



Ferðamálastofa
Icelandic Tourist Board

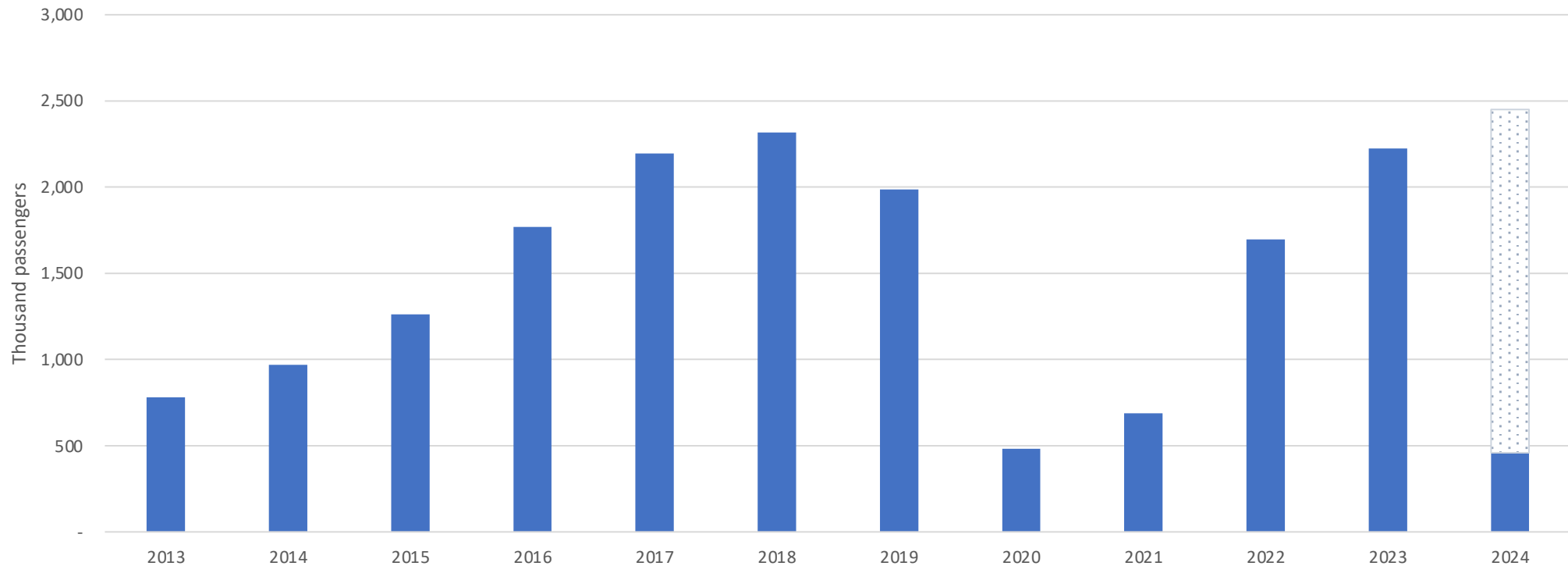
Attracting longer stays at Destinations

The case of Iceland – a *very* brief overview

Arnar Már Ólafsson
DG Icelandic Tourism Board

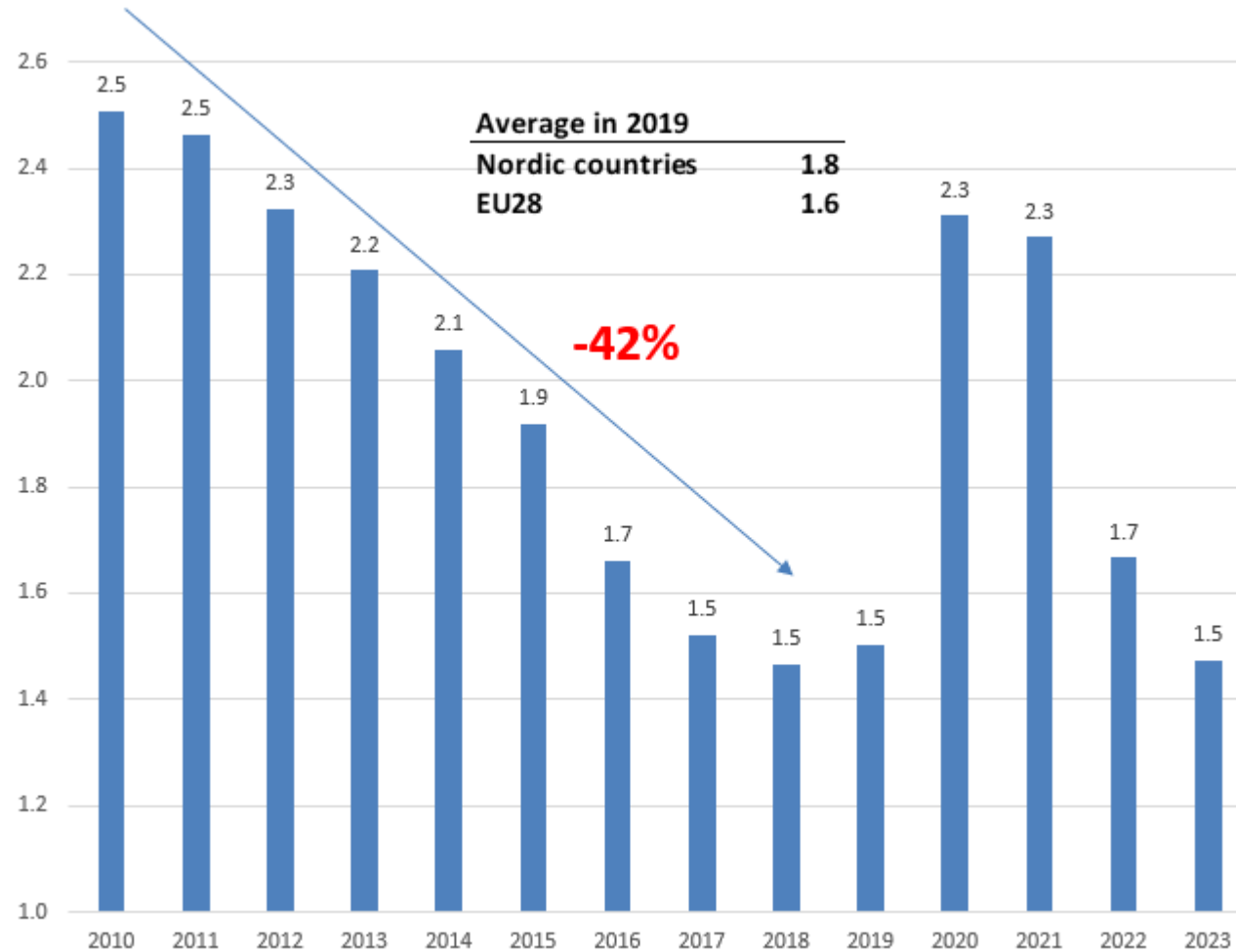
Number of foreign tourists to Iceland*

The Icelandic Tourist Board forecasts that in 2024 2,450 thousand foreign tourists will visit Iceland w/flight + a little more than 300 thousand on cruise ships.



* Based on the number of foreigners departing from Keflavik airport.

