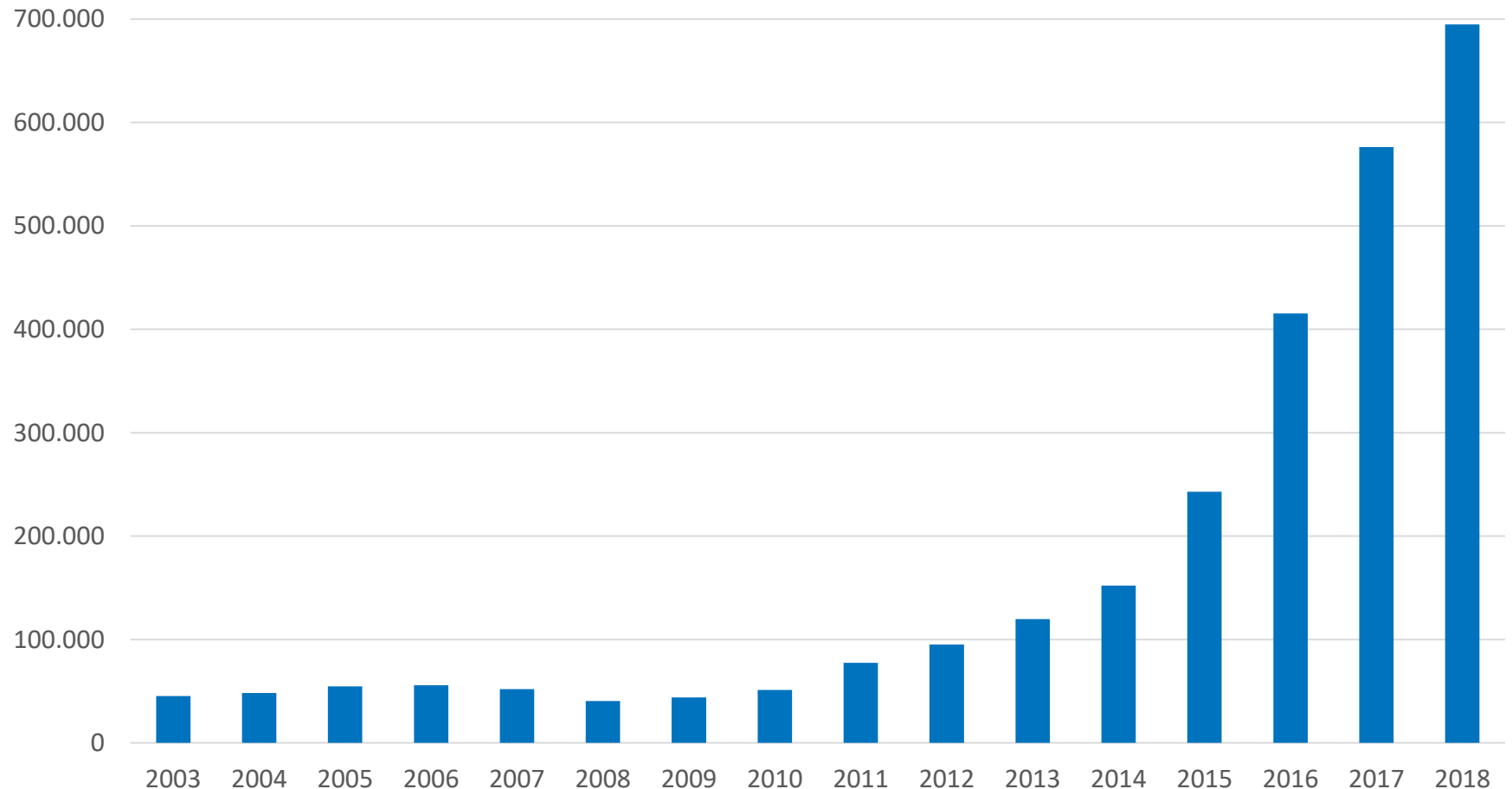
AUTUMN: 21%
(SEPT - OCT, ALL MARKET AVG 19%)



Arrivals over time

- In 2018 Icelandair and WOW air expanded their network greatly and American Airlines started flying to Keflavik.
- In 2017 United Airlines started flying to Keflavik.
- In 2016 Delta Airlines started flying all year round to Keflavik.
- In 2014 WOW air started flying to Boston and Baltimore and Icelandair started marketing stopovers.
- In 2011 Icelandair expanded their network greatly and Delta Airlines started flying seasonally to Keflavik.
- The global financial crisis in 2008 hit outbound tourism hard in the US.

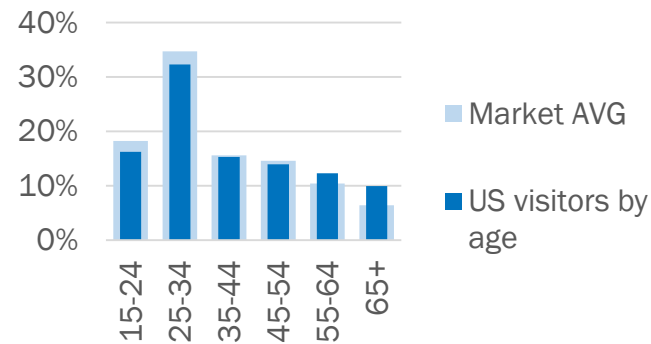
Visitor arrivals from the US



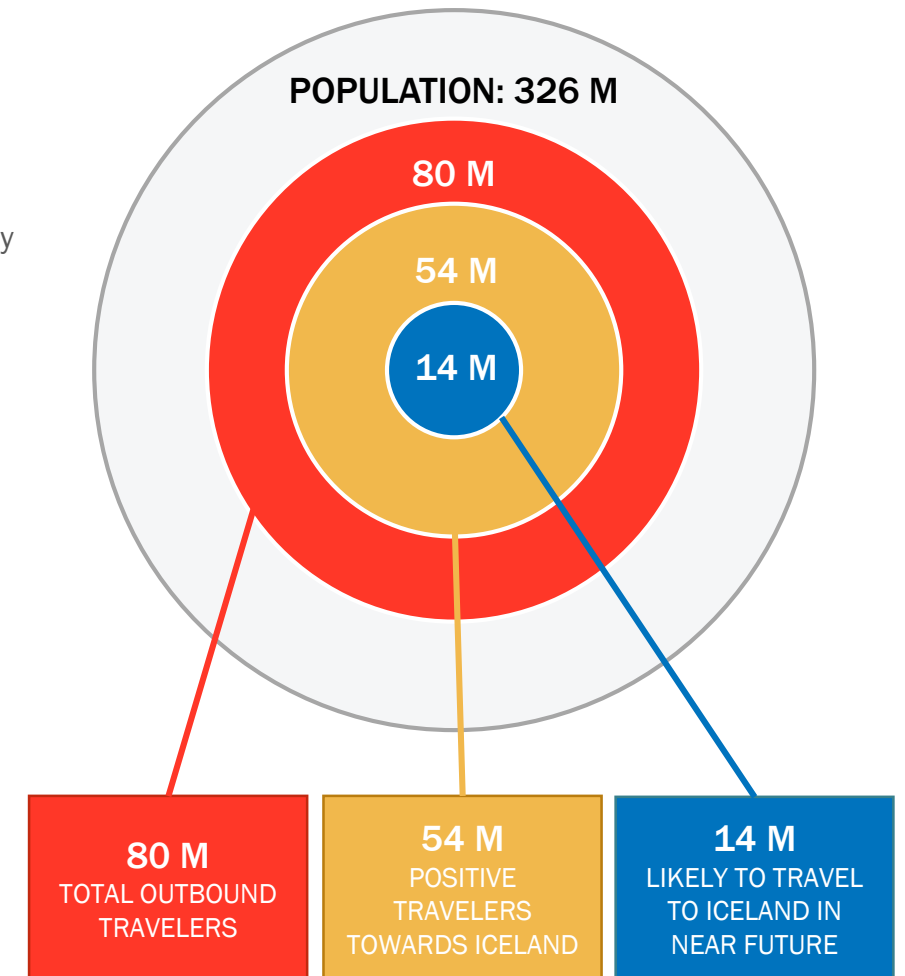
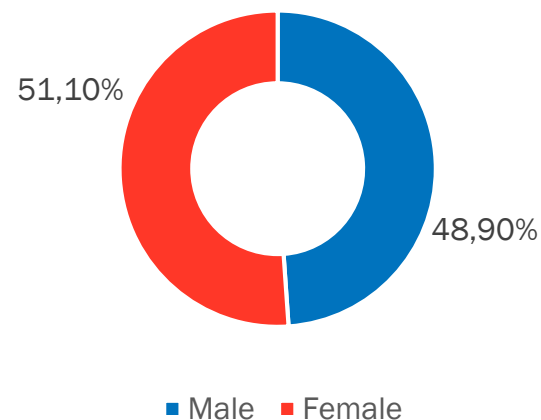
Traveler profile

- Both outbound and domestic travel are increasing, with the former showing stronger signs of growth.
- Europe is the second most visited region by US visitors, accounting for 23% of outbound travel. Italy, the UK, and France are the most popular countries in the continent.
- Overall the majority of holidaymakers from the US are middle aged (35-64). The millennials seem to be more important for Iceland with 32% of visitors 25-34 years old.
- The majority of US citizens travel abroad for leisure purposes, accounting for 70% of international departures in 2017.
- 69% of US travelers are positive towards Iceland as a destination with the 25-49 age group with urban profile and higher income being most positive.
- 44% of US travelers say that intend to visit Iceland within three years.

