

A woman is floating in a natural hot spring, her head and shoulders above water. She has her eyes closed and a peaceful expression. The water is a warm, milky color. In the background, there is a large, dark volcanic rock formation with a thatched roof structure built into it. The sky is overcast with soft, grey clouds.

Foreign travel professional survey about Icelandic tourism

Submitted in June 2021

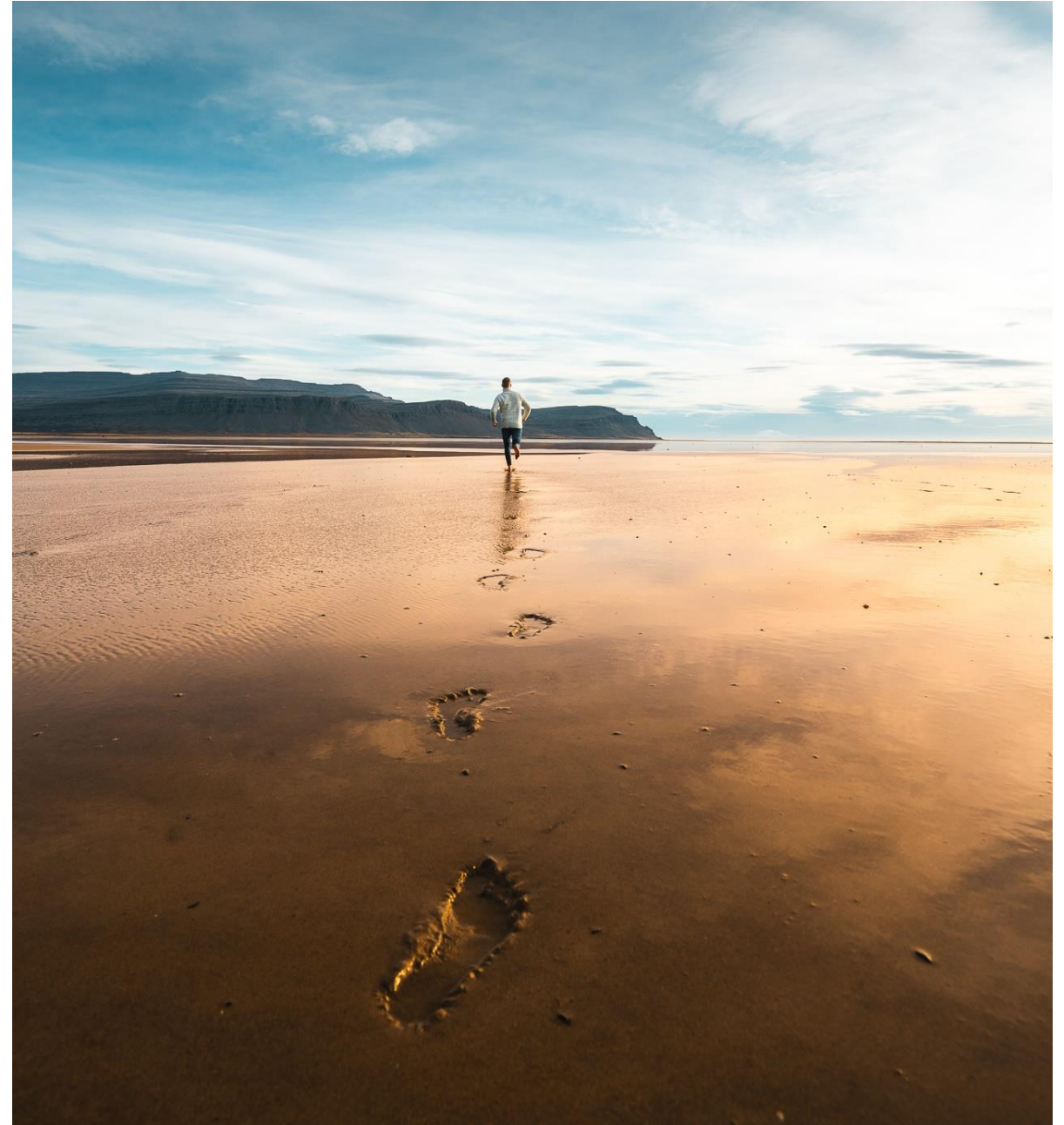
Main findings

The survey was conducted in June 2021. The number of responses received is comparable to recent years and was distributed in a similar way between markets, with one exception. Only 12 responses were received from the UK, which is less than before, and this reservation must be placed on the results for that market area.

Judging by the responses, the effects of travel restrictions in many key markets are decreasing; expectations for bookings and willingness to travel are increasing, although there are clear signs that the tourism industry in Iceland will continue to struggle with the consequences of the COVID-19 epidemic for some time. When comparing years, it is worth noting that when the survey was conducted in June 2020, there was a prevailing lockdown in many key markets, restrictions in force at many borders, including in Iceland, and uncertainty about the distribution of vaccines.

Nevertheless, it is encouraging to see that there is optimism regarding bookings and travel to Iceland in the coming months. 69% of participants believe that their customers will be ready to travel to Iceland before the end of the year and about 58% believe that bookings for trips to Iceland next year (2022) will be comparable to before the borders were closed.

The NPS score of foreign sellers was 60 points and decreased by 2 points between years, although it is still significantly higher than it was in 2019 and the years before. Iceland also scores high when asked about destinations that are leading in sustainable development. Participants believe that the safety of the destination, the government's response to the COVID-19 pandemic and the marketing of the destination will have a positive effect on the development of Icelandic tourism this year, but prices (exchange rate), lack of flights and intensifying competition will have a negative effect.





Fieldwork summary

Promote Iceland carried out an attitude survey in June 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 4.700 travel professionals that sell tours to Iceland, All in all 443 took part in the survey, 339 of whom completed it in whole.

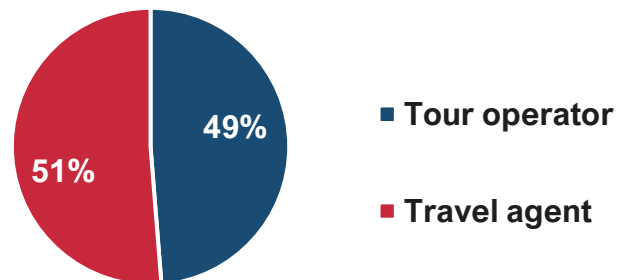
Fieldwork period: June 2021

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 (169 answers)	Canada	28	6%
	United States	141	32%
Central- & Southern Europe (152 answers)	Austria	2	0%
	Belgium	4	1%
	France	15	3%
	Germany	29	7%
	Italy	42	9%
	Netherlands	14	3%
	Portugal	1	0%
	Spain	25	6%
	Switzerland	20	5%
Nordic countries (24 answers)	Denmark	18	4%
	Norway	1	0%
	Sweden	5	1%
British isles (12 answers)	Ireland	1	0%
	United Kingdom	11	2%
Eastern Europe (11 answers)	Poland	5	1%
	Other countries	2	0%
	Russia	4	1%
Distant markets (75 answers)	Australia	2	0%
	China	2	0%
	India	36	8%
	Malaysia	16	4%
	Other counties	13	3%
	Singapore	6	1%
	Sum:		443

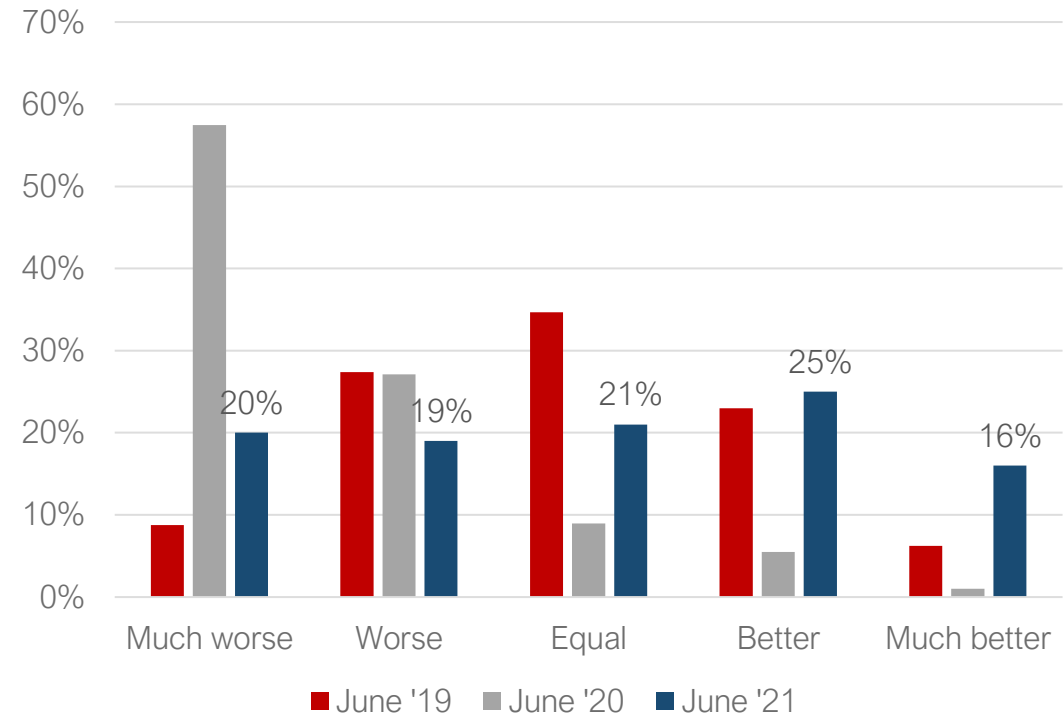


Booking status for Iceland last year

61% of participants said the booking status was similar or better compared to the same time a year ago

+46% from June 2020
-3% from June 2019

Compared to 2020, how are the number of bookings to Iceland with arrivals in 2021 for your company?