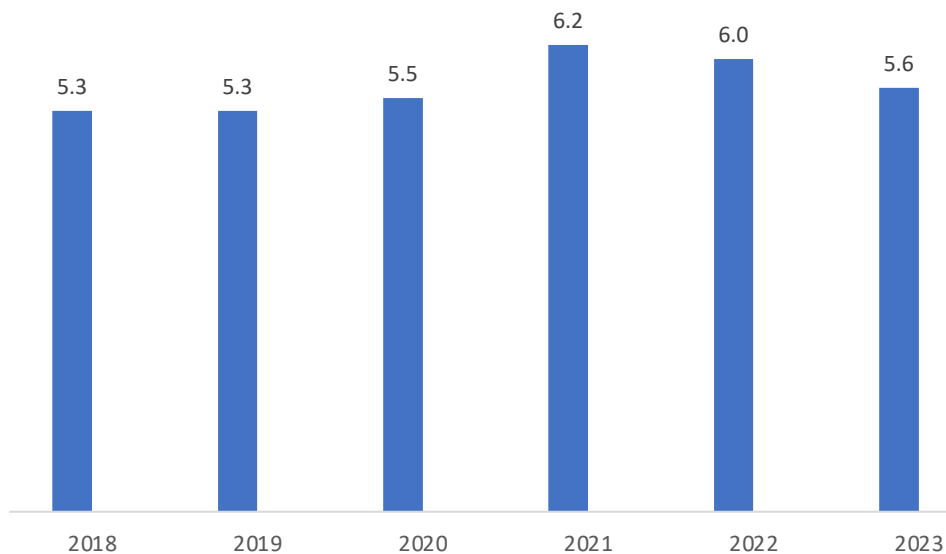
Seasonality in tourism in Iceland from 2010



Source: Icelandic Tourist Board
Seasonality measured with so-called seasonality ratio.

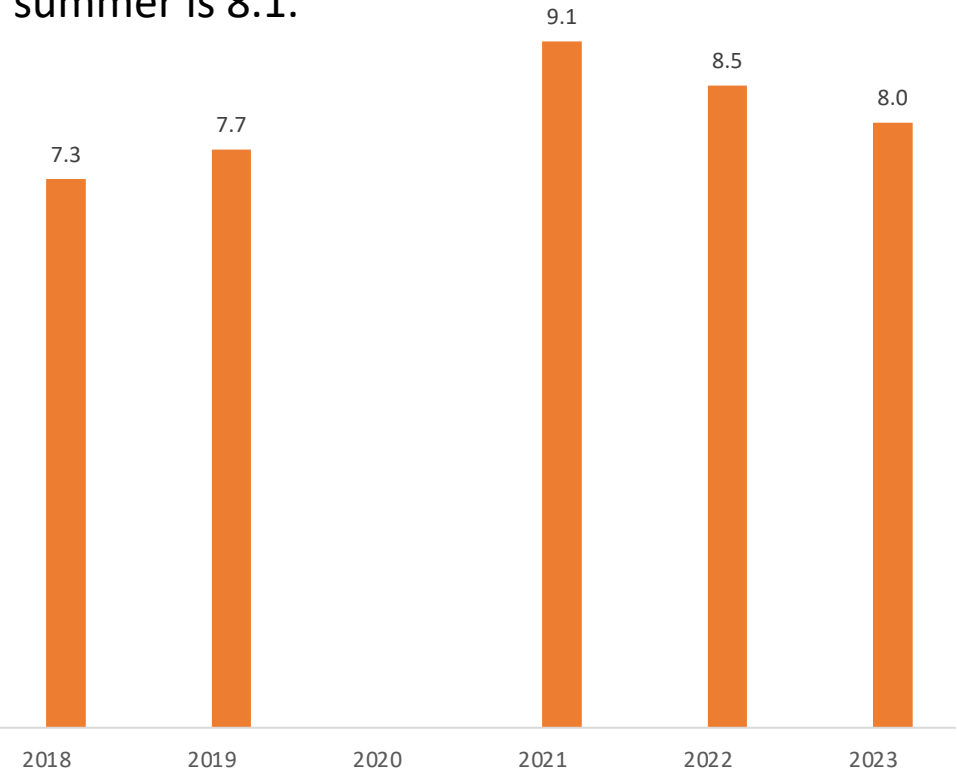
Average length of stays

Average no. of overnight stays in winter is 5.6.



Winter: January – March and November – December

Average no. of overnight stays (excl. 2020) in summer is 8.1.

