

# Samgönguþing Markaðsstofu Norðurlands

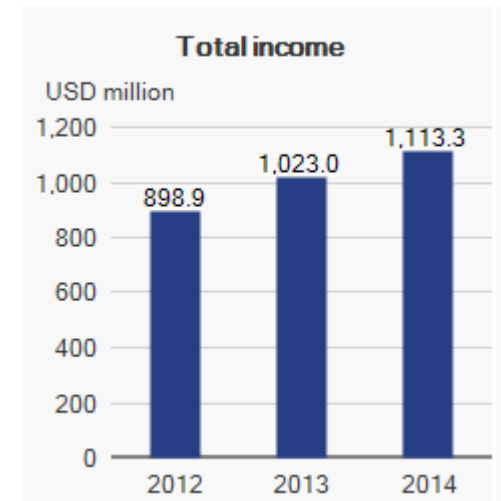
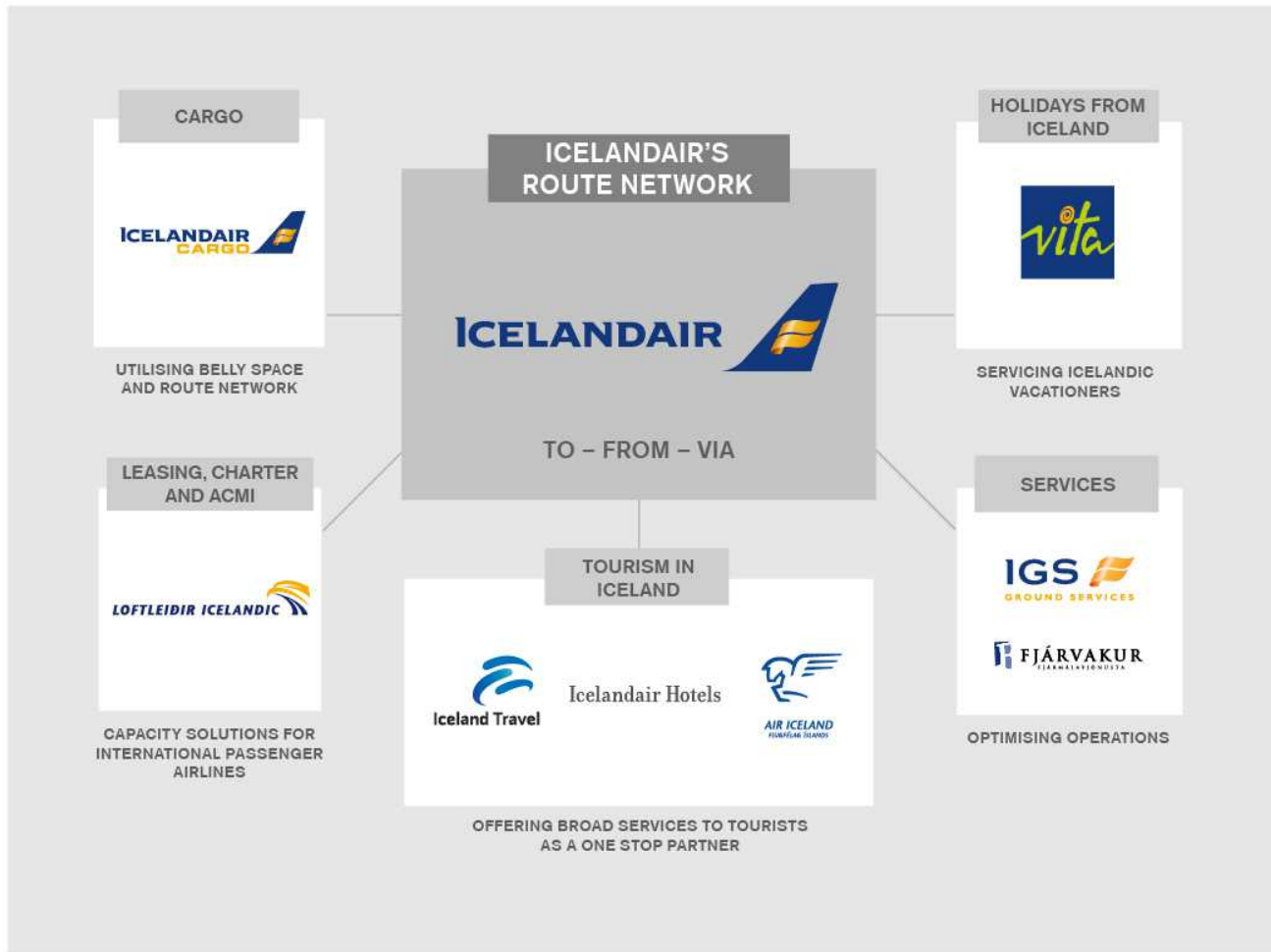
Icelandair, þróun og stefna