US visitors by age



US visitors by gender



Target groups

For Icelandic Tourism





The United States of America

320 million

Population: 320 million people

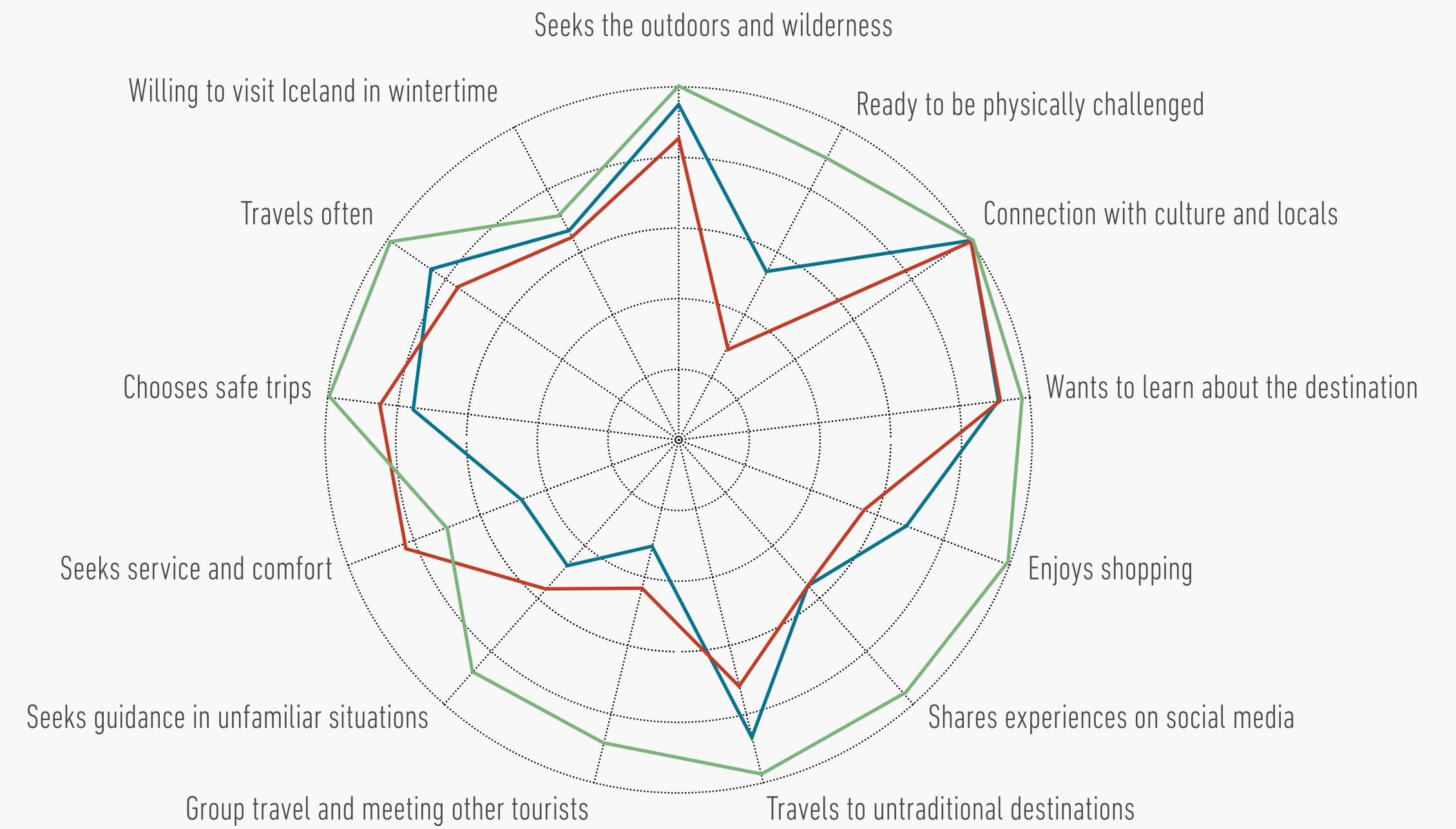
Annual number of outbound travellers: 68 million people

Annual leave entitlement: 24 days

● **Fun-loving Globetrotters:** 34 million travellers

● **Independent Explorers:** 9,5 million travellers

● **Cultural Comfort Seekers:** 14 million travellers





The United States of America:

The Fun-loving Globetrotter

% of the US market: 51%

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An extrovert, creative and open to new people and ideas. Curious by nature and open to experiencing a different culture and challenging nature without taking excessive risks. Likes to see how people in different places live their lives and makes time to fully experience and dwell in the moment.

Value for Icelandic Tourism:

- Travels during wintertime
- Active traveller
- Likely to re-visit
- Cares about the environment and protecting nature
- Ready to pay more for quality, service and goods
- Cautious by nature and seeks guidance and tourism quality certifications.
- Willing to travel further and visit smaller communities





The Fun-loving Globetrotter

The United States of America

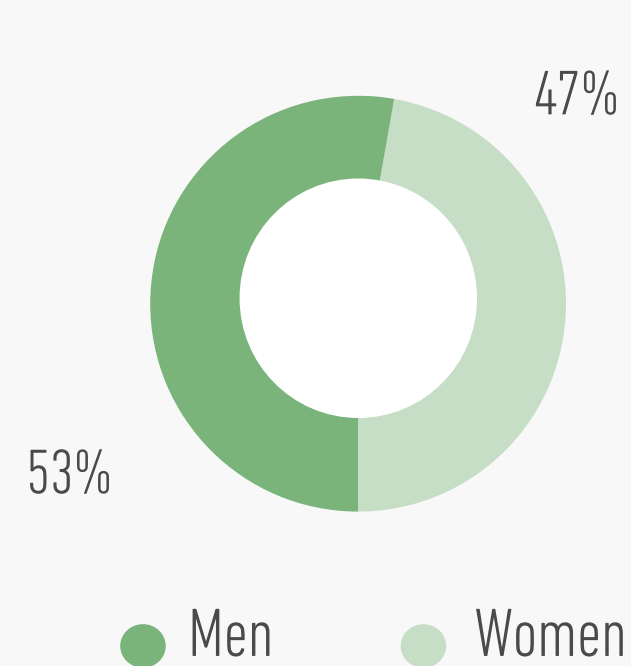
Personality / Demographics and social values

- I live in a large city, am highly educated, have a high income and am between 25-44 years old.
- My children are still in preschool or elementary school.
- I am in the first part of my career and also travel for work.
- I desire to get away from my daily routine and experience something new in my life.
- I enjoy physical activity and prioritise my health.
- I enjoy shopping and buying new things.
- Certain brands represent quality, style and status.
- I have an open personality and enjoy meeting new people.
- I care deeply about nature and the environment, I understand that the threat of climate change must be met and am willing to take action to do my part for nature.

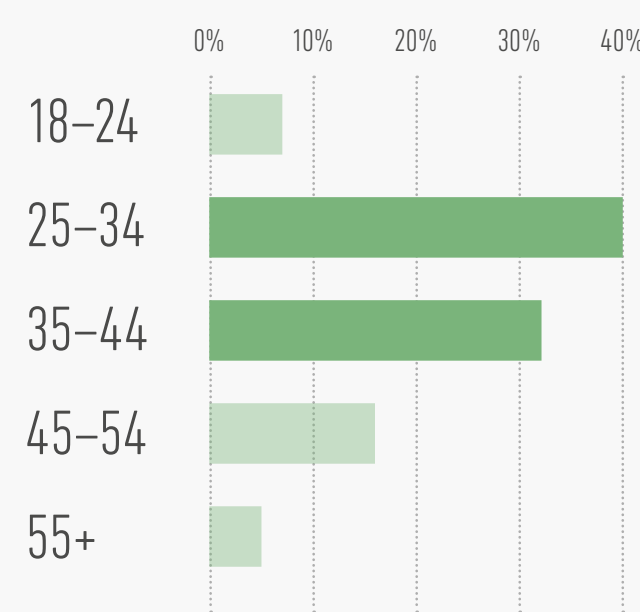
Keywords

- Fashionable, shopping, brands
- Comfort and safety
- Extrovert and seeking
- Culture and history
- Inquisitive