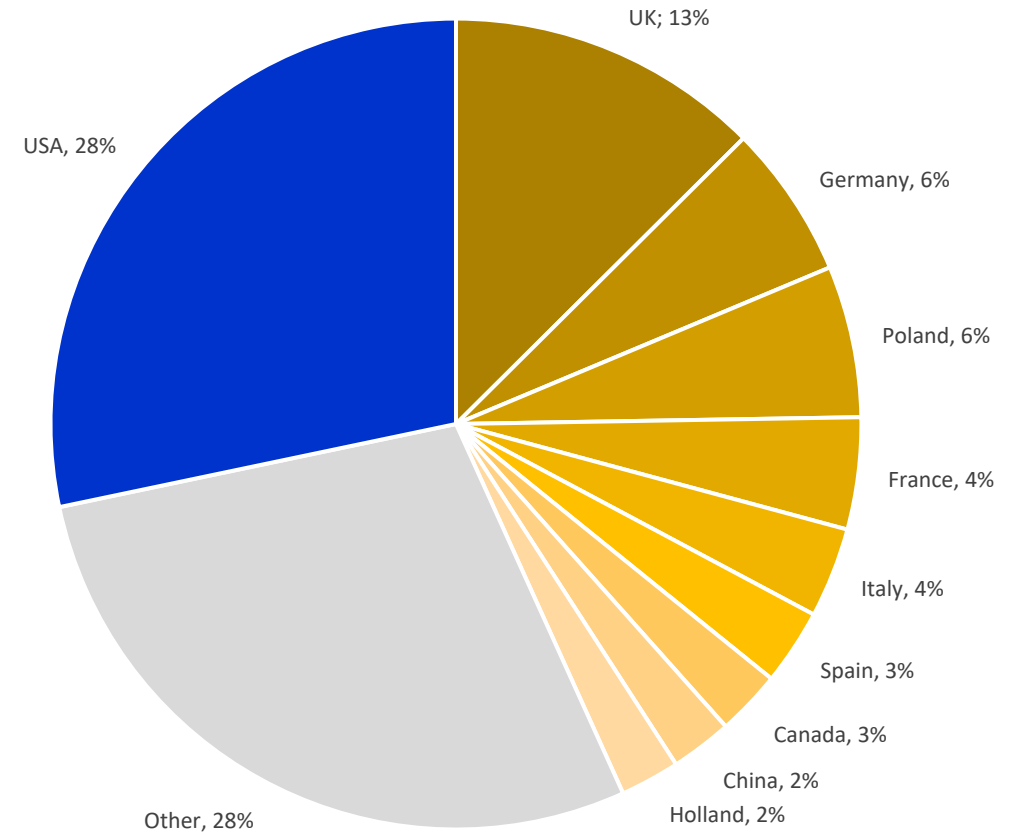


Summer: June – August.

Source: Icelandic Tourist Board; Border Survey.

Foreign tourists by nationality in 2023

- Americans, Brits and Germans have been annually the largest visiting nationalities in the last decade.
- Tourists from France, Italy and Spain are also numerous.
- The largest rise in the number of people of a specific nationality coming to Iceland in the last decade has been among Poles. This is in line with the number of people of Polish origin living in Iceland and an increase in supply of direct flights between Iceland and Poland.



FUN LOVING GLOBETROTTER

16% of global travelers

Young (concentrated U40), less limited by possible health risks of travel and more confident in their ability to navigate new risks and restrictions. Passionate about travel and tech-savvy. Affluent and willing to purchase vacations ahead of time, prioritizing vacations with natural beauty, hiking, and eco-tourism. They are significantly less likely to prefer a beach or busy city vacation and are more likely to vacation in the Nordics. Adventurous within sensible limits. Travels in the present and seeks to experience the authentic local atmosphere and culture first-hand. Authenticity is also essential to them when it comes to messaging.