**Helgi Már Björgvinsson**  
Senior Vice President – Marketing & Sales



# ICELANDAIR GROUP





# MARKETING & SALES

Marketing & Sales  
Helgi Már Björgvinsson - SVP

Marketing & Business Development  
Guðmundur Óskarsson – DIR



Pricing, Revenue Management & Partnerships  
Matthías Sveinbjörnsson – DIR



Distribution & E-business Development  
Árni Sigurðsson – DIR



Icelandair Customer Loyalty  
Ingibjörg Á. Ragnarsdóttir – DIR




Icelandair Service Center  
María Rún Hafliðadóttir – DIR



Onboard Retail & Service  
Þórdís Anna Oddsdóttir – DIR




**ICELAND**  
Þorvarður Guðlaugsson  
GM




**USA & CAN**  
Þorsteinn Egilsson  
GM



**SCA**  
Bjarni Birkir Harðarson  
GM



**UK**  
Andrés Jónsson  
GM

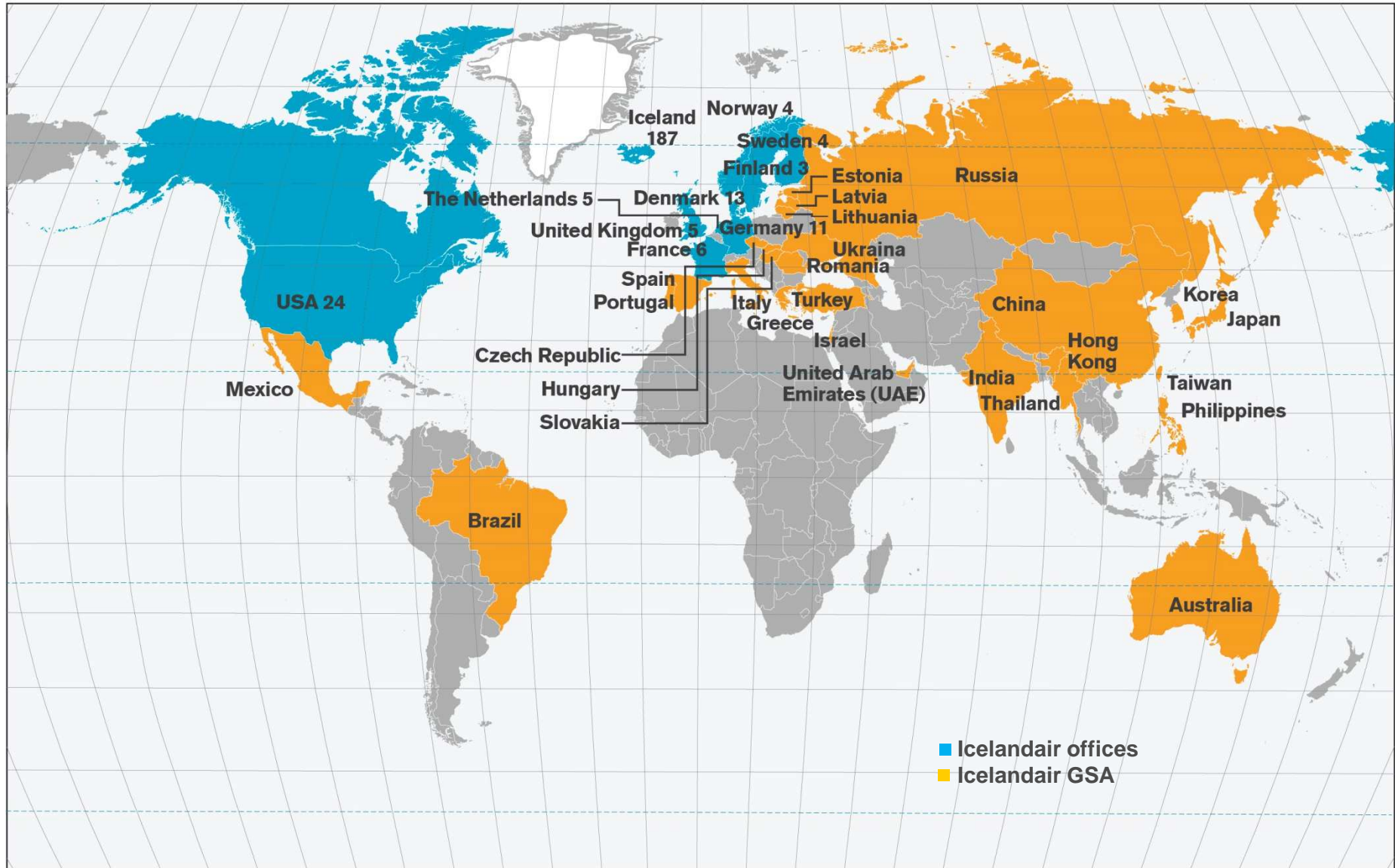


**C-EUROPE**  
Einar Páll Tómasson  
GM



**GSA**  
Ársæll Harðarson  
GM





# History

## 1937 to 2016



### 1937

Flugfélag Akureyrar, Icelandair's predecessor, is established.

### 1945

The airline, now named Flugfélag Íslands, flies abroad for the first time. The destination is Scotland.

### 1944

Iceland becomes a formal Republic.

### 1960s

Successful Loftleiðir campaign: "We're slower, but we're lower"

### 1973

Flugfélag Íslands and Loftleiðir merge to form Icelandair.

### 1980

Vigdís Finnbogadóttir becomes the first elected female head of state.

### 1987

The Icelandair Route Network is developed.

### 1999

On Women's Rights Day, an Icelandair aircraft is flown by a female crew for the first time.

### 2008

Icelandair refurbishes its aircraft, installing new seats and a new in-flight entertainment system.

### 2010

The Eyjafjallajökull eruption causes one of the biggest challenges in aviation history.

### 2012

Icelandair flies 2 million passengers for the first time.

### 2016

Icelandair adds two new 767-300 long-haul aircraft to its fleet and starts flying to three new destinations: Chicago, Montreal and Aberdeen.

# REFRESHING ICELANDIC TRAVEL EXPERIENCE

## WE CARE

For our customers, employees, environment and shareholders.

## WE THINK CLIENTS

Through consistency, reliability, clear product alternatives and friendly service.

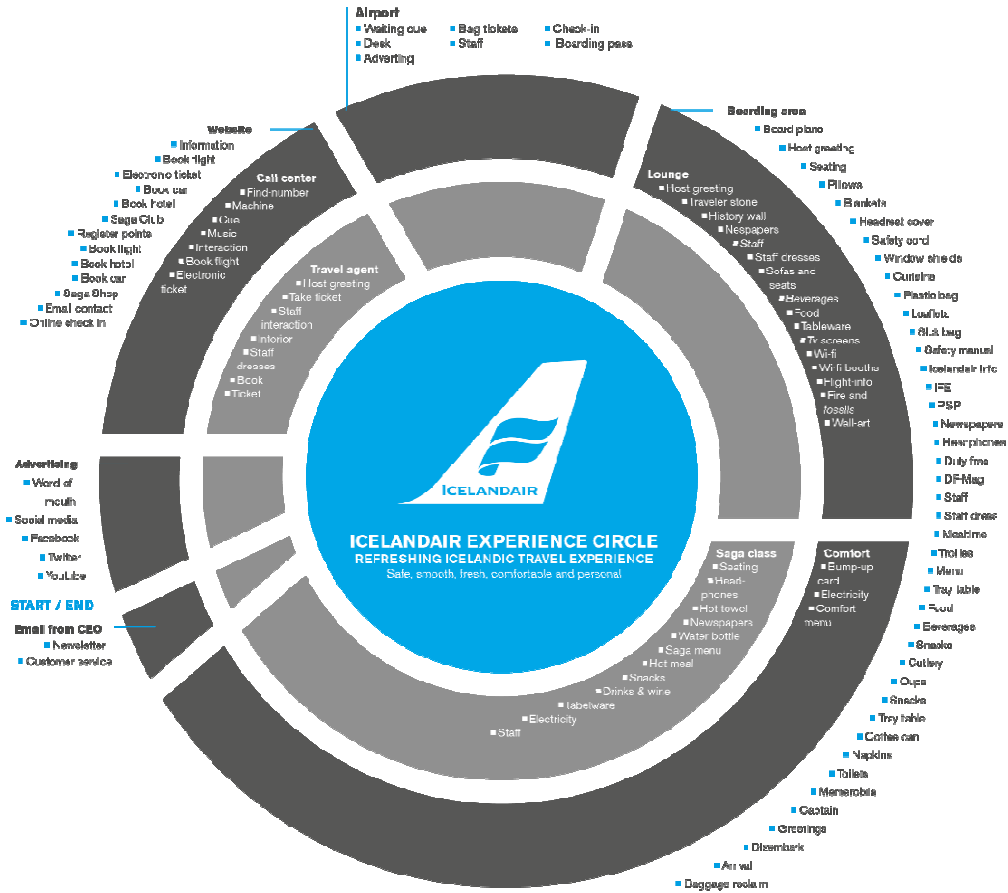
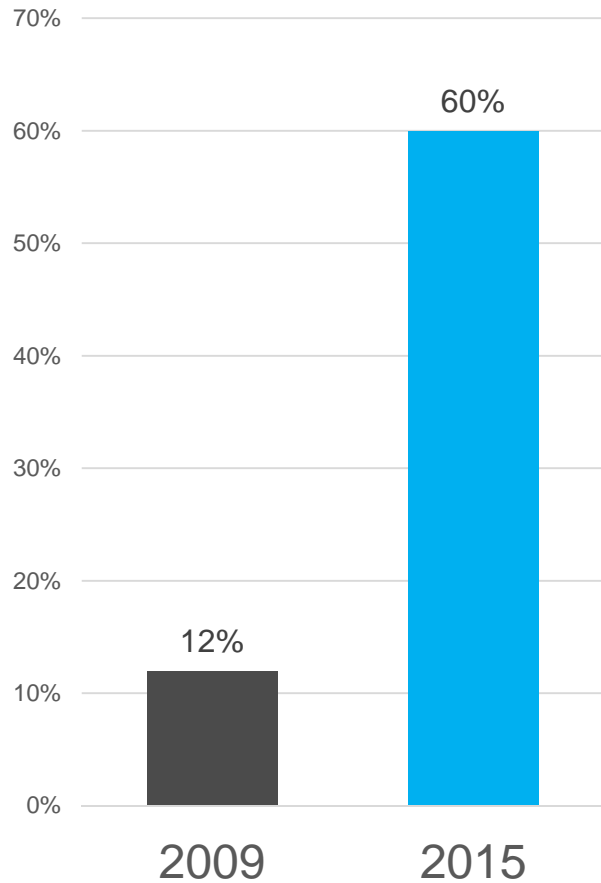
## WE DRIVE RESULTS