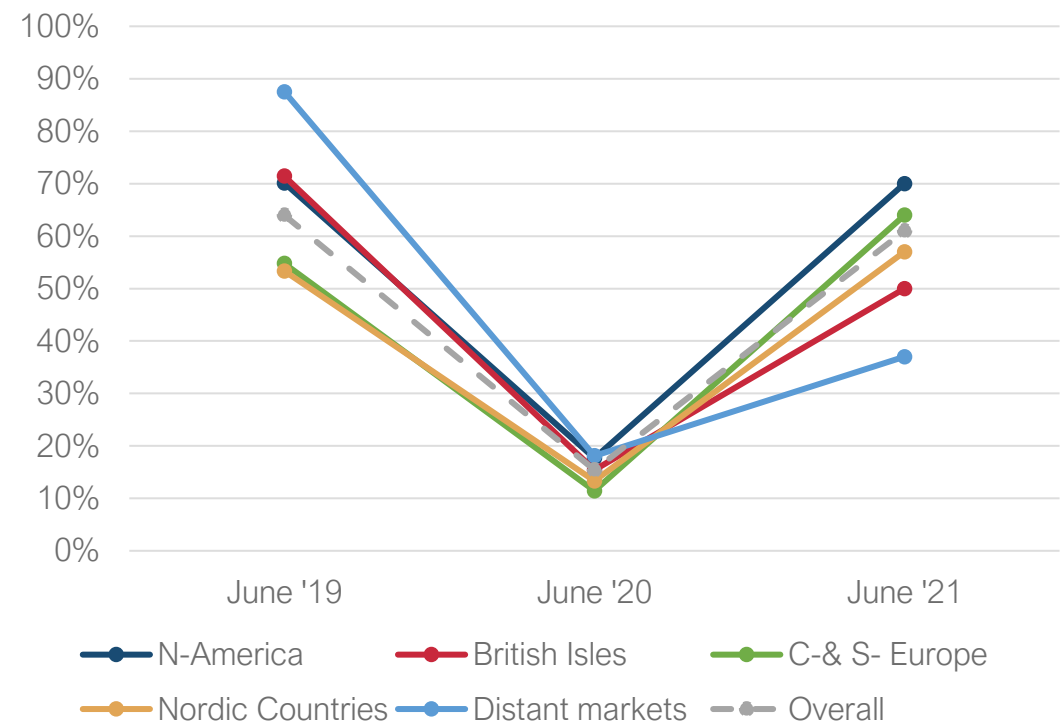
Booking status for Iceland last year

Market breakdown

The majority of foreign retailers say that the booking status this year is similar or better than at the same time last year. However, these results should not come as a surprise given that when the survey was conducted in June 2020, there was a widespread lockdown due to COVID-19 in key markets and uncertainty about when vaccines would be available.

North America seems to be the most optimistic, with 50% of participants saying that the booking status is now better or much better than a year ago, compared to 41% in central and southern Europe and 38% in the Nordic countries.

Proportion of those that reported similar or increased number of bookings in 2020





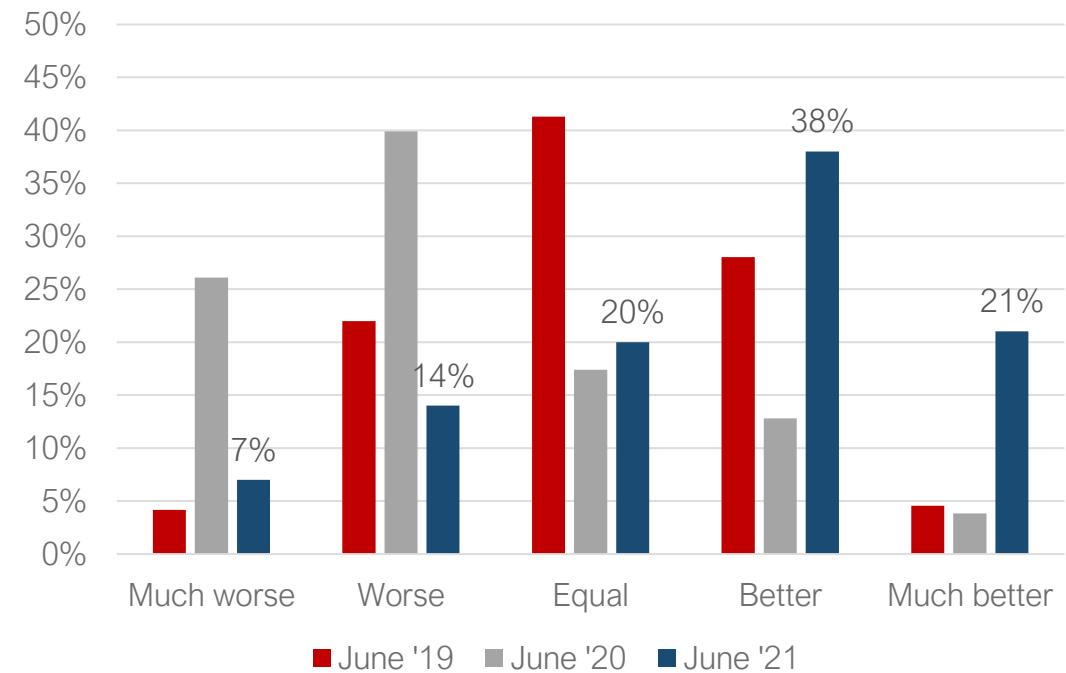
Expectations about bookings to Iceland this winter

79% of respondents indicated that they expect equal or higher sales for this coming winter season

+45% from June 2020

+5% from June 2019

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

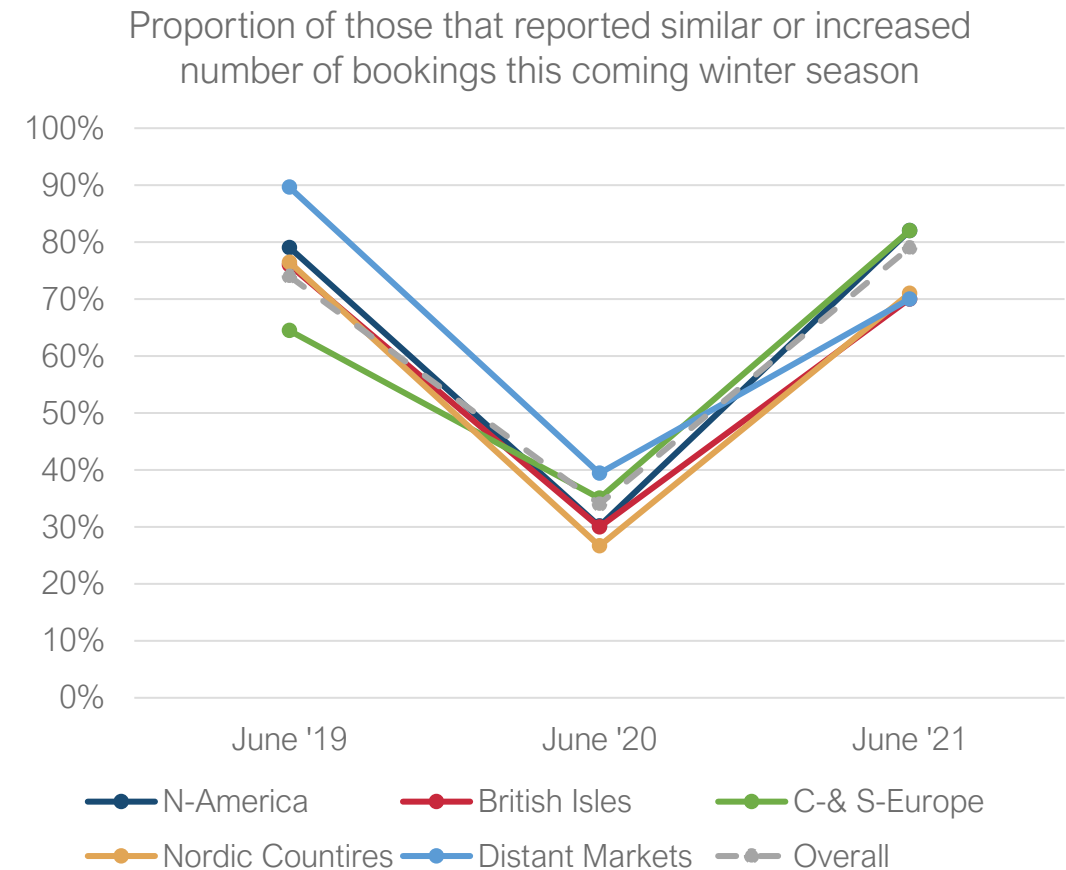




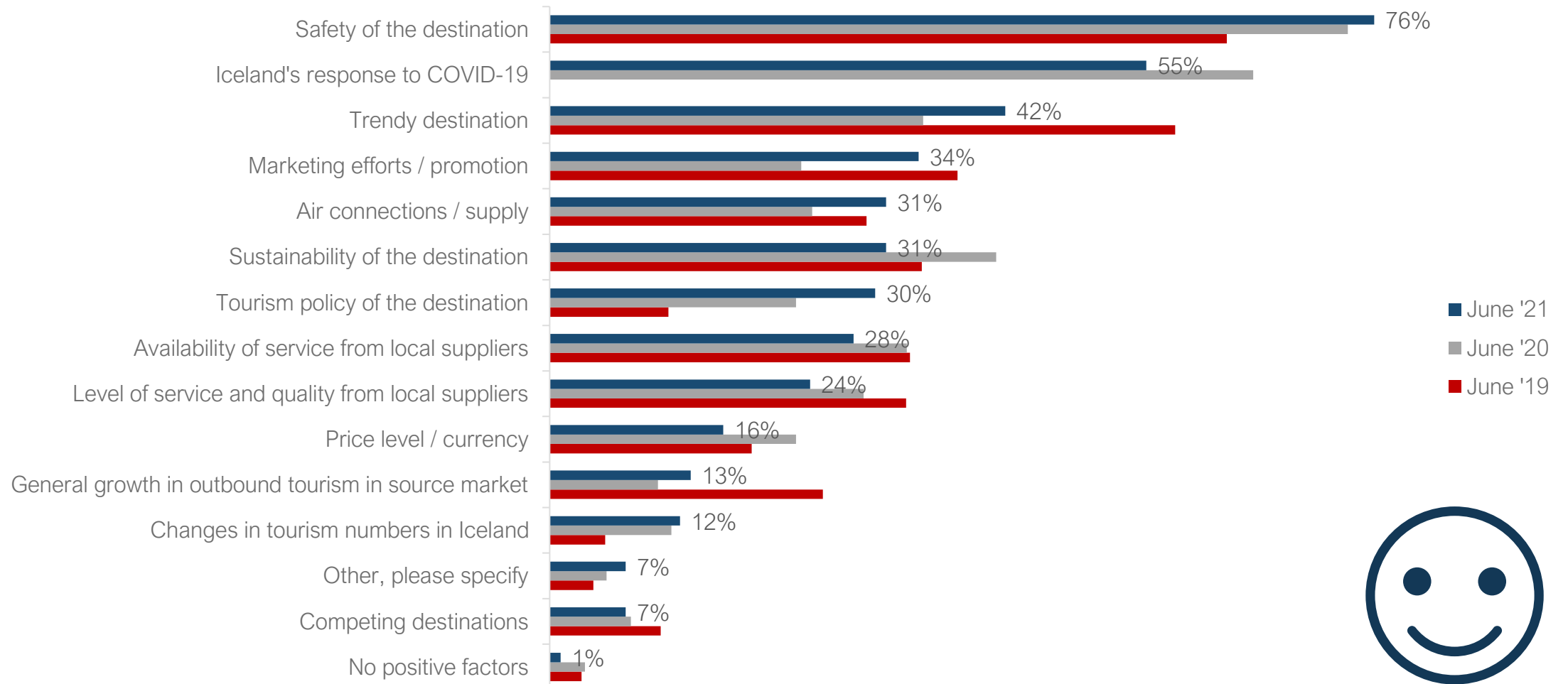
Expectations about bookings to Iceland this winter