FUN LOVING GLOBETROTTER

TRAVEL BEHAVIOUR



Type

I love traveling and appreciate a challenge. I enjoy experiencing new things and seeing the world. Traveling is a lifestyle, and I like socializing with other people in-person and online. The journey is stimulating, and unfamiliar destinations fascinate me. I enjoy learning about each destination I visit and connecting with the locals. I like to keep up with what is fashionable when it comes to clothing and style, and I buy brands that other people would recognize as aspirational.



Planning

I'm tech-savvy and will use online travel agencies and booking sites to research prices and good deals. I like to browse through social media and online travel sites for inspiration. Recommendations from other travelers are essential to me during decision-making, and I use TripAdvisor and similar websites. I'm looking to travel to Iceland with my family or partner.



Experiences

I prefer holidays that are full of action and excitement. Spending time in the outdoors and natural landscapes thrills me. I am happy to "rough it" on holiday to have a more authentic experience. My friends would describe me as sensible, but I love to be out of my comfort zone and experience new things. I enjoy tasting local cuisine and talking to the locals to see the world in a new way with their eyes.



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 travelers.

INDEPENDENT EXPLORER

14% of global travelers

Seasoned traveler (40 years or older). Does not want a typical or over-planned itinerary and are happy to put in more effort than other travelers to have authentic and new experiences. The Independent explorer chooses to travel in a smaller group, most likely with their partner, where genuine Icelandic experiences matter. Seeks out opportunities to learn about the culture and history of the destination and travel in an eco-friendly way. Is much less likely to use social media for communication.



INDEPENDENT EXPLORER

TRAVEL BEHAVIOUR



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 I visit and prefer to blend in with the locals than feel like a "tourist." I like "real" communication instead of "social media." I am not concerned about others' opinions on what brands I use.



Planning

I prefer to travel in a small group, most likely with my partner and do not like being surrounded by tourists. I want free time, do not appreciate an over-planned schedule, and do not need much guidance. I dislike being in a hurry or under pressure when I am traveling. I am ready to pay for goods and services that meet my needs and have practical value. I'm open to doing a stop-over in Iceland while I travel to other countries on a connecting flight.



Experiences

I want to experience something different that is off the beaten track but not something too challenging physically. I want to travel on my 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 from a local point of view.



Accommodation

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


01 DEFINE YOUR IDEAL CLIENTS

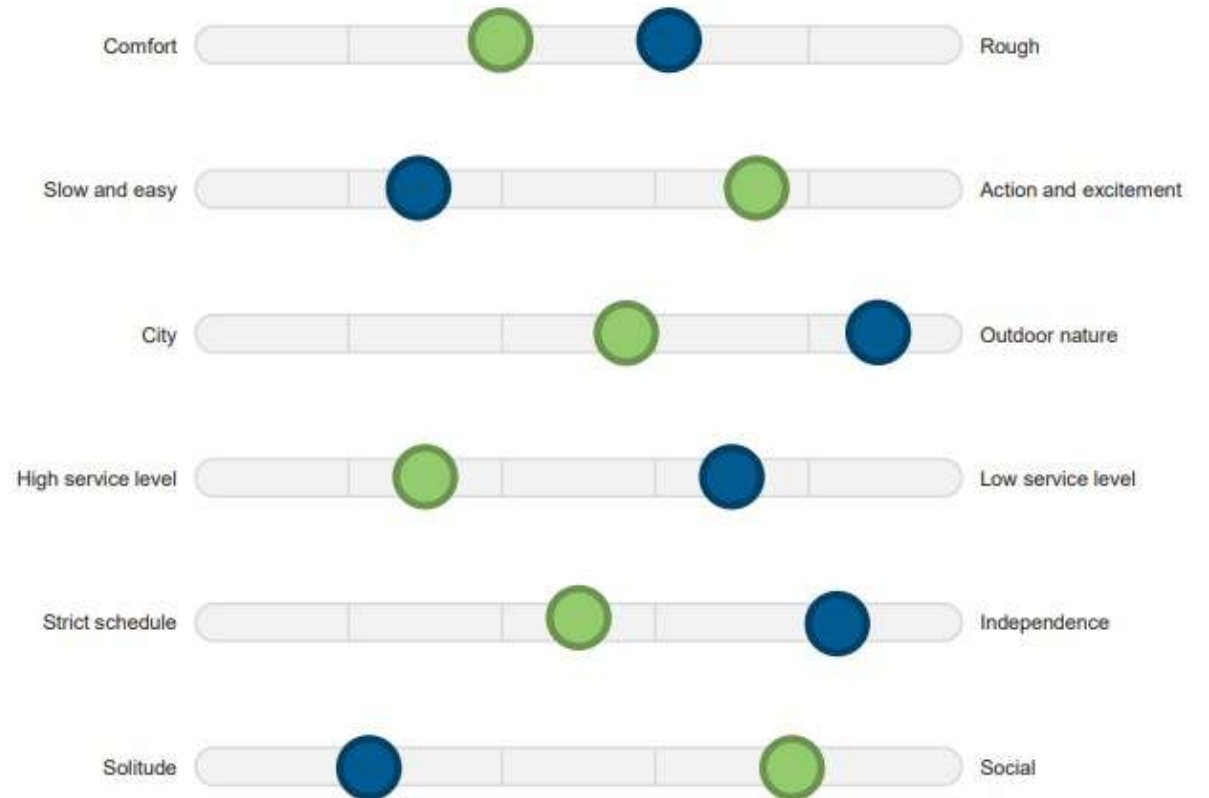
Use this simple exercise to compare your products and services with the target groups. Each target group (represented by a corresponding color) is placed on a range with opposite motivational factors. Choose how each factor applies to your product or service and notice what target groups align with that conclusion. By the end of the exercise, you should have a better sense of which target groups are more motivated to experience what you have to offer.