Via teamwork, shared information and values, accountability and profitability.

ICELANDAIR



# Net Promoter Score





# CUSTOMER EXPERIENCE STRATEGY

## 1. RELIABILITY

Making sure we keep our promise and that the service is accurate and dependable.

## 2. EXPECTATIONS

Finding ways to impress the customer by adding unexpected treats to the services and exceeding expectations.

## 3. HUMBLE

Showing the customer humility, telling the truth and not promising more than we can offer.

## 4. RECOVERY

If something goes wrong, the customer's confidence needs to be regained.

## 5. FAIRNESS

Be fair to our customer and use common sense to level the playing field.

## 6. MEASURE

In order to get results it is important to set achievable goals and measure those goals.



#MyStopover

# How does an Icelandair Stopover work?

Explore Iceland on an Icelandair Stopover.

A Stopover is when you get two destinations for the price of one. On your way across the Atlantic, you can stop in Iceland for up to 7 nights at no additional airfare and experience everything the country has to offer.

Make the most of your time and create lasting memories with an Icelandair Stopover.



**US/CANADA  
16 DESTINATIONS**

**7**

**ICELAND  
STOPOVER UP TO  
NIGHTS**

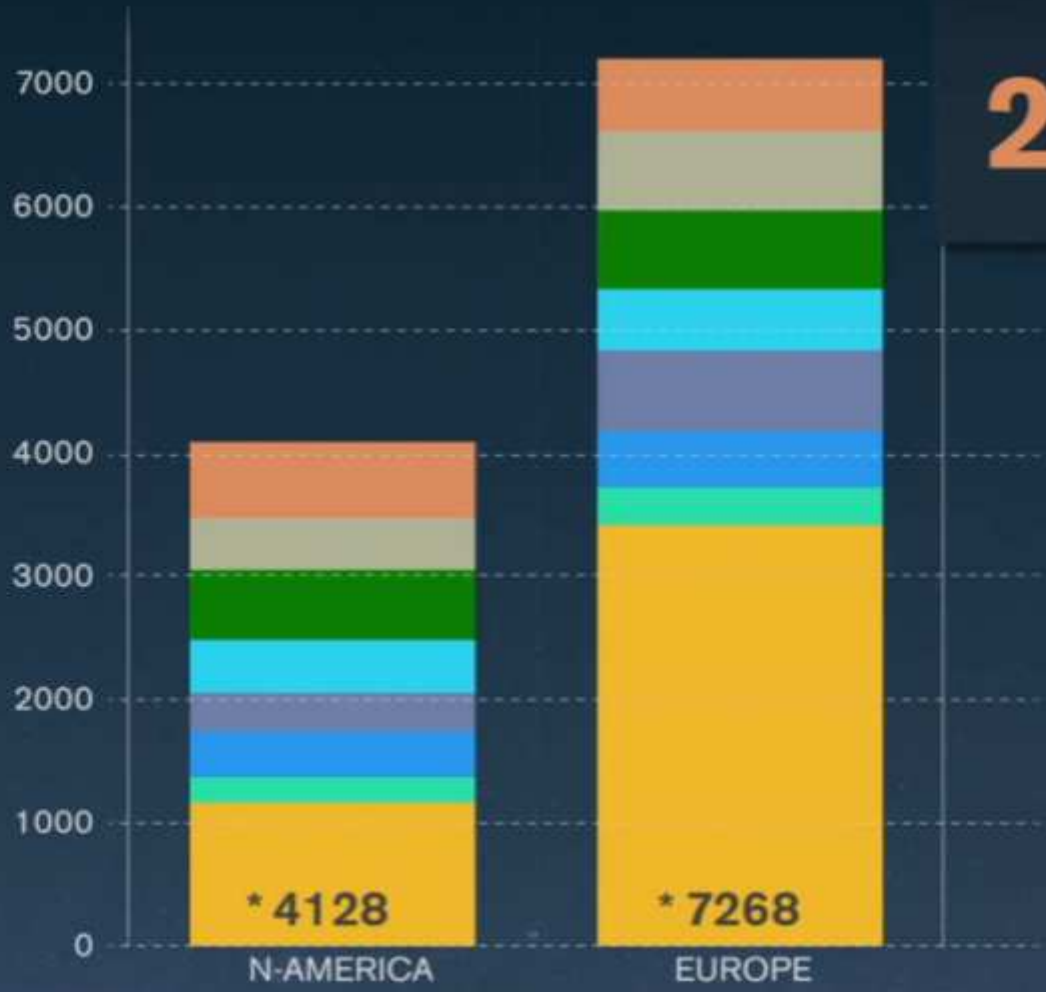


**EUROPE  
26 DESTINATIONS**

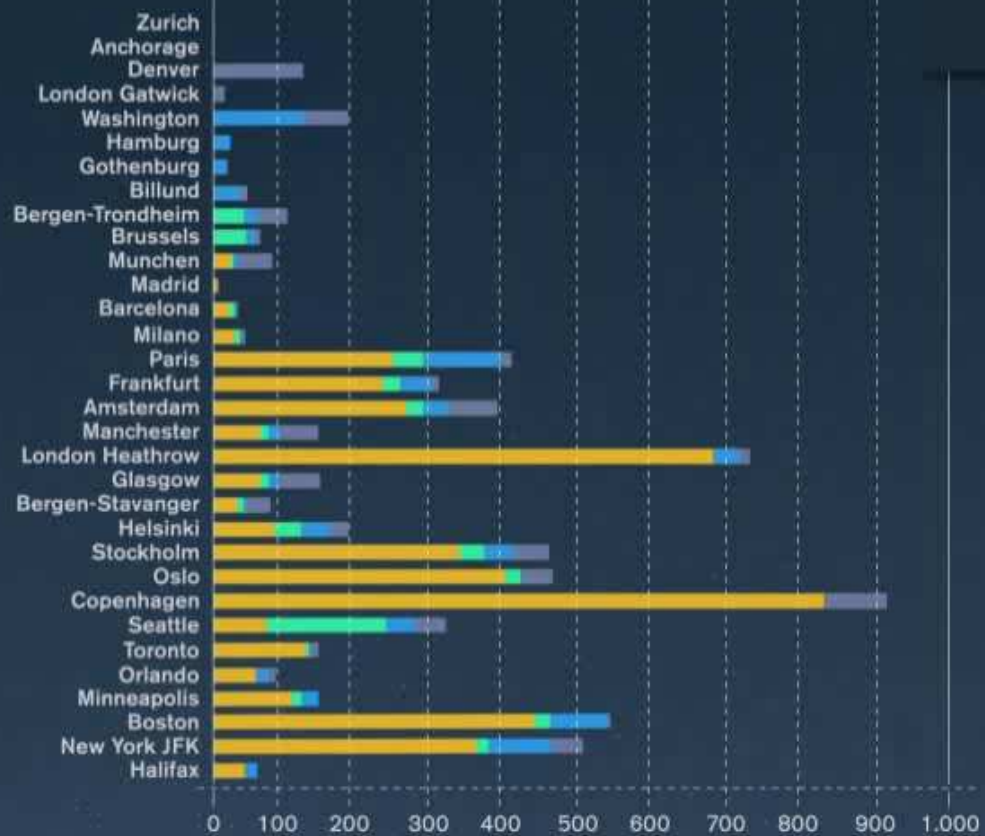
