

# The Image of Iceland and the Competitiveness of Saga

## Matkat

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<p>In the 21<sup>st</sup> century traveling is no longer just a luxury for upper class citizens. With the increase in disposable income, leisure travel has become more easily accessible and attractive, and the Finnish tourist market is growing as a consequence. Therefore, there's more competition in the industry and standing out is essential for both the agencies and the destinations.</p> <p>The research study focuses on the strengths and weaknesses of the Finnish travel agency Saga Matkat in the tourism field as well as the destination image of their main product Iceland. The objectives are to provide the agency knowledge of their advantages and disadvantages compared to their direct competitors and help them understand what kind of image Finnish tourists have of Iceland as a destination. This information can be further used in operations management.</p> <p>The theoretical framework of the study consists of introduction of the commissioner and their competitors, description of Iceland as a tourism destination as well as information about the Finnish tourist market presented through statistics. A mix-methods online survey was implemented to gather data. The data analysis was based on the answers of 155 participants. Additionally, the overall performance of Saga Matkat was studied using the data from the online survey supported with the competitive analysis and the SWOT analysis.</p> <p>The key findings of the study show that Iceland has a rather clearly defined image which is extremely similar to the image that Finnish tourists have of it. Furthermore, participants gave rather positive feedback of all the studied aspects regarding Saga Matkat. Conversely, the data showed no direct connection with the customer satisfaction and loyalty to Saga Matkat. This could be one option for possible future research for the company.</p> <p>The thesis writing process began in winter 2017 and ended in spring 2019.</p>	
<p><b>Keywords</b> Destination Image, Competitiveness, Iceland, Finnish Tourism</p>	

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# 1 Introduction

The mythical land of fire and ice, Iceland, has been increasing its appeal amongst travelers for years now. Iceland is also the main product of the thesis commissioner, Saga Matkat, who have helped Finnish tourists travel around the world for over 25 years. The brand has a strong focus on Iceland and describes having the most extensive variety of products and services to offer for the tourists interested in the northern island. (Saga Matkat 2018a; Promote Iceland 2018.)

There has been a shift in the commissioner's focus when a new brand, Risteilykeskus, emerged in 2015. (Travel Specialist Group 2017a) The commissioner has discussed wanting to restore some of the attention on Saga Matkat now that the dust has settled after the launch of the sister brand. Therefore, they had a need for understanding what their strengths and weaknesses are as a company as well as considering their main product.

Because Iceland is the main product of Saga Matkat, and is therefore strongly connected with the brand, it was important to study both Saga Matkat and Iceland as a destination. Based on this, two research questions were created.

The research questions are:

- 1) How could Saga Matkat improve as a seller of Iceland in the Finnish market?
- 2) What is the image that Finnish tourists have of Iceland?

By answering these questions, the research aimed to reach two goals. The first aim was to map out the strengths and weaknesses of Saga Matkat to offer improvement ideas to help them be more competitive. This was implemented through the competitive analysis and the SWOT analysis.

The other main aim was to identify the image of Iceland as a tourism destination in the minds of Finnish tourists and compare it to the image that Iceland and Icelandic destination management companies have created. Saga Matkat could then learn from these perceptions as well as the similarities or differences between the two images to help them boost their sales. Furthermore, the online survey used as a data gathering method provided answers for both research questions.

The thesis is focusing explicitly on leisure tourism since the commissioner does not regularly work in the field of business tourism when it comes to Iceland. Furthermore, the focus

group is narrowed down to Finnish tourists and their behaviour, as this is the main target group of Saga Matkat.

The first aspect that is introduced is the commissioner. Additionally, chapter two presents three direct competitors of the company. Chapter three introduces Iceland, starting with a brief recap of its history and moving on to describe what Iceland has to offer for tourists through the five A's of tourism. Chapter three also describes the current branding strategy of Icelandic destination management companies. What ties chapter two and three together are the Finnish tourists that use the services of Saga Matkat to travel to Iceland and enjoy all that the country has to offer. Chapter four presents trends in the Finnish tourist market through statistics and figures. The chapter first focuses on Finnish tourism in general but goes on to look at the relationship between Finnish tourists and Iceland in specific.

The research methods used in the thesis are presented in detail in chapter six. The chapter first explains the differences between qualitative and quantitative research methods. After that, the subchapters describe the chosen methods and aim to justify the use of these specific methods in the context of the thesis. Chapter seven goes on to present and analyse the results of each research method. The results of the competitive and SWOT analyses are discussed first, and they are followed by the survey results. Alongside the text, the results are presented using figures and tables.

Finally, chapter eight sums up the results of the study into key findings and provides a self-evaluation of the whole thesis process. The self-evaluation is followed by the reference list. Attached as appendix 1 is the survey that was used for data collection.

## **2 Saga Matkat and its competitors**

The commissioner for this thesis is the travel agency Travel Specialist Group Ltd. and more specifically their brand Saga Matkat. As mentioned before, one of the aims for this thesis is to map out the strengths and weaknesses of Saga Matkat as a provider of tourism services in Iceland compared to its competitors. These following chapters introduce both Saga Matkat and its competitors as well as explain how these specific competitors were chosen for the purpose of comparison.

### **2.1 Saga Matkat**

Saga Matkat is one of the two main brands of the Finnish travel agency Travel Specialist Group Ltd. It is a privately-owned company set up in 1992. Travel Specialist Group, or TSG as it is known for short, has offices in Helsinki, Tallinn, Stockholm and Copenhagen. (Travel Specialist Group 2017a.)

The brand Saga Matkat mainly focuses on destinations like Iceland and the Arctic but offers flights and accommodation all over the world. The other main brand of the Travel Specialist Group is Risteilykeskus which sells cruises around the world. (Saga Matkat 2017a; Saga Matkat 2018a; Travel Specialist Group 2017a; Risteilykeskus 2017.)

Although Risteilykeskus and cruises make up roughly 60 to 70 percent of the company's sales, Saga Matkat is a strong buttress of the company since it has been in existence for 25 years while Risteilykeskus is a fairly new addition to the company's brands, having been set up in 2015. (Travel Specialist Group 2017b.)

Saga Matkat describes itself as having the most experience in Icelandic tourism on the Finnish market. As Iceland is the main focus for Saga Matkat, they offer a wide variety of different products in the country. These include flights and accommodation, cruises, tour packages guided in Finnish and English (figure 1), horse riding tours, car rental, car rental packages and excursions. Although most of the products that Saga Matkat sells are provided by suppliers in Iceland, the Finnish guided tours are their own product. (Saga Matkat 2017b.)

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**Saga MATKAT**

Seuraa Saga Matkoja!  
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Reykjavik maanantaista perjantaihin

Matkan tiedot Hinnasto Muuta tietoa Kaikki Islannin matkat >

Etusivu » Islanti » Islanti suomeksi opastettuna » Reykjavik suomeksi opastettuna » Suomeksi opastettu Reykjavik (ma-pe)

## Reykjavik maanantaista perjantaihin

Lähde tutustumaan Reykjavikin mielenkiintoisimpiin nähtävyyksiin suomeksi opastettuna! Tutustut Islannin pääkaupungin elämäntapaan ja lähiympäristön upeaan luontoon suomalaisen matkaoppaan johdolla.

**Saga Matkojen suomenkielinen matkaopas on opastetuilla matkoillamme koko ajan apunasi.** Opas on vastassa Keflavikin lentokentällä ja varmistaa, että matkustajat pääsevät yhteisellä bussikuljetuksella kentältä hotellille. Matkan hintaan sisältyvällä Reykjavikin kiertoajelulla opoamme esittelee sinulle boheemin pääkaupungin tärkeimmät nähtävyydet.

Voit varata valikoimastamme myös suomeksi opastettuja retkiä, jos haluat lähteä esimerkiksi uimaan maailmankuuluun Siniseen laguuniin tai katsomaan Gullfossin putouksia, vettä suihkuttavaa geysirää ja Thingvellirin kansallispuistoa! Valikoimastamme löytyy myös yli 50 kansainvälistä retkeä.

**Katso lisätiedot välilehdiltä Hinnasto ja Muuta tietoa.**

### Päivä 1. Saapuminen Islantiin

Matka alkaa Iceländairin suoralla lennolla Helsingistä Islantiin. Keflavikin lentosärmällä on vastassa **Saga Matkojen suomenkielinen opas**, joka huolehtii kuljetuksesta Reykjavikin hotellin. Sääntöjohduttamisen jälkeen voit tutustua Reykjavikkiin haluamalla tavalla: yöpyminen hotellissa.

### Päivä 2. Reykjavikin kiertoajelu

Aamialan hotellissa. **Aamulla klo 09:00 lähdetään matkan hintaan kuuluvalle suomeksi opastetulle Reykjavikin kiertoajelulle**, jolla nähdään maailman pohjoisimman pääkaupungin parhaat paikat. Pääset tutustumaan Reykjavikin menneisyyteen ja nykyaikaan asiantuntevan oppaan johdolla. Ensin tehdään pieni kävelylenkki keskustassa lähellä hotellia, jonka jälkeen matkaa jatketaan bussilla. Näet mm. futuristisen Hallgrímskirkjan, satama-alueen sekä vesisäiliöiden päälle rakennetun Perlanin josta näkymät näköalatasanteelta ympäröivään Reykjavikkiin, ja sen ympäristöön, ovat huikean kauniit!

Figure 1. Screenshot of *Reykjavik maanantaista perjantaihin* guided tour package webpage (Saga Matkat 2018b)

In addition to the services in Iceland, Saga Matkat sells guided tour packages to Greenland, Svalbard and Faroe Islands, cruises to Antarctica along with other Arctic destinations, Formula 1 themed packages as well as flights and accommodation all around the world. (Saga Matkat 2018a.)

## 2.2 Competitors

Saga Matkat is in direct competition with several Finnish travel agencies that offer a variety of products in Iceland. In order to find competitors, a role of a tourist looking for travel options was assumed, and an internet search engine was used to find different options with Finnish search words such as “Islanti matka” (Iceland trip), “Islanti loma” (Iceland vacation) and “Islanti matkapaketti” (Iceland travel package). The aim was to find other travel agencies that offer services in Iceland, especially package travel. The competitors that were identified as direct competitors are Matkaporjat, Lomalinja and OK-Matkat because they had very similar travel packages to offer as Saga Matkat.

**MATKAPOJAT** Oma loma | Rekisteröidy | Lahjokorttikauppa | Vihdekalenteri | Pöytäkirjat

Risteilyt Kaupunkilomat Kiertomatkat Kaukolomat Kylpylätomat Perhelomat Erikoismatkat Elämysristeilyt

**Aktiivista lomaa**  
**Kiehtova Islanti**

Esittely Matkaohjelma Hotellit Kartta Tärkeää tietää

**Kiehtova Islanti**

**Lähtöpäivät:**  
11.4., 2.5. ja 10.9.2019

**Matkan kesto:**  
5 päivää

**Hinta:**  
Hinta alkaen 1649€

**Kiehtova Islanti**  
alk. **1649 €** /hiö  
VARAA >

**Matkan esittely**

**Reykjavik**  
Luonnonvoimien muokkama kiehtova Islanti sekä sen pääkaupunki Reykjavik tarjoaa matkailijalle ennenkokemattomia elämyksiä. Islannin pääkaupungissa Reykjavikissa asuu kaksi kolmasosaa koko Islannin väestöstä. Islannin luonto on ainutlaatuinen: jäätiköitä ja kuumavesilähteitä. Reykjavikilla on paljon tarjottavaa myös kulttuurinälkäisille, historiaa, museoita ja taidenäyttelyitä.

Figure 2. Screenshot of *Kiehtova Islanti* guided tour package webpage (Matkapojat 2018)

*Matkapojat Ltd.* is a Finnish family-owned travel agency that has been serving customers for over 40 years. Their first travel agency was opened in 1977, and the company is nowadays considered one of the largest travel agencies in Finland. Matkapojat currently employs some 70 people and has offices in Tampere, Jyväskylä, Kotka, Kouvola, Kuopio, Lahti, Lappeenranta, Pori, Seinäjoki and Turku. The travel agency sells, amongst other products, cruises to Tallinn and Stockholm, themed vacations such as Formula 1 trips, guided city breaks and tours to Europe, North America and Africa, as well as spa vacations to Estonia. Matkapojat was identified as a direct competitor for Saga Matkat because their guided tour package *Kiehtova Islanti* (figure 2) is very similar to the guided tours in Iceland that Saga Matkat offers. (Matkapojat 2018; Matkapojat 2019a; Matkapojat 2019b; Rämö 2018.)

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## Kulttuurimatka

Olet täällä: Etusivu - Matkat - Kulttuurimatkat - Ihmeellinen Islanti 18.-22.4.,...

### KULTTUURIMATKAT

- Armenia - Kaukasuksen helmi
- Armenian vuoriston aarteita
- Arto Nybergin matkassa: Beatlesin ja pubien Liverpool
- Arvo Tuomisen matkassa Laatokan ympäri
- Arvo Tuomisen matkassa Kannaksen kierros ja Pietari
- Arvo Tuomisen matkassa Olavi Paavolaisen Karjala
- Arvo Tuomisen matkassa Vienan Karjala ja Solovetsk
- Elohopeakerhon adventtimatka Prahaan
- Elohopeakerhon Istanbul
- Elohopeakerhon Sveitsi
- Enneagrammiseminaari Assisissa
- Huikkeit Huippuvuoret
- Hurmaavan eksotiininen Balkan -

## Ihmeellinen Islanti 18.-22.4., 5.-9.6., 12.-16.7 ja 16.-20.10.2019

KUVAUS MATKAOHJELMA LISÄTIEDOT KARTTA VARAA MATKA

Hurmaava Islanti on vastakohtien saari: tulta ja jäätä, mustaa ja valkoista, modernia kaupunkielämää ja entisaikojen kylää. Tällä matkalla nautiskellaan Blue Lagoonin lämpimästä vedestä, ihastellaan kuumia lähteitä ja Gullfossin mahtavia putouksia sekä tutustutaan maailman pohjoisimpaan pääkaupunkiin, Reykjavikiin.

**Lomalinjan matkassa saat enemmän:**

- reitillennät turistiluokassa
- majoitus kahden hengen huoneessa ohjelmassa mainitussa hotellissa
- ohjelman mukaiset ateriat, kuljetukset ja retket
- suomenkielisen asiantuntijaoppaan palvelut retkillä ja kuljetuksilla

Figure 3. Screenshot of *Ihmeellinen Islanti* package tour webpage (Lomalinja 2018b)

*Lomalinja Ltd.* is a Finnish travel agency that has offices in Tampere and Helsinki. The travel agency separated from Länsilinjat Ltd. buss company in 1977 and has been offering tourism services ever since. Lomalinja offers over 200 different themed vacations around the world. The themes revolve around for example culture, photography, painting, wine and gastronomy, war history, music and literature. Their customers are always accompanied by a Finnish speaking expert on these themed vacations. (Lomalinja 2018a; Lomalinja 2018b; Rantapallo 2013.)

Lomalinja's *Ihmeellinen Islanti* is very similar to the guided tours in Iceland that Saga Matkat offers, which is why the company was identified as one of Saga Matkat's direct competitors. (Lomalinja 2018a; Lomalinja 2018b.)

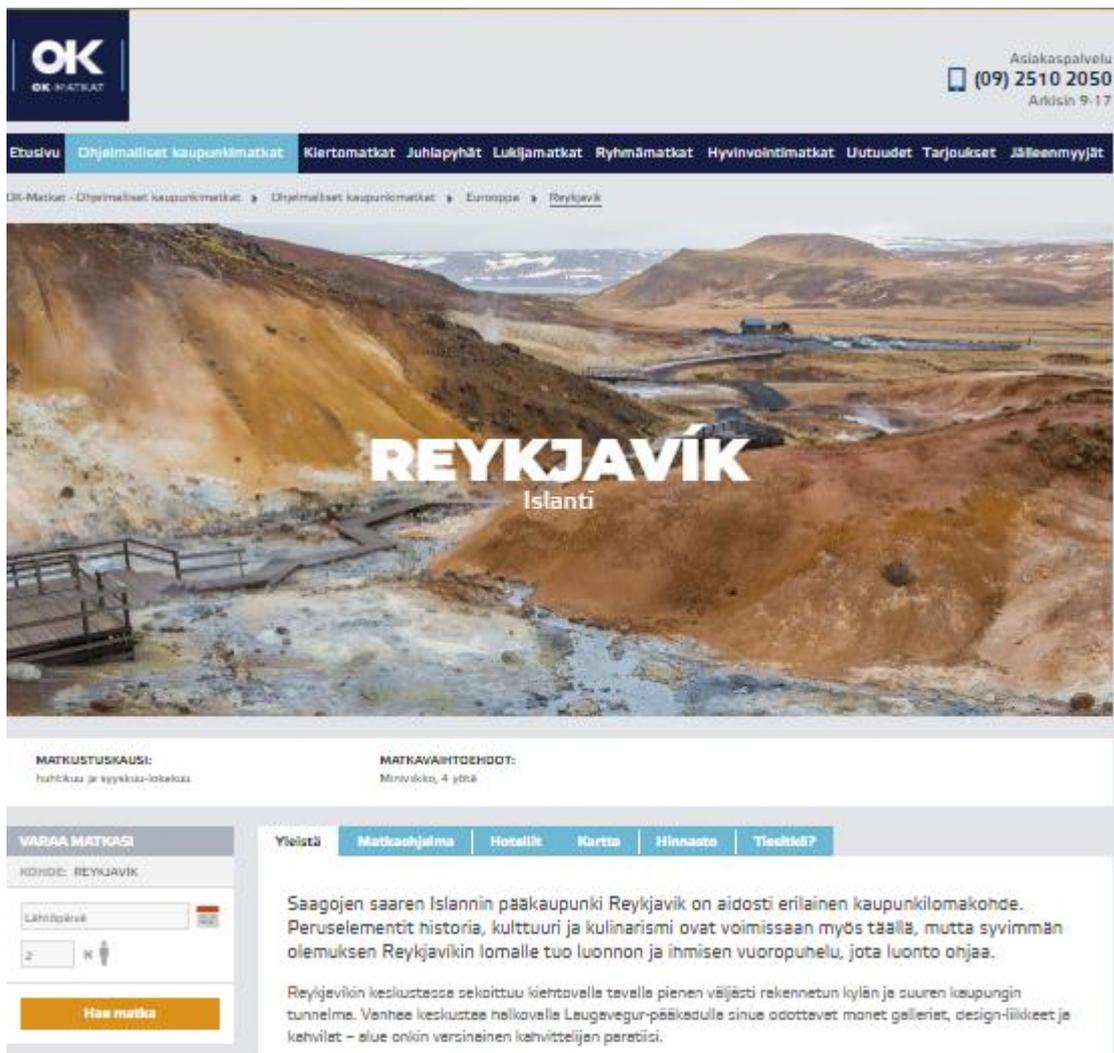


Figure 4. Screenshot of the webpage of a guided package tour to Reykjavík, Iceland (OK-Matkat 2018a)

As the other competitors listed above, *OK-Matkat Ltd.* is a Finnish family-owned company that was founded in 1982. OK-Matkat organises guided themed city vacations in mainly Europe. Their travel packages always include a Finnish speaking guide, flights and accommodation, airport transfer and different activities in the destination. The travel agency is based in Helsinki. OK-Matkat offers a guided package tour to Reykjavik (figure 4) which is very similar to the ones Saga Matkat offer. This is why OK-Matkat was named one of Saga Matkat's direct competitors. (Muukkonen 2017; OK-Matkat 2018b; OK-Matkat 2018c; OK-Matkat 2018a.)