 **FUN-LOVING
GLOBETROTTER**



 **INDEPENDENT
EXPLORER**



02 DEVELOP HIGH VALUE EXPERIENCE

Examine your target groups and try to answer the following questions:

- What are their needs and aspirations when they travel?
- What does my business offer better than others that meet those needs and aspirations?
- What can my business cut out that is not adding more value to their experience, and what can it improve?
- Are there similarities in your customers' background (e.g., age range, income level, education, culture)?

Restructure your product or service offering, considering the answers to the questions above. Decide what type of package you want to offer (the size of the group, accommodation, recreation, food, partner companies) and the price.

Try to stand out from the competition and focus on the things your company does better than anyone.



Go through the report and examine and understand your ideal clients' needs and aspirations



“Bridge the gap” between your customer’s needs and what you can offer better than competitors



Package the experience and decide the appropriate price

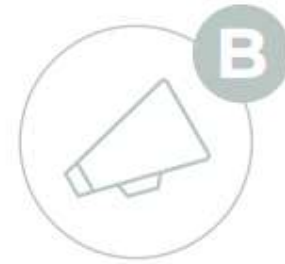
03 DELIVER THE RIGHT MARKETING

The target group must understand what your company offers and find it desirable. Describe the experience and explain why it suits the target group and how you are different from the competition. Adjust your content and promotion to the media the audience uses, further illustrated in this report.

For example, it is often best for social media to keep the text concise and build trust instead of being too sales-driven and detailed. On the other hand, you want to focus on sales conversion and give details about the product and how to buy it on your company's website. Look at the customer journey from the first time they notice your company to the end of the travel when they've returned home. Each step of their trip gives different opportunities and mediums for your company to communicate and connect with your customers.



Bring your product to life with rich description that connects with your customer's needs and values



Adjust your content and promotion to the media the audience is using



Build a communication strategy looking at the whole customer journey

A wide-angle photograph of a calm sea under a clear blue sky. In the foreground, two dark, rounded rocks covered in bright green moss are partially submerged in the water. The water is still, reflecting the sky. In the distance, a long pier or breakwater extends across the horizon. The overall mood is peaceful and quiet.

Thank you

arnar@ferdamalastofa.is