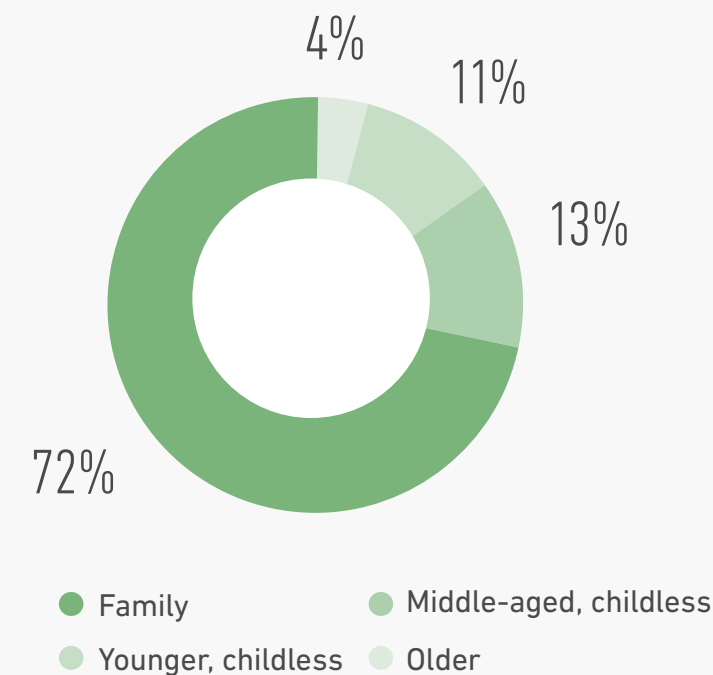
Sex ratio



Age



Life span



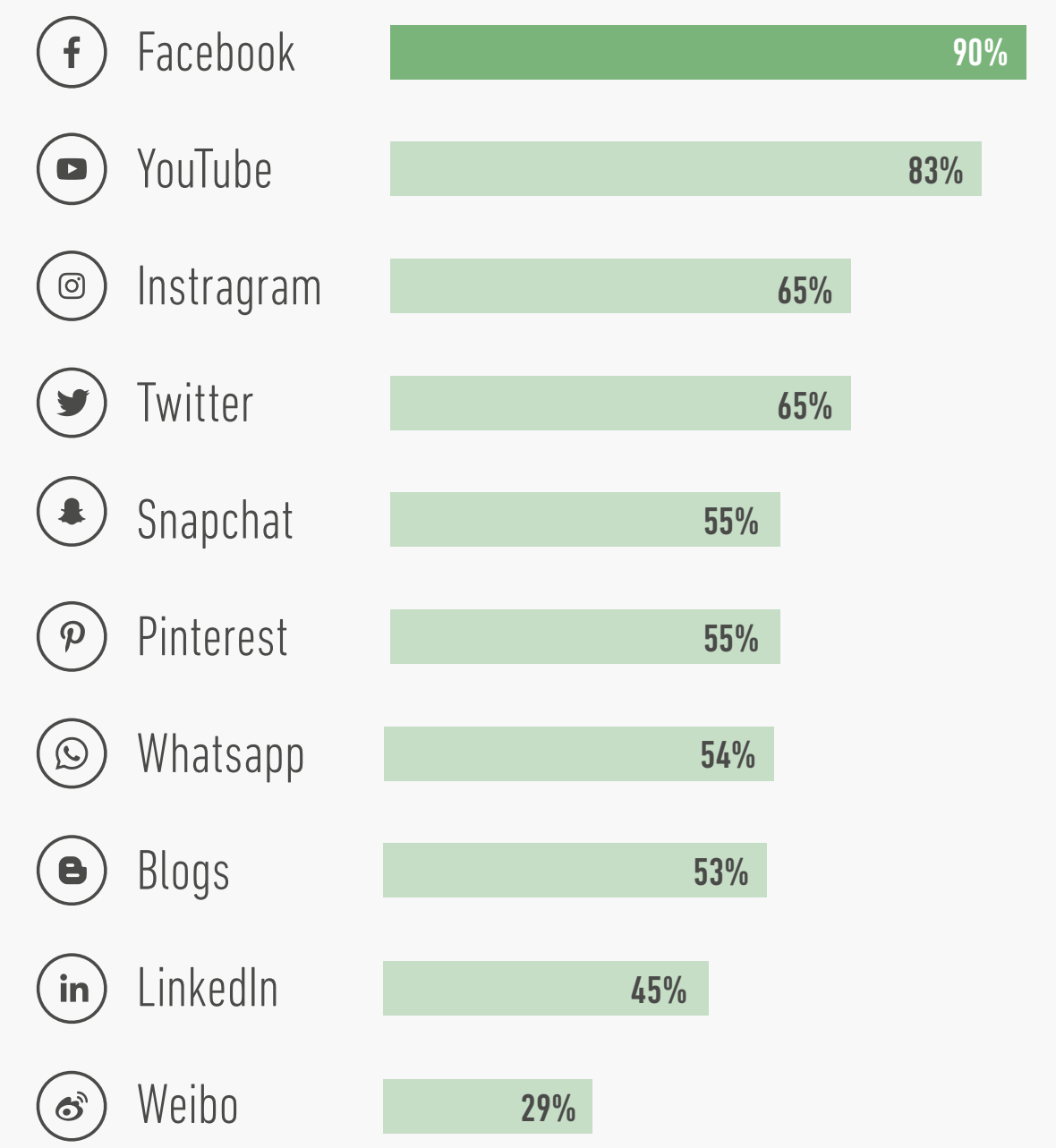
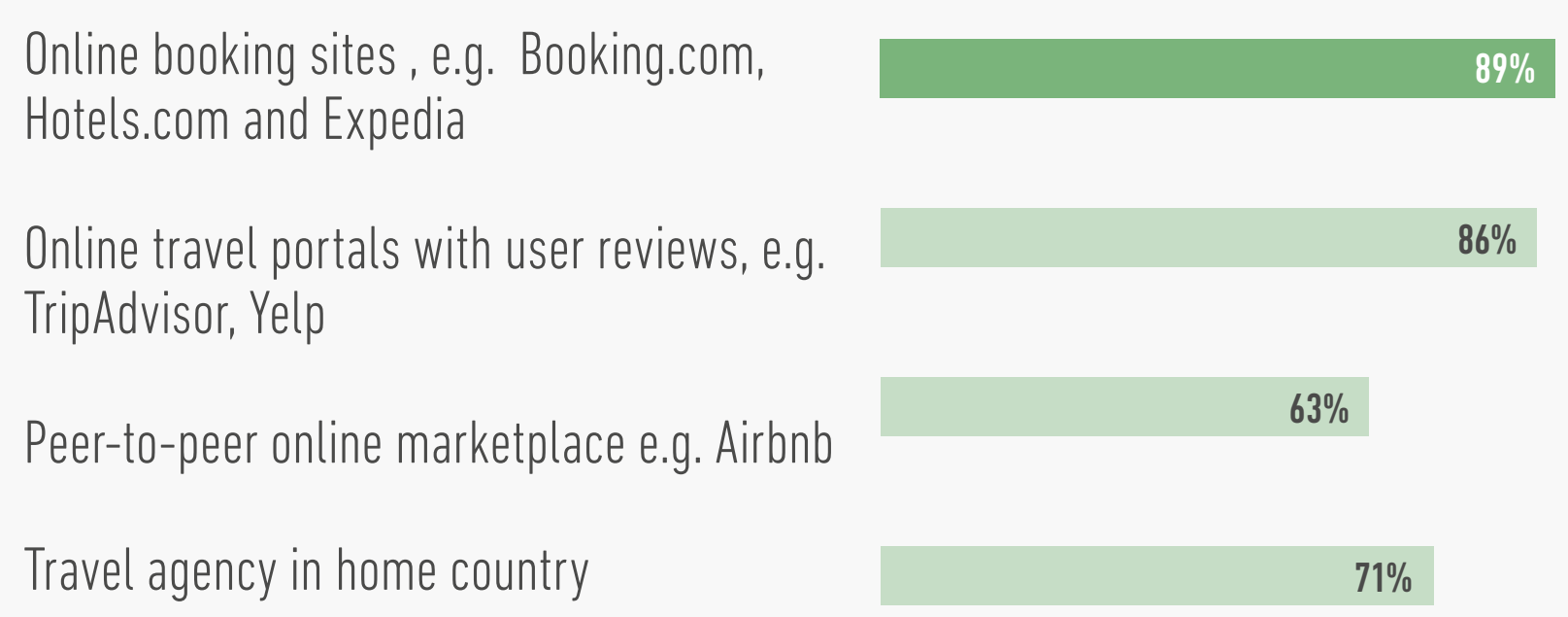
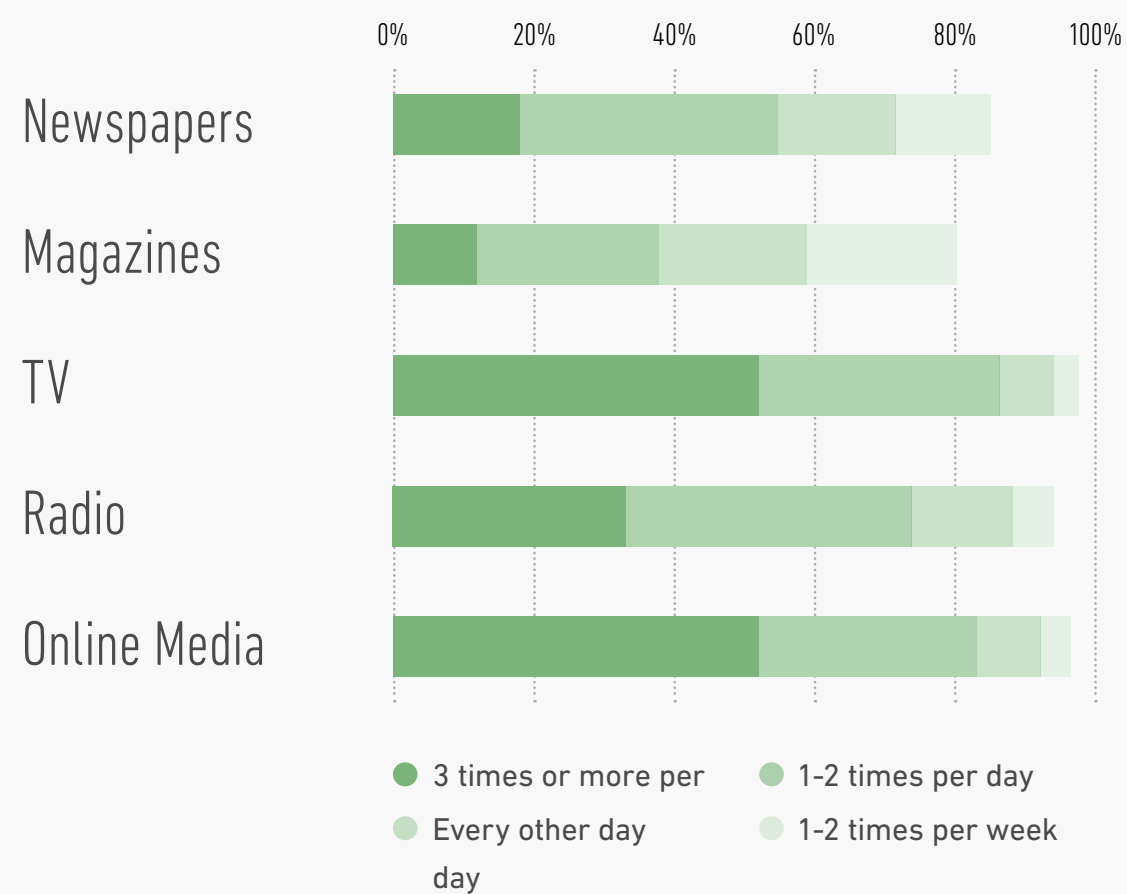
Top 10 interests

1. Reading
2. Walking
3. Cycling
4. Camping
5. Gym / Fitness
6. Fashion / Clothing
7. Health / Natural Foods
8. Swimming
9. Gardening
10. Gourmet / Fine food



The Consumer

- I am a very active media user, and use traditional media, online media and social media.
- I use all major social media outlets and enjoy communicating with others in that arena.
- I enjoy shopping and am a fashionable person.
- I am quick to grasp new technology and use services such as Airbnb, Uber and TripAdvisor.
- Recommendations from other travellers are important to me during the decision making process and I use Tripadvisor and similar websites.
- I prefer to book tours online but also book through travel agencies when appropriate.
- I am ready to pay a premium for quality and like to have a few options to compare prices and services.
- I appreciate personal service and direct contact with service providers.