### 3 Iceland as a tourism destination

Iceland (Figure 5), the land of polar nights and midnight sun, terrain split in half with hot lava and cold ice and a harsh weather with the kindest of people, is at its core a country of extreme opposites. Having also earned the nickname of the land of fire and ice, the nature of Iceland consists of a unique combination of both vast glaciers and tall ice mountains, as well as volcanic ground and several active volcanoes. (Promote Iceland 2018.)



Figure 5. Location map of Iceland within Europe (Theeuro 2007)

Whereas the nature of Iceland is exceptional for its wonders, the weather of Iceland, and more specifically the winters, are known to be exceptionally harsh and unforgiving to anyone wishing to settle there. Consequently, it was the weather which inspired the modern name of Iceland. Being one of the first people to find the new land, the Norwegian Viking known as Hrafna-Flóki, tried and failed to settle in on the island, and invented the name of Iceland originally as a warning to others who might want to follow in his footsteps to this icy land. (Karlsson 2000, 11; The Reykjavik Grapevine 2014.)

And as a consequence and contrast to their homeland and its living conditions, the settlers of British, Celtic and Scandinavian origins came together and developed into a people who value their roots and traditions, the unique nature which surrounds them and above all, unity both within their families as well as in their community – all three of which are key elements in the structure of the image of modern Iceland and thus its identity as a tourism destination. (Inspired by Iceland 2017a; Inspired by Iceland 2017b.)

This chapter will look at Iceland as a tourism destination first by going through the most important events in the country's history, followed by an insight into the attractions of Iceland today. After this, the theory will move on to define the term of destination competitiveness and Iceland's potential as a tourism destination through the model of the five A's of tourism, and lastly to explain in detail both the definitions of the terms of destination image and branding, as well as the current image and branding strategies of Icelandic destination management companies.

### **3.1 History of Iceland**

Being the last European country to having been settled in, Iceland's earliest history goes back to only the 9<sup>th</sup> century. And even though in this short time Iceland has developed from a small people of farmers into both a modern and a rather progressive country, the history and cultural heritage has not been forgotten or replaced by new traditions. On the contrary, glimpses into the past can be found in everything Icelandic, from the carefully preserved Icelandic language, to the blooming belief in mythical creatures like elves to seeing hotels and restaurants inspired by and dedicated to the Icelandic forefathers, the Vikings. This is why it is essential to first look at the most important events in the history of Iceland in order to be able to fully comprehend how the modern Iceland, both as a country as well as a tourism destination, has been formed. (Inspired by Iceland 2018a; Inspired by Iceland 2018b; Guide to Iceland 2018a; Guide to Iceland 2018b.)

Hidden amidst the Atlantic Ocean and Greenland's vast glacier, the large island of Iceland remained untouched long after all of its European neighbours had been colonized. And although the Icelandic people are widely known to originally ascend from Norse Viking origin, the very first visitors - or in a way, tourists - in Iceland were actually Irish monks who came ashore sometime in the 8<sup>th</sup> century. (Karlsson 2000, 9-10; The Reykjavik Grapevine 2014.)

Nonetheless, for reasons unknown, the monks did not settle in Iceland for long. Therefore, in the late 9<sup>th</sup> century when the Norsemen discovered Iceland, it was still an uninhabited island. And although it has been debated whether it was the Norwegian Viking Naddoddr or Garðarr Svavarsson of Swedish origin to first discover the new land, it was another Norwegian man Ingólfur Arnarson who became the first settler of Iceland in 871, and thus the initiator of the settlement of the next sixty years. (Karlsson 2000, 11-12; Inspired by Iceland 2017a; The Reykjavik Grapevine 2014.)

Prior to the centuries spent as a part of two different monarchies, Iceland had no king or any other kind of authority that would have ruled over all the communities around the island. Alternatively, their societies which began from solving disputes and creating organization on a regional level, decided to come together from all around Iceland, and create a common law for all. (Karlsson 2000, 20-21; Inspired by Iceland 2017a.)

In the year of 930, the chieftains from all regions gathered at Þingvellir, the southwestern part of Iceland for the first time. They agreed to then return there every year around the solstice in order to maintain order and discuss legalities. Thus, the national assembly, better known as the Alþingi, was found. (Karlsson 2000, 20-21; Lonely Planet 2017.)

While in Iceland, the Vikings from Norway came together with the ones from the British Isles, Celtic lands and rest of Scandinavia to form a common assembly where they made decisions together, the country of Norway was ruled as a monarchy. In the 12<sup>th</sup> century, the power of the Norwegian crown began to weaken, as the dissipation of support towards several other rivals going after the crown resulted in a century of civil warfare. Consequently, even after an established time of peace by the 13<sup>th</sup> century, the Norwegian crown began to plan the annex of all the lands the Norsemen had conquered and settled in. After several failed attempts in years 1220 and 1235, the chieftains of Iceland finally pledged their allegiance to Norway's ruling king, King Håkon. The event took place at the Alþingi in 1262 through a treaty known as the Old Covenant, and by the year 1264 the rest of Iceland had followed. (Karlsson 2000, 79-83; Local Histories 2017.)

In the 14<sup>th</sup> century, times of political uncertainty and frequent warfare drove rulers of Scandinavia to make alliances with each other. As a result, Olav IV, a boy with both Danish and Norwegian blood, and a rightful claim for the Swedish throne was born. He first became the king of Denmark in 1376 and the king of Norway in 1380, thus bringing Iceland under the Danish crown. Unfortunately, he himself died at a young age, but having already realized the opportunity, his mother Margrethe adopted her niece Erik, and in 1397,

had him crowned as the king of the three countries in the Kalmar Union. (Karlsson 2000, 100-102.)

Sweden soon separated itself from the union and Denmark grew to dominate over Norway, and due to the new monarchy's interest in treasures of the land rather than the seas as well as the current capital all the way in Denmark, Iceland was of little interest to the crown and became forgotten. (Icelandic Roots 2013; Visit Reykjavik 2018.)

It was only until the 19<sup>th</sup> century, when the causes of the loss of national freedom in the 13<sup>th</sup> century and degeneration of life along with the first settlement were revived and ignited a spark in Icelanders' eyes to begin a fight for independence from the monarchy in order to bring back the standard of life they used to have before. In the years of romanticism, alongside the increase of interest in foreigners towards Iceland and its unique and untouched culture, woke a new passion in its countrymen to begin to protect it. (Icelandic Roots 2013; Visit Reykjavik 2018.)

The road to full independence progressed in three steps. Iceland first gained home rule in 1904, a sovereignty to be recognised as its own kingdom in a royal union with the Danish king and finally, full independence from the monarchy in 1918. One of the most notable leaders in this fight for independence and freedom was Jón Sigurðsson, and thus the official Independence Day of Iceland was chosen to be Jón's birthday June 17<sup>th</sup> of 1944. (Icelandic Roots 2013; Visit Reykjavik 2018.)

### **3.2 The five A's of tourism**

Studying and predicting consumer behaviour in tourism is a complex process as there are multiple factors influencing an individual's decision when choosing their travel destination. But in addition to a tourist's personal preferences and beliefs, information found from the internet and word of mouth from fellow travellers, there are also certain attributes in play which can be controlled by the people working in the tourism industry as well as developed or even changed in order to increase the destination's competitive edge. (Tourism Excellence 2015.)

One widely known model that lists the components that are believed to be essential in successful tourism is the theory of the five A's of tourism. The five A's stand for accessibility, amenities, attractions, accommodation and activities. (Tourism Excellence 2015.)

### 3.2.1 Accessibility

Being an island located far north in the Atlantic Ocean has given Iceland the unique possibility to choose to stay isolated from nearby countries and their cultures, and thus Icelandic culture has stayed true to itself throughout all these years. However, as it was already seen in history during the days under the Danish king, an isolated location can easily lead to being forgotten by others, which from a tourism point of view is a huge threat. Furthermore, not having any neighbouring countries on common land presents another challenge for attracting tourists, as it limits the methods of travel to the country. Thus, Iceland's location and limited accessibility have narrowed down the international tourist segment for Iceland into tourists who prefer international flights or cruises as their choice of transport. (Karlsson 2000, 100-102.)

Consequentially, it could be predicted that for many years, the location and accessibility of Iceland has been its main hindrance in attracting attention and visitors. Iceland's own airline company Icelandair, which was originally known as Flugfélag Akureyrar, was founded already back in 1937. It conducted its first international flights in 1945 to Scotland and Denmark and Iceland's other airline Loftleiðir, began flying to Denmark 1947 and to the United States the following year. However, for a long time tourist numbers were low, and no noticeable increase happened, which could be suspected to be simply because most tourists didn't know Iceland even existed. (Icelandair 2018; Loftleidir Icelandic 2018.)

Luckily, the horrifying event of the volcanic eruption of Eyjafjallajökull in 2010 had a silver lining: it put Iceland on the cover of all the newspapers and people became interested in finding out more about what this mysterious island was all about. A sudden, booming increase in demand was quickly followed by an increase in supply. Nowadays there are up to 26 airlines flying to Iceland from the other Nordic countries, mainland Europe and North America. (Guide to Iceland 2018c; Financial Times 2018.)

Indeed, in 2017 Iceland was entered by approximately 2.2 million tourists. 98,70 percent of the tourists came to the country on a flight through Keflavik International Airport and 0,30 percent through Reykjavik and Akureyri airports (figure 6), making the amount of incoming tourists by flight a staggering 99 percent of all the tourists traveling to Iceland. (Ferdamalastofa 2018, 6.)

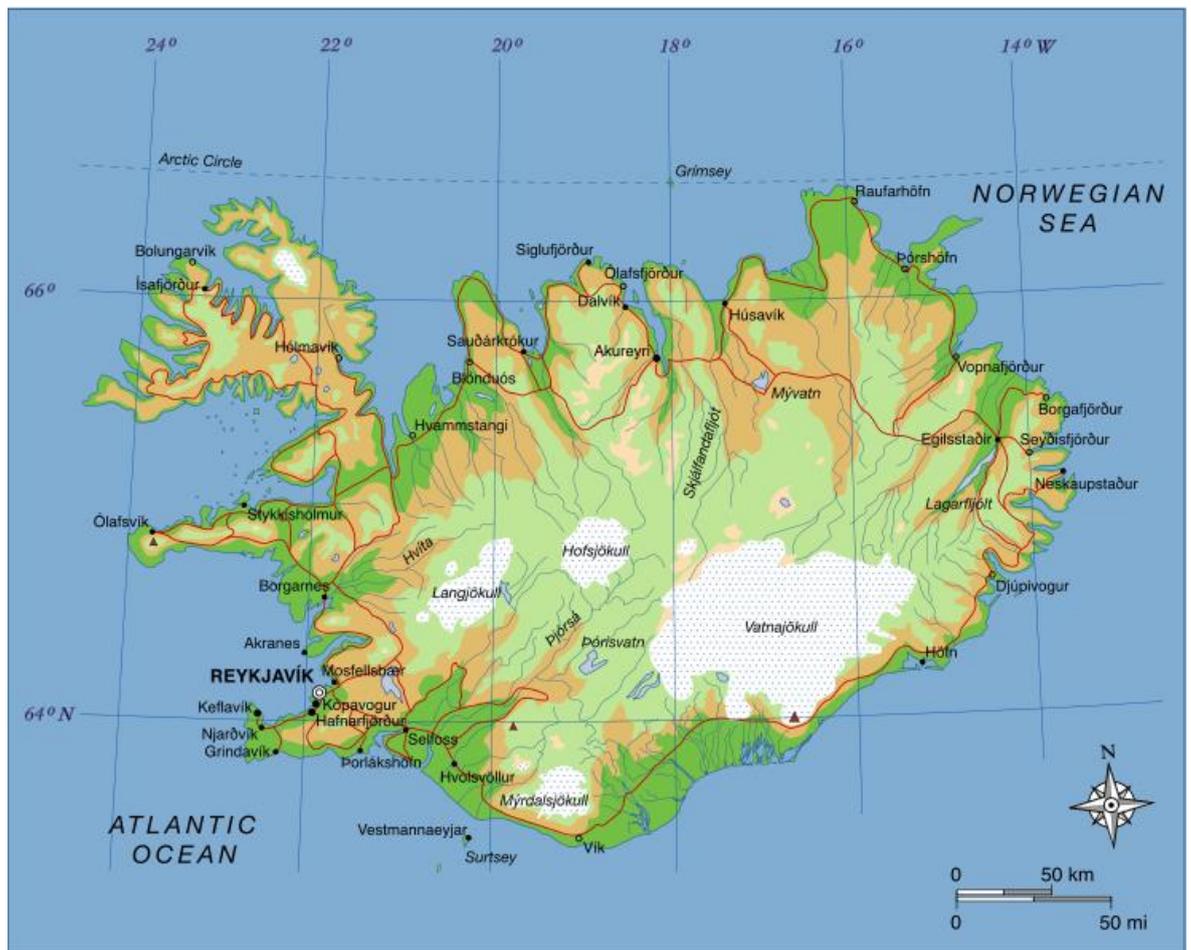


Figure 6. Map of Iceland (Naylor 2007)

The other documented one percent of tourists came to Iceland through the seaport in eastern Iceland, Seyðisfjörður (figure 6), on the ferry and cruise ship *Norræna* of the company Smyril Line. As a matter of fact, traveling to Iceland by plane has gotten the alternative of travel through seaways on its side already back in 1982, when Smyril Line was originally founded. Nowadays, the ship and ferry *Norræna* takes up to 1 482 passengers and 800 cars to Iceland on a voyage from Denmark, through the Faroe Islands finally to the port of Seyðisfjörður in Iceland. (Ferdamalastofa 2018, 6; Smyril Line, 2018.)

The increase in the number of tourists that travel to Iceland on a boat has increased by an astounding 83 percent between the years 2010-2017. However, using a ferry is currently still significantly less popular compared to taking a flight to Iceland, and the main hindrance influencing the number of tourists by boat is without a doubt the very narrow list of ports of call. Smyril Line currently has a port of call only in Denmark, the Faroe Islands as well as Iceland, so tourists from any other country would need to include a flight to Denmark to their travel itinerary in order to access the port in Hirtshals where the cruises leave from. (Smyril Line, 2018.)

Whether traveling from the airport to the hotel, from the hotel to the main attractions or from one city to another, the accessibility inside Iceland is an aspect which requires some research and planning in advance. Often a tourist's first instinct may be going on foot or traveling by taxi to go from one place to another. However, in Iceland the distances between things are longer than average and certain areas can be reached only by a bus, boat or domestic flight, and the recommended method may even vary season to season. (Rough Guides 2018; Extreme Iceland 2018a.)

The rise in the tourism has created a market for several bus companies focused around all day and even overnight sightseeing tours, and it is all the more easy for tourists to get around Iceland. Using the bus may be cheaper than most other transport methods, but one should note that the same distance travelled in a few hours by a plane could take up to several days by a bus, and the entire trip might have to be partially planned around the public transport schedules. Some tourists on shorter trips could prefer using a plane and others not so inclined to sticking to tight schedules renting a car, but both of these methods require a substantially bigger overall budget. Consequently, anyone traveling to Iceland needs to prioritise in both the attractions they wish to see and places they want to visit, as well as which is most important to them: Low costs, short time travel or independence from other tourists and general schedules. (Rough Guides 2018; Extreme Iceland 2018a.)