Market breakdown

Expectations for the winter generally seem good in key markets. Thus, 64% of participants in North America say the booking status is better or much better than at the same time last year and 62% of retailers 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)

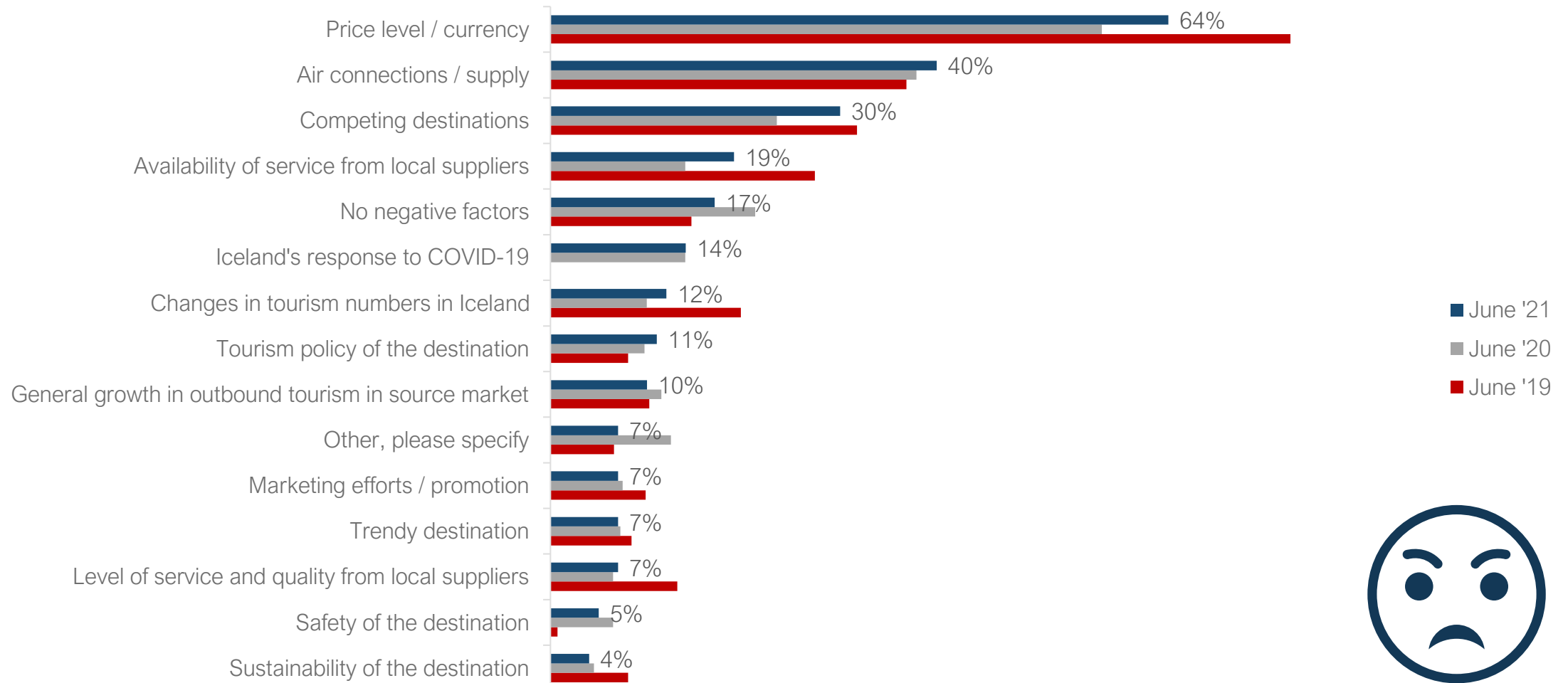


Top positive factors for the development of tourism in Iceland

Market breakdown

	All market areas	N-America	British Isles	C- & S-Europe	Nordic Countries	Distant markets	United States	Germany
Safety of the destination	76,1%	72,3%	70,0%	80,3%	71,4%	78,6%	71,9%	92,0%
Iceland's response to COVID-19	54,8%	58,1%	80,0%	49,6%	47,6%	55,7%	56,2%	52,0%
Sustainability of the destination	41,8%	44,6%	50,0%	42,5%	47,6%	31,4%	45,5%	36,0%
Trendy destination	34,3%	37,8%	40,0%	24,4%	28,6%	45,7%	38,8%	20,0%
Availability of service from local suppliers	30,9%	35,1%	10,0%	25,2%	42,9%	31,4%	34,7%	20,0%
Level of service and quality from local suppliers	30,6%	24,3%	20,0%	43,3%	23,8%	24,3%	24,0%	52,0%
Air connections / supply	29,5%	31,1%	00,0%	25,2%	33,3%	37,1%	33,1%	24,0%
Marketing efforts / promotion	27,9%	33,1%	60,0%	20,5%	14,3%	30,0%	34,7%	12,0%
Tourism policy of the destination	24,5%	31,8%	20,0%	15,7%	23,8%	25,7%	33,9%	20,0%
Price level / currency	16,5%	12,8%	20,0%	11,8%	28,6%	28,6%	14,9%	16,0%
Changes in tourism numbers in Iceland	12,8%	10,1%	30,0%	7,9%	9,5%	25,7%	11,6%	4,0%
General growth in outbound tourism in source market	12,2%	7,4%	20,0%	21,3%	14,3%	4,3%	7,4%	32,0%
Competing destinations	7,4%	8,8%	10,0%	7,1%	9,5%	4,3%	7,4%	4,0%
Other, please specify	6,9%	4,1%	10,0%	7,9%	4,8%	11,4%	5,0%	12,0%

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)



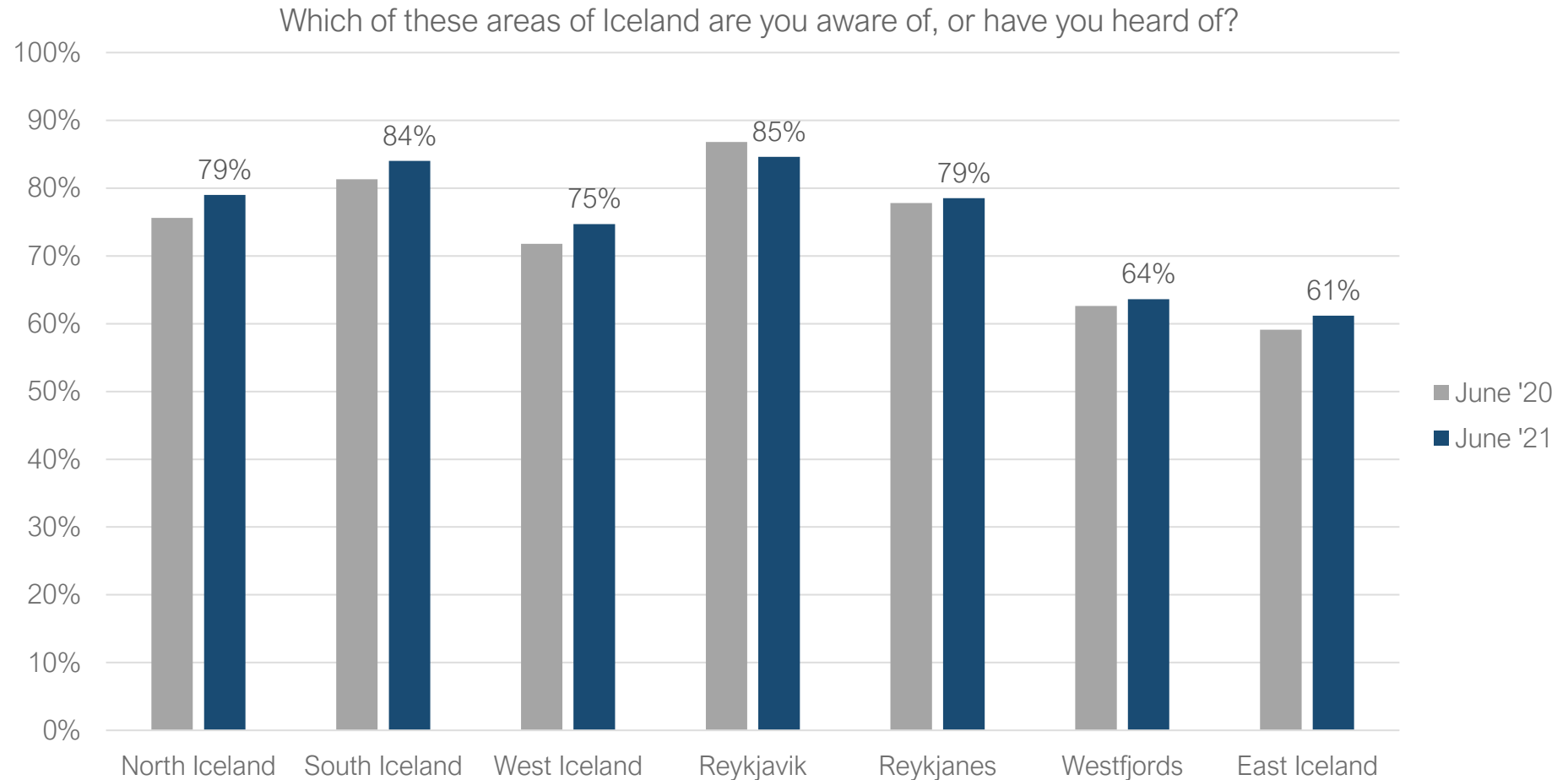
Top negative factors for the development of tourism in Iceland

Market breakdown

	All market areas	N-America	British Isles	C- & S-Europe	Nordic Countries	Distant markets	United States	Germany
Price level / currency	63,6%	65,5%	60,0%	66,9%	61,9%	54,3%	62,8%	52,0%
Air connections / supply	39,9%	34,5%	30,0%	39,4%	33,3%	55,7%	32,2%	32,0%
Competing destinations	29,8%	36,5%	20,0%	25,2%	19,0%	28,6%	38,0%	24,0%
No negative factors	18,9%	18,9%	10,0%	19,7%	23,8%	17,1%	19,8%	8,0%
Availability of service from local suppliers (e.g. accommodation, tours, restaurants, etc.)	17,0%	14,9%	30,0%	14,2%	9,5%	27,1%	16,5%	8,0%
Iceland's response to COVID-19	13,6%	8,8%	0,0%	18,1%	28,6%	12,6%	6,6%	24,0%
Other, please specify	11,7%	8,8%	20,0%	10,2%	28,6%	14,3%	8,3%	16,0%
General growth in outbound tourism in source market	10,9%	4,7%	0,0%	16,5%	14,3%	14,3%	3,3%	4,0%
Changes in tourism numbers in Iceland	10,1%	8,8%	40,0%	7,9%	0,0%	15,7%	9,1%	8,0%
Tourism policy of the destination	7,2%	8,8%	20,0%	5,5%	4,8%	5,7%	8,3%	0,0%
Marketing efforts / promotion	7,2%	5,4%	10,0%	7,9%	0,0%	11,4%	5,0%	8,0%
Trendy destination	6,6%	7,4%	10,0%	5,5%	4,8%	7,1%	5,8%	12,0%
Safety of the destination	6,6%	5,4%	0,0%	8,7%	0,0%	8,6%	5,0%	8,0%
Level of service and quality from local suppliers	4,5%	3,4%	0,0%	2,4%	4,8%	11,4%	2,5%	4,0%
Sustainability of the destination	4,0%	2,7%	0,0%	0,0%	4,8%	11,4%	1,7%	0,0%