The Traveller



The Type

I love travelling and appreciate a challenge, I enjoy experiencing new things and seeing the world. Travelling is a lifestyle and I enjoy telling others about it on social media. The journey is stimulating and unfamiliar destinations fascinate me. I enjoy learning about each destination I visit, connecting with the locals and prefer to stay longer or to return.

Planning

I don't take unnecessary risks and prefer the company of a professional guide when I visit an unfamiliar destination. Environmental and tourism quality certifications, brands, and other travellers' comments matter to me when I plan my activities.

Experiences

I am an adventure seeker and enjoy new and exciting experiences. I am at home in nature and like to spend time in museums and visiting places of historical interest to learn more about local culture and traditions. I enjoy tasting local cuisine and talking to the locals in order to see the world in a new way with their eyes. I like to enjoy myself when travelling and seek unique experiences that I can share with others on social media.

Accommodation

I choose quality and modern accommodation but the adventure and story of the journey have the final say about where I spend each night. I enjoy staying somewhere that has a special connection with the area or is part of its history and I enjoy meeting other travellers.



The Fun-loving Globetrotter

The United States of America

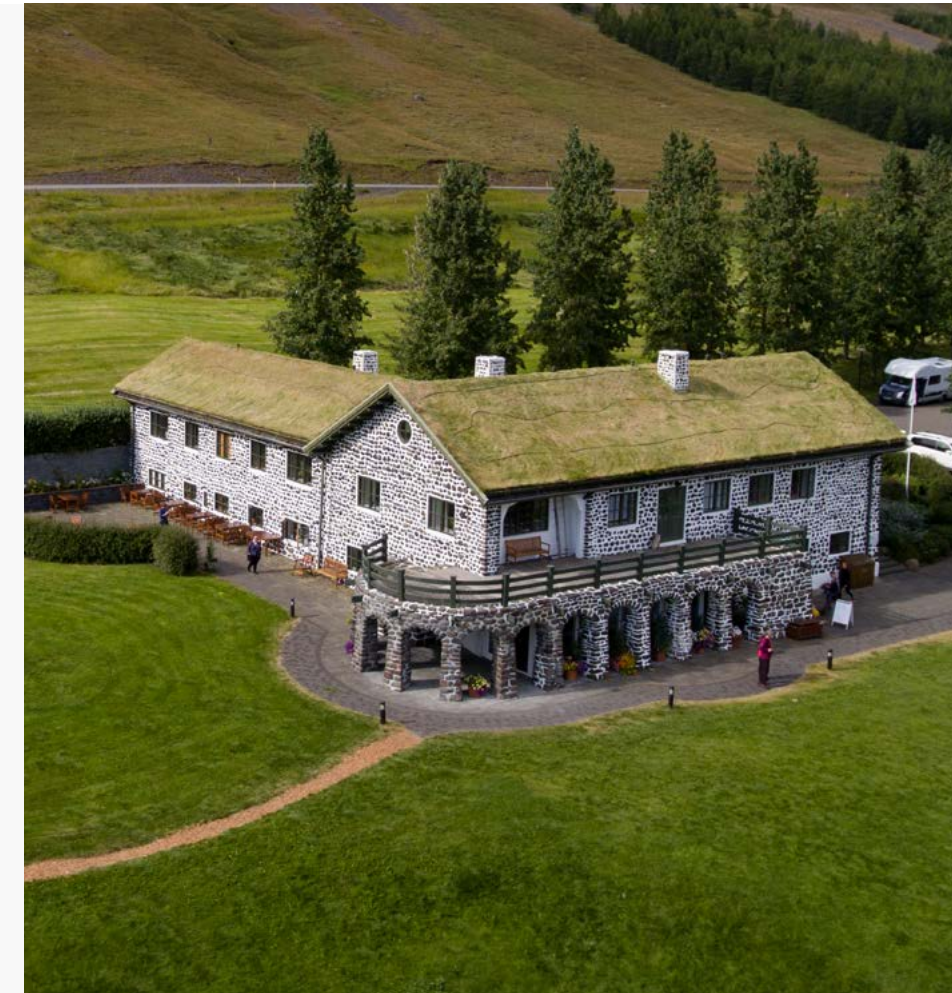
Tourism

I seek:

- Guided activities in nature with beautiful surroundings
- Visiting small towns and experiencing the culture and the people
- Ecotourism
- Restaurants with high quality local produce
- Museums and places of historical interest
- Spas and wellbeing
- Daytrips / Group travel
- Family friendly activities
- Festivals / Events
- Shopping for Icelandic design

What I avoid on my travels:

- Any experience that may harm nature
- An inauthentic experience which is out of touch with the locals
- Uncertified service providers
- Unnecessary risks in unfamiliar situations





The Fun-loving Globetrotter

The United States of America

The Product

- Challenge and stimulation in a safe environment.
- Connecting with nature.
- Information about culture and history.
- Authentic “local” experiences greatly enhance the value of the product.
- High quality locally sourced food is a great advantage.
- Well organised with no surprises.
- The opportunity to get to know other travellers or locals.
- Environmentally friendly product.
- The opportunity to share the experience on social media.

Message and Tone

- Tell the story and introduce the people behind the product.
- Accessible and authentic experience.
- Feedback from others that have tried the product matters.
- Mention your connection to the destination or locals.
- The environmental impact of the product matters to the group.

Media

- The Target group follows the news- and lifestyle media, prioritise PR, e.g. media trips and press releases.
- The Target group is active on all major social media outlets (Facebook, Twitter, Instagram, Youtube and Snapchat). Make sure your company is active online and responds quickly to inquiries. Influencers may be effective in increasing the visibility of your product.
- The Target group is active online and researches destinations and books online. Use SEO, keyword advertising and online ads / website banners to reach the target group when it is searching for products that are similar to yours.
- Advertisements in traditional media could be effective, but cost a lot more and are not as targeted as social media ads. They are not very efficient since the target group is very active online and on social media.

Price

Less price-sensitive than other groups, ready to pay more for good quality and prefer to have a few options to compare prices and services.

Sales

- Other travellers' recommendations matter to this target group so it is good to show them reviews from other travellers, for example on TripAdvisor.
- Show environmental certifications and mention the sustainability of the product.
- Make sure that it is easy to book your product online by having a good website and/or being registered on popular booking sites.
- Make sure that your company is easy to contact online and personal in communications.
- Get other companies or partners in your region that appeal to the target group to be on your team, for example good restaurants, hotels, transportation service providers, and make a product that includes their services. This will increase the quality of your product and increase the benefits for your targetgroup and simlifies the sales process.



The United States of America:

The Independent Explorer

% of the US market: 14%

Does not want a typical holiday or overplanned itinerary and rather chooses unfamiliar and new options. Chooses to travel in a small group where authentic Icelandic experiences matter. Seeks opportunities to learn about the culture and history of the destination and travels in an environmentally friendly way.

Value for Icelandic Tourism:

- Willing to travel further and visit smaller communities
- Travels during wintertime
- Active traveller
- Likely to re-visit
- Cares about the environment and protecting nature





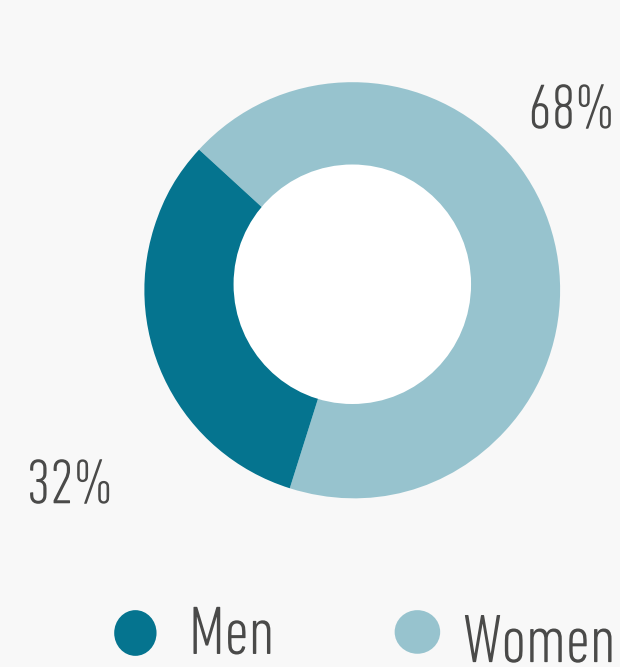
The Person

- I have an average education and income and live in a small city or medium sized town.
- My children are grown and can take care of themselves.
- I have plenty of free time to take care of myself and to travel.
- I desire to get away from my daily routine and experience something new in my life.
- I want to enjoy life and eat well. I choose healthy options and prioritise my health.
- I care deeply about nature and the environment, I understand that the threat of climate change must be met and am willing to take action to do my part for nature.