### **3.2.2 Amenities**

When it comes to the definitions of the components for the classic five A's of tourism, the aspect of amenities is a bit more difficult to pinpoint precisely. The amenities of a destination consist of everything that a tourist may need to fill their basic everyday needs when they are away from home, such as public toilets, places to eat, access to drinkable water, visitor information or health and emergency services. The amenities can also be counted to include the options for accommodation and transportation, which will be looked into more thoroughly in the previous chapter of accessibility and the following chapter of accommodation. (Tourism Western Australia 2008, 2; Oxford University Press 2008, 16.)

In the capital of Reykjavik, all sorts of amenities can be found within a walking distance. The very central street of Reykjavik called Laugavegur is bustling with all different kinds of restaurants, bars and shops, and the constant increase of the annual number of tourists visiting Iceland is in direct cause-and-effect relation with the increase of the amenities. As

a downside of the tourism boom however, the longstanding Icelandic stores and locally produced items are in danger of losing their foothold against the tourism-centred restaurant chains and mass-producing souvenir shops. (Guide to Iceland 2018d.)

Similar to other Nordic countries, the price level in Iceland is also known to be one of the highest in Europe and especially when it comes to eating out, tourists may end up spending most of their budget on food. But whereas one of the more challenging qualities Nordic countries have in common are high prices, what conversely makes them some of the best destinations to go to, are general cleanliness and the level of safety. At the top of the list in both attributes, Iceland is not only a country where crimes of any kind are rather rare, but it was also awarded as the cleanest country in the world in the year 2010. (Forbes 2010; Guide to Iceland 2018e; Internations 2018.)

Unfortunately, as the local ways are not always adopted by all tourists when traveling to different destinations, mass tourism as a phenomenon in Iceland has already been seen to have consequences. The number of public toilets and garbage cans as well as the complete lack thereof very much everywhere outside of the busiest cities has brought along with the tourism increase a problem of littering and public urination. In the same way, even though Iceland is safe for tourists in regard to low levels of crime, the number of reported accidents has increased with the increase of tourists. Foreigners travel to Iceland unprepared, and this has led to tourists getting lost or stuck due to unforeseen weather conditions, drowning, driving off the road as well as being hit by a car while wandering on the road carelessly. (Internations 2018; Financial Times 2018; Trip 101 2017.)

### **3.2.3 Accommodation**

The amount of accommodation choices is often in direct contact with the tourist demand. Thus, it is no surprise, that as the tourism numbers of Iceland have been in steep increase for the past years that the establishments for accommodating those tourists during their stay in Iceland have also risen in numbers accordingly. (Ferdamalastofa 2018, 14-15.)

The average occupancy rate of hotels in Iceland has increased by 53,70 percent between the years of 2010 -2017, up to a staggering 72,10 percent. In the same way, the amount of rooms offered has more than doubled in total with an increase of 58 percent within the eight-year-period. In 2017, the total amount of nights spent in hotels and guest houses was up to 5,6 million, 88,90 percent out of which were foreigners. One can find all but five-

star hotels at least when moving closer towards the capital of Iceland and there are options for everyone in both price and standard of luxury. Iceland has also moved swiftly to catch up with the rising demand with their supply of accommodation, so there could be luxury hotels in Iceland in the near future if the market for the highest-end tourists increases. (Ferdamalastofa 2018, 14-15.)

However, traditional accommodation choices such as hotels and guesthouses are not all that Iceland has to offer its visitors. As one of Iceland's best attributes as a destination is its incredible nature, naturally the destination has put effort into making sure the tourists can experience it first-hand. Indeed, there are around 170 registered camping sites all over the island, open from early summer to late autumn. Stacked against the rest of the other accommodation types in Iceland including hostels, rented apartments and Icelanders' private homes, out of a total of 2,8 million nights spent in 2017, 38,20 percent were spent on a camping site, followed second by apartments with 20,50 percent and hostels with 19 percent. (Ferdamalastofa 2018, 15; Inspired by Iceland 2018c.)

### **3.2.4 Attractions and activities**

Modern Iceland as a tourism destination has a close connection to its history and Viking forefathers. Evidently, it is the pride for their own roots, trusting their own ways of doing things above others' and appreciating the unique nature, which have inspired the Icelanders to keep their home country intact by foreign influences and thus Icelandic culture preserved authentic since the beginning of its creation. Indeed, it is the wonders of nature, authentic culture and mythological history - often entangled within each other - which above all else attract more and more tourists to Iceland each year. (Karlsson 2000, 121, 200; Guide to Iceland 2018b; Guide to Iceland 2018c.)

Earning the land its nickname, the nature of Iceland has all sorts of wonders which, without a doubt, attract tourist all year round. And while the nature of Iceland is left rather untouched, to live alongside settlement, so that a tourist might be able to awe over the glorious scenery just by stepping out of their hotel, many of the greatest wonders can be found from one of Iceland's three natural parks. (Guide to Iceland 2018f.)

Pingvellir, the oldest of the three parks has a landscape wrapped in history. Not only can tourists see and walk through the tectonic plates of Eurasia and North America, but it was Pingvellir where the original Icelandic parliament, alþingi began meeting in 930 and

among other important decisions agreed to renounce their pagan religion and adopt Christianity. In the summer, visitors can also see the waterfall Öxarárfoss, go snorkelling in the spring Silfra Fissure and for the most hands on nature experience, tourists can camp in the park to take their time taking in all its beauty. (Guide to Iceland 2018f.)

Being the largest of the three national parks in Iceland, and the second largest in the entire Europe, Vatnajökull is the home for Europe's largest glacier Vatnajökull (figure 7), after which it is named. It holds within itself two former parks and new sites which were founded later. The park is indeed big enough to contain something for all seasons, as where during winter the park offers hiking, ice climbing or even tours inside the glacier, in the summertime, one can see the tallest waterfall in Iceland, Morsárfoss, the craters of the once violent volcano Laki and even catch some seals at the diamond beach where the glacier meets the sea. (Guide to Iceland 2018f; Lonely Planet 2018a.)



Figure 7. Vatnajökull glacier cave and volcano eruption in Holuhraun (Ratel 2015; Sparkle Motion 2014)

Snæfellsjökull, only founded back in 2001, is rather new compared to its two equivalents. It is located a little under 200 kilometres from the capital but is definitely a worthwhile stop for at least the ones who see Iceland by car. The park's main attraction, being the inspiration of some legendary Icelandic Sagas as well as the park's name, is the volcano Snæfellsjökull, which is situated right in the centre of the park. In addition to hiking to the volcano, visitors are drawn in by a chamber created by magma, a 40-metre-deep rift of Rauðfeldsgjá, hiding a secret waterfall as well as the opportunities to see seals or to go whale watching at the near-by city of Grundarfjörður. (Guide to Iceland 2018f; Lonely Planet 2018a.)

As there are so many amazing things to see and do, but most sights are situated rather far from one another, Icelandic DMCs have come up with the idea of taking tourists from

Reykjavik all around Iceland on a bus to see different kinds of sights, so they can experience both the nature as well as the culture in the capital. One of the most famously known tours is the Golden Circle tour combining three major sights in the whole of Iceland, a walk through the oldest of the national parks, Þingvellir, the glorious, grand waterfall called Gullfoss and visiting Haukadalur –the geothermal valley, where the famous Icelandic geyser, among them one of the tallest and most famous known as Geysir, can be found. However, since Geysir ceased to erupt, a geyser named Strokkur (figure 8) has become the main attraction in the area because of its frequent eruptions. (Arctic Adventures 2018; Lonely Planet 2018b.)



Figure 8. Seljalandsfoss waterfall and Strokkur geysir (Filbert 2016; Guðmundsson 2014)

Another, rather unique sight in Iceland are the northern lights (figure 9). The Aurora Borealis, also known as the northern lights, is a natural phenomenon which happens when the Sun's particulates react with different gaseous particles in the earth's atmosphere. After their release, the Sun's particulates are pushed towards earth by solar winds but can only enter the earth's atmosphere at the very northern and southern hemispheres, and thus the light phenomenon is only visible close to the North and South Poles. (Extreme Iceland 2018b; Aurora Service 2018.)



Figure 9. The Northern Lights in Iceland (Pixabay 2017)

Iceland being one of the countries close enough to the North Pole, many tourists travel to Iceland hoping to catch a glimpse of the dancing lights in the night sky during their trip. Consequently, the Icelandic trip providers came up with the idea of what are called the northern lights hunting tours, where a minibus takes the tourists to whichever place some careful calculations show the northern lights should most likely be seen each night. (Extreme Iceland 2018b; Aurora Service 2018.)

If snorkelling in the cold springs of the nature parks feels too thrilling or one simply wants to find something more relaxing to do, Iceland has another aquatic experience which it is nowadays quite known for – the Blue Lagoon spa. The island's famous geothermal water is not only found from the geothermal valley of the geyser or warming up Icelander's homes, but tourists can visit the spa built around large, natural pools of self-warming and self-purifying water and experience first-hand the water's purifying minerals in action. (Blue Lagoon 2018.)

And while many of the trips take tourists to breathe-taking landscapes and unique nature sights which are experienced simply by seeing or at most, immortalising them into photographs, there are also many different kinds of activities for a more active tourist. For those fond of fauna, there are trips to go spotting killer whales at several locations, among them the whale-watching capital Húsavík, puffins on a boat leaving from Skagafjörður or seeing the sights of Iceland on a hike on horseback with the Icelandic horses (figure 10). (Arctic Adventures 2018; Lonely Planet 2018a.)



Figure 10. Icelandic animals (Garcia 2015; Jones 2010; Welles 2007)

The Icelandic nature has many sights and wonders unlike any other place in the world, and anyone traveling there has not truly experienced what the country has to offer unless they see at least some of it. However, this once remote part of first the Norwegian, and later on the Danish empires also has an interesting history and an original culture of its own, which the country has been able to preserve throughout all these years since the days their Viking forefathers sailed on the shores, and which alongside the nature, is an equally essential part of Iceland today. (Guide to Iceland 2018e.)

In some ways, the history is in fact also a part of the modern culture. The most visible is without a doubt the Icelander's undying pride in their Viking roots, and even the tourists without much knowledge of the country's history prior to their trip will make the connection just by walking down Reykjavik's centre streets. The Viking's influence can be seen everywhere in several company names, tourist shops dedicated entirely for Viking themed photographs or memorabilia and one of the Icelandic beers having been named Viking. (Guide to Iceland 2018b.)



Figure 11. Viking statue in Hafnarfjörður (Kotimäki November 11, 2017)

The Viking love can also be seen in a small town in close vicinity of Reykjavik called Hafnarfjörður, which has another name as the town of elves – pagan creatures from the olden days some modern folk still believe in. In addition to being the town where elves are believed to mostly live, Hafnarfjörður has earned interest from tourists as the Viking town

(figure 11), and even has a hotel and a restaurant both styled from the furniture to the menu in the way of the Viking ages. (Guide to Iceland 2018a.)

Tourists who are interested in learning about Vikings and the rest of Icelandic history in more detail can also visit museums such as the saga museum, which portrays the legends from the sagas, the historical stories written in the 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> centuries or the Reykjavik City museum, which has an exhibition of historical artefacts, Viking weapons being one among other interesting things. (Guide to Iceland 2018b; Saga Museum 2017; Reykjavik City Museum 2018.)

In order to learn more about the culture, tourists can take a city tour inside and in the close-by villages around Reykjavik to see famous and important buildings and monuments such as the church Halgrímskirkja dedicated to the poet Hallgrímur Pétursson, the concert hall Harpa, also known as one of Iceland's greatest landmarks as well as the steel sculpture by the name of Solfarid, 'the sun voyager', the artist Jon Gunnar created as an ode to the sun. (Iceland Travel Guide 2018; Harpa 2018; Iceland Travel 2018.)

### **3.3 Destination competitiveness**

Tourism may have originally been born as a luxury only for the people from upper classes, but today it is one of the largest industries in the world. And as an ever-growing industry, tourism has the potential to work as a tool for a country's economic development, but in order for one to do so, a destination must maintain its competitiveness on the tourism market. (Jones & Haven-Tang 2005, 1-2.)

And in order to measure and consequently improve a destination's competitive potential, many definitions have been drawn as to what components the term consists of. Theories focusing on a larger scale point of view see destination competitiveness as a nation-wide issue where a good social structure, culture and a country's economic state can make a country competitive. These theories also see the ideal end goal on a larger scale – for tourism profits to enrich the entire community. So, on one hand, destination competitiveness could be defined as the degree, to which a destination is able to produce and offer goods and services which live up to everything else which is offered at the international market and increasing the income of the citizens. (Research Gate 2003, 370-371; Jones & Haven-Tang 2005, 1-2.)

Other theories, while not denying that the destination's attractiveness is an essential factor, believe that companies working in the tourism industry, and their marketing and management strategies' successfulness are the key factors defining a destination's competitive potential. In other words, what will bring a destination its competitive advantage over others, is the tourism companies' talent in making the destination seem the most attractive to possible customers. (Research Gate 2003, 370-371.)

J.R. Brent Ritchie and Geoffrey I. Crouch explored a third option, where the competitive potential is reliant on both attributes, the nation as a whole, as well as the companies in it as individuals. Thus, they created the Ritchie/Crouch model of destination competitiveness & sustainability. The model measures a destination's competitiveness by six attributes of competitiveness: The social, cultural, economic, environmental, political and technological capacities. (Ritchie & Crouch 2010 1049-1066; Jones & Haven-Tang 2005, 1-2.)

A competitive destination is one that constantly draws more tourists, inspires them to spend more money and constantly improves itself to provide tourists with better memories and experiences. However, it is not enough for a destination to simply be attractive, but it has to be more attractive than, in some occasions, very different kinds of destinations competing on the market, and it is the tourism industry's employees' job to match the needs of the ever-evolving tourist. (Ritchie & Crouch 2010 1049-1066; Jones & Haven-Tang 2005, 1-2.)

### **3.4 Definition of destination image**

Defining and improving a destination's image is one of the most important elements behind a successful marketing strategy for any tourism destination. What a destination image, short for DI initially stands for, is the perception people have of a destination. When tourists feel the urge to travel somewhere and search for possible options for their destination, the image different sources of information create in their minds is the key factor in the final decision-making process and eventually choosing a certain destination. And while visiting a destination may – either positively or negatively - alter the image an individual has of a certain destination; it is the image they form in their minds prior to the trip that gets them to travel there in the first place. (Wang & Pizam 2011, 130-131.)

But although it is the tourist who creates the destination image, destination management companies (DMC) have the power to affect it, and thus it is important for DMC's to create an image which gives the tourists positive thoughts about the destination. The image

forms of several attributes, in this case meaning several possible sources of information such as word of mouth, news and the media, the ongoing trends and of course each individual's personal preferences. Thus, it is not easy to make the tourists visualise an image the marketers wish them to see, as the companies promoting the destination are only able to influence the image through their own marketing campaigns. (Wang & Pizam 2011, 130-131.)

There have been several attempts to pinpoint what are the specific attributes the destination image forms from in each individual's mind. One of these is the theory of three continuums, the attribute-holistic, functional-psychological and common-unique continuum. Accordingly, the attribute-holistic level pinpoints where the creation of the image begins. Some tourists care most for the more tangible attributes such as activities and attractions whereas others are not so interested in going through lists of things to see and do, and instead considers their own beliefs, ideas and feelings towards the destination to matter more. (Wang & Pizam 2011, 130-131.)

The Functional-psychological continuum describes all the elements which are often not directly or at all connected with the activities tourists choose to do at the destination yet can affect the overall experience and thus the image. The functional attributes mean the residents of the destination and their attitude towards tourists as well as the environment of the destination, whereas the psychological side considers things which are difficult to measure, such as the level of service or the sense of security. (Wang & Pizam 2011, 130-131.)

The last continuum of common-unique refers to assessment criteria – both physical and psychological - which are applicable to all destinations and on the other hand what makes a certain destination unique compared to others. These three continuums are not three separate categories but instead entwined and for example variety of attractions, the environment or level of service in addition to others such as transportation and accommodation are all common attributes the destination can be evaluated by. And whereas with the common attributes the way to success is to beat the competition, it is the unique attributes, such as the Eiffel Tower in Paris, which can bring a destination an unbeatable competitive advantage. (Wang & Pizam 2011, 130-131.)

### **3.5 Definition of destination branding**

The previously mentioned destination image is in other words the destination's reputation. It stems from the personal experiences of the tourists who have already visited the destination and the perception and overall image their experiences create in the minds of possible future visitors. It is incremental for a destination's image to stay attractive in order for it to maintain a sustainable flow of tourists. To a large part creating the image is in the hands, or more so the minds of the tourists. There is no result that would fulfil every tourist's wishes, and to a large part the aspects forming the image, such as the climate or to an extent the native culture will be out of the hands of the destination management companies to change or improve according to tourism trends. (The Place Brand Observer 2018.)

This is why it is crucial for the DMC's to analyse the destination and the tourists' feedback, then to recognise the tourism segment the destination has the most potential in attracting, and to begin taking the destination the right direction and to create a more targeted marketing strategy to focus on this chosen tourist segment in question. This is what destination branding is all about. The destination brand itself is something that will develop over time and is in direct cause and effect relation to the destination image. Thus, in order for the branding strategy to be fruitful, the DMC's need to establish the destination's strengths and weaknesses, to create a plan for investment, management and development and to keep a consistency in the marketing strategy to support the desired destination brand. (The Place Brand Observer 2018.)

