

Ferðamálaráðstefnan 2006

**A North American Perspective:
Service Standards and Quality in the
Icelandic Tourism Industry
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**Robert Dean Felch
Iceland Saga Travel, LLC**



IST Client

Iceland sole destination

* Time and effort working with clients (both direct travel consumers and retail travel agents) – setting the right expectations*

Explaining in detail about:

- what your travel products and services are
 - what the choices are
 - and guiding the traveler to the most suitable plan
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- 90% buying independent customized packages
 - 10% buying pre-packaged multi-day escorted tours

Wealthy, experienced travelers, families, couples, small groups, academics, honeymooners, gay travelers, wedding groups, bachelor and bachelorette groups, small businesses

Sales Process / Delivery

- Sales Process – outstanding
- Delivery of services –

The real test of the promise that you and I make to the Iceland traveler comes when the client arrives and it is time to deliver on that promise assuring a wonderful and memorable experience.

Total Quality Management (TQM)

Quality of delivery of services

The theory behind total quality management for service delivery is that ***you plan, implement, review and correct.*** We all must set high standards of service and then ***always work toward improvement.***

As the Iceland travel market expands and grows...

Questions:

- What are the main needs and concerns for travelers and how do these relate to improving your service offerings?
- What are the human resources issues – hiring, training, and retaining staff?
- How do you establish, assess and improve your service standards?
- Are there systems for better standardizing services across an industry sector (such as accommodations or tour guiding) and
- Are there economies and efficiencies that can be achieved through increased cooperation and/or consolidation?

General Concerns for the American Market

- You live in the most expensive tourism market in the European and North American continents. The vast majority of our clients comment on the cost of food, beverage, fuel and services available to visitors. This problem is accentuated with the depressed value of the dollar. Setting the expectation level on this issue is always difficult.
- Your accommodations product is not suitable to the star rating system which brings more problems versus the “standards” it attempts to quantify. I understand that we use the Danish model here but it doesn’t play well to Americans, particularly for the wide variety of products offered here in Reykjavík.
- You have a monopolistic national airline operating in the North American market...which is not the case for the European market.
- You are quickly losing your eco-tourism and environmentally friendly image in the outer world because of the resumption of commercial whaling and to a lesser extent the proliferation of the hydro-electrically supported aluminum smelting industry. These are your issues and not up to me to address – although of course, I have an opinion.

General Trouble Spots

- Expenses for meals, beverages, fuel and travel services
- Early arriving Americans
- Most Americans travel without cell phones
- Some negative American personality traits: arrogance, pushy, demanding, impatient – Americans hate to wait in lines and want immediate service
- Emergence of the foreign worker in the tourism business and related training issues
- Processing departing clients at the gate at KEF is a consistent point of complaint – not the best way to end a memorable trip

Accommodations

- - Star rating system
- - Early check-in for American travelers
- - Check-in at countryside accommodations
- - Room types
- - Bathroom facilities
- - Smoking
- - Luggage
- - Internet access

Tour Operators

- Day tours
 - Timeliness
 - Personality type
 - Informative or not Logistics About Iceland
 - Back-up contingency planning

Tour Operators

Escorted Multi-Day Tours

- Building the right expectation
- Group dynamic and the difficult traveler
- Changing the plans
- Expensive / expectation of first class service
- Hidden expenses – what is included / not included

Recreational Activities

- Horse riding and whale watching service providers
- Other activity operators including glacier and river related activities,
 - training and experience
 - financial management and staff continuity
- Too much waiting around
- Minimum passenger requirements

Leisure/Cultural Activities

- Positive sector
- Seasonal offerings
- Staff availability
- Better sales and marketing

Transportation Services

- FlyBus
- Car Rental
 - Automated gas station
- Domestic flight service
- Coach / public bus sector
- Taxis

Restaurant Services

- Weak Sales
 - Groupings
- Expensive / under appreciated
- Tourist menus
- Moderate to low priced options in Reykjavík for 2007

Conclusion – My Thoughts

- Iceland's government and society should more actively and visibly embrace the tourism business as a major contributor to the economy, quality of life - an important industry to nurture
- Continue to work on year round tourism initiatives including utilizing the national airline to support year round travel
- In the tourism industry focus on creating career paths through improved selection, training and retention of staff
- Focus training on communications and interpersonal skills as well as cultural differences
- Establish a real quality review process throughout all sectors of tourism or establish an inspection / testing methodology
- Establish financial standards for all businesses in the tourism sector
- Review opportunities for cooperation and the establishment of partnerships, joint ventures and mergers to facilitate profitability and efficiencies and expertise in sub-sectors of the tourism business
- If governmental, political and social policies adversely effect your business, do something about it