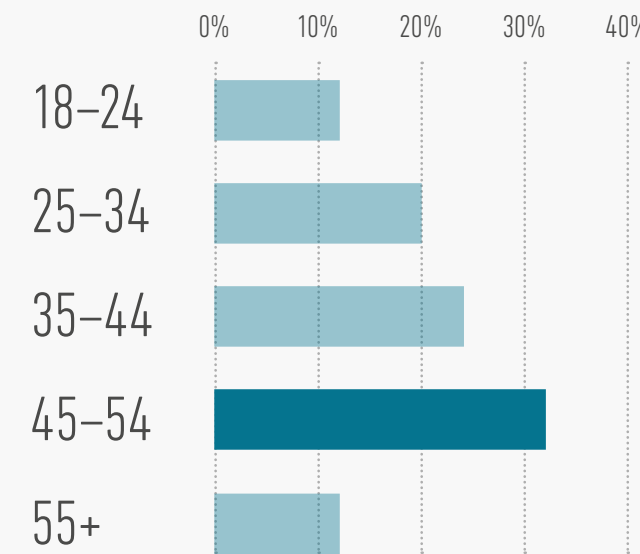
Keywords

- Authentic experience
- Introvert and small groups
- Seeking and inquisitive
- Culture and history

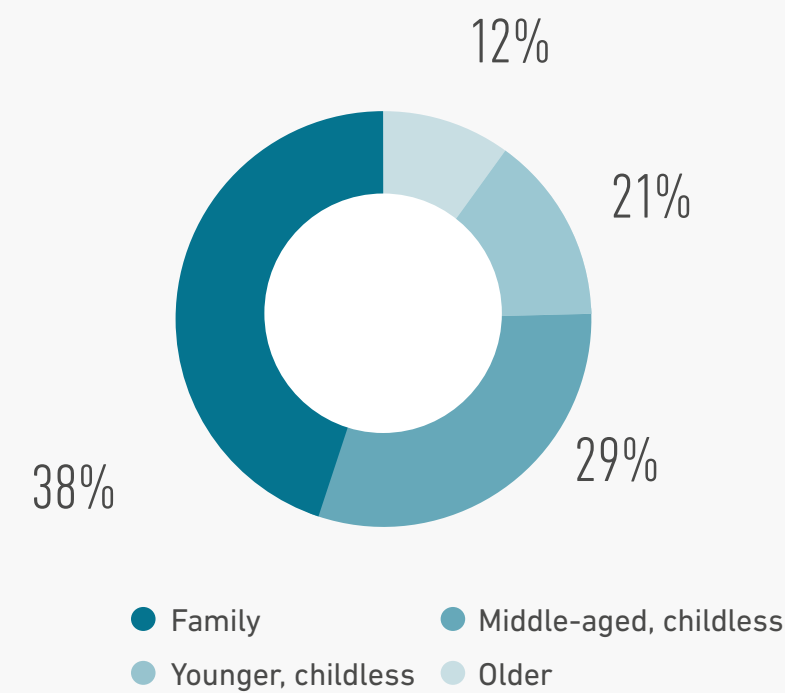
Sex ratio



Age



Life span



Top 10 interests

1. Reading
2. Walking
3. Health / Natural Foods
4. Gourmet / Fine food
5. Hiking / Walking
6. Gym / Fitness
7. Cycling
8. Gardening
9. Swimming
10. Camping



The Independent Explorer

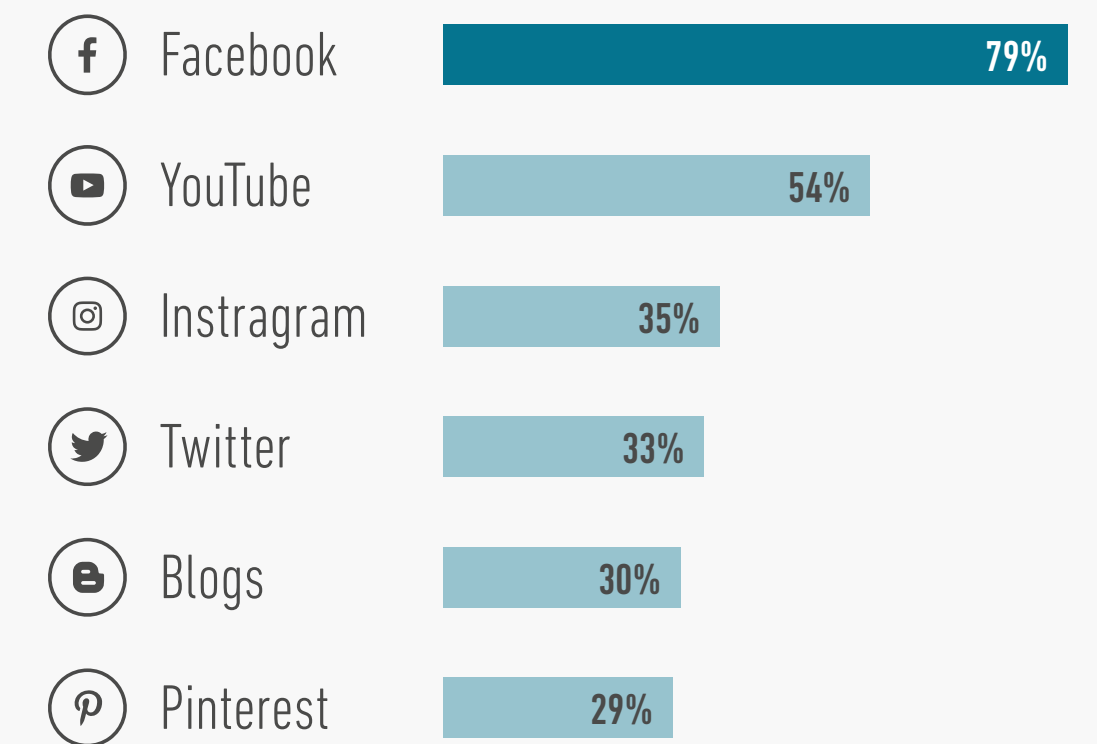
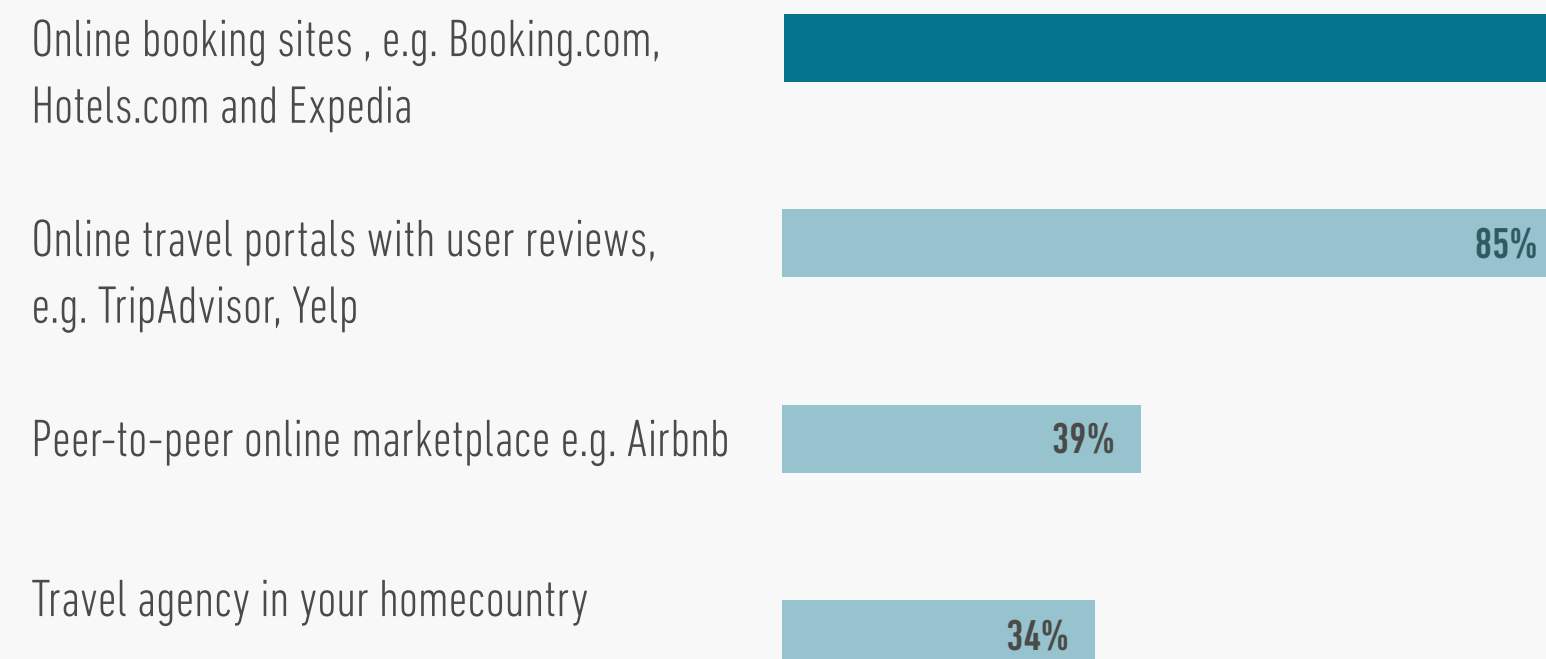
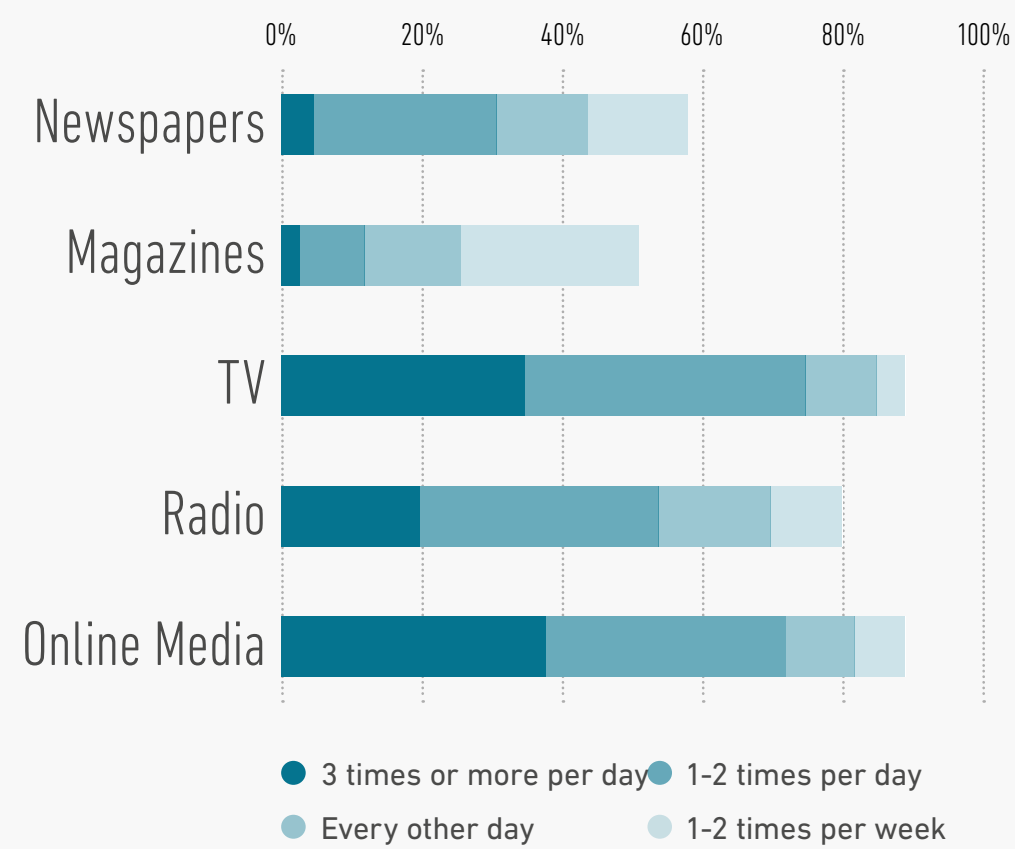
The United States of America