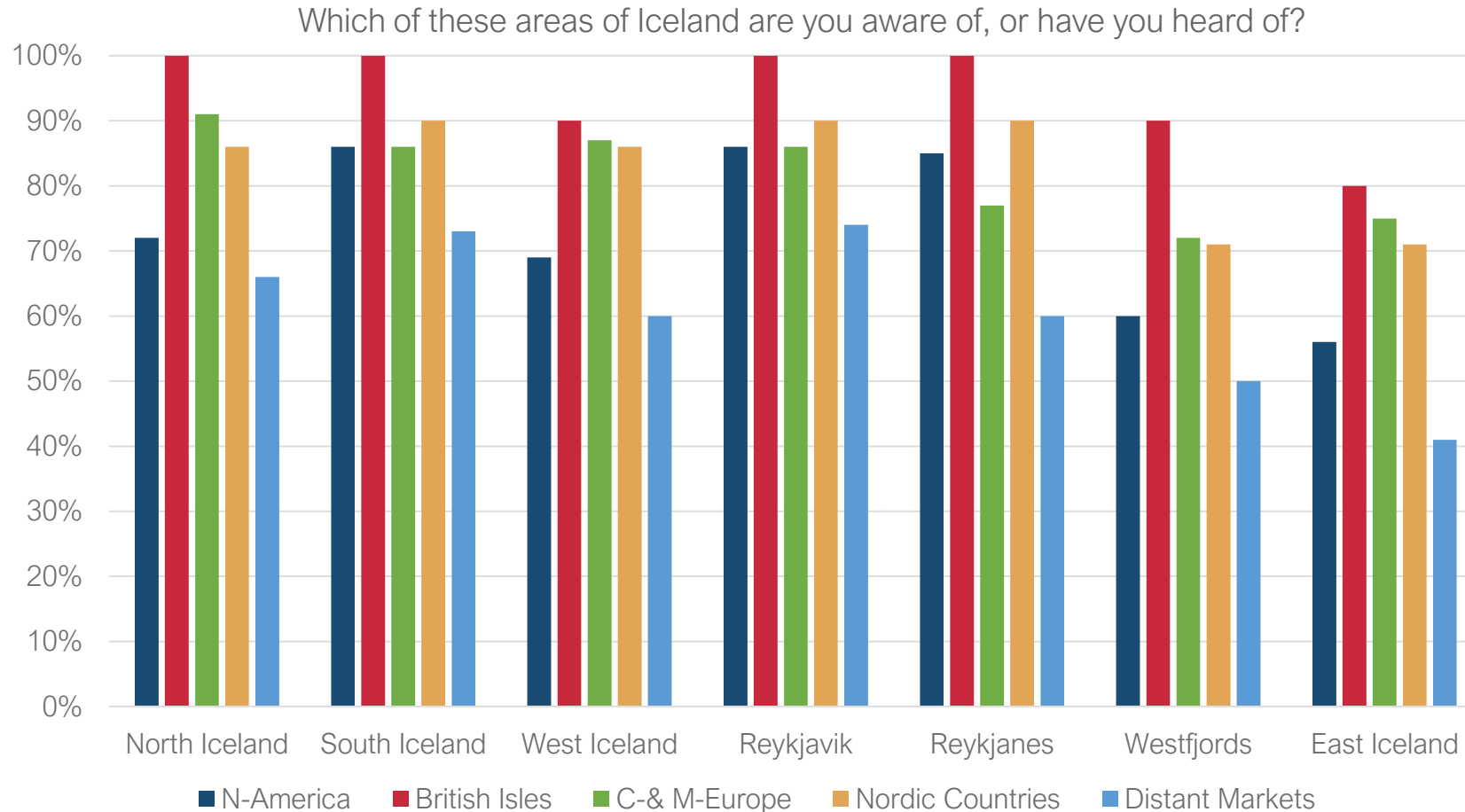
Knowledge of the Icelandic regions





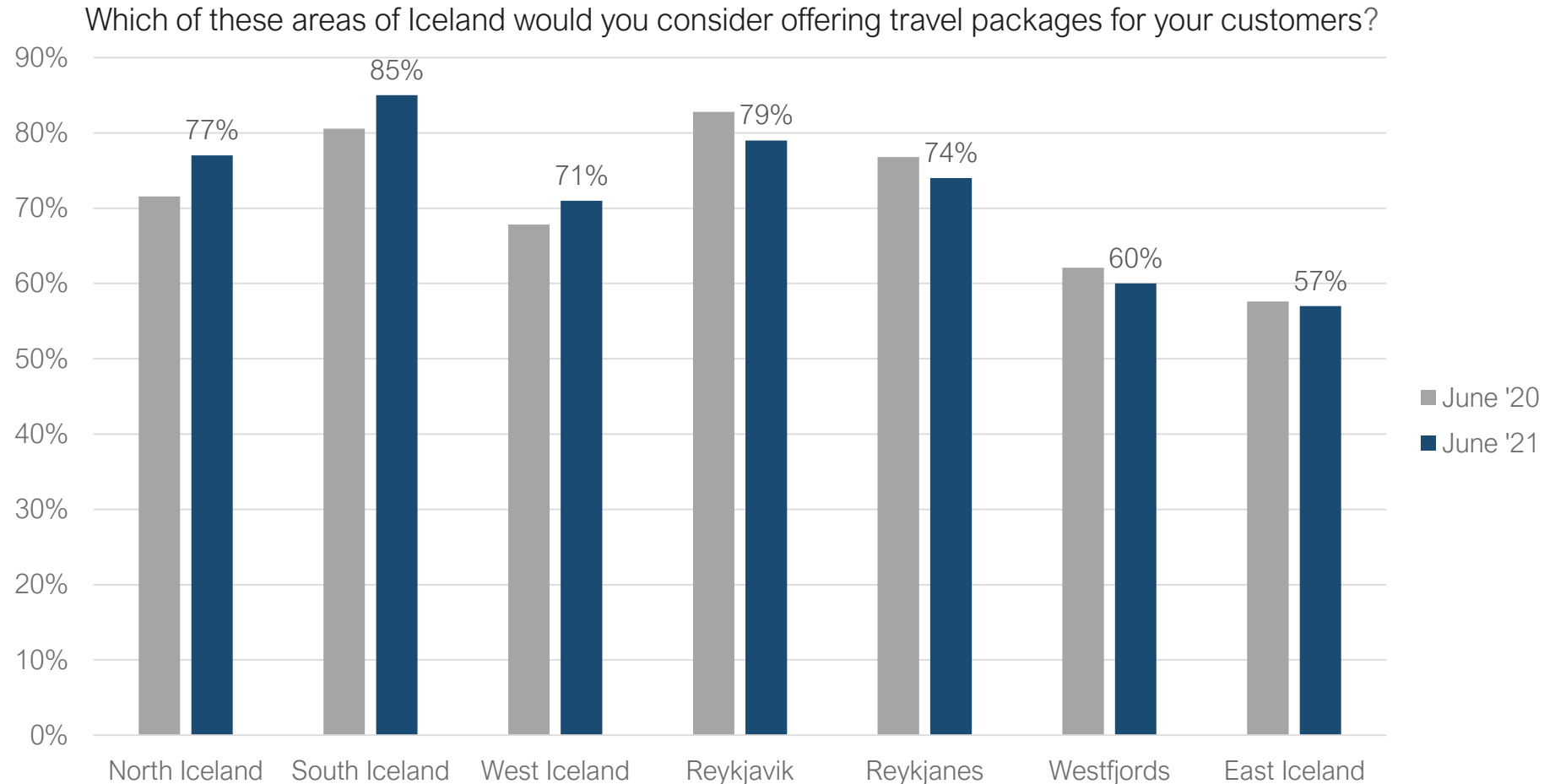
Knowledge of the Icelandic Regions

Market breakdown





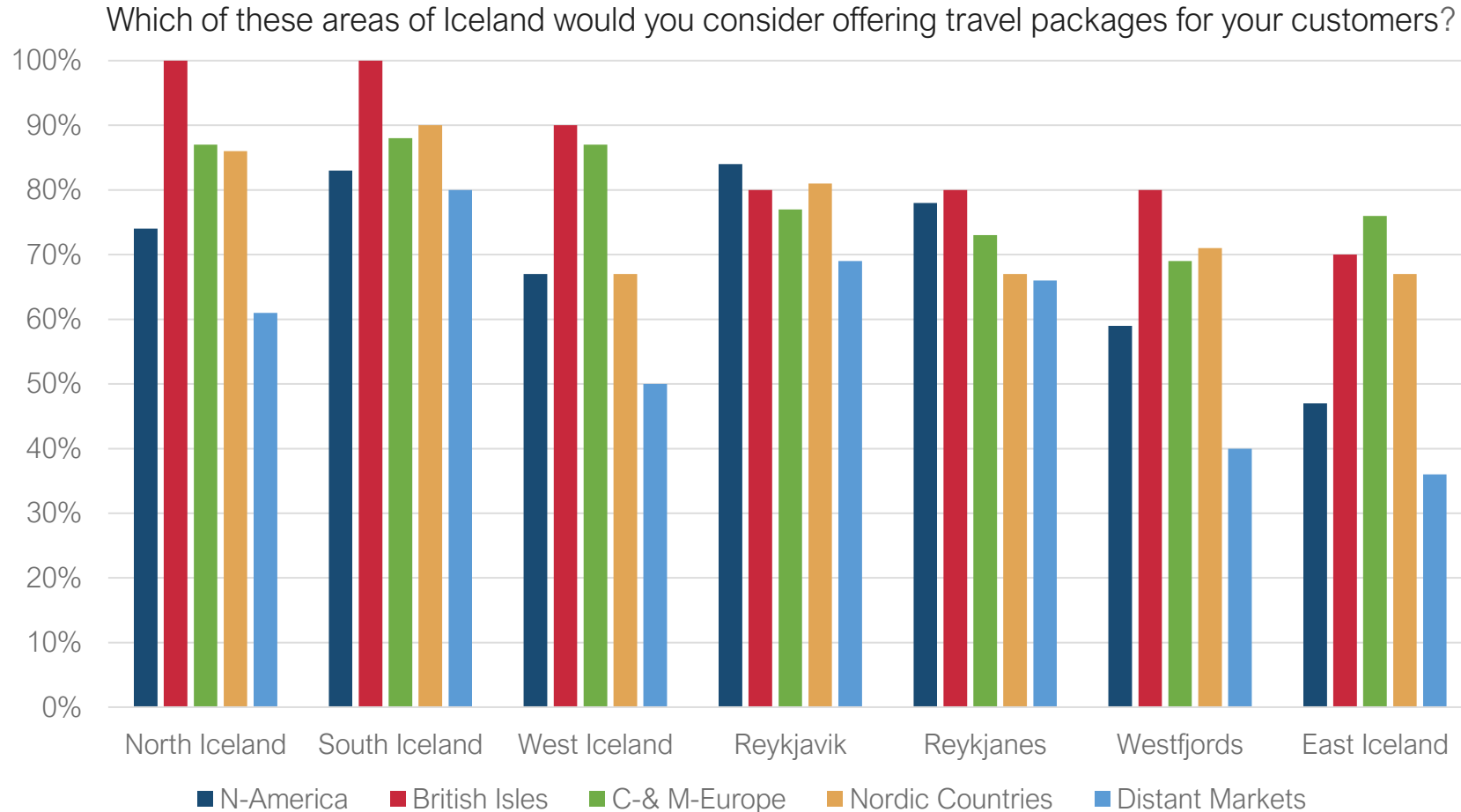
Interest in tour bookings to the regions