### **3.6 The image and branding of Iceland**

The development of tourism in Iceland has an exceptionally important role in its recent history as it was tourists' increasing interest in traveling to Iceland, which helped the country out of the recession between the years 2008-2011. Subsequently the government realized the potential of tourism as an integral part of strengthening their economy. The increase in the number of tourists was the biggest contributor in the country's GDP increase of 7,20 percent in 2016, and as a consequence tourism surpassed fishing as Iceland's most important industry in regard to the country's GDP. (Central Intelligence Agency 2018; Deutsche Welle 2018.)

Seeing value in and desiring to travel to places which have preserved their originality and uniqueness, also known as historicism, dates back all the way to the 18<sup>th</sup> and early 19<sup>th</sup>

centuries - the very first years of tourism. Tourism in Iceland also began already way back, during the romanticism movement, when the preserved authenticity of Iceland began to attract foreign visitors. (Karlsson 2000, 200-201; The Reykjavik Grapevine 2014.)

However, unlike back in the era of romanticism when the concept of tourism was just being realized, nowadays increasing tourist flows are the result of hard work and careful planning. The grooming of Iceland to make it more popular began when the destination management company of Iceland called Visit Iceland created the concept called Inspired by Iceland – an umbrella term, under which all the promotion and marketing of Iceland as a destination is now being done. (Islandsstofa 2017a; Inspired by Iceland 2018.)

Visit Iceland came together with the international promotion firm of Iceland known as Promote Iceland and in addition brought along 34 stakeholders, including Air Iceland, several hotel chains and trip providers. One could say, that the whole of Iceland from marketing, transportation, accommodation and activities all came together to create their country a new brand image. Nowadays these companies are all cooperating to forward a cohesive message of what Iceland can offer tourists, not only pre-trip but during as well, starting from when they sit down to their seats in the airplane and continuing alongside them throughout their journey in Iceland no matter how they choose to spend their time. (Islandsstofa 2017a; Inspired by Iceland 2018d.)

The new branding strategy was set to have three separate goals. However, they should be looked more as steps towards one main goal, which is fixing what could be seen as the biggest flaw in Iceland's current destination image: seasonality. The objectives the branding strategy is intended to reach are creating activities for each season in each region, making the tourists aware of the fact that there is something for each season and naturally, increasing the tourist flow. (Islandsstofa 2017b.)

The marketing strategy also points out, that whether it is the tourists' or residents' perception, Iceland as a country as well as its residents are rather secluded from the rest of the world as well as the mainstream trends, and thus it is not the destination for everyone. Icelanders have chosen to stick to their known ways of doing things, and instead of trying to bring the brand of Iceland to a more mainstream direction, they wanted to specifically define a tourist profile towards whom the marketing of their country should be directed. They named their target group the enlightened tourist and described these people to be between the ages of twenty and sixty-five, with high education and income levels and as a tourist to value independence, uniqueness, new experiences and the interest in culture

and creativity. Consciously secluding several tourist segments from the destination promotion strategy is undoubtedly a risky move. Nonetheless in Iceland's case it seems to have paid off as the percentage of tourism in the country's GDP shows promising annual increase. (Islandsstofa 2017b.)

## 4 Finnish tourist market

In the past decade Finnish leisure traveling has diversified as well as become a common past time for many. The diversification of travel and destinations is due to a massive increase in choices for consumers. The developing technology allows the travellers to search for information about their desired destinations more easily than ever before. Furthermore, comparing different options and finding a suitable option for each individual is more accessible to the consumers because most of the information is readily available on the internet. Essentially this new technology can do most things a traditional travel agent can. People don't need the middleman anymore but will instead buy tourism services straight from the supplier. (Future Foundation 2015, 13; Tilastokeskus 2011.)

International leisure travel has had a steady increase over the past ten years, as can be seen from figure 12. In fact, 2.3 million Finns from ages 15 to 84 made at least one overnight trip abroad in 2016. That comes up to 52 percent of the whole population. (Tilastokeskus 2016a; Tilastokeskus 2016b.)

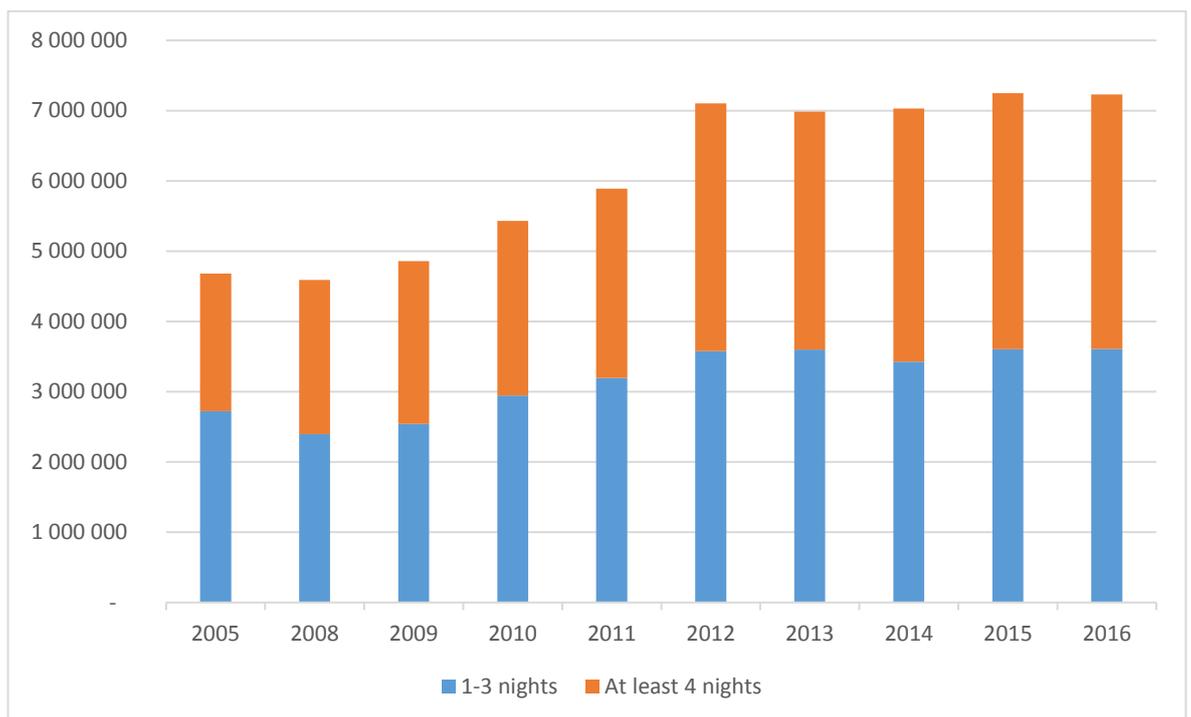


Figure 12. Finnish international leisure trips with overnight stays 2005-2015 (Tilastokeskus 2015)

Furthermore, an astounding 91 percent of 15 to 84-year-old Finns made at least one leisure trip in 2016 when looking at the statistics of both domestic and international travel. (Tilastokeskus 2016a; Tilastokeskus 2016b.)

To an extent, the growth in international leisure travel can be explained with the gradual expansion of wealth in the past decades. It is predicted that in the upcoming decades the basic needs of the citizens such as food, sleep and income will continue to be more easily fulfilled. This will lead us to search for more unique experiences. The wellbeing and happiness of the citizens will no longer be measured in material property but rather in the extent of their experiences. (Future Foundation 2015, 12.)

The growth in international leisure travel between 2006 and 2016 has been over 50 per cent in each age group, as figure 13 shows. In these ten years, the biggest growth in leisure travel abroad was in the age group of years 65 to 74 with a staggering 81-percent increase. However, it seems that Finns aged 55 to 64 were traveling abroad the most out of all the age groups in 2016, while ages 45 to 54 were a close second. (Tilastokeskus 2016c.)

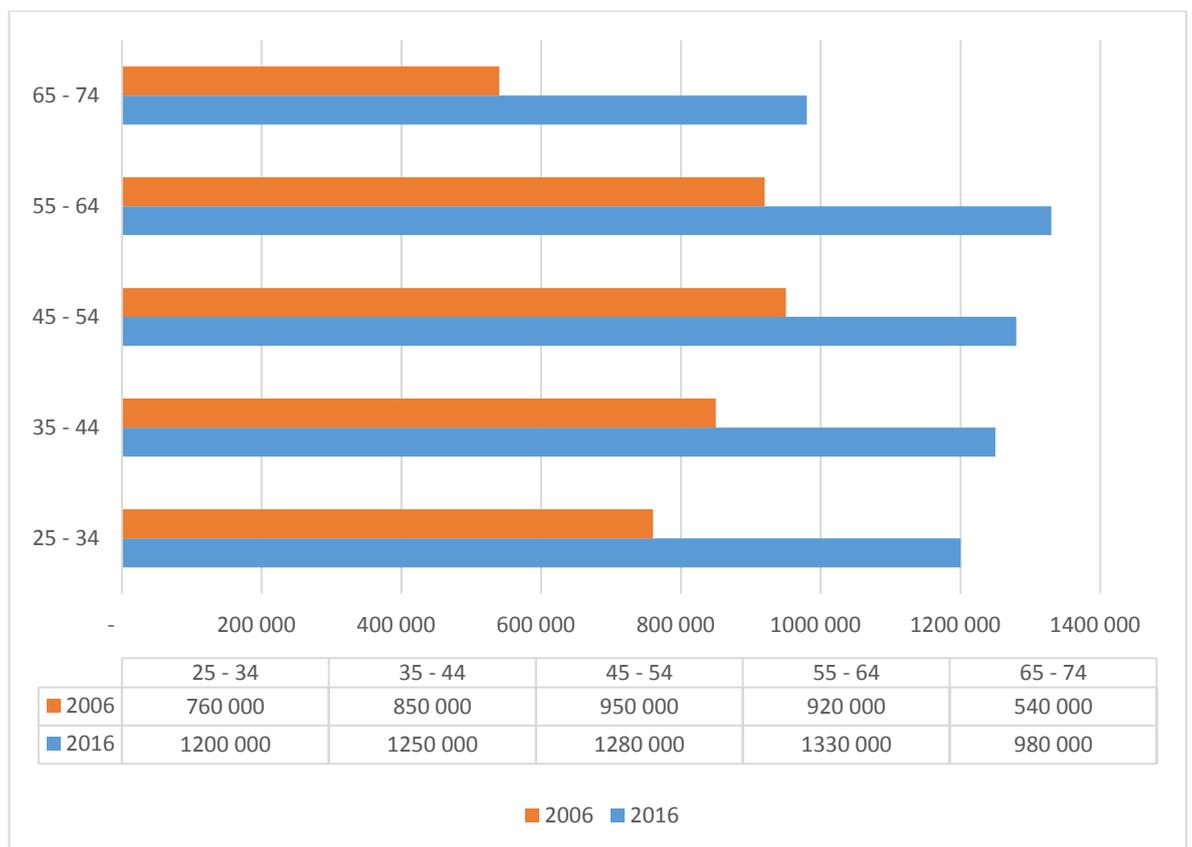


Figure 13. Growth in international leisure travel by age groups between 2006 and 2016 (Tilastokeskus 2016c)

The older age groups are travelling more frequently. According to Future Foundation (2015, 9), not only will the expected lifetime of the world’s population continue to lengthen,

but they will also live a bigger portion of their life healthy and mobile. This will allow them more time to travel and experience the world. There has been a paradigm shift from respecting elders to respecting self-sufficiency and independence, and the aging population is determined to travel and see the world alone to prove that they can be independent. (Future Foundation 2015, 9.)

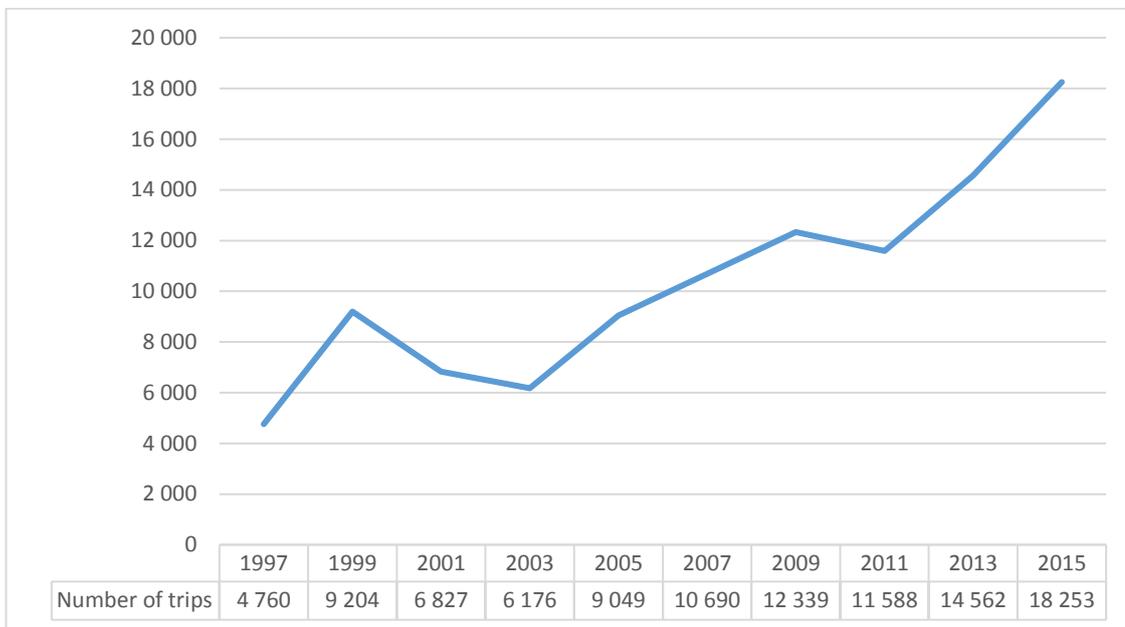


Figure 14. Finnish outbound travel to Iceland 1997-2015 (UNWTO 2017)

Strictly looking at Iceland as a tourism destination for the Finnish tourists, there has been a steep increase over the past few decades (figure 14). In fact, the number of trips Finns made to Iceland has increased by a staggering 283 percent between 1997 and 2015. According to UNWTO (2017), the trend is still ascending, as between 2016 and 2017 there was an increase of some 24 percent in trips to Iceland by Finns. (UNWTO 2017.)

## 6 Research methods

In order to choose the correct research methods, it is important to compare different methods and choose the ones that are the most useful for achieving the outlined aim of the thesis. The choice of research methods should be based on what kind of data needs to be collected in order to get the information needed to provide a solution for the research problems. (Kananen 2015, 65; Walliman 2011, 92.)

The following chapters first explain the differences between qualitative and quantitative data and research methods. What follows is an explanation of which methods were chosen for this specific study and descriptions of these methods. Furthermore, the chapters aim to explain and justify the choices made. The chapters focus on the methods of internet surveys, competitive analysis and SWOT analysis that were all used as a means for data collection in this study. (Kananen 2015, 65; Walliman 2011, 92.)

### 6.1 Qualitative and quantitative research methods

Data is often divided into two different categories, qualitative and quantitative data, based on its characteristics. The main factor that differentiates quantitative from qualitative data is that quantitative data is measurable, as it is often in the form of numbers, whereas qualitative data cannot be quantified since it often takes the form of words describing abstract concepts like ideas and beliefs. (Goodson & Phillimore 2004, 3; Walliman 2011, 71-73.)

Just as data is divided into qualitative and quantitative variety, so are different types of research methods. It is typical to choose between quantitative and qualitative research methods, but it is also possible to combine both when conducting a research project. As mentioned before, to be able to choose a suitable method, it is important to understand the similarities and differences of qualitative and quantitative research. (Kananen 2015, 67; Kuada 2012, 91.)

*Qualitative research methods* are often used with research problems that lack secondary data, meaning the subject or phenomenon hasn't been researched before or the previous research results are not comprehensive enough to use as a base for the study. The aim is often to explain a phenomenon that is previously unknown and create theories or hypothesis based on the results of the study. Furthermore, when the focus of the study is a smaller group of people, for example an individual or a specific social group, the qualitative method is a typical choice. (Kananen 2015, 70-71; Walliman 2011, 130-131.)

The studies that use qualitative methods typically focus on observing the subjects in their natural environment and getting an insider's view of the phenomena being studied. Common qualitative methods are participant observation, interviews and focus groups. (Goodson & Phillimore 2004, 4; Kananen 2015, 70-81; Mack, Woodsong, MacQueen, Guest & Namey 2005, 1-2; Walliman 2011, 130-131.)

The data produced by these methods tends to take the form of notes, audio or video, recordings and transcripts. Qualitative research methods are often more time consuming than quantitative methods because they produce large quantities of data that has to be transcribed and analysed. Therefore, time is a valuable resource for someone choosing a qualitative research method for their study. (Mack & al. 2005, 2; Kananen 2015, 72-73.)

If the research problems of a research project have been studied before, this allows for *quantitative research methods* to be used since secondary data already exists. The use of secondary data is extremely common especially on a student level since the existing data tends to be produced by experts that have far more extensive resources to conduct these studies. The research problems are then moulded from the existing theories. (Kananen 2015, 66-81; Walliman 2011, 78.)