ICELANDAIR



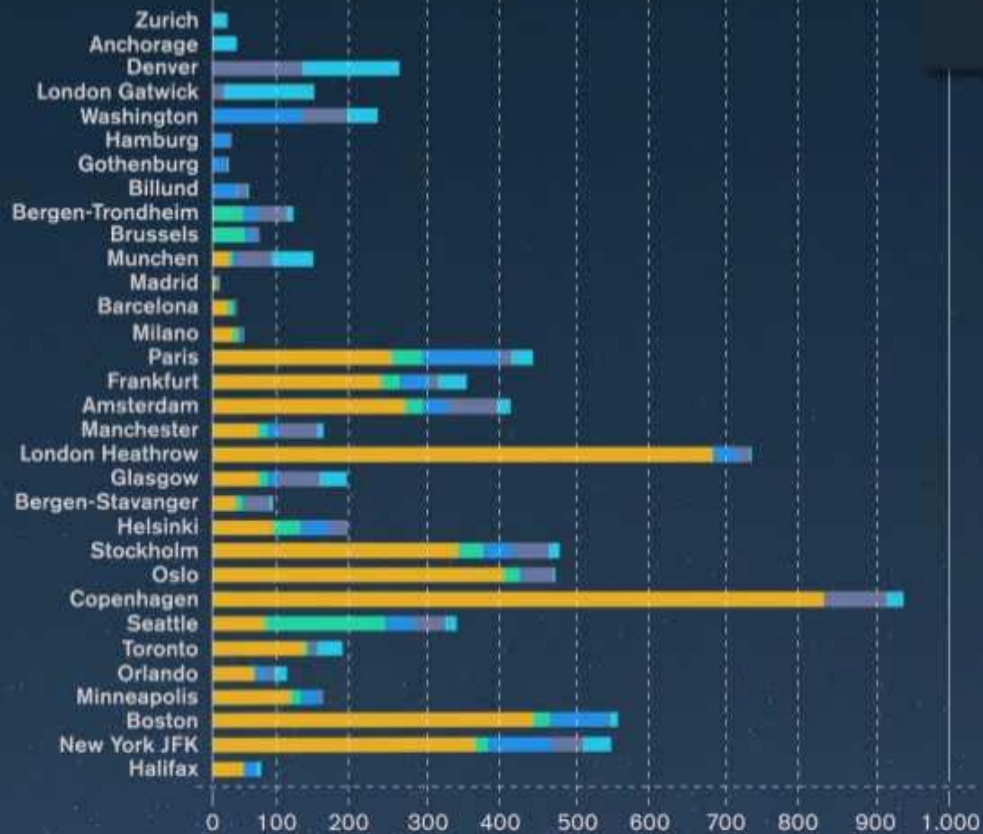
**2016**



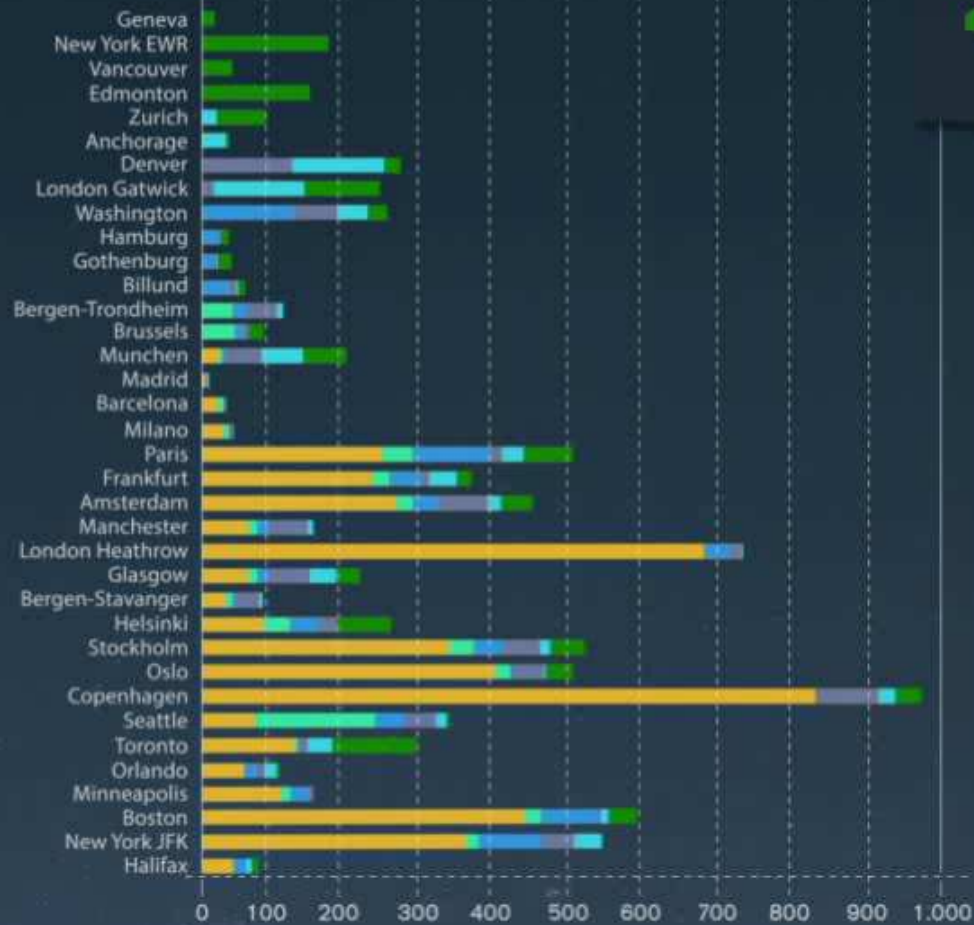
2012  
\* 6836



2013  
\* 7736

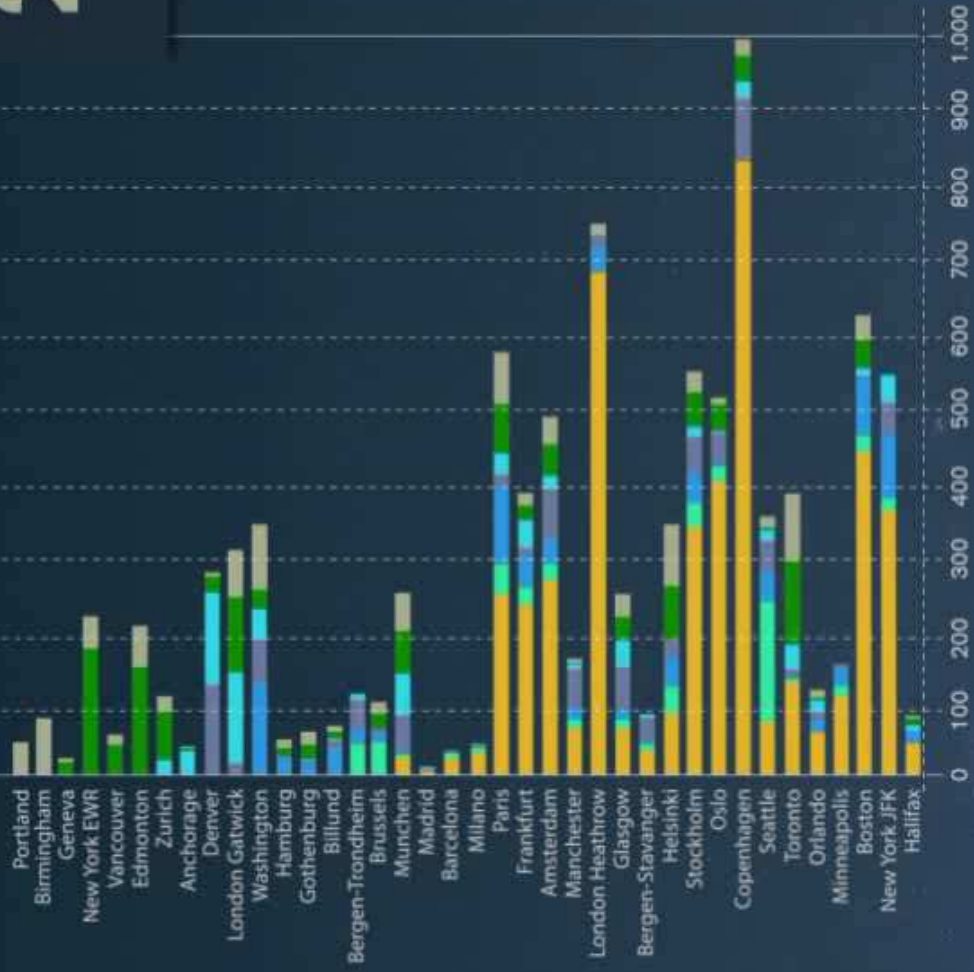


2014  
\* 8828



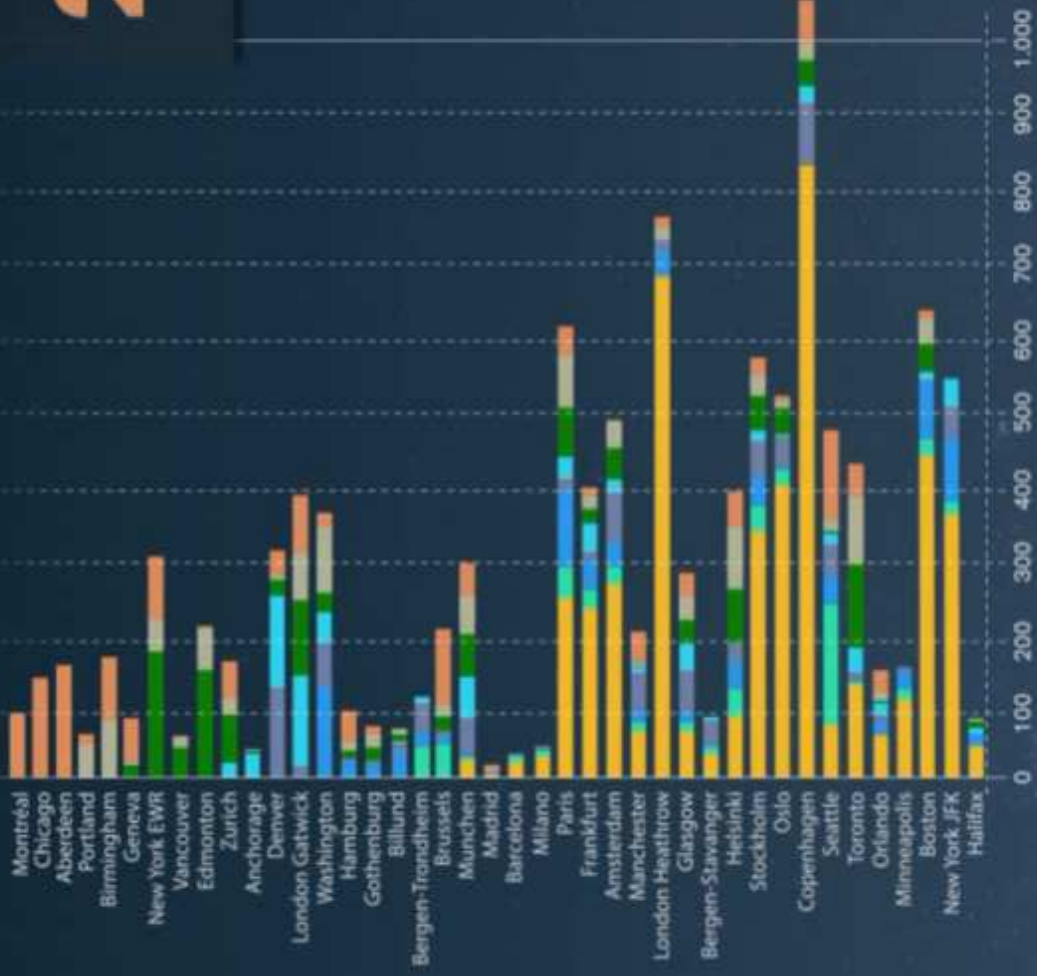
# 2015

\*10005



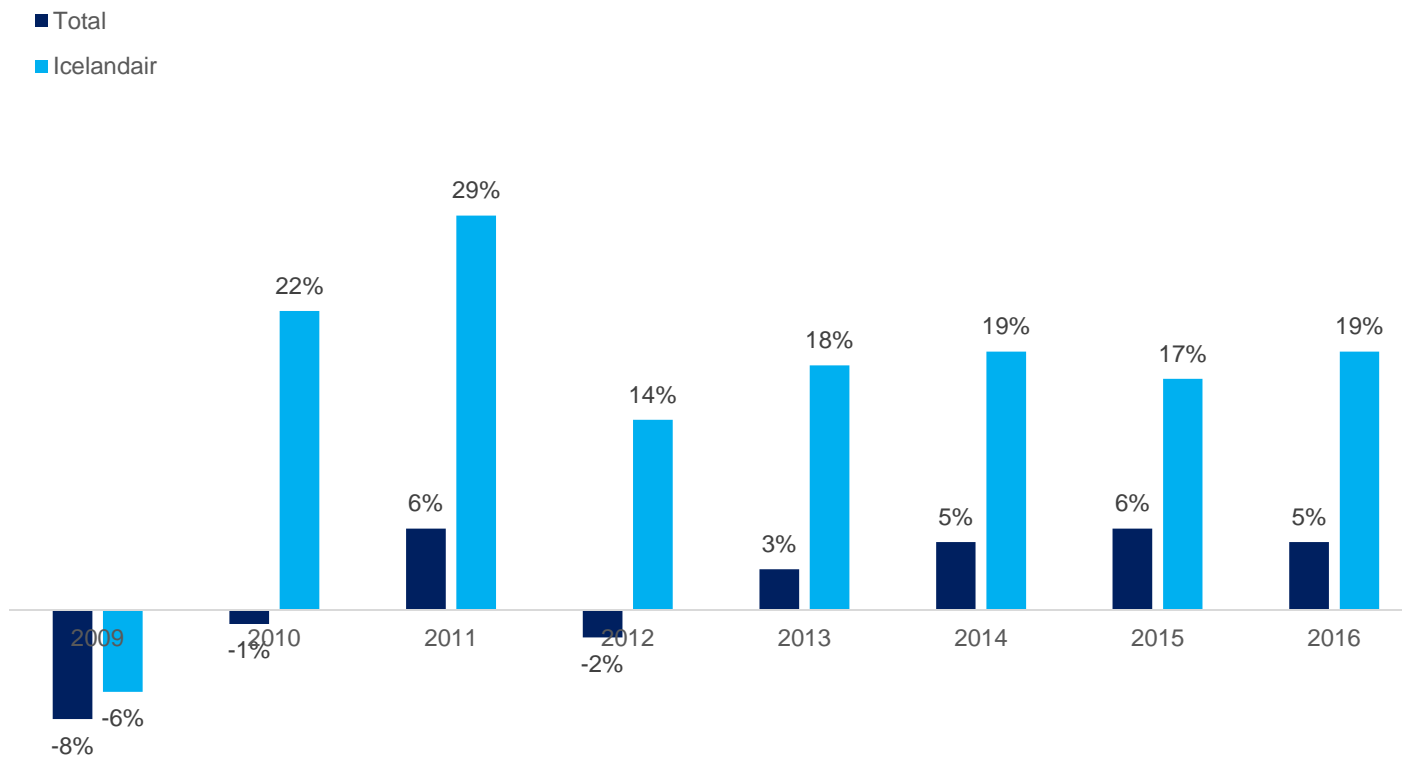


2016  
\*11396



# CHANGE IN CAPACITY ON THE N-ATLANTIC

## AVAILABLE SEAT KILOMETRES ICELANDAIR VS. TOTAL MARKET



ASK = available seat kilometers