Interest in tour bookings to the regions

Market breakdown

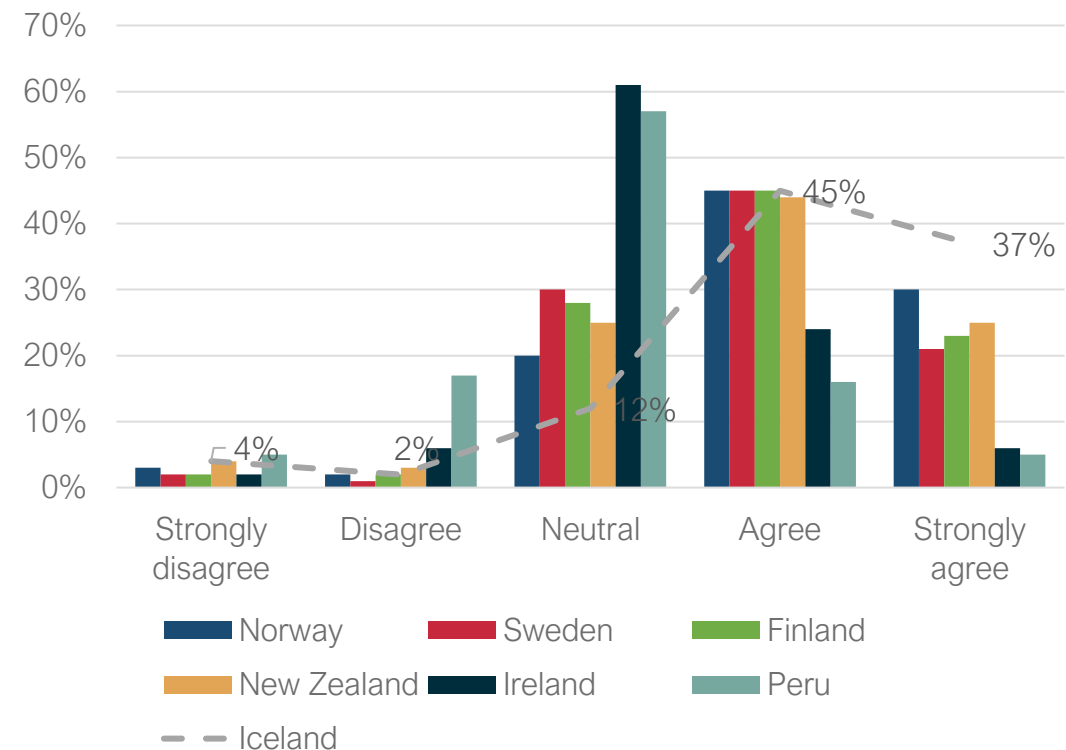


Leading in sustainable development

On the whole, most respondents either agreed or strongly agreed that Iceland is a leader in sustainable development. However, the proportion of those who said they agreed or strongly agreed with this statement decreased by 6 percentage points between years, from 88% in June 2020 to 82% now.

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

Do you agree or disagree with the following statement? "This country is leading in sustainable development"





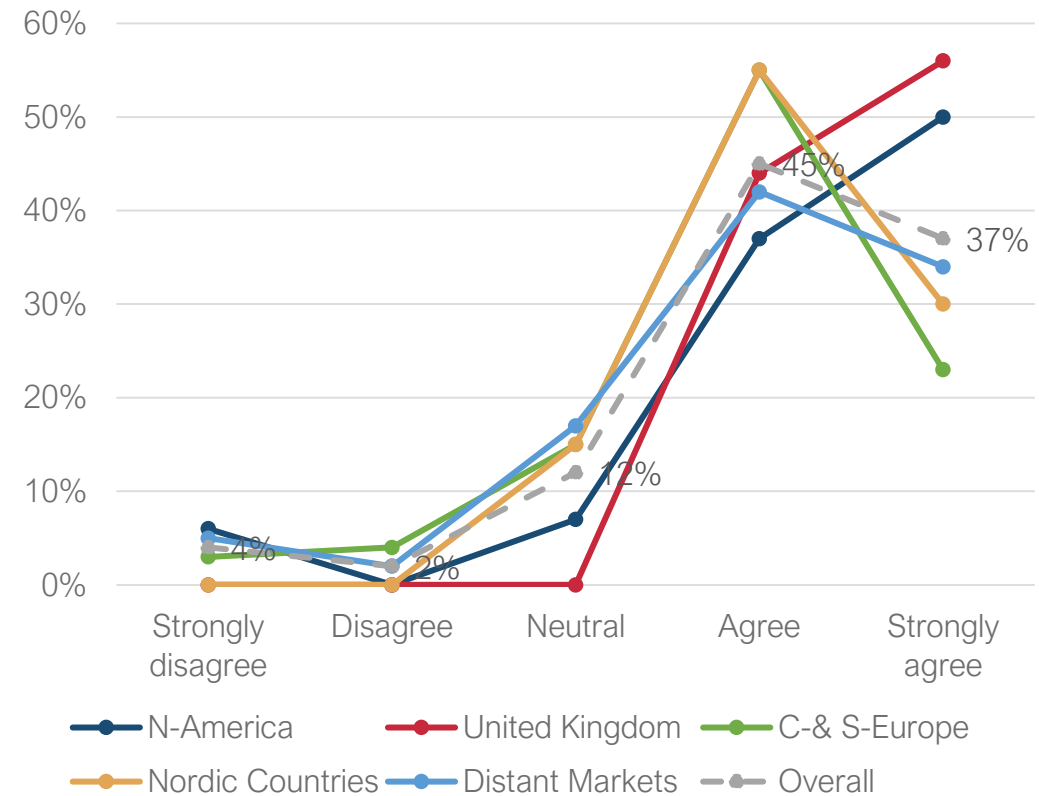
Leading in sustainable development

Market breakdown

There was a general consensus in the responses of participants in the market areas.

More than half of the participants from North America and the UK strongly agreed with the statement that Iceland was a leader in sustainability, while participants from the Nordic countries and central and southern Europe were not as categorical in their answers.

"Iceland is a leading destination in sustainable development"





Net Promoter Score (NPS)

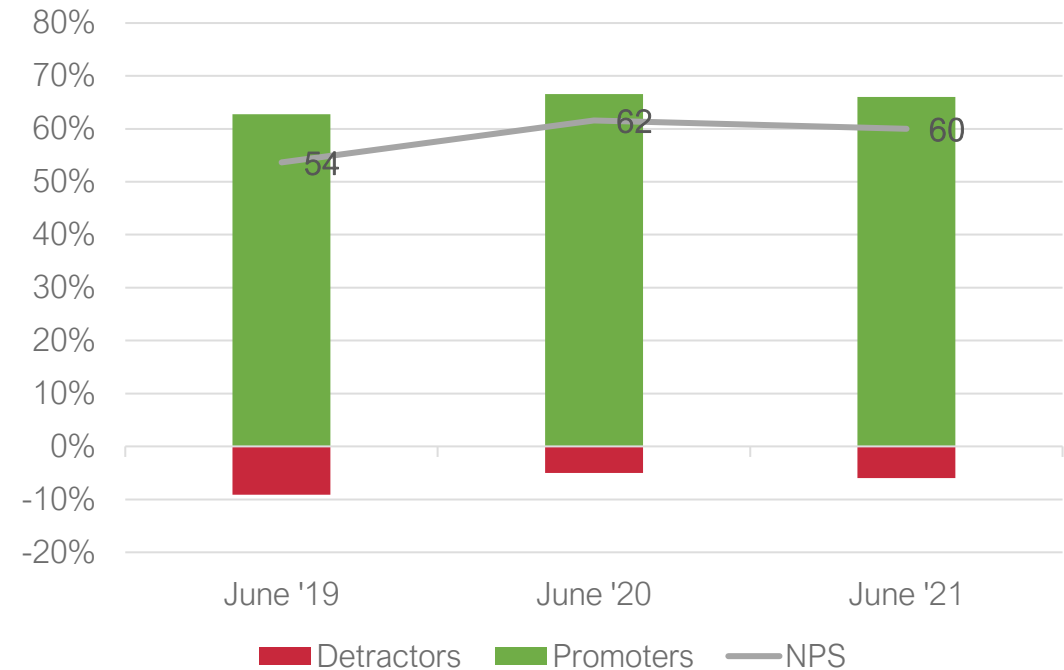
The NPS score for Iceland as a destination was 60 points

-2 points from June 2020

+6 points from June 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?