The Consumer

- I am an active social media user, and use traditional -, internet -, and social media.
- I use Facebook to keep up with friends and family, but also use YouTube, Instagram and Twitter to a lesser extent.
- Recommendations from other travellers are important to me during the decision making process and I use Tripadvisor and similar websites.
- I am price-sensitive, don't enjoy shopping and only buy things that have a practical value.
- The Independent Explorer from the United States is more willing to go shopping and use social media than the same group in other markets.



I rather book trips online than through a travel agency in my home country.

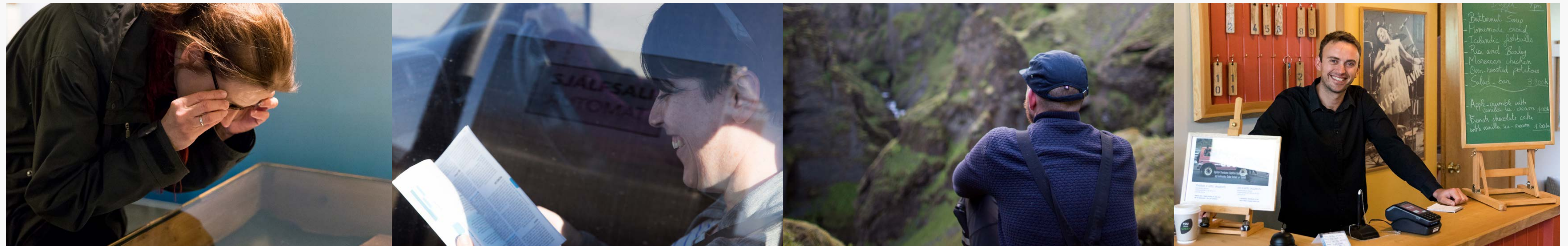




The Independent Explorer

The United States of America

The Traveller



The Type

I desire to get away from my daily routine and experience something new. I travel to see different and unfamiliar things. I find destinations in the North charming and do not need warm days and sunshine. I like to learn about the destination that I visit and prefer to blend in with the locals than to feel like a "tourist". I prefer "real" communication to using social media online.

Planning

I prefer to travel in a small group and do not like being surrounded by tourists. I like to have free time, do not appreciate an overplanned schedule and do not need a lot of guidance. Time matters, I want to have the privacy to fully experience and dwell in the moment. I do not appreciate being in a hurry or under pressure when I am travelling. I am ready to pay for goods and services that meet my needs and have a practical value for me.

Experiences

I want to experience something different that is off the beaten track, but not something that is too challenging physically. I want to travel on my own terms, get in touch with nature and have enough time to learn at a museum or place of historical interest. I like to get to know the local culture and traditions, taste the food, chat with the locals and see the world in a new light with a local point of view.

Accommodation

I am pragmatic and don't want to spend more than necessary. Smaller hotels or guesthouses with a special or historical connection to the area appeal to me.



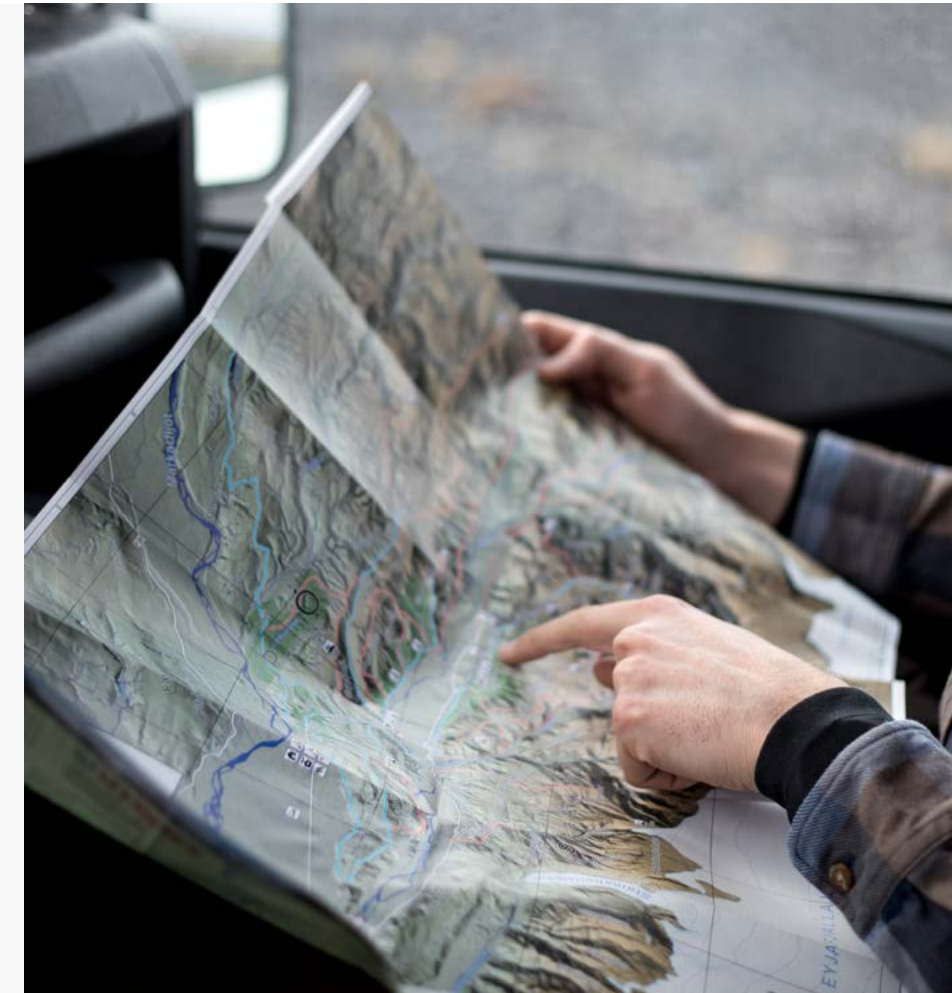
Tourism

I seek:

- Activities in nature
- Visiting places that are off the beaten path, smaller communities and experiencing the local culture
- Restaurants with high quality local produce
- Museums and places of historical interest
- Communicating with the locals
- Swimming
- Wildlife and nature photography
- Festivals / Events

What I avoid on my travels:

- Circumstances where I am not in control, longer group trips and typical places with many tourists
- Any experience that may harm nature
- An inauthentic experience which is out of touch with the locals
- Spending time on social media





The Independent Explorer

The United States of America

The Product

- Authentic Icelandic experience
- Connection with the outdoors, wilderness and nature
- Information about culture and history.
- Challenging for the soul but not the body
- Good, high quality, locally sourced food is a great advantage
- Environmentally friendly
- Smaller groups (20 pax max)

Message and Tone

- Tell the story and introduce the people behind the product
- Accessible and authentic experience
- Feedback from others that have tried the product matters
- Mention your connection to the destination or locals
- The environmental impact of the product matters to the group

Media

- The target group follows the news and lifestyle media, mostly online.
- Emphasise PR, e.g. media trips and newsletters.
- The target group is active on Facebook but also uses YouTube, Twitter, Instagram and Pinterest.
- Make sure that your company is active online and that you respond quickly to requests and questions, especially on Facebook.
- The Target group is active online and researches destinations and books online.
- Using SEO, keyword advertising and online ads / website banners to reach the target group when it is searching for products that are similar to yours.
- Advertisements in traditional media outlets are not effective for this group of travellers since they mostly source their information online.