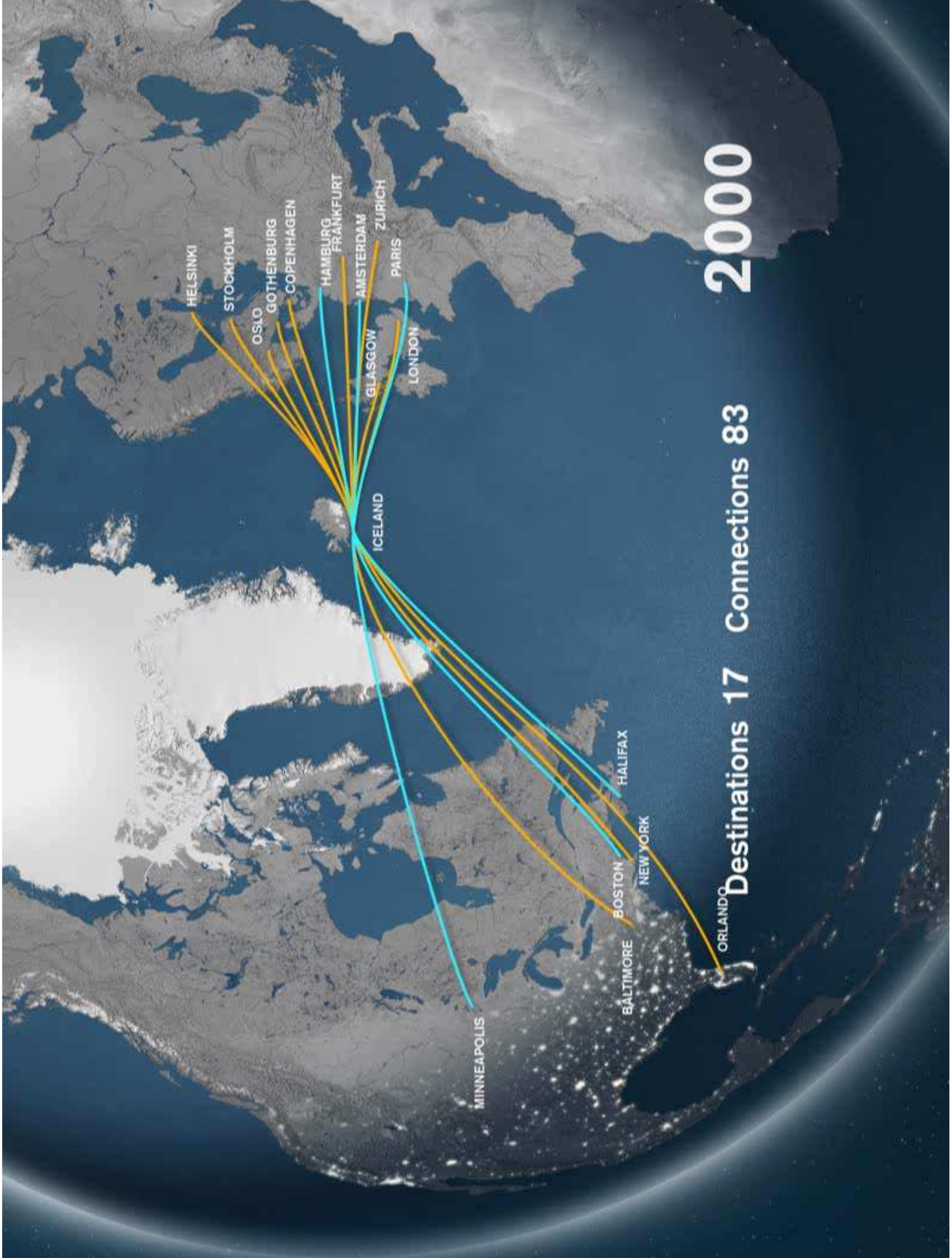
# ROUTE NETWORK DEVELOPMENT





Destinations 12 Connections 39

1990





2010

Destinations 27 Connections 130



2016

Destinations 42 Connections 410





# AIRLINE CODESHARES & PARTNERSHIPS

OVER 90 AGREEMENTS WORLDWIDE




Alaska Airlines




Jetblue Airlines




Finnair



Westjet Airlines

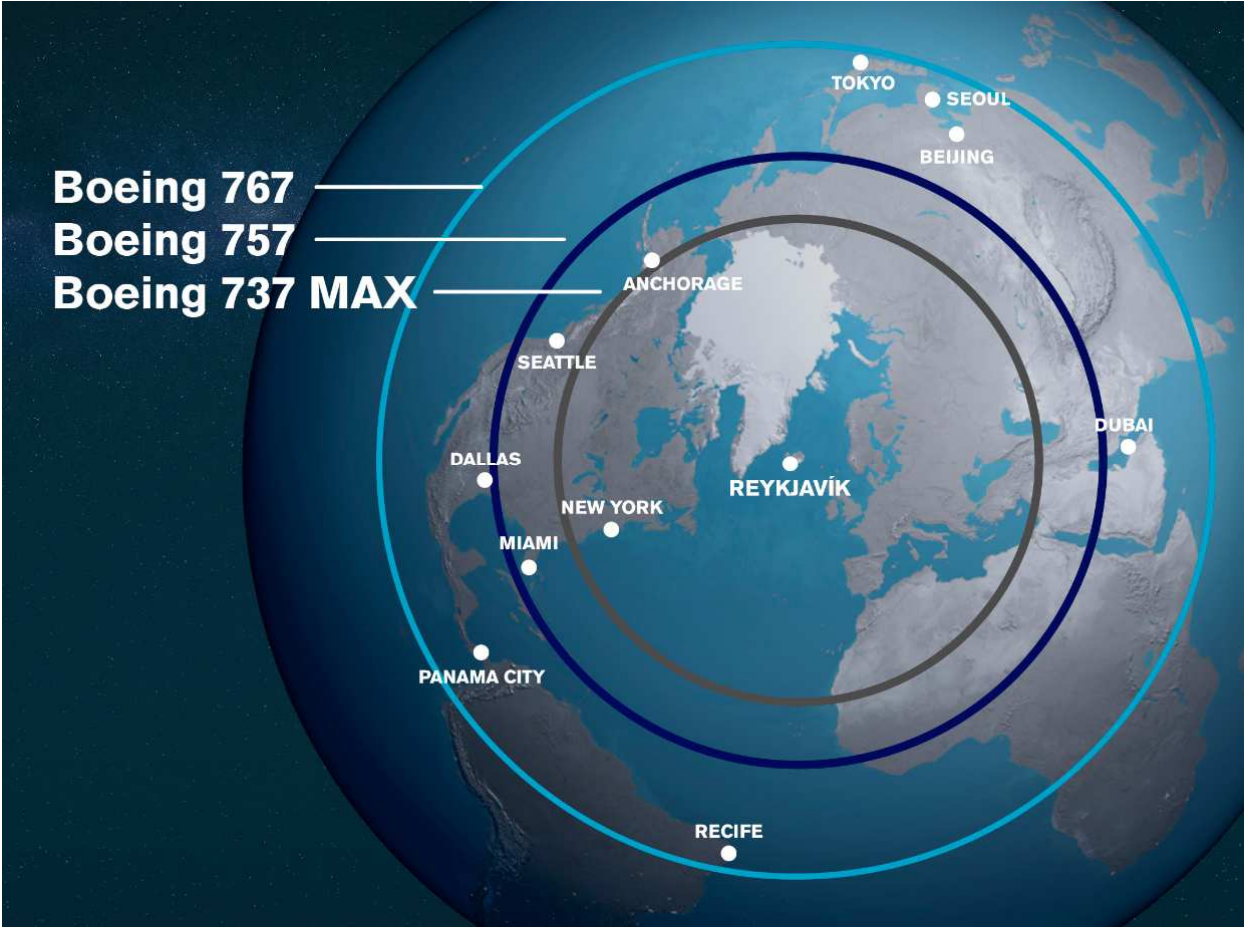


Scandinavian Airlines

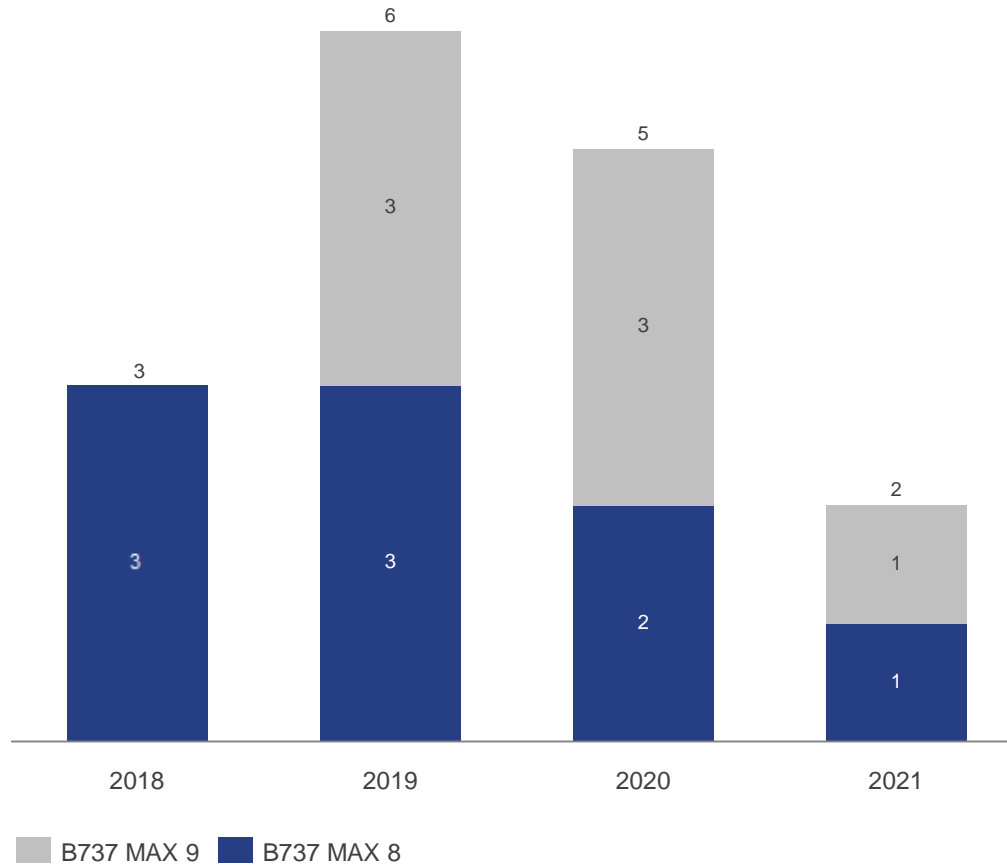