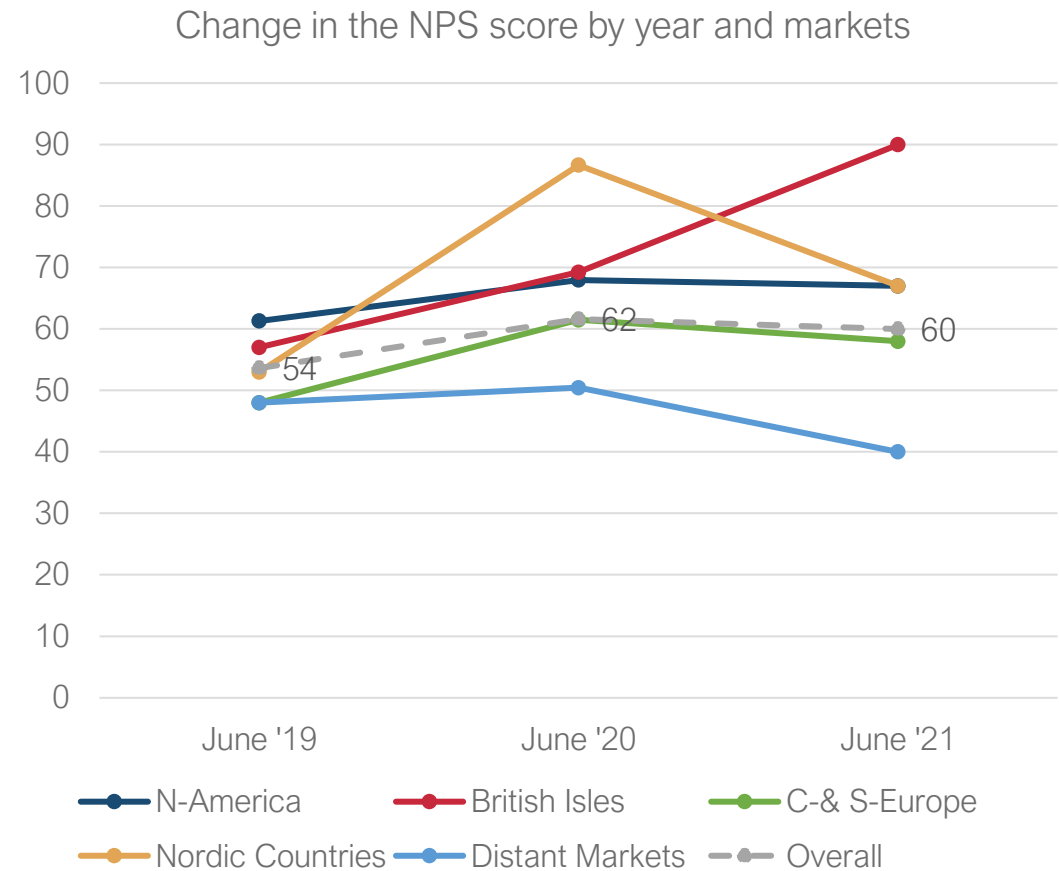
Net Promoter Score (NPS)

Market breakdown

NPS for Iceland falls by two points between years after increasing by six points between 2019 and 2020. NPS falls in all markets except the UK, where it increased by 21 points between years, but it should be noted that only 12 responses were received from the region this year. NPS falls slightly in North America and central and southern Europe, but more in the Nordic countries and distant markets.

NPS from the Nordic countries rose sharply in June 2020 and is now almost the same as in North America. However, it is still 14 points higher than it was in 2019.

All market areas have a higher NPS in 2021 than in 2019, with the exception of distant markets





NPS

Why are “**detractors**” not recommending Iceland as a destination?

“All depends on covid situation”

“Monitoring the Covid procedures for arrival and departure are time prohibitive for a group at this point.”

“The majority of my clients are not vaccinated and don't plan to be vaccinated for COVID. They are disappointed that Iceland is not a travel option for them as am I.”

“Too expensive!”

“Discriminatory against non-COVID vaxxed clients”

“I always offer Iceland but due to the problem with flights availability and connections and test for entry and quarantine it is not easy to be accepted from the clients.”

What would it take to make “**neutrals**” more likely to recommend Iceland as a destination?

“There is not enough clarity on Covid-19 entry requirements and Quarantine”

“Capacity and availability from suppliers”

“Crowd management. There are certain locations that are very crowded. Expectations are that very few people visit Iceland. But this is definitely not the case.”

“Response from local suppliers need to be faster.”

“COVID-19 pre-testing rather than upon arrival at the airport delays.”

“More rental car availability”

“Not have the vaccine mandatory.”

“We have found it difficult to advise clients what is actually open in Iceland, this makes for unhappy clients.”



NPS

Why are “promoters” recommending Iceland as a destination?

“Variety of awesome experiences ”

“Its literally the best place and perfect for groups especially seeking sustainability and safety.”

“Clients want to visit Iceland because their friends have”

“It's a safe destination, easy to get to, and has tons of unique sites for clients.”

“Iceland was the first destination we handle to open to USA vaccinated travelers. ”

“After the terrible year and a half of being locked up in homes, people want to get out and explore beautiful nature in a socially distanced, safe way.

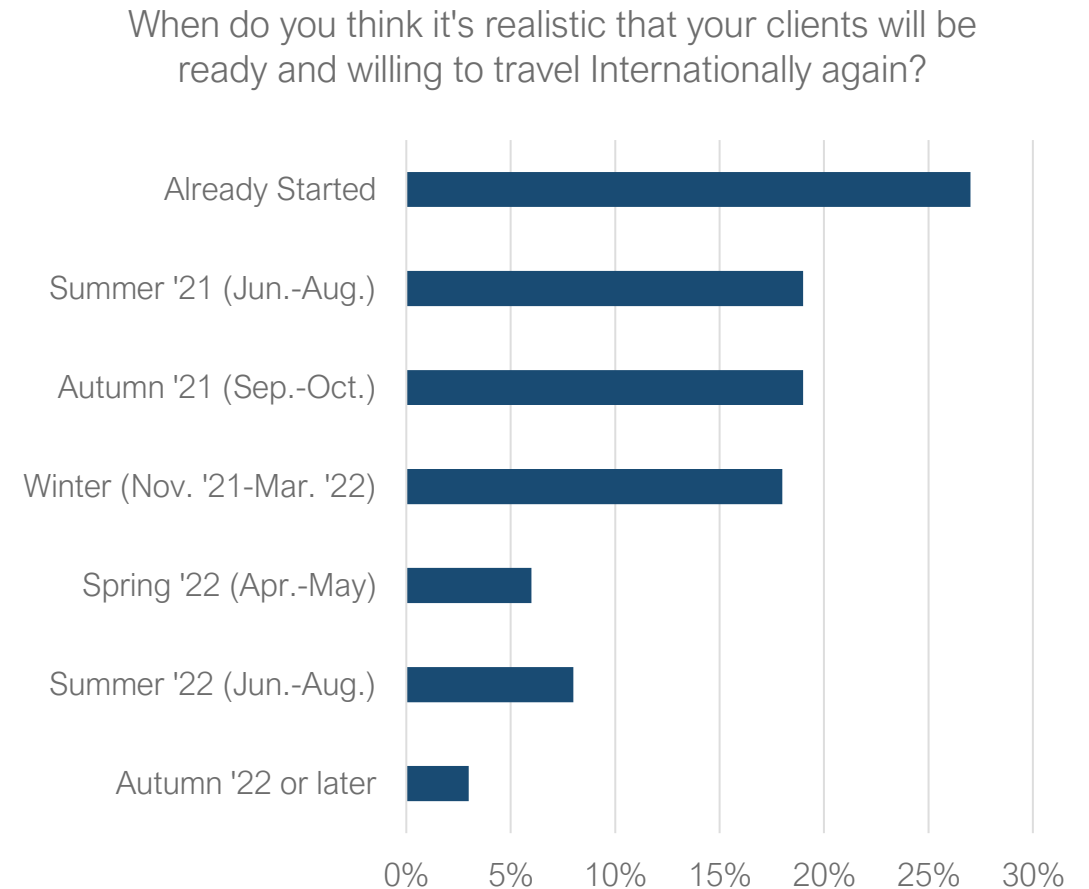
“I visited last year and loved everything about it”



Bookings and travel after COVID-19

65% of participants say that their customers have already started travelling between countries or think it is likely that they will do so in the summer or autumn.

11% believe that this will not happen until next year (2022).





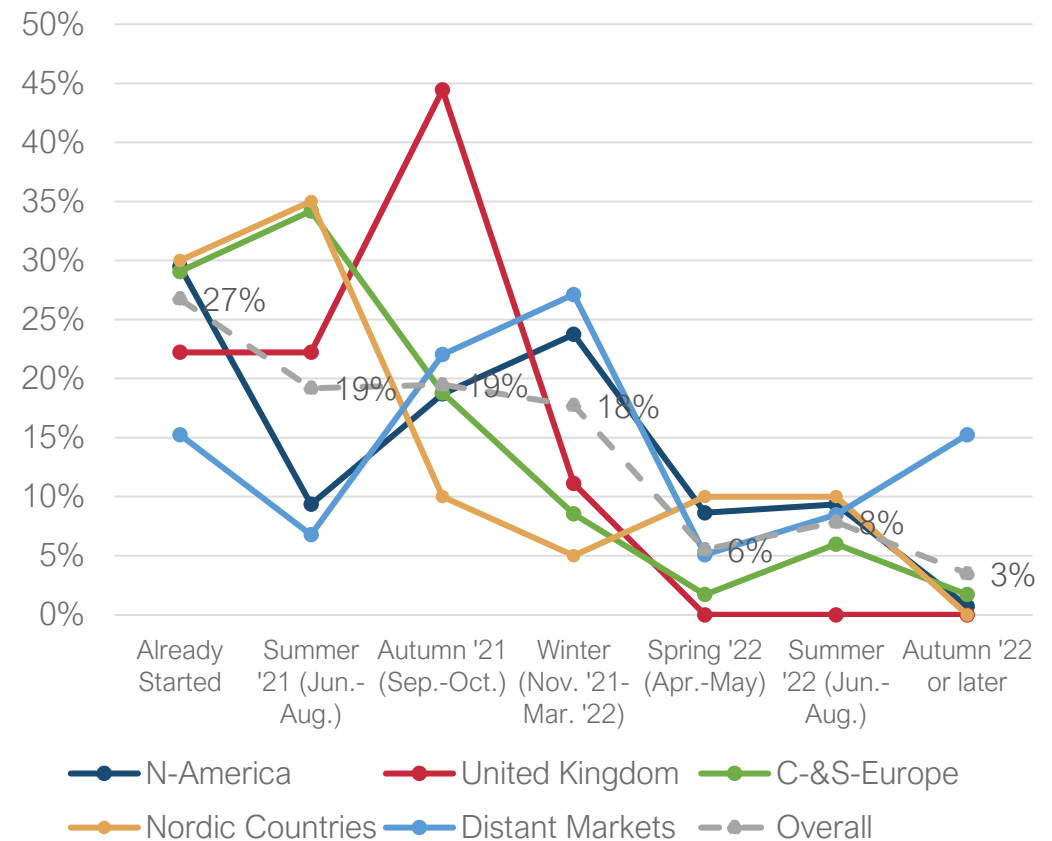
Bookings and travel after COVID-19

Market breakdown

When asked about their customers' willingness to travel regardless of destination, 65% of participants say that their customers have already started travelling or will do so in the summer or autumn. Comparable results were obtained in the same survey when it was submitted in January 2021, when 57% believed that their customers would start travelling between countries this autumn or earlier.

However, there are differences between market areas, 82% of participants from central and southern Europe believe that their customers will start travelling between countries this autumn or earlier, 75% from the Nordic countries and 58% of participants from North America.

When do you think it's realistic that your clients will be ready and willing to travel Internationally again?