Price

Do not need luxury accommodation, but are ready to pay more for an authentic Icelandic experience. Are price-sensitive and not spontaneous. They spend mostly on practical things.

Sales

- Other travellers' recommendations matter to this target group so it is good to show them reviews from other travellers, for example on TripAdvisor.
- Show environmental certifications and mention the sustainability of the product.
- Make sure that it is easy to book your product online by having a good website and/or being registered on popular booking sites.
- Make sure that your company is easy to contact online and personal in communications.



The United States of America:

The Cultural Comfort Seeker

% of the US market: 21%

—
Adventurous within sensible limits. Travels “in the present” and seeks to experience the local atmosphere and culture first-hand. Prefers comfort and service.

Value for Icelandic Tourism:

- Active traveller
- Seeks culture
- Ready to pay for quality, service and goods
- Cautious by nature and doesn't take unnecessary risks.





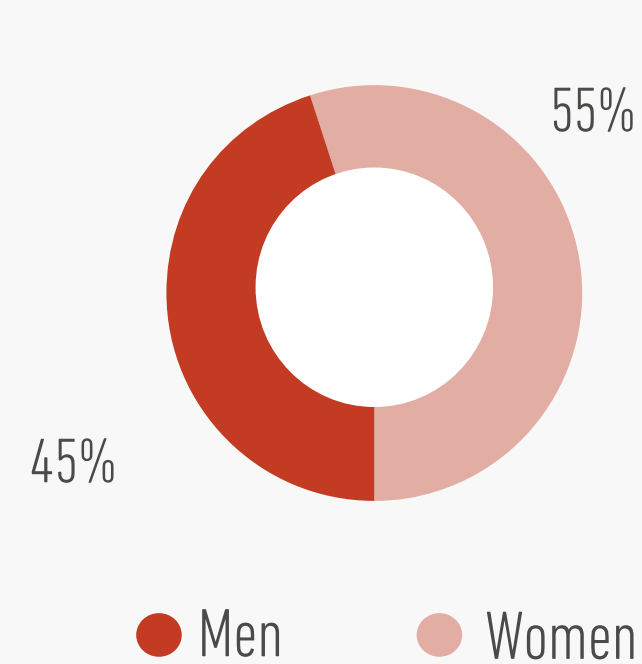
The Person

- I have an average education and income and live in a small city or medium sized town.
- My children are grown and can take care of themselves.
- I have plenty of free time to take care of myself and to travel
- I want to enjoy life and eat well. I choose healthy options and prioritise my health.
- I care about the environment, I understand that the threat of climate change must be met and am willing to do my part for nature.
- I don't take unnecessary risks but enjoy new experiences.

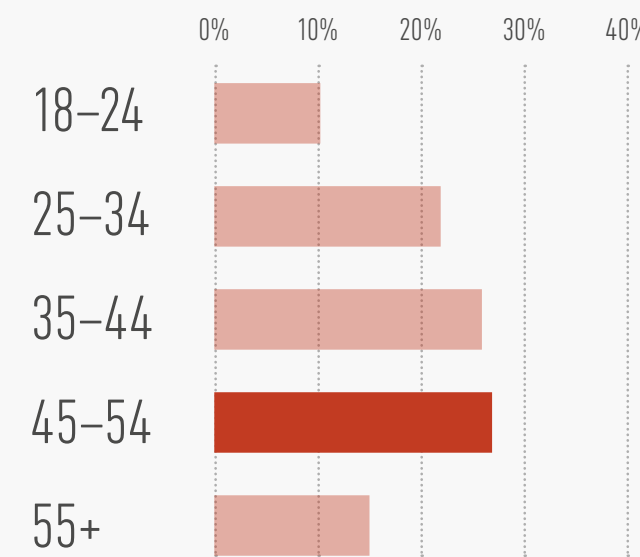
Keywords

- Organised
- Local
- Safety and comfort
- Museums and history
- Accessible nature

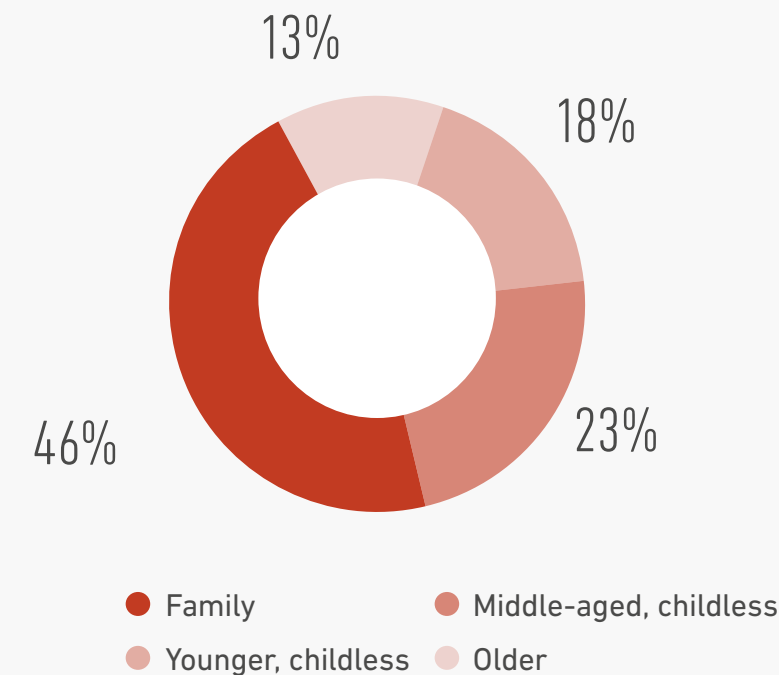
Sex ratio



Age



Life span



Top 10 interests

1. Reading
2. Walking
3. Gym / Fitness
4. Gardening
5. Gourmet / Fine food
6. Health / Natural Foods
7. Cycling
8. Crafts
9. Hiking / Walking
10. Camping