The main data collection methods of quantitative research are different types of surveys. However, already existing statistics can also be used for collecting data. While interviews are commonly categorized as a qualitative data collection tool, they can be also used as a quantitative method. The data produced by quantitative research methods is mainly numeric and can be quantified. This is the main differentiation from the results of qualitative research. (Given 2008, 713; Kananen 2015, 66-81; Kuada 2012, 103-111; Walliman 2011, 78.)

Sometimes using a mix of quantitative and qualitative methods is the most appropriate approach of data collecting. Combining both methods can be referred to as *mix methods*. The different forms of mix methods research are case studies, action research and development research. (Better Thesis 2018; Kananen 2015, 76; Kuada 2012, 117-120.)

Since the aim of the thesis is to come up with suggestions to help Travel Specialist Group, the commissioner, market Iceland better, using developmental research as a method seemed fitting. Furthermore, the findings of the study aim to help create development

ideas for the company's existing marketing plan. As stated before, development research is a mix of both quantitative and qualitative research methods. (Kananen 2015, 66-81.)

In order to understand Finnish consumers' image of Iceland and the popularity of Saga Matkat as a travel agency amongst the Finnish consumers, both quantitative and qualitative methods should be used. Some of the data describing how Saga Matkat compares to other travel agencies can be quantified but in order to understand opinions of consumers and their ideas of what Iceland is like as a destination, qualitative data should be collected as well. The following chapters will describe the chosen methods in more detail while aiming to explain why these specific data collection methods were chosen for this thesis project. (Kananen 2015, 66-81.)

## **6.2 Internet survey as a data collection method**

At the basis of surveys is the idea of delivering a standardized questionnaire to a target group or alternatively, and more commonly, to a smaller sample of that target group. The idea of a target group sample is to make a generalization of the whole target group based on said sample while saving on valuable resources like time and money. (Bhaskaran & LeClaire 2009, 22; Rea & Parker 2014, 3-7.)

Amongst different survey research methods, an internet survey in specific was chosen as the method for data collection. As stated before, survey data collection has cemented its place as a popular data collection method. This method has also been able to adapt to and take advantage of the developing technology. Surveys have come a long way from the pen and paper style surveys that they started as. First came the telephone surveys in the 1960s and later on researchers moved on to use computer-assisted surveys in the 1980s. (Fielding & al. 2010, 177-178.)

Developing computer technology allowed for the creation of CASIC – computer-assisted survey information collection. Initially these were surveys filled out by the researcher on a computer while interviewing a respondent either face-to-face or via the telephone. This later developed into CSAQ – computerized self-administrated questionnaires – where there was no need for the researcher to be involved in the process of filling in the questionnaire. (Fielding & al. 2010, 178.)

The modern internet surveys can be divided into four main categories; customer satisfaction, customer loyalty, market research and human resources. *Customer satisfaction surveys* aim to measure how satisfied the customers of an organization are with the services provided. *Customer loyalty surveys* aim to map out the customer base of an organization and find out how loyal they are to the organization and its products. *Market research surveys* are the basis for product innovation and development. This type of research focuses on the needs and wants of a consumer. Lastly, *human resources surveys* tend to focus on the satisfaction and wellbeing of employees in an organization. (Bhaskaran & LeClaire 2009, 28-29.)

In its modern form, internet surveys don't usually require as much active work from the researcher as face-to-face interviews do. The researcher can focus on other areas of the research project while the data is being collected, thus saving time. Another time saving feature that many online survey platforms offer is the automatic creation of graphs and charts. (Bhaskaran & LeClaire 2009, 26; Fielding & al. 2010, 177-179.)

In addition to saving resources, online surveys also offer advantages for the respondent. Respondents are able to answer the questionnaires wherever and whenever they want to, only limited to the set answering period of the survey. Being able to fill in the survey in their own homes creates an increased sense of privacy and anonymity. This is likely to improve the quality of the data. (Fielding & al. 2010, 178-179.)

As Kuada (2012, 114) states, the bigger the participant sample is, the more reliable the data itself is. A survey conducted on the internet reaches far more people in a shorter time than face-to-face interviews. An online survey has the capability to reach people from all over the world whereas a face-to-face survey is dependent on the interviewer's ability to travel to the possible respondents. (Fielding & al. 2010, 178-185; Kuada 2012,114.)

In addition to efficiency, internet surveys offer many more advantages when compared to the somewhat old-fashioned pen and paper surveys. Internet surveys can be programmed with randomization of answer options, automatic question skips based on previous answers, filters and the possibility to add videos and pictures to the survey, amongst other features. Internet surveys are, by nature, far more flexible than regular pen and paper surveys. (Bhaskaran & LeClaire 2009, 27; Fielding & al. 2010, 178-179.)

However, there are always two sides to every story. Online surveys also have their cons. One of the obvious downsides is that even in this day and age of technology, everyone is

not online. Especially the older generation might be harder to reach via the internet. Furthermore, there are people that struggle with the use of computers and the internet, which is why some respondents might get frustrated with the survey and not complete it. (Bhaskaran & LeClaire 2009, 27-28; Fielding & al. 2010, 184-185.)

While it is easy to reach a great number of people in a short period of time over the internet, the people that see the survey might choose to not participate in it for any number of reasons. The general response rate of an online survey is often lower than that of other methods of surveying. There is also a possibility of glitches and bugs in the survey platform or on the respondent's computer. (Bhaskaran & LeClaire 2009, 27-28; Fielding & al. 2010, 184-185; Fowler 2014, 66-67.)

The sense of anonymity that was mentioned before as a pro can also lead people to lie when answering the survey questions. Therefore, instead of making the data more reliable, this factor can also make the data more unreliable. Furthermore, there's a possibility that a respondent won't fully understand a survey question which can lead to misunderstandings and false answers. It is extremely important to form the questions in a way that minimizes the risk for misunderstandings. (Bhaskaran & LeClaire 2009, 27.)

Due to the limited time available for conducting the study, an internet survey presented as the most efficient way to collect data from the focus group, Finnish tourists. As mentioned before in chapter 4, leisure travel has increased in Finland, creating an extensive focus group. An internet survey is a way to reach people from all over Finland with minimal resources required from the researchers. A face-to-face survey would have produced a far more limited sample of the focus group considering that the survey would have been conducted in only one or two cities due to a lack of resources. Furthermore, an online survey does not require a hands-on approach from the researchers and grants the opportunity to work on other aspects of the study while the data is being collected. This is beneficial when the research team is limited in numbers and time is a restricted resource. (Fielding & al. 2010, 177-179; Tilastokeskus 2011.)

Considering the pros and cons above, an online survey was chosen as a method of data collection for this study. The online survey (see Appendix 1) was constructed using the online survey tool *Webropol*. A link to the survey was posted on the Saga Matkat Facebook page on October 5<sup>th</sup> 2018. The post was further shared five times by Facebook users. In order to motivate people to give their answers, there was a raffle of a 500-euro gift certificate amongst the survey participants. However, the survey stated that

incomplete or incoherent answers would not be included in the raffle. This was done to prevent people from finishing the survey without paying attention to the questions. The survey was open until October 21<sup>st</sup> 2018, and after that no further answers could be submitted. Chapter 7.2. further discusses the survey, its participants and results.

### **6.3 Competitive analysis**

A competitive analysis is a strategic planning tool that helps a company understand who they are competing against and how they can gain advantage over the competition. The main idea of a competitive analysis is to compare the strengths and weaknesses of the target company and its competitors. The different types of competitors can be categorized in direct competitors, indirect competitors and future competitors. (Barringer & Ireland 2015, 187-188; Shopify 2018.)

*Direct competitors* offer products that are the same or extremely similar to the products of the target company. Companies that are in direct competition essentially compete over the same customers. (Barringer & Ireland 2015, 187.) In the case of Saga Matkat, this would be companies that, for example, sell leisure trips and excursions to Iceland.

*Indirect competitors* offer products that are substitutes for the products of the target company. These products are not necessarily similar to the products of the target company, but they aim to fulfil the same need, so to speak. (Barringer & Ireland 2015, 188.) For Saga Matkat indirect competitors would offer other holiday destinations or different pas-time activities.

*Future competitors* are companies that are not yet in direct or indirect competition with the target company but could potentially move into the same market. As an example, future competitors could possibly stem from the developing technology. (Barringer & Ireland 2015, 188.)

The strategic tool of competitive analysis was chosen as a tool to map out which companies Saga Matkat is currently competing against. Due to limited resources, the competitive analysis will focus on direct competitors in specific. As Barringer and Ireland (2015, 187) state, direct competitors are the most important ones because they are competing over the same customers. (Barringer & Ireland 2015, 187-188.) The direct competitors that were identified all have at least one very similar product that they sell, in this case a guided package tour to Iceland.

## 6.4 SWOT analysis

In order for a company to be able to make a successful marketing plan or a new company strategy, they would first need to conduct a situation analysis. A situation analysis means research on the current business market and where the company or organisation in question currently stands in it, as well as the quality of products and general performance of the company. The process for conducting a situation analysis is done through the SWOT analysis. (Clearpointstrategy 2018; Westwood 2006, 26-27.)

The acronym SWOT stands for strengths, weaknesses, opportunities and threats. The first two attributes, strengths and weaknesses, are the guidelines for the company's self-analysis and differentiation of what they are currently doing well and where there is room for improvement. These are also attributes that concern only the company in question and are thus in the company's own control. Therefore, the strengths and weaknesses are categorised as internal factors. (Clearpointstrategy 2018; Westwood 2006, 27.)

Conversely, the opportunities and threats are all the external factors outside one individual company's control, but which are at the same time important to acknowledge and analyse as they can directly affect the company's success in the industry. All possible opportunities are crucial to pinpoint as they could be the key factors in increasing the company's success. These could include customer satisfaction, upcoming trends, promising networking events or even legal regulations. (Clearpointstrategy 2018; LivePlan 2018.)

Possible threats should be realized in order for the company to create a contingency plan just in case any of the possible threats become a reality. New, strong competitors entering the market are always one possible threat to any company. In addition to the more obvious threats, the analysis should also consider if some possibilities such as trends, or new technological developments and even the ever-changing consumer behaviour could have a negative impact on the company's performance. (Clearpointstrategy 2018; LivePlan 2018.)

The SWOT analysis can be a great tool for new businesses during the process of creating their business plan. In the situation, where an existing company's profit margin is decreasing or the customer satisfaction rates seem lower than before, the SWOT analysis can be implemented to define the cause of the problem and hence help in forming the company's strategy for future development. As current trends go by swiftly and the ever more self-

aware consumer behaves in ways that may be hard to predict, it would be profitable for every company to make such performance analysis once a year if not biannually. (Live-Plan 2018.)

In order for the sampling of the analysis to be as vast as possible, the company should combine the analysis of the opinions of people who may see the company from very different perspectives. Thus, the study group should include employees from different factions inside the company itself as well as suppliers and even consumers if possible. In order for the company to get the best results out of the analysis, the scope of the analysis should also go beyond the company's performance, and additional analyses should be implemented on the main competitors, products as well as the entire market segment. (Live-Plan 2018; Westwood 2006, 28.)

The SWOT analysis method has also been criticised as a strategic business tool. The main weakness of this method is its approach in gathering quantitative data instead of qualitative data. The aim is to find out all possible attributes for each internal and external factor, but the analysis lacks the feature to compare and rank the findings for each compartment. (Research Methodology 2018.)

As a consequence, it is left up to the analysis executor to use their critical thinking and realize which of the findings have the biggest impact on the company and thus, should be the main focus for the development plan. Hence, if not executed correctly, the results of the SWOT analysis can suggest spreading the company's resources sparsely on too many different issues, or for weak strengths to seem like they would balance out strong weaknesses, when reality may suggest otherwise. (Research Methodology 2018.)

As mentioned in the introduction chapter to different research methods, the mix method of development research aims for change through the development of either a company, a product or a method to mention a few. This thesis aims to find the key factors affecting the Travel Specialist Group's current performance and thus provide results that can help them transform the company strategy for the better. (Kananen 2015, 76.)

The SWOT analysis is a strategic business tool that is used in order for a company to create a situation analysis and through it a new business strategy. The SWOT analysis is not officially a research method as it focuses on analysing existing data instead of gathering new data. Instead, the aim of the SWOT analysis like development research itself, is to

create change – in this case through development of a company. (Kananen 2015, 76; Kuada 2012 117-120; Liveplan 2018.)

This method was chosen, as through creating a business strategy based on the analysis, improvement suggestions and new innovative ideas could be found through research on already existing facts. In addition, the analysis is useful as a secondary research method, creating a knowledge base necessary for the implementation of further research methods. The SWOT analysis was created first to pinpoint the factors influencing the current performance rate and image of the Travel Specialist Group and the found results were then used in designing the questions for the internet survey. Supporting the internet survey results with the SWOT analysis will offer the commissioner suggestions based on both facts as well as consumers' opinions – and similarities in the results between the two methods can be used to further point out the most essential factors the new business strategy should focus on. (Clearpointstrategy 2018; LivePlan 2018.)

## **6.5 The validity and reliability of research results**

The overall quality of a research study is directly affected by the trustworthiness of the research results and therefore the results must be valid and reliable in order for the research to be of high quality. Although both conscious and unconscious mistakes are possible during the research process, the researcher is the main contributor in the overall truthfulness of the research results. Thus, pre-emptive action by analysis on validity and reliability throughout the entire research writing process should be conducted. (Kananen 2015, 337-338; Carmines & Zeller 1979, 11.) This chapter explains the aspects affecting both the validity and reliability that the researchers have considered in the overall truthfulness of the entire research. Chapter 7.2 will furthermore explain the attributes discovered in the survey design and data alongside the data analysis itself.

The reliability of research results can only be estimated without conducting the research once more and therefore analysing it is more complicated compared to the validity. Research results are considered reliable if another researcher conducts the same research and is able to receive the same, or to the extent that all measurements can be equal, considerably similar results following the same consistent patterns. (Kananen 2015, 337-338, 349; Carmines & Zeller 1979, 11).

Compared to reliability, the definition of validity is more complex and consists of several factors to be considered depending also on the type of research that is conducted. In its

essence, it means studying the correct phenomena and therefore providing the right results. (Kananen 2015, 338.)

One possible area for mistakes that further affect the overall both the validity and reliability of a research are the researcher's choices as the topics in the theory or empirical methods in the research. It can be chosen in which order the two sections are written, but a research study as a whole should consist of theory and empirical study that are directly connected and reflect one another. The research study is valid and reliable only if the empirical study is created based on the previously written theory or if the theory is later on gathered to support the study results. Thus, it is advised for the researcher to avoid any theoretical source or gathered material that is particularly specific or based on extreme opinions as they may simply conflict with general opinions and complicate the two sections supporting one another as a whole. (Kananen 2015, 338.)

When conducting any type of research involving individual's opinions on phenomena, it should be taken into consideration that the participants, the researcher as well as the event of conducting research can all affect the data and its truthfulness. With quantitative research it is up to the researcher to trust that the participants have answered honestly and in addition to lying on purpose, with qualitative research the participants' answers may also be false due to lack of correct memory of the past events. Errors of influence in study results are more likely with quantitative research, as the researcher is in direct contact with the subjects of the study. The examinees' answers being affected simply by their awareness of the fact that they are providing research data should however be acknowledged also when conducting quantitative research. (Kananen 2015, 339-341.)

Another aspect affecting the validity and reliability of a research are errors of perception. Different cultures, backgrounds, educational levels or even age and gender can all affect an individual's subjective view of the chosen phenomenon and therefore the answers they provide. The risk for an error of perception – either the researcher's or their research subject's perception- is always present when there is an interaction between two individuals with differing views of the world. To prevent error of perception on the researcher's part, the researcher themselves must take an objective role and conduct the study through the study subject's view on the research topic. Alternatively, to ensure there is no error of perception from the study subject's end, the researcher should carefully plan the instructions they give, the particular words and language they use and with qualitative research methods even their own tone of voice and presence in the situation. (Kananen 2015, 339; Carmines & Zeller 1979, 14-15.)

As quantitative research strives to measure concepts connected to a certain phenomenon, one aspect measuring the overall validity of the research is also called concept validity. Some simpler concepts are easy for everyone to understand in the same way, whereas other, more abstract concepts can be seen differently. Therefore, in order to ensure concept validity, the researcher should clearly define all central concepts. After defining the important concepts within the studied phenomenon, the researcher must create a method for measuring these concepts including indicators to portray the concepts' features. (Kananen 2015, 345-346.) In this particular research, one example for a method would be the graph measuring Iceland through the concepts of stereotypical categorizations for tourism destinations and the indicators depicting the agreeableness regarding these categorizations.

In addition to the correct definition of the central concepts and the structure of the measurement methods and their indicators, the level of generalizability of the research affects its overall validity. Also known as external validity, the generalizability of a research measures how well the research results can be applied to the general population. This means that the participants chosen to take part in the research accurately represent the entire focus group the research studies and thus the answers they provide should also reflect the general opinion. The research results' validity may be weakened, if the group of participants does not include individuals with all the general population's features. This may not however always create completely invalid results, as the researcher must also analyze which criteria in the participants are such that directly affect their opinion on the studied phenomenon, and which are irrelevant in this sense. (Kananen 2015, 347-348.)

## **7 Results**

The following chapter will present the results of this research in depth. The analysis has been split into three sub-categories representing the two analytical tools that were used in this study, a competitive analysis and a SWOT analysis and the third one describing the survey results. Both focus solely on the brand of Saga Matkat instead of the whole company Travel Specialist Group. Furthermore, as explained previously, the competitive analysis was narrowed down to direct competitors that offer products in Iceland.