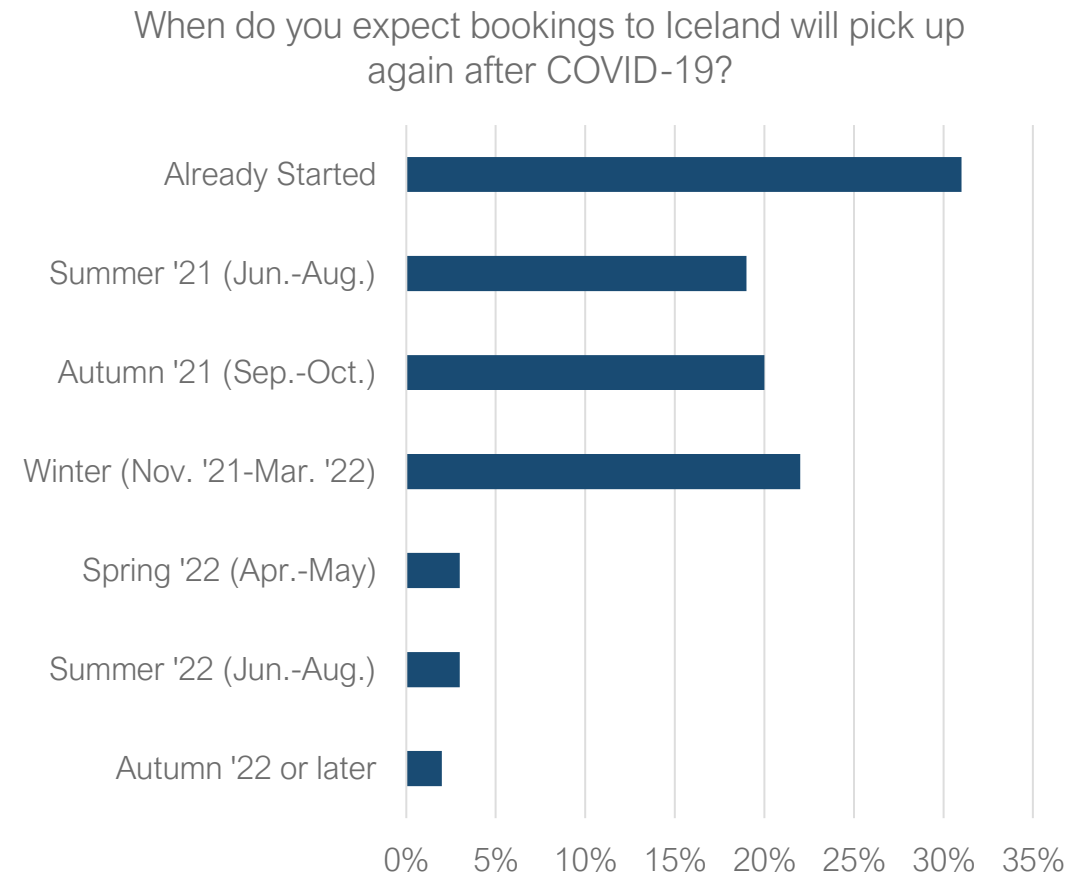


Bookings after COVID-19

31% of respondents said bookings for trips to Iceland have already started to pick up. 39% believe that it will happen this summer or autumn.

76% by the end of the year

24% next year (2022)



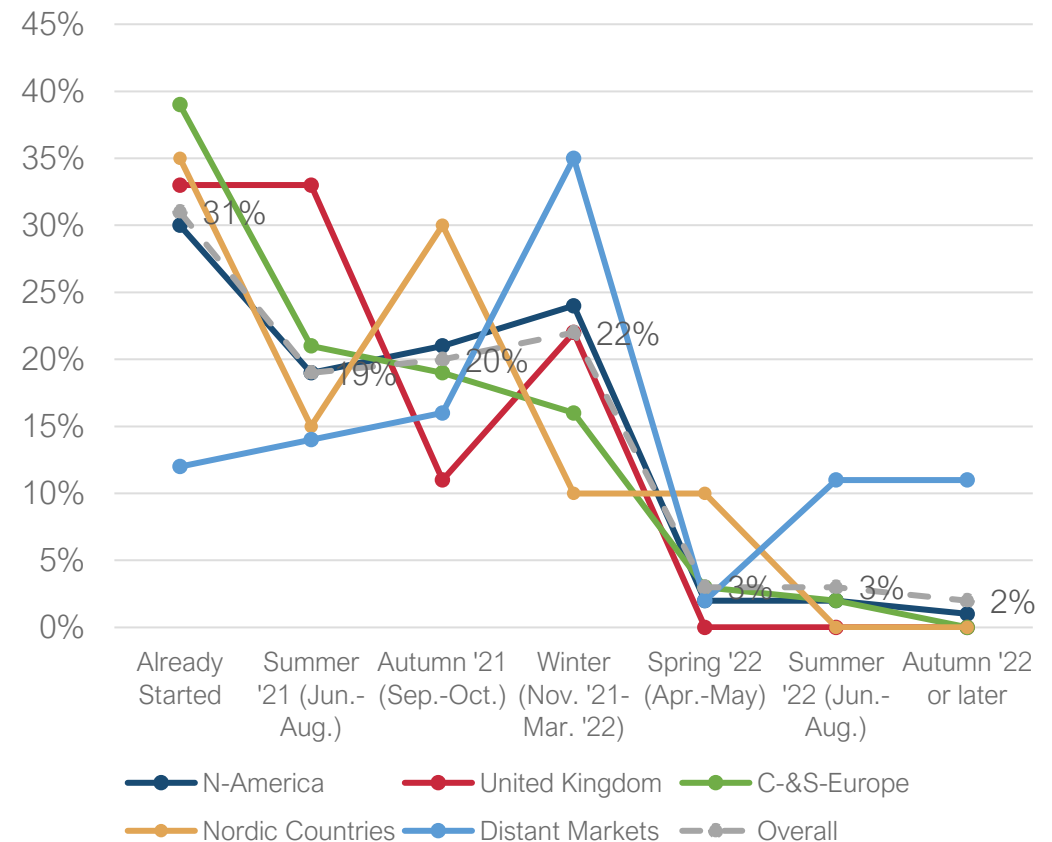


Bookings after COVID-19

Market breakdown

From the participants' responses, it can be estimated that bookings to Iceland have already begun to pick up or will do so this summer and autumn in local markets, i.e. The Nordic countries, the UK and southern and central Europe. North America is not far behind, but in the distant markets most people are looking to next winter.

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





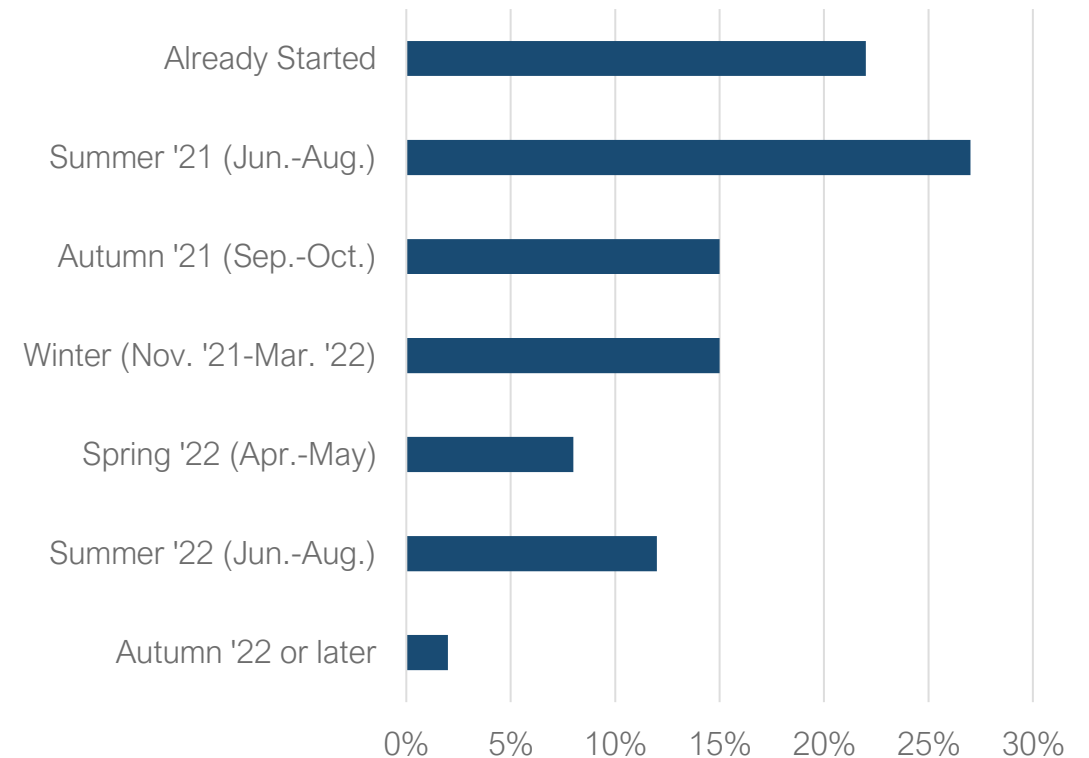
Travel after COVID-19

22% of participants say travel to Iceland has already begun, another 42% believe it will happen this summer or autumn.

69% by the end of the year

31% next year (2022)

When do you expect the earliest your clients to be willing to travel to Iceland again after COVID-19?





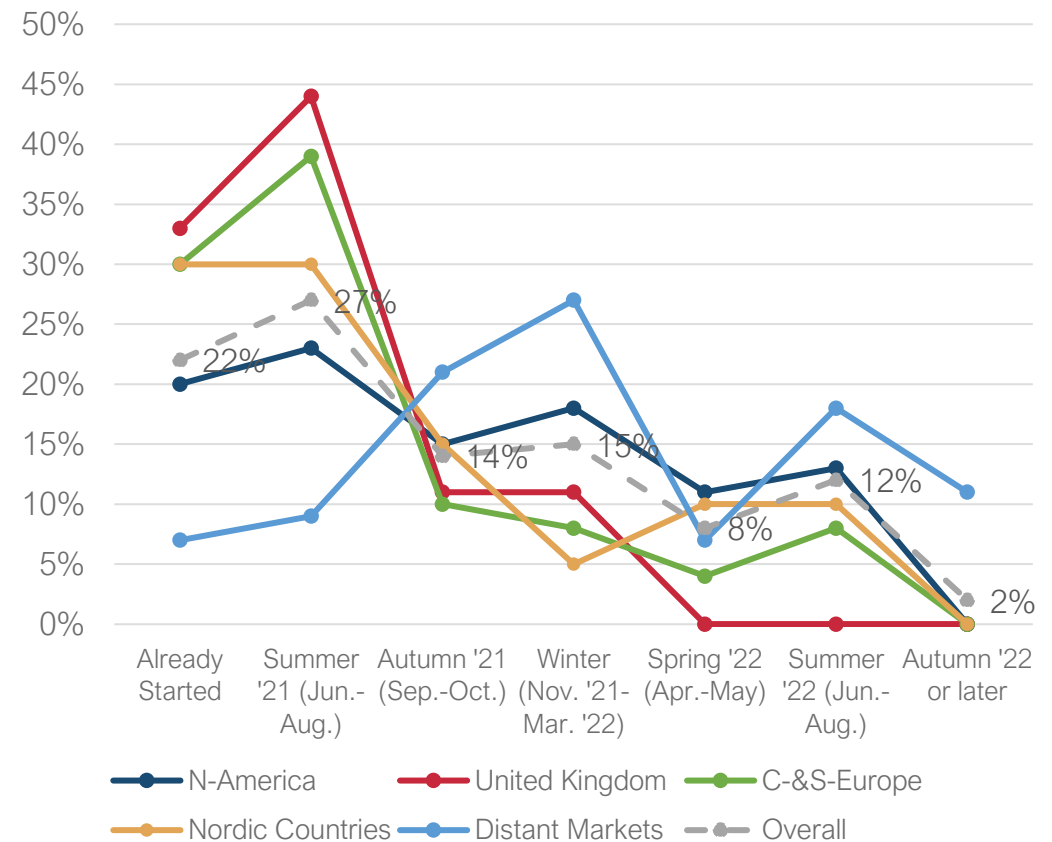
Travel after COVID-19

Market breakdown

As when asked about bookings to Iceland, a higher proportion of participants in local markets say that travel to the country has begun or will begin this summer or autumn: Central and southern Europe (80%), Nordic countries (75%) and the UK (89%). North America is not far behind, where 58% of respondents believe that travel has begun or will begin at the latest this autumn.