Aeroflot Russian Airlines

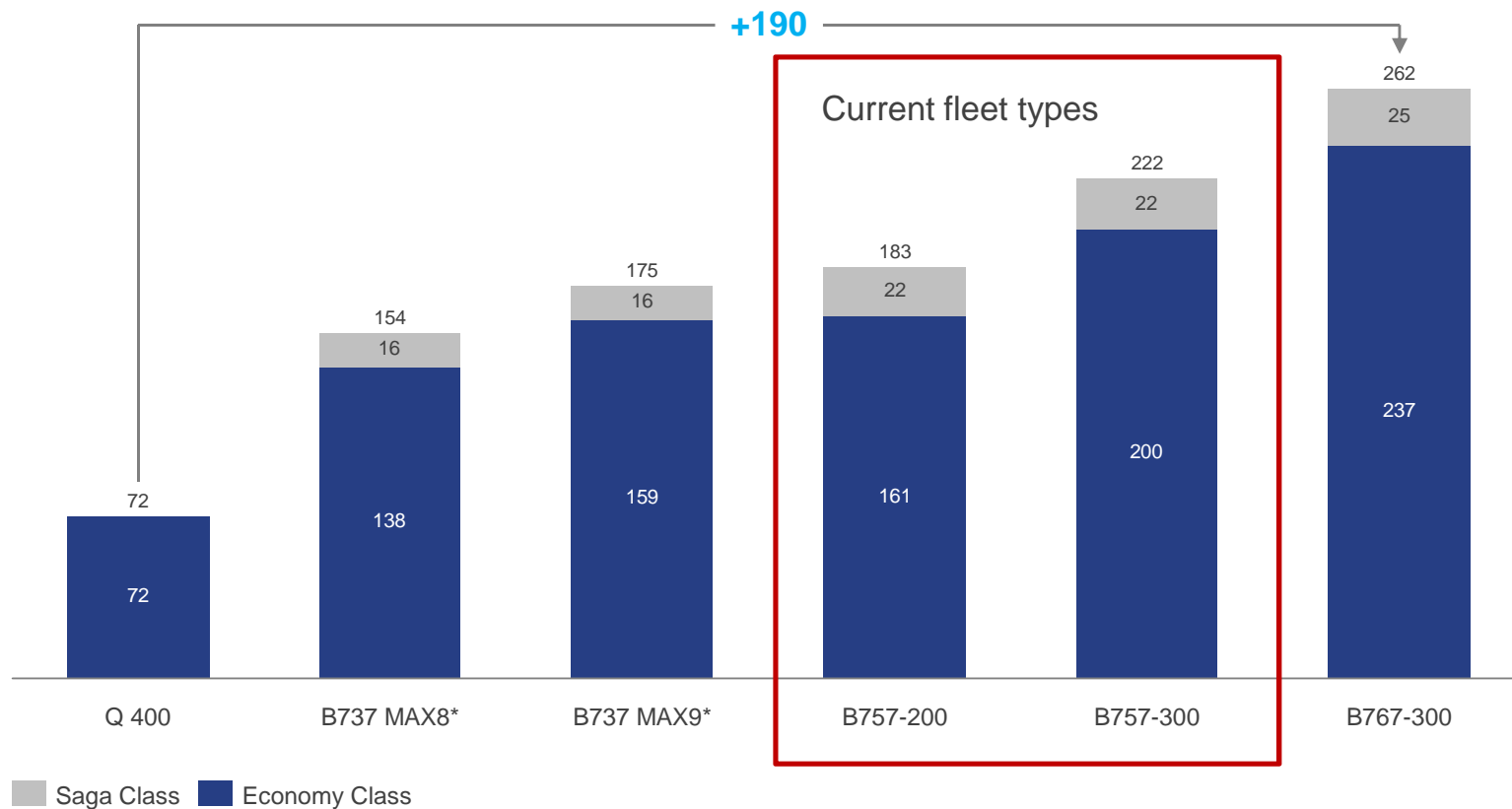
# FLEET DEVELOPMENT



# IN 2018 B737 MAX WILL BE ADDED TO THE FLEET



# THE SEAT COUNT WILL RANGE FROM 72 TO 262 SEATS IN THE FUTURE FLEET OF ICELANDAIR



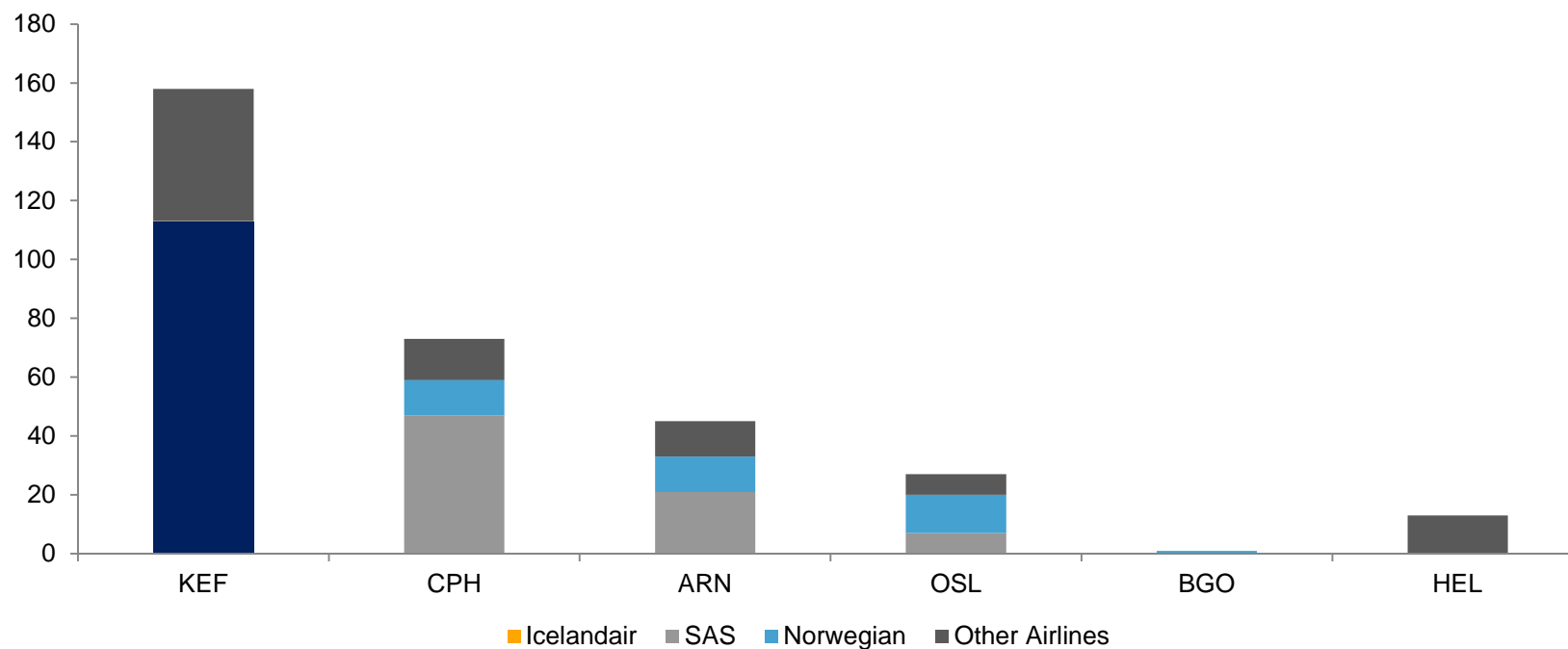
\* B737 MAX seat count is subject to change. Different seat layouts are being evaluated.

# WEEKLY FLIGHTS FROM NORDIC COUNTRIES IN 2016 TO THE US AND CANADA - ESTIMATE