The analyses were conducted with limited data of the competitors and use only information that was freely available on the internet for everyone to see. In addition, the knowledge and opinions of a current employee was used as a basis for some of the data. Due to limited resources, the analyses remain fairly shallow but nevertheless hope to offer some insight into the advantages and disadvantages that Saga Matkat currently possesses in its market section.

The third subchapter analyses the data gathered in the online survey. The reason for choosing each question has been explained and the collected answers presented in various types of graphs and tables to clarify the found results. Some questions have further on been filtered based on a certain attribute and compared against the researchers' own hypotheses as well as previously found results explained in the theoretical framework. As previously mentioned in chapter 6.1, this subchapter simultaneously evaluates the validity and reliability of the survey design and structure as well as how this reflected on some of the gathered data.

### **7.1 Competitive analysis**

This following chapter focuses on comparing the products of Saga Matkat, Matkapojat, Lomalinja and OK-Matkat. As mentioned before in Chapter 2., these are all Finnish travel agencies that offer guided tour packages in Iceland.

When comparing the products of these different travel agencies, Saga Matkat is the only agency with a wide product range in Iceland. Most agencies only offer guided tour packages in either Finnish or English. This means that they offer no chance for tailor-made vacations. While the itineraries for all the package tours seem fairly similar, the Saga packages can be customised with extra nights and additional excursions. Other companies'

guided tours are often available only a few times a year whereas Saga Matkat offers multiple package tour dates throughout the year. Customers also have the opportunity to work with Saga's travel agents to customise their own itinerary for their chosen time period while the other agencies' package tours are tied to a set period of time. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

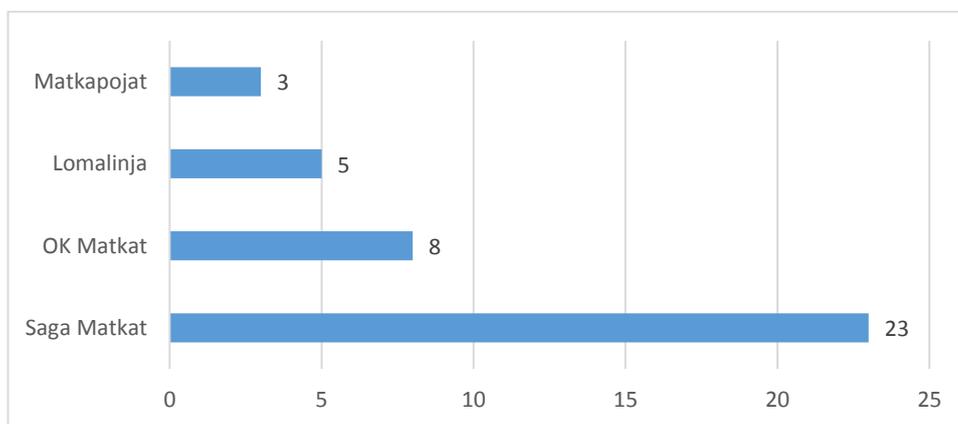


Figure 15. Tour date options of 5 day guided packages for 2019 (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c)

As guided tour packages are one of the best-selling products Saga Matkat has, comparing similar products from the competitors is logical. As mentioned before, Saga Matkat has noticeably more tour dates available than competitors, as seen in figure 15 above. Saga Matkat has 23 upcoming travel dates for the year 2019 while OK-Matkat has eight, Lomalinja only has five and Matkapojat has merely three. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

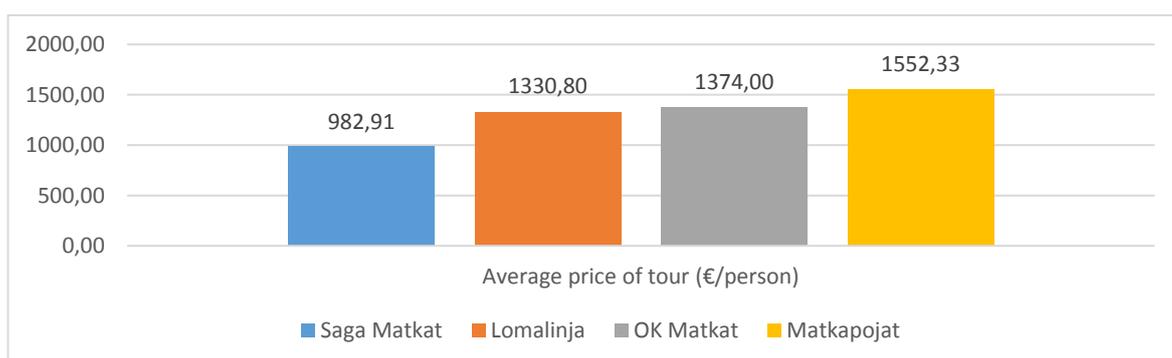


Figure 16. Average price (€/person) of a guided package tour of five days (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018b)

Furthermore, Saga Matkat has a very competitive price for their package tours (figure 16). A Saga guided tour of five days averages at 982,91 euros per person while the next most

affordable package tours are from Lomalinja at an average price of 1 330,80 euros per person. Matkapojat has the most expensive tours averaging at 1 552,33 euros per person. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

In addition to just looking at an average price of the tour dates available, tours specifically of the same time period should be compared, both price-wise and content-wise, because the season might have an effect on both. Figure 17 compares the price of a five-day guided package tour of either the end of April or the beginning of May. Saga Matkat, Lomalinja and OK-Matkat all have a tour scheduled for week 17 at the end of April. The closest tour date Matkapojat has is week 18 at the beginning of May. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

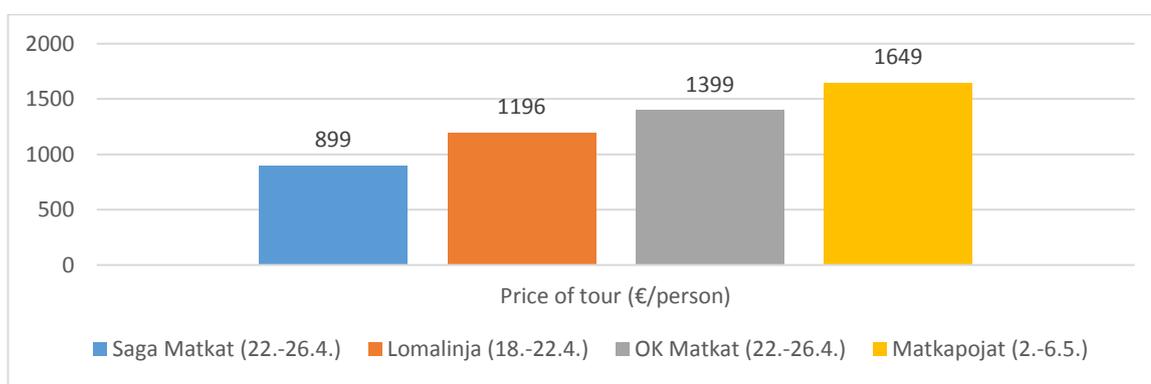


Figure 17. Average price (€/person) of a guided package in April/May (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018b)

Saga Matkat has the most affordable price for a 5-day guided tour package with a price of 899 euros person. The highest price is for the tour by Matkapojat. It should be noted that their tour is the closest to the summer season which is considered to be the high season and can have an effect on the pricing. The Lomalinja tour is offered for 1 196 euros per person and OK-Matkat for 1 399 euros per person. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

When the prices of the package tours are compared, what is included should be considered (Table 1). The Saga package has only one guided excursion included in the price while the other packages have several. It is possible to add additional excursions to the package, but it will increase the price. Adding two extra excursions guided in Finnish that Saga Matkat offers for an extra cost would increase the price of the Saga package from 899 euros to 1179 euros per person. (Saga Matkat 2018c; Saga Matkat 2018d.)

Table 1. Package tours' content breakdown. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018b)

<b>Saga Matkat</b>	<b>Matkapojat</b>	<b>Lomalinja</b>	<b>OK-Matkat</b>
<ul style="list-style-type: none"> <li>- 5 days</li> <li>- Direct flights</li> <li>- Airport transfer</li> <li>- Accommodation in a three-star hotel</li> <li>- Breakfasts in the hotel</li> <li>- One guided excursion</li> </ul>	<ul style="list-style-type: none"> <li>- 5 days</li> <li>- Direct flights</li> <li>- Airport transfer</li> <li>- Accommodation in a three-star hotel</li> <li>- Breakfasts in the hotel</li> <li>- One dinner, one lunch</li> <li>- Four guided excursions</li> </ul>	<ul style="list-style-type: none"> <li>- 5 days</li> <li>- Direct flights</li> <li>- Airport transfer</li> <li>- Accommodation in a three-star hotel</li> <li>- Breakfasts in the hotel</li> <li>- One lunch</li> <li>- Three guided excursions</li> </ul>	<ul style="list-style-type: none"> <li>- 5 days</li> <li>- Direct flights</li> <li>- Airport transfer</li> <li>- Accommodation in a three-star hotel</li> <li>- Breakfasts in the hotel</li> <li>- One lunch</li> <li>- Three guided excursions</li> </ul>

The package tour that comes closest to the price of the Saga package is the one from Lomalinja for 1 196 euros. In the end, the price for these two tours is similar while the other two tours remain more expensive in comparison. (Lomalinja 2018b; Matkapojat 2018; OK-Matkat 2018a; Saga Matkat 2018c.)

In conclusion, Saga Matkat has a competitive advantage in many aspects from the diversity of products to flexibility and affordability. Furthermore, Saga Matkat is mainly focusing on Iceland as a destination while the other agencies compared in this chapter have more destinations available. This can be seen as both an advantage and a disadvantage. The advantage is that in the niche market that is Iceland, Saga Matkat can offer a multitude of options for different types of travellers. Exceeding the competitor's variety of products and services is what helps Saga Matkat maintain and potentially increase their share of the market that is Iceland. Conversely, the disadvantage of focusing strongly on one destination is that the company is limiting its potential for other products and with it, market segments. Although it is a risky move to focus solely on one destination, in this case it could be the right move because Iceland as a destination rapidly grows in popularity.

## 7.2 SWOT analysis

The aim of this research is to find the factors in need of improvement as well as come up with some innovative ideas to help Saga Matkat to grow more successful as a brand. Furthermore, as mentioned in the previous chapter, this particular method was chosen to help find the needed suggestions for a new business strategy based on the existing facts in addition to giving crucial information for the creation of the internet survey. For these reasons, the SWOT analysis (table 2) was created focusing on just the particular brand of Saga Matkat instead of the company of Travel Specialist Group as a whole.

Table 2. SWOT analysis of Saga Matkat

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Saga Matkat has a plethora of products compared to competitors</li> <li>- The company has unique products</li> <li>- The sales department knows the main product well</li> <li>- There is a possibility for the customers to visit the office</li> <li>- Saga Matkat has loyal returning customers</li> </ul>	<ul style="list-style-type: none"> <li>- Marketing resources are more focused on the company's other brand Risteilykeskus</li> <li>- The company's employees' knowledge of products varies</li> <li>- The company's website can be complicated and confusing</li> <li>- Saga Matkat not fully harnessing the power of social media marketing</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Continuing popularity of Saga Matka's main destination; Iceland</li> <li>- The increase of amenities (hotels, restaurants, excursions) for Saga Matkat to offer in Iceland</li> <li>- Networking events for finding new partners and potential new customers</li> <li>- Leisure travel becoming more easily accessible</li> </ul>	<ul style="list-style-type: none"> <li>- Tourists overcrowding Iceland resulting in high prices of amenities and limiting the availability</li> <li>- Decreasing popularity of travel agencies</li> <li>- Increasing awareness of the environmental impacts of traveling affecting the tourism industry</li> </ul>

The analysed data is a combination of employees' observations and publicly available data, such as the company's official webpage and the information gathered for the research theory. The chosen sources of information were restricted due to a limited

timeframe and company resources and as a result some possible findings may have not been included in the analysis.

As was found in the competitive analysis in the previous chapter, one of the biggest strengths Saga Matkat has compared to the other companies competing for the same market share is wide range of products they offer. The range of options is wider in both the amount of offered tour dates as well as the choice to customise the tours as needed. This gives Saga Matkat a clear competitive advantage over the competition. In addition to offering a range of tours in their main destination Iceland, Saga Matkat also offers tour packages in more rare destinations such as Faroe Islands and the archipelago of Svalbard. Offering unique products most of the competitors do not have increases their chances of the old customers returning as well as attracting new potential customers interested in this specific product.

Even with a current competitive advantage or unique products, companies must always look into the future and think of ways to bring something new to the market to keep their customers engaged. Saga Matkat has embraced the opportunity to find new supplier contacts and through them new products for their range by participating in networking events, such as the networking event for suppliers for The Faroe Islands and Svalbard called Vestnorden Travel Mart. Putting forth resources for creating new contacts and partnerships has direct benefits for a company's success. Thus, it would be within Travel Specialist Company's best interest to look for new partnerships and products also for the main product of Iceland. As a conclusion, although the company has realized the benefit of networking events in general, events regarding the product of Iceland such as the travel fair MATKA are currently just a wasted opportunity for the brand's success.

Having skilled employees is always a strength for a company as they will offer high quality service and help create lasting relationships since the first encounter. At Saga Matkat, not only do the employees in the sales department know the main product of Iceland, but each employee has visited the destination and used the offered products, and thus they have the knowledge to answer any questions the customers may have as well as first-hand experience on knowing which product would be best suited for each customer. However, the level of service should be a constant regardless of the product, and many of the employees lacking the same expertise or even crucial knowledge of the rest of the products brings down the overall customer experience.

Many of the customers using Saga Matkat services are middle-aged or older. Moreover, many of the older people still prefer face-to-face service to using phones or online booking engines, and thus having an office is an advantage for Saga Matkat, as this creates an opportunity to offer an option for customers who are not comfortable with using online travel agent services. Catering to the customers' needs is one very important factor in the success of any company. Indeed, Saga Matkat has succeeded in gaining a loyal, returning clientele by offering a quality of service that these customers want to return for.

However, as modern technology develops, consumer behaviour changes alongside with it. The average tourist is becoming more skilled and independent, and especially the younger generations have less use for traditional travel agents. Thus, the online travel agents and booking engines must be recognised as a constant threat to traditional travel agents, and in order for these companies to be able to compete with the online services, the role of their website booking engine and social media marketing grows. Any company's website should be aesthetically pleasing as well as clearly structured and easy for any new visitor to use. However, the current website for Saga Matkat services is in urgent need for updating, as the use of the site seems difficult and even confusing for either just trying to find more information of the products or the attempt to book the entire trip online.

Travel Specialist Group has one other brand, Risteilykeskus in addition to the studied brand Saga Matkat. One of the main factors decreasing the sales of the studied brand could be the focus of the company's marketing resources currently leaning towards the other brand. This could be seen from the activity on the brands' social media pages as well as the comparison of the frequency in sending out the brand newsletters. As mentioned above, the roles of internet and social media are crucial in the modern world of business marketing, and not fully utilising the opportunity of social media marketing could lead into possible new customers going to competitors who are more visible online.

As was established in the previous chapters, Iceland as the main product of Saga Matkat remains an opportunity for further sales, as its popularity as a destination has been in constant increase for several years. In addition, the Icelandic government is using a lot of funds to increase the tourism infrastructure to match the needs of the growing tourist crowds, and this has further inspired new, local businesses to grow which all adds up to Saga Matkat having more amenities to offer their customers. Further explained in chapter 4, the average Finnish citizen's income has also increased and as a consequence, they are all the more inclined to spend money on luxuries such as leisure travel.

However, increasing tourism has its downsides. Indeed, the enormous tourist masses have already seen to have negative impacts on Iceland as well. The ever-growing popularity has already expanded all the way to overcrowding the island, and this creates a threat in the sustainability of Iceland as a destination and thus Saga Matkat having it as their main source of sales. As a consequence of the tourist overcrowding, the offered amenities at the destination could become more limited and this would furthermore affect the prices of offered services and products of Saga Matkat. The ever smarter tourists are also all the more aware of the environmental impacts that leisure tourism has on earth, and thus some people may lean towards domestic tourism instead of flying abroad. Being ecological and environmentally-friendly is a currently growing trend constantly spreading in its influence, and thus it creates a threat on the tourism industry.

In conclusion, the strengths, weaknesses, opportunities and threats affecting the Saga Matkat brand's success can be categorised under four larger topics: The offered range of products as well as their development, the overall level of customer service experiences on different departments of the company, the execution of online services in regards to both personal website as well as public profiles and the two-sided natures of Iceland as a trend destination as well as the tourism industry in the near future. Improvement suggestions based on these findings will be further explained in chapter 8.1.

### **7.3 Survey results**

An online survey titled *Islanti matkakohteena: opinnäytetyötutkimus* (Iceland as a tourism destination: a thesis research project) was published on October 5<sup>th</sup> 2018 on the Facebook page of Saga Matkat. The survey was created using an online survey tool called *Webropol* (figure 18). The survey's language was Finnish, since the thesis research targets Finnish tourists. Swedish could also have been offered as a language option but it was left out because of the lack of language skills in the research team.

The link was closed on October 21<sup>st</sup>. According to Facebook's statistics, the post with the survey link reached a total of 2 908 individual Facebook users. Furthermore, Webropol statistics say the survey link was opened altogether 402 times but only 155 people that opened the link submitted their answers. The response rate was merely five percent. As mentioned in chapter 6.2., the response rate of online surveys is often low and therefore this was expected prior to publishing the survey.