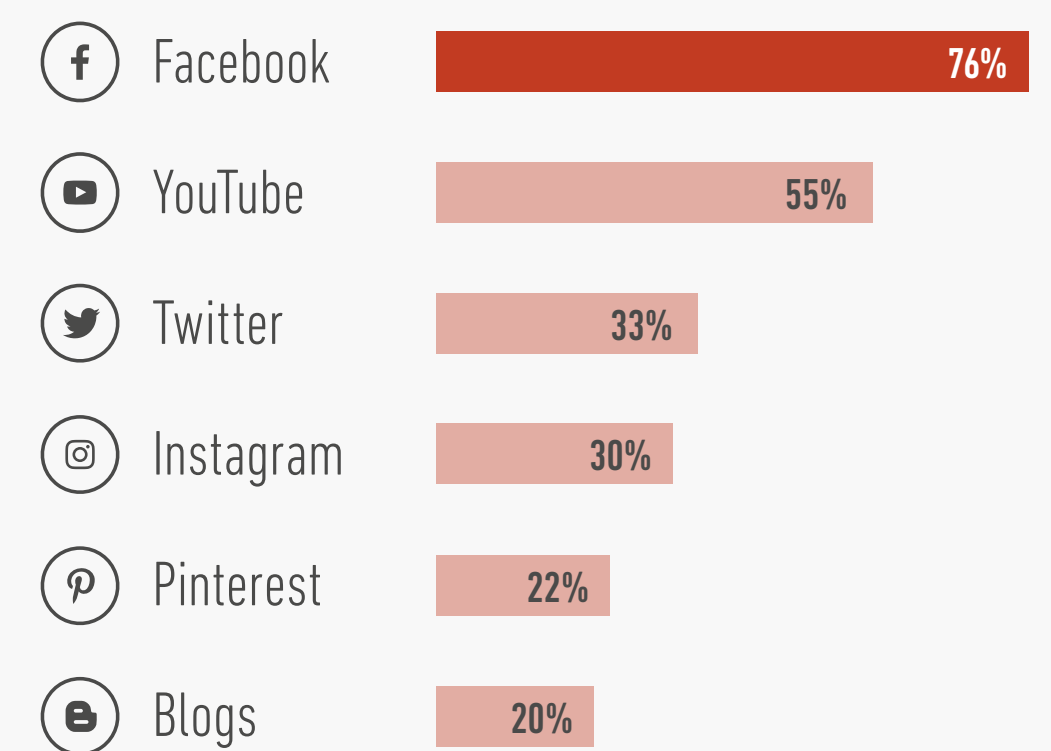
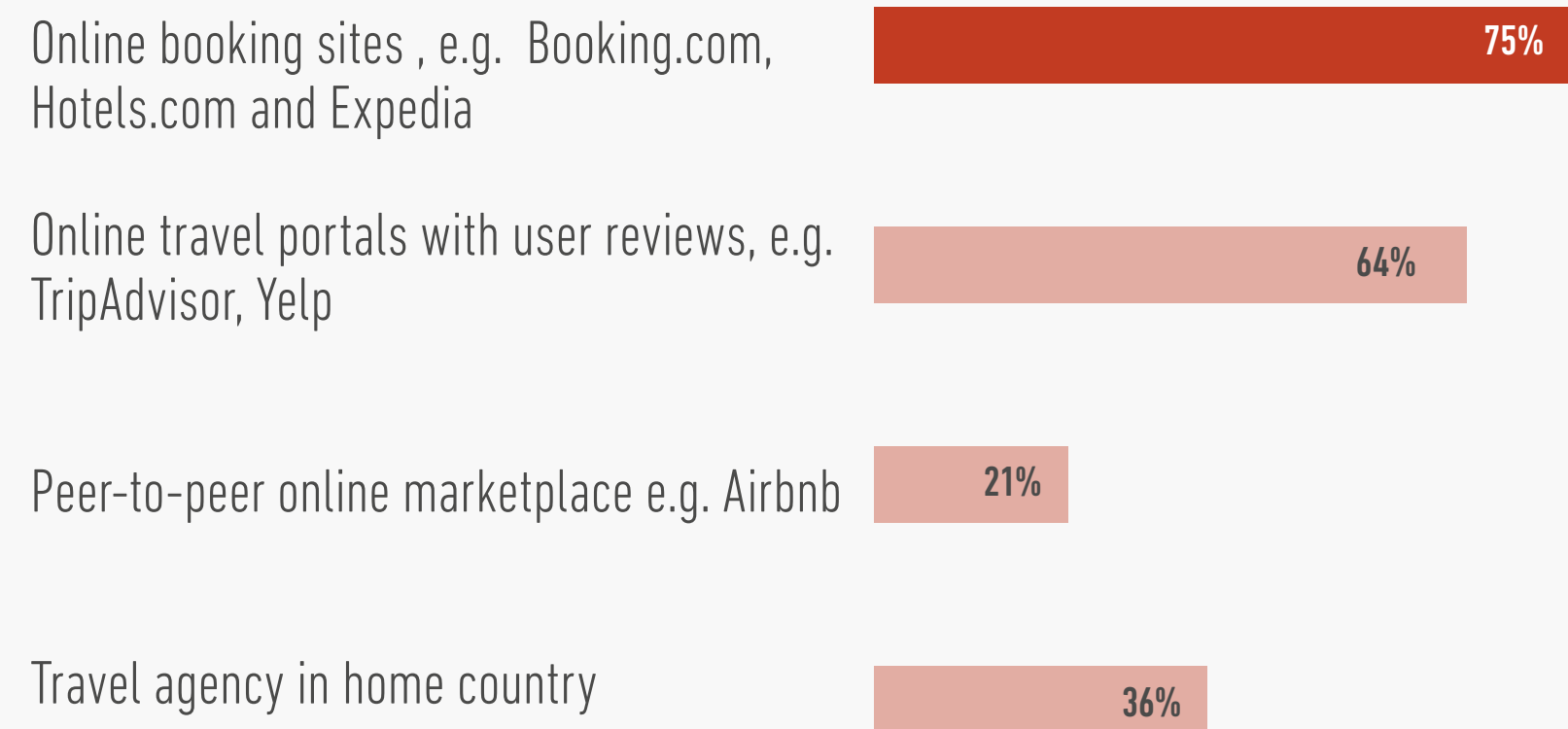
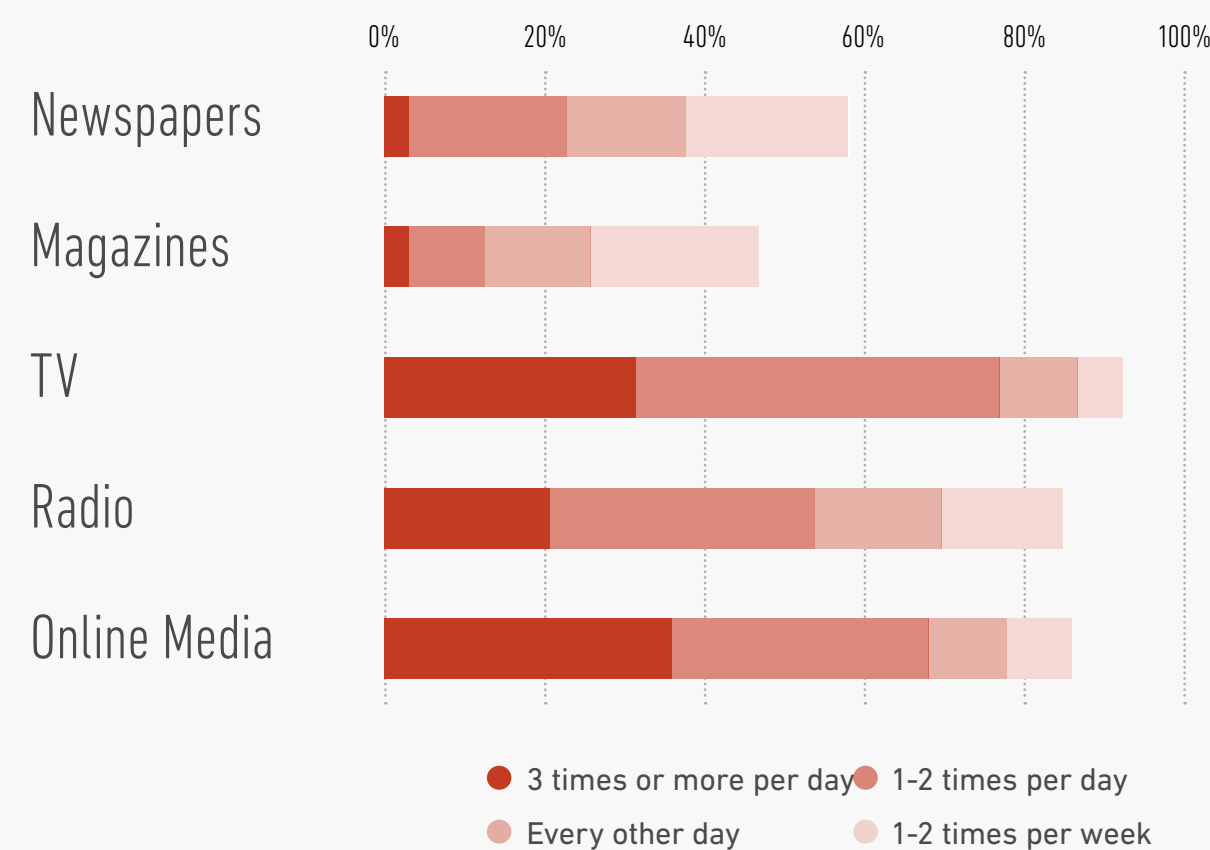


The Consumer

- I am an active social media user, and use traditional -, internet -, and social media.
- I use Facebook to keep up with friends and family, but also use YouTube, Instagram and Twitter to a lesser degree.
- Recommendations from other travellers are important to me during the decision making process and I use Tripadvisor and similar websites.
- It is unlikely that I would use new online booking services such as Airbnb and Uber.
- I rather book trips online instead of through a travel agency in my home country.
- The US market is less fond of shopping compared to the same group in the other markets.



I am price-sensitive and appreciate a good offer.





The Cultural Comfort Seeker

The United States of America

The Traveller



The Type

I am an active traveller and try to travel as often as possible in order to get away from my daily routine and experience new things. I prefer to experience things first-hand rather than to read about them in a book and to fall in with a local crowd. I prefer “real” communication to using social media online although I do use them to keep in touch with friends and family.

Planning

I want to cover as much as possible with a safe and comfortable travel itinerary. I want my freedom and do not like being stuck on long group tours. Travelling should be easy, I avoid challenging situations and therefore do not need a guide for most of my trip. I travel during summer and safety is important to me. Comfort, quality, service and simplicity matter to me.

Experiences

I want to see beautiful landscapes and unique nature, without being physically challenged. I want to get to know the culture and traditions of the locals, learn about history, taste the food, chat with the locals and see the world in a new way.

Accommodation

I prefer good quality accommodation and am willing to pay more for more luxury and better service.



Tourism

I seek:

- Dining at restaurants with locally sourced, high quality food
- See beautiful landscapes and visit well-known natural attractions without much effort
- City breaks with cultural experiences
- Visiting small towns and experiencing the local culture
- Swimming / Spas and wellbeing
- Festivals / Events
- Museums and places of historical interest
- A hotel with good service and great facilities

What I avoid on my travels:

- Physical challenge
- Unorganised tours with little service
- Sharing my experience online on social media
- Unnecessary risks and trips off the beaten track





The Cultural Comfort Seeker

The United States of America

The Product

- Comfortable, safe and fun.
- Connecting with culture and “local” experience.
- Accessible outdoors with real Icelandic landscapes.
- Better quality and service.
- Offers relaxation, spa and/or “rejuvenation”.
- Authentic “local” experiences greatly enhance the value of the product.
- Well organised with no surprises.
- Good, locally sourced food is a great advantage.
- Smaller groups (20 pax max).

Message and Tone

- Accessible and unique experience.
- Other consumers’ reviews matter.
- The spiritual stimulation from the product.
- Mention your connection to the destination or locals.

Media

- A mix of media focusing on online media.
- The target group is active on Facebook but also uses YouTube, Twitter, Instagram and Pinterest.
- Make sure your company is active online and answers inquiries quickly, especially on Facebook.

Price

Do not require quality certifications but are ready to pay more for comfort. Respond well to special offers.

Sales

- Other travellers’ recommendations matter to this target group so it is good to show them reviews from other travellers, for example on TripAdvisor.
- Make sure that it is easy to book your product online by having a good website and/or being registered on popular booking sites.
- Make sure that your company is easy to contact online and personal in communications.

MARKET SNAPSHOT PREPARED BY PROMOTE ICELAND

APRIL 2019

Promote Iceland aims to enhance Iceland's good image and reputation, to support the competitive standing of Icelandic industries in foreign markets, to attract foreign tourists and investments to the country, and assist in the promotion of Icelandic culture abroad.

www.promoteiceland.is