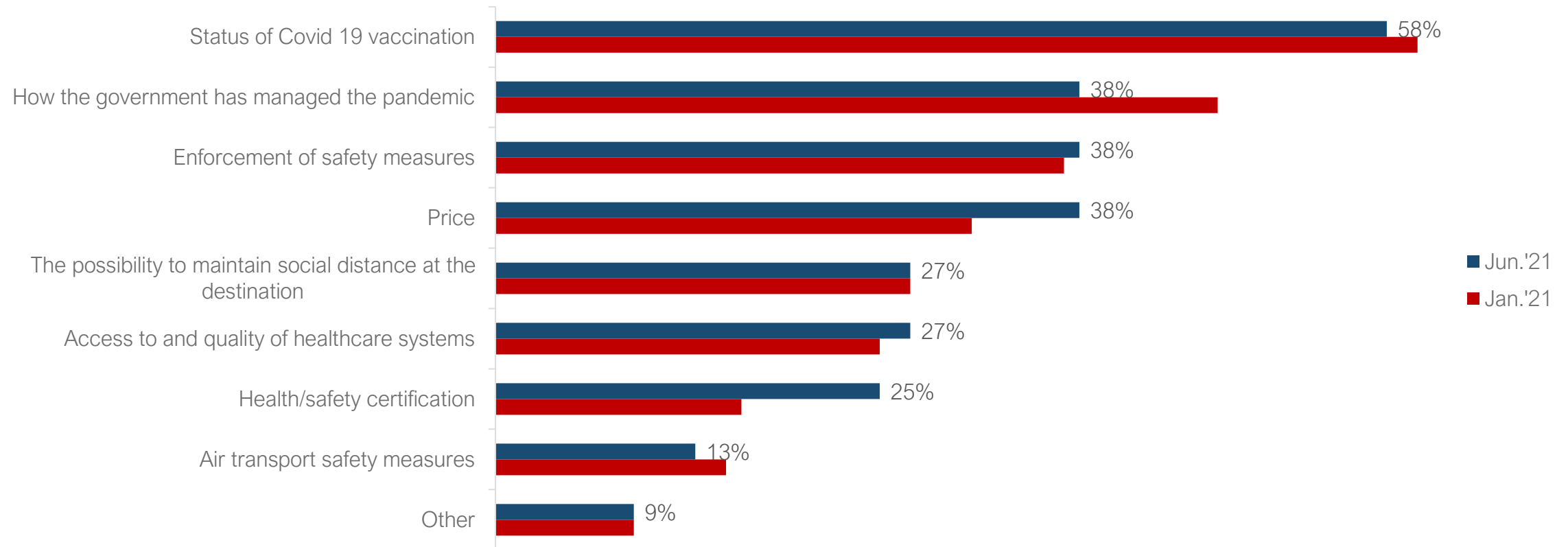
Distant markets differ, where only 7% of participants said that travel to Iceland has already begun and 39% that it will begin this year (2021)

When do you expect the earliest your clients to be willing to travel to Iceland again after COVID-19?





Travel decisions: Which aspects will have a greater effect on choice of destination in 2021 (comparison to survey from January 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)

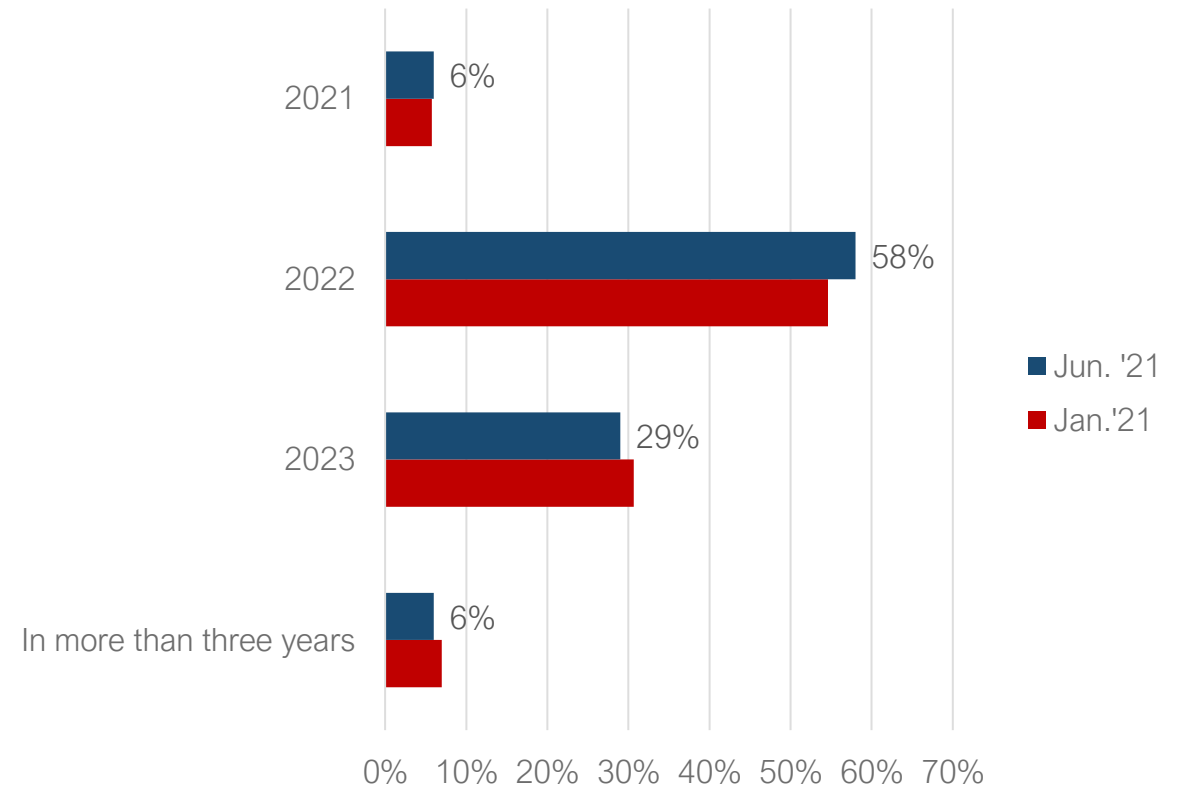


Bookings to Iceland after COVID-19 (comparison to survey from January 2021)

Little has changed since January when participants were asked when bookings for trips to Iceland would be comparable to those before border closures.

58% in the June survey believe that it will be next year (2022) compared to 55% in the January survey.

When do you expect bookings to Iceland will return to pre-lockdown levels from your key market(s)?





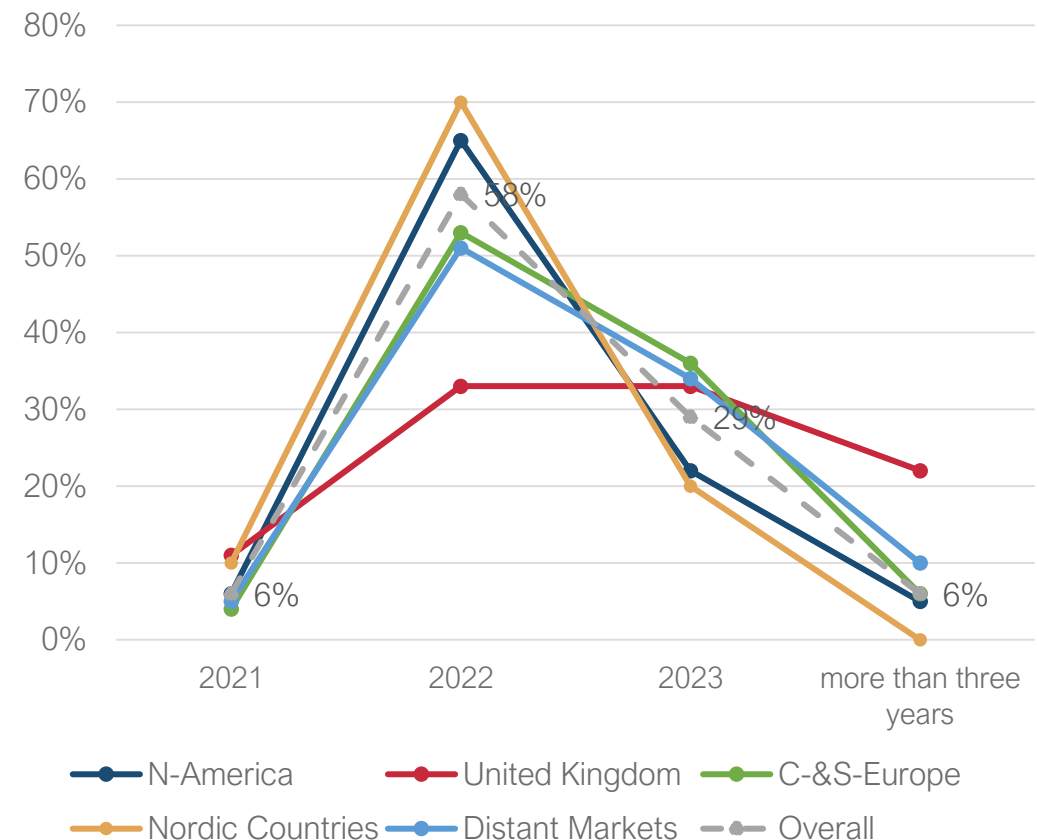
Bookings to Iceland after COVID-19

Market breakdown

However, there is a much greater difference between the markets now than there was in January, when asked when participants believe that the number of bookings to Iceland will be comparable to before the border closures. 70% of participants from the Nordic countries believe that it will be next year (2022), 65% from North America and 53% from central and southern Europe.

When looking at individual countries, it is interesting to see that the Germans stand out, but only 33% of participants from Germany believe that the number of bookings next year will be comparable to what it was before border closures. 63% believe that it will happen in 2023 or later.

When do you expect bookings to Iceland will return to pre-lockdown levels from your key market(s)?





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