## Islanti matkakohteena opinnäytetyötutkimus

Olemme Haaga-Helian restonomiopiskelijoita ja tutkimme opinnäytetyössämme Saga Matkoja sekä suomalaisten matkailijoiden mielikuvia heidän päätuotteestaan Islannista.

Vastaamalla kyselyyn voit voittaa 500 euron arvoisen Saga Matkojen matkalahjakortin. Arvontaan voi osallistua 21.10.2018 asti. Epäselvästi tai vajavaisin tiedoin täytettyjä osallistumisia ei huomioida.

### 1. Sukupuoli: \*

- Mies
- Nainen

### 2. Ikä: \*

- Alle 21 vuotta
- 21-30 vuotta
- 31-44 vuotta
- 45-64 vuotta
- Yli 65 vuotta

Figure 18. Screenshot of the online survey *Islanti matkakohteena*.

In order to motivate people to submit their answers, Travel Specialist Group offered a 500-euro gift certificate as a raffle prize. However, it was stated in the survey that incoherent or incomplete survey answers would not be entered into the raffle in the hopes that that would stop people from completing the survey without actually thinking of the answers they wanted to submit. There were no incoherent answers submitted and therefore it would seem that this strategy was successful.

The survey was comprised of 14 questions as well as a field at the end to submit an email address in order to participate in the raffle. The first four questions focused on gathering basic information about each participant. The questions asked the participant to inform their gender, age, highest completed level of education and current occupation situation. This basic information was gathered with the intention of cross-referencing participants of specific qualities to determine whether age, for example, was a factor in how they answered the rest of the questions. The information given in the first four questions created a general picture of what kind of people participated in the survey (figure 19).

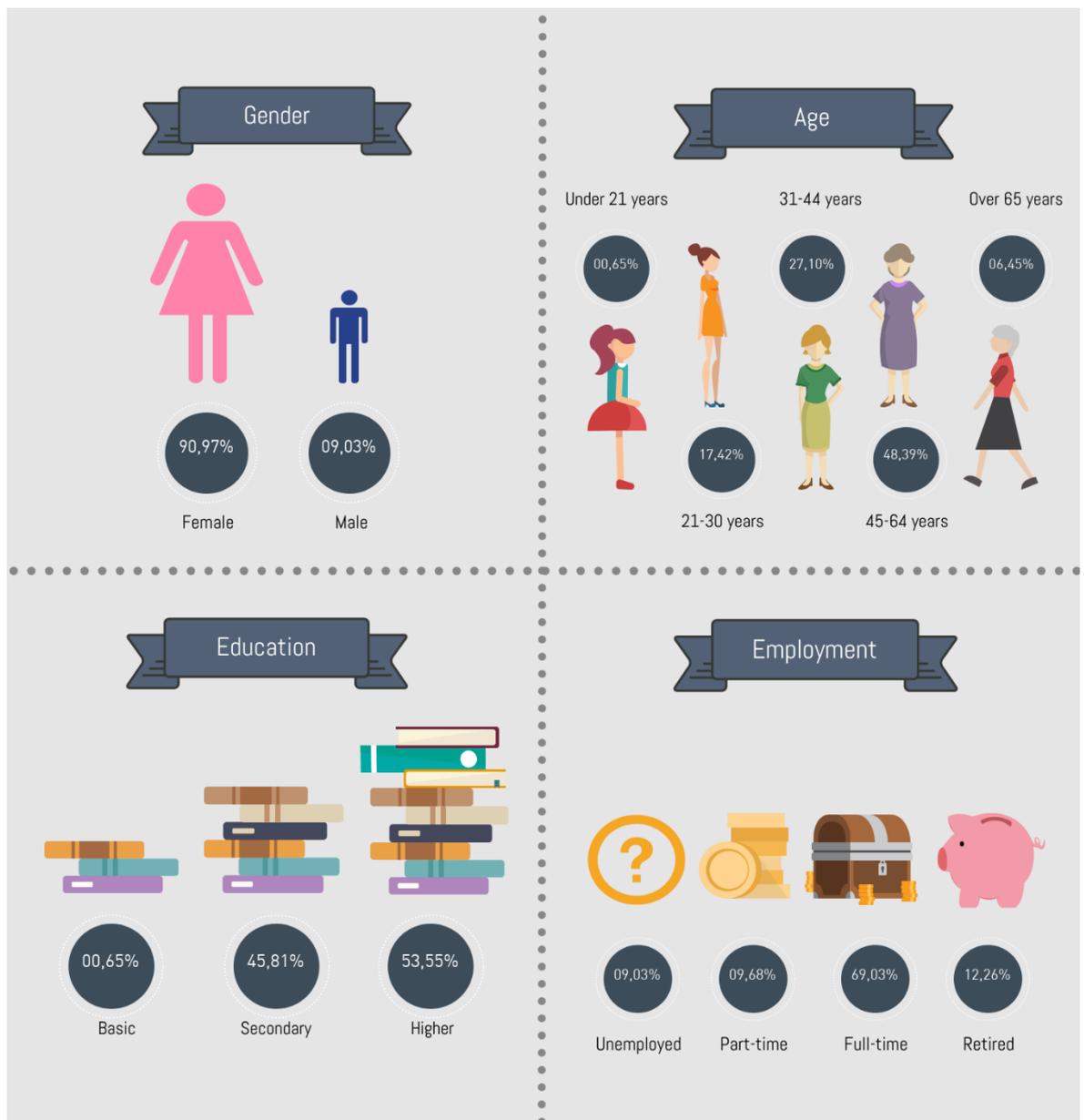


Figure 19. Infographic of the online survey participants

An overwhelming majority of the participants were women. Only 9,03 percent of the survey participants were men. This drastically skews the results to reflect the opinions of women more than they reflect men’s opinions. However, this does not directly make the data invalid because the gender of the participant was not considered to affect their answers.

When it comes to age, the majority of the participants, 48,39 percent, were between 45-64 years old. The second largest age group were 31-44-year-olds that made up 27,10 percent of the participants. Only 0,65 percent of the participants were under the age of 21 which is why this age group was merged with 21-30-year-olds in order to analyse the data

more efficiently. Together these two age groups made up 18,07 percent of the participants.

In terms of education, the average participant had completed higher education. On the other hand, 45 percent of the participants stated that their highest level of education was secondary education which in Finland would be either vocational school or high school. Merely 0,65 percent of the participants had only completed basic education.

Lastly, 69,03 percent of the participants were working full-time, while 12,26 percent stated that they had retired. Approximately nine percent of the participants reported working part-time and another nine percent were unemployed.

In conclusion, an average participant in the online survey was a 45-64-year-old woman with a high level of education and a full-time job. Considering what the clientele of Saga Matkat generally is like, the sample group of this survey reflects them quite well aside from the lack of responses from men.

After gathering general information of the participants, the survey went on to distinguish the participants' past and possible future travels to Iceland. The first question asked whether the participants had ever travelled to Iceland. 58,71 percent of the participants had never travelled to Iceland. The participants who had never been to Iceland were then asked whether they would want to visit Iceland. Unsurprisingly, 98,90 percent of the participants that had never been to Iceland before answered that they would want to visit the country. The ones that had visited Iceland before were asked if they would want to visit Iceland again. This question aimed to possibly map out whether Iceland is seen as a one-time destination or if the participants would want to return. It was predicted that Iceland would be seen as a once-in-a-lifetime type of destination. However, of the 64 participants that had been in Iceland before all stated that they would want to visit Iceland again. Therefore, it could be said that with Iceland as their main product, Saga Matkat can boost their sales with targeting both previous and new, potential customers.

The participants that stated they wanted to visit Iceland were asked why they would want to visit Iceland again in order to find out what could be used to attract reoccurring sales. In this particular question an error of perception, as described in chapter 6.5., occurred. The options in the question (kyllä, koska / ei, koska) were worded in a way that could be understood in two different ways. This particular error was made because the chosen word can be understood as either "because" or "when" depending on the context, which in this

case was not made clear enough for the participants. This is something that was not apparent when creating the survey despite thinking carefully of the word choices in the questions. Because of this error of perception, some participants answered the question “Why would you want to visit Iceland again?”, as was the intention, and some participants answered the question “When would you like to visit Iceland again?”. Therefore only 46 of the 64 answers could be taken into account in this question.

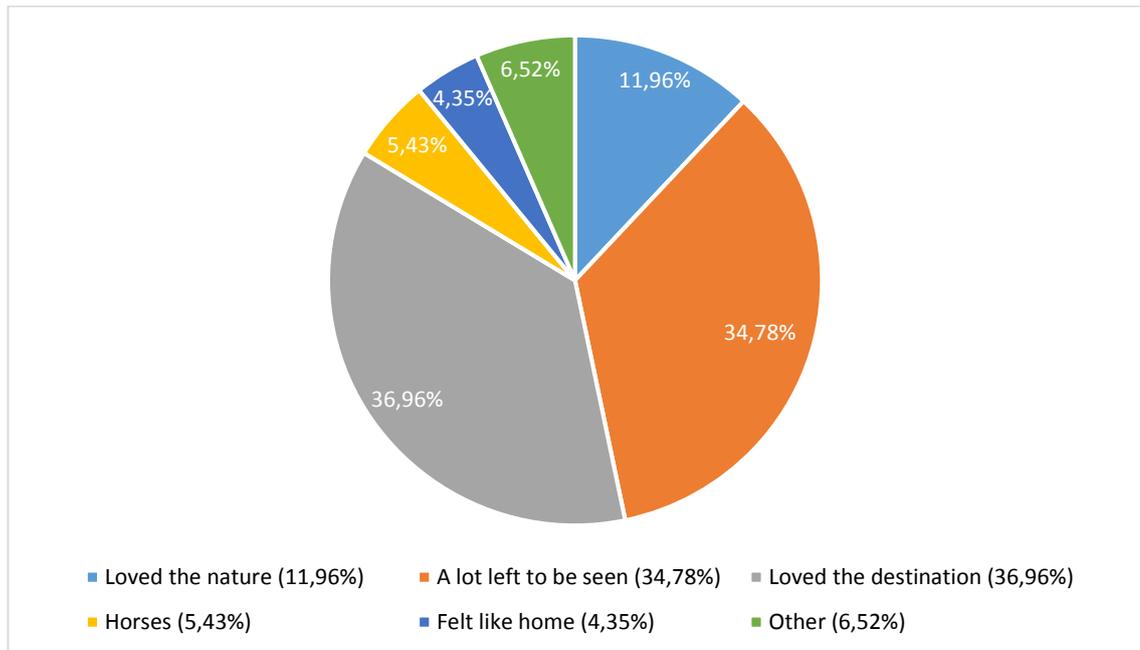


Figure 20. Reasons to visit Iceland again. (N = 46)

As this was an open-ended question, the answers of the sample needed to first be categorized into more general topics in order to group up similar enough answers. The generalized categories were labelled “A lot left to be seen”, “Loved the destination”, “Loved the nature”, “Horses”, “Felt like home” and “Other” (see figure 20). These categories described possible reasons why the participants answered that they would like to visit Iceland again.

The most popular category with 36,96 percent was “Loved the destination”, where answers somehow describing Iceland with positive adjectives were grouped up into. Out of the 46 answers, 34,78 percent were grouped up under the category “A lot left to be seen” as these answers clearly stated there was something still left to be seen or experienced. Answers describing the Icelandic nature in a positive manner were given their own category “Loved the nature”. These made up a total of 11,96 percent of the answers. 5,43 percent of the answers focused on Icelandic horses and were therefore put in their separate category called “horses”. Of the total sample, 4,35 percent described Iceland in some way

to feel like it is their second home and were put in the category “Felt like home”. In addition to the generalized answers, there were a few that could not be grouped up in any of the created categories and were therefore combined in a category “other”. These answers summed up to a total of 6,52 percent of the overall amount.

To sum up the findings, Saga Matkat can benefit their sales by focusing their marketing on more unique experiences, nature excursions as well as activities with the Icelandic horses. Furthermore, in order to get returning customers the company does not have to focus as much on innovative and new content because the ones that have already been to Iceland seem to be in awe of the country. Attracting these customers to come back could possibly be done by simply presenting them with a competitive price or a return offer of some sort. This could work as a motivator to book their next trip from the same agency.

In regard to the content validity of this question, it should be taken into consideration that the analysis and categorization of the answers has been conducted based on the researcher’s personal view and a risk for an error of perception from the researcher’s end is possible. One participant gave two reasons as to why they would want to visit Iceland again that fit in to two of the answer categories. Therefore, both answers were considered of equal value. When calculating percentages of answers, both of the answers of this particular participant were given a value of 0,5 instead of 1 to ensure accurate percentages.

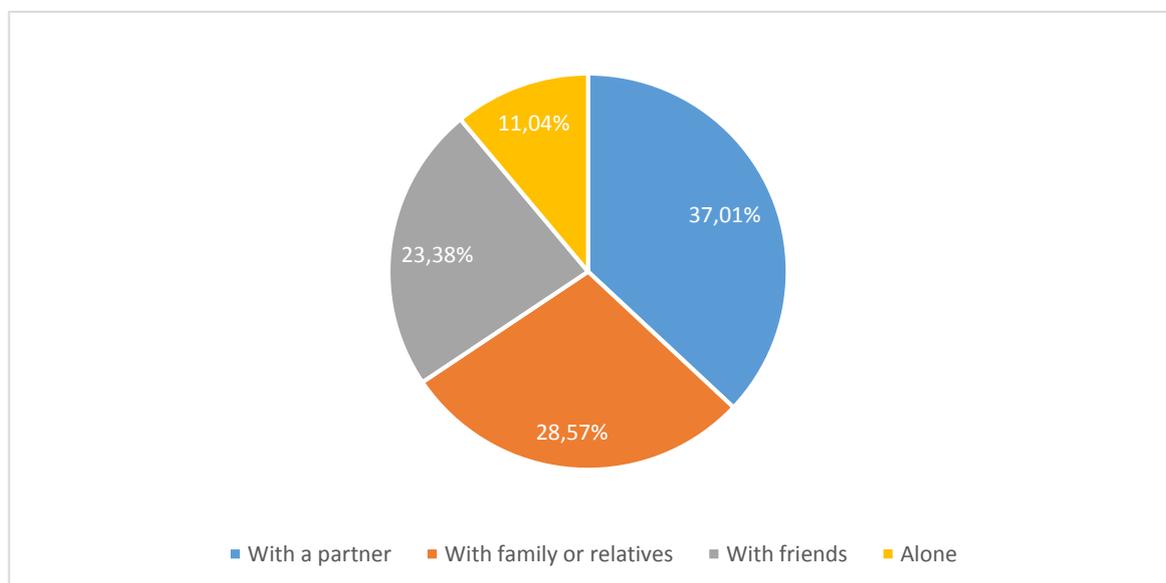


Figure 21. Choice of travel companion. (N = 155)

Next, the survey moved on to find out with whom the participants had or would travel to Iceland (see figure 21). The survey did not set out to distinguish a difference between past

and possible future travels as it was not deemed to make a difference regarding how the participants would answer. The majority, adding up to 37,01 percent chose the option "With a partner". The second most popular answer was "With family or relatives" with 28,57 percent. 23,38 percent chose or would choose to travel with their friends and 11,04 percent preferred to travel alone.

The participants were then asked whether they had or would use a travel agency and if so, if the choice would be our commissioner or a rival agency. Again, the survey question combined two tenses as differentiation was not considered necessary in predicting how the participants would answer, as the question aimed to find out whether the participants were in general inclined towards travel agencies or independent planning. This however leaves a margin of error for participants who might have had a negative experience with one option in the past and would choose differently in the future, which cannot be seen from the answers.

54,55 percent of the participants had or would choose Saga Matkat over their rivals. Only 6,49 percent of the participants using travel agencies' services chose another company over Saga Matkat. This option included an open field, where further details could be given on the choice of agency. Matkapojat and Tjäreborg were mentioned, to name a few. It seemed that most participants had no loyalty for any specific agency, as five out of the total ten answers to the open-ended question. This became evident through the fact that the participants either did not remember their choice of agency, had no preference over the company or would make a choice based on other aspects such as the best current offer. Independent travel planners summed up to a total of 38,96 percent which supports the finding of a possible threat of the decreasing popularity of travel agencies as the booking channel, mentioned in the SWOT analysis in chapter 7.2.

Since the other objective of the internet survey was to find out the participants' opinion of Saga Matkat as a travel agency, it was first established, whether or not they were familiar with Saga Matkat in general. Out of the 155 answers, 47,10 percent were familiar with the company but had not used their services in the past. Furthermore, 21,93 percent were also previous customers. Conversely, 30,97 percent had not familiarized themselves with the company at all. To ensure the validity of the survey answers, the participants not familiar with Saga Matkat did not answer the following two questions which required knowledge or experience with the company.

The same question was then looked at again, excluding the participants that were not familiar with Saga Matkat. Comparing the participants that knew Saga Matkat against the ones that had purchased their services, it was seen that out of the total amount only 32 percent were previous customers.

The survey questions then delved deeper into the participants' impressions of Saga Matkat. The channel through which the participants had found out about the company was then established. Unsurprisingly, the majority of the participants, adding up to 40,18 percent had found Saga Matkat through an internet search. Social media was a close second with a 32,71 percent response rate. 15,89 percent had learned about the company through print media. Familiarization through recommendation came at a tie with other channels at 5,61 percent. Participants who chose other channels named for example fairs and brochures as their source of information.

The second question about Saga Matkat's quality of service was divided into six categories: marketing of the products, the functionality of the website, the variety of the products and services, customer service, pre-trip guidance and price-quality ratio. The participants were asked to choose an indicator that reflected their satisfaction with each aspect (table 3). The indicators ranged from completely dissatisfied and somewhat dissatisfied to satisfied and extremely satisfied. The participants could also answer that they had no experience of the aspect in question or were unsure of their answer by choosing the last option. This matrix was created to analyse if some specific aspects in need of improvement could be pinpointed based on the gathered data.

In regard to the participants' satisfaction in the marketing of the products, 52,34 percent said that they were satisfied. This was the most commonly chosen option also with the variety of products and services as 43,93 percent said they were satisfied with it. Surprisingly, the functionality of the webpage was satisfactory as well, with 49,53 percent choosing the option "satisfied". Saga Matkat has previously received some negative feedback on the functionality and user friendliness of their webpage and therefore the survey results were expected to reflect this. The majority of the participants felt unsure about their stand with both their satisfaction with customer service (59,61 percent) and with pre-trip guidance (61,68 percent). 44,86 percent of the respondents were once more satisfied with the overall price-quality ratio.

Table 3. Satisfaction with the following aspects reading Saga Matkat (N = 155)

	Extremely unsatisfied	Somewhat unsatisfied	Satisfied	Extremely satisfied	Unsure/No experience
Marketing of the products	1	3	56	25	22
	0,93 %	2,80 %	52,34 %	23,36 %	20,56 %
Functionality of the website	1	2	53	25	26
	0,93 %	1,87 %	49,53 %	23,36 %	24,30 %
Variety of products/services	1	6	47	27	26
	0,93 %	5,61 %	43,93 %	25,23 %	24,30 %
Customer service	1	1	19	22	64
	0,93 %	0,93 %	17,76 %	20,56 %	59,81 %
Pre-trip guidance	1	1	22	17	66
	0,93 %	0,93 %	20,56 %	15,89 %	61,68 %
Price-quality ratio	1	7	48	12	39
	0,93 %	6,54 %	44,86 %	11,22 %	36,45 %

When analysing these results, the participants were further divided into two groups: the ones that had used the services of Saga Matkat in the past, as group 1, and to the ones that had not, as group 2. As a result, it became evident that the majority of the participants that had not used the services of the company indicated that they either had no experience or were unsure of their answers regarding customer service, pre-trip guidance and price-quality ratio. However, analysing the answers of group 1 alone, 50 percent were actually extremely satisfied with customer service and satisfied with both pre-trip guidance (47,06 percent) and price-quality ratio (67,65 percent). From this a conclusion could be made that Saga Matkat seems to be performing well on all aspects measured in the study.

After discussing Saga Matkat, the survey moved on to study the participants' prejudice and impressions of Iceland as a tourism destination. This was conducted through an open-ended question and a matrix. Firstly, the participants were asked to think of one adjective that they felt best described Iceland. The chosen adjectives were mostly positive, "beautiful" and "fascinating" to name a few. This would indicate that the participants have a generally positive image of the country. However, there were a few adjectives that could be seen as negative such as "cold" and "bare". Of the 155 answers two had to be disregarded because they were not adjectives. The remaining 153 answers were transformed into a word cloud (see figure 22) depicting the 18 most repeated adjectives.



Figure 22. Adjectives describing Iceland as a tourism destination

Regarding the validity of the results, some of the adjectives can be interpreted as either positive or negative. In this content the final judgement is up to the researchers. Another notable point is that while the survey was in Finnish, the analysed adjectives have been translated into English and synonymous words grouped together under one adjective. This can result in an error of perception depending on the researcher's perspective.

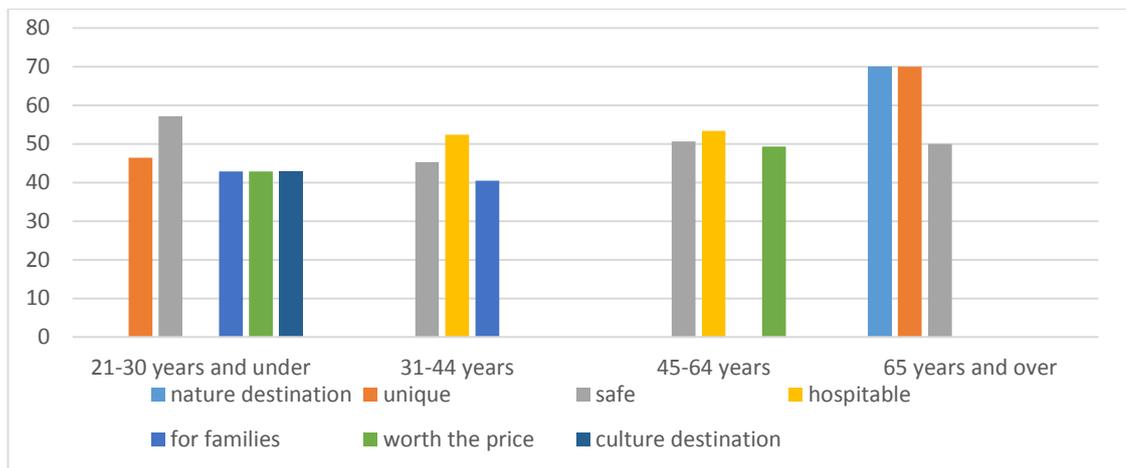


Figure 23. Perceptions of Iceland as a destination (N = 155)

The question regarding the participants' impression of Iceland as a destination was presented in the form of a matrix. The matrix consisted of twelve attributes chosen from those commonly used to describe different tourism destinations. The attributes are as follows: "Romantic/Honeymoon destination", "Unique compared to other destination", "Worth the price", "Of interest for families", "Culture destination", "Mainly a summer destination", "Affordable", "Full of activities", "Nature destination", "One time destination", "Safe" and "Hospitable". The participants were asked to evaluate their certainty in linking these attributes to Iceland. The indicators ranged between "Absolutely not", "No", "Maybe", "Yes" and "Absolutely".

When analysing this question, the participants were divided into the previously established age groups with the exception of combining the under 21-year-olds with the 21-30-year-olds. From here on out the groups will be referred to as group A (21-30 years and under), group B (31-44 years), group C (45-64 years) and group D (65 years and over) in the text. The answers of each age group were first separated and then compared with the other age groups' answers to see whether there were specific patterns based on age.

Each groups' responses with either "Yes" or "Absolutely" were combined and as a result top three attributes that each group most strongly felt described Iceland were discovered (see figure 23). Out of all the four groups, group A was the least unanimous and therefore have five attributes in the chart instead of the general three. In order of certainty, the five attributes were "safe", "unique compared to other destinations", and then of equal value "for families", "worth the price" and "culture destination". Group B most agreed that Iceland is hospitable, safe and for families. The top three attributes for group C were "hospitable", "safe" and "worth the price". Finally, group D considered Iceland to be a nature destination, unique and safe.

Similarities between three chosen attributes were visible regardless of age group. All participants considered Iceland to be a safe destination. Groups A and B considered Iceland to be a destination fit for families, A and C thought Iceland to be worth the price, groups A and D both chose uniqueness, and finally B and C agreed on Iceland being hospitable. Based on the participants' opinions, the mentioned five attributes could be considered the strengths of Iceland's brand as a tourism destination.

In addition to these strengths, Icelandic DMC's have named seasonality their main weakness. However, the gathered data showed a differing opinion. 85 participants out of 155 chose either "absolutely not" or "no" when asked whether they see Iceland mainly as a summer destination. One hypothesis was the expectation that Iceland is seen as a one-time destination. Surprisingly, the participants disagreed. 115 out of the 155 participants disagreed with the statement.

The definition of a destination's image is crucial in defining said destination's success as previously stated in chapter 3.4. Therefore, another chosen angle for this question was to compare whether the image that the participants have of Iceland differed between the ones that had previously visited Iceland and the once that had not. In other words, whether the prejudice matched the reality. There was no significant difference in image. From this, a conclusion could be made that the current image of Iceland is clearly defined and realistic.

To reflect on the definition presented in chapter 3.6., the enlightened tourist, which is the target group created by Icelandic DMC's, we compared the average participant's profile against the description of the target group. The enlightened tourist is described to be between the ages of twenty and sixty-five, whereas the average age of the survey participant was 45-64 years. An enlightened tourist is someone who is well-educated and has a high income level. The average participant was someone with a high level of education. While the participants weren't asked about their income level, the majority stated that they work full-time. In these aspects the average participant fits the description of an enlightened tourist.

## 8 Discussion

The first half of chapter 8 discusses the key findings of the study as well as gives suggestions to the commissioner on how they could benefit from these findings. Additionally, in the second half the researchers evaluate the thesis process in general and their own learning throughout it.

### 8.1 Key findings

Although Iceland and Saga Matkat can be seen as separate individual entities, Iceland as Saga Matkat's main product creates a connection between them. Therefore, the research aimed to gather knowledge on both, the strengths and weaknesses of Saga Matkat as a tourism service provider and the image of Iceland as a destination. This chapter will summarise the key findings of the thesis (see table 4).

Table 4. Key findings of the study

<b>Findings</b>	<b>Suggestions</b>
Five strengths of Iceland's brand as a destination are: 1) safety 2) family friendliness 3) being worthy of its price 4) uniqueness 5) hospitality	The strengths that were identified can be used as a part of Saga Matkat's marketing strategy.
Iceland continues to attract both new and returning customers.	1) Special offers for previous customers could improve loyalty and make the customer's choose Saga Matkat when returning to Iceland. 2) Continuing to bring new products to the product range will help to bring in new customers.
The activity in social media use hasn't been equally divided between Risteilykeskus and Saga Matkat.	Saga Matkat should increase their activity in social media.

<p>Many participants had not used the services of Saga Matkat before, even though they were familiar with the brand.</p>	<p>Further research on what could make tourists choose Saga Matkat when they are travelling to Iceland could be conducted.</p>
<p>Saga Matkat has the following strengths compared to their direct competition:</p> <ol style="list-style-type: none"> <li>1) extensive variety of products</li> <li>2) competitive prices</li> <li>3) flexibility</li> </ol>	<p>Again, the strengths that were identified can be used as a part of Saga Matkat's marketing strategy.</p>

Iceland has clearly defined their branding strategy and focus group, and this reflects on Finnish tourists' clear image of the destination. There is an opportunity for Saga Matkat to benefit from this image in developing their business operations. Based on the results of the survey five strengths of the brand of Iceland were identified. These strengths are safety, family friendliness, being worthy of its price, uniqueness and hospitality. The identified attributes can be harnessed for marketing purposes.

Furthermore, Iceland continues to be a popular destination both amongst the international tourism market as well as in Finland. The destination attracts both returning and first-time customers looking for new experiences. Many participants that had already visited Iceland stated that they felt there was still a lot left to be seen. Therefore, Saga Matkat should focus more on nurturing previously formed customer relationships with offers for returning customers to reward loyalty. Additionally, the company should strive for keeping up with tourism trends in Iceland and bring new products to their range both from existing partners as well as through new partnerships to keep attracting new customers.

Another important aspect that could be further worked on is social media presence. Saga Matkat has been somewhat overshadowed by its sister brand Risteilykeskus which is apparent when comparing overall effort put towards the brands. Saga Matkat should attempt to be as active in terms of social media marketing to reach new customers as well as keep the existing ones informed of new products and campaigns.

All in all, the participants seemed to be pleased with Saga Matkat, and the survey could not identify any specific aspects that should be improved. However, this does not mean

that future development is not needed as even with being satisfied with the measured aspects, many of the participants had not purchased services from the company. Some further research should be made in order to pinpoint what other aspects have affected their choice and what could make them choose Saga Matkat in the future.

On the brand's website they have stated that they have the most extensive variety of products and services to offer in Iceland. The competitive analysis supported this claim. Furthermore, the company has competitive prices as well as flexibility when it comes to their services. These are advantages that the company could implement in their branding even further.

Saga Matkat seems to be doing fairly well in regard to the studied aspects and therefore there are not any radical improvement ideas. Rather the gathered knowledge of the company's advantages and disadvantages as well as their main product could be used to further boost their success as they see fit.

## **8.2 Self-evaluation of the thesis process**

The thesis writing process in its entirety was a challenge that drove us both to expand on our knowledge of the tourism industry as well as improve our research skills. We started the process without fully knowing what we were getting ourselves into. We received a suggestion from the commissioner for a possible research topic regarding an aspect of their company that they would want to further explore. Therefore, we began planning the research problems and the overall direction of the study based on the commissioner's needs instead of our own interests and expertise. In retrospect we should have planned out the process more carefully and design a better structure beforehand. As a consequence, we formed the study topic from two separate entities which further on made maintaining the cohesiveness of the report more challenging. We could have also gathered better data if we had planned the survey questions based more on our research problems and aims.

When we started this process, we were both already working full-time. This dragged on the thesis writing process to be longer than otherwise would be necessary as it was difficult to find time to work on the thesis and this forced us to better our time management skills. Another thing that resulted in a delay was our thesis being a low priority to the commissioner which is why it took a long time for the survey to be published, which needed to be done together with them.

Even though there were some details that could have been further developed in regard to the survey structure, we feel that we have improved our skills in survey design as well as data analysis, in part through trial and error as well as from the new knowledge we received by writing the theoretical framework. This will help us in survey design and research work in the future.

While we have improved both our time management and research design skills during the process, we considered academic writing to be our biggest strength from the beginning. As we had this characteristic in common, it felt natural to work on the thesis together. However, striving for perfection in regard to the written form of the thesis also had its downside as both of us seemed to have a tendency to get stuck on finding the best word or phrase and this resulted in us constantly editing our text during the writing process instead of afterwards.

We chose to work on the thesis together despite knowing that more content would be required from us. This turned out to be the best choice because we were able to bounce ideas off each other as well as find support and motivation for the process.

All in all, we consider the research to be successful because we found information that we hope is useful for the commissioner. The thesis process left us with new skills and knowledge we can take forward to the commissioner as well as use in our advantage in possible further studies as well as working in the tourism field.

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## Appendices

### Appendix 1. Islanti matkakohteena: opinnäytetyötutkimus

Olemme Haaga-Helian restonomiopiskelijoita ja tutkimme opinnäytetyössämme Saga Matkoja sekä suomalaisten matkailijoiden mielikuvia heidän päätuotteestaan Islannista.

Vastaamalla kyselyyn voit voittaa 500 euron arvoisen Saga Matkojen matkalahjakortin. Arvontaan voi osallistua 21.10.2018 asti. Epäselvästi tai vajavaisin tiedoin täytettyjä osallistumisia ei huomioida.

#### 1. Sukupuoli: \*

- Nainen
- Mies

#### 2. Ikä: \*

- Alle 21 vuotta
- 21-30 vuotta
- 31-44 vuotta
- 45-64 vuotta
- Yli 65 vuotta

#### 3. Koulutustaso: \*

- Peruskoulutus
- Toisen asteen koulutus
- Korkeampi koulutus

#### 4. Työtilanne: \*

- Työtön
- Osa-aikatyö
- Kokopäivätyö
- Eläkkeellä

#### 5. Oletko matkustanut Islantiin? \*

- Kyllä
- En

#### 6. Haluaisitko matkustaa Islantiin? \*

- Kyllä
- En

#### 7. Haluaisitko matkustaa Islantiin uudelleen? \*

- Kyllä, koska:
- En, koska:

#### 8. Kenen kanssa matkustit/matkustaisit Islantiin? \*

- Yksin
- Perheen/sukulaisten kanssa
- Kavereiden kanssa
- Kumppanini kanssa

#### 9. Varasitko/varaisitko matkasi matkatoimiston kautta? \*

- Kyllä, Saga Matkojen kautta
- Kyllä, toisen toimiston kautta. Minkä?
- En, varasin/varaisin matkan muuta kautta

**10. Onko Saga Matkat sinulle ennestään tuttu? \***

- Kyllä, olen käyttänyt heidän palveluitaan
- Kyllä, tunnen yrityksen
- Ei

**11. Mitä kautta löysit Saga Matkat? \***

- Internethaun tuloksista
- Sosiaalisesta mediasta
- Lehdestä
- Suosituksena
- Muualta, mistä?

**12. Miten tyytyväinen olit seuraaviin asioihin Saga Matkojen osalta? \***

	Täysin tyytymätön	Jokseenkin tyytymätön	Tyytyväinen	Erittäin tyytyväinen	En osaa sanoa/Ei kokemusta
Tuotteiden markkinointi					
Nettisivujen toimivuus					
Valikoiman laajuus					
Asiakaspalvelu					
Ohjeistus ennen matkaa					
Hinta-laatusuhde					

**13. Mikä adjektiivi kuvaa mielestäsi parhaiten Islantia matkakohteena? \***

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**14. Kun mietit Islantia matkakohteena, onko se sinusta...? \***

	Ehdotto- masti ei	Ei	Ehkä	Kyllä	Ehdotto- masti
Perheitä kiinnostava					
Romanttinen/ häätmatkakohde					
Vieraanvarainen					
Luontokohde					
Hinnan arvoinen					
Lähinnä kesäkohde					
Uniikki verrattuna muihin kohteisiin					
Edullinen					
Täynnä tekemistä					
Kulttuurikohde					
Kerralla koettu					
Turvallinen					

**15. Mikäli haluat osallistua arvontaan, jätä sähköpostiosoitteesi alle.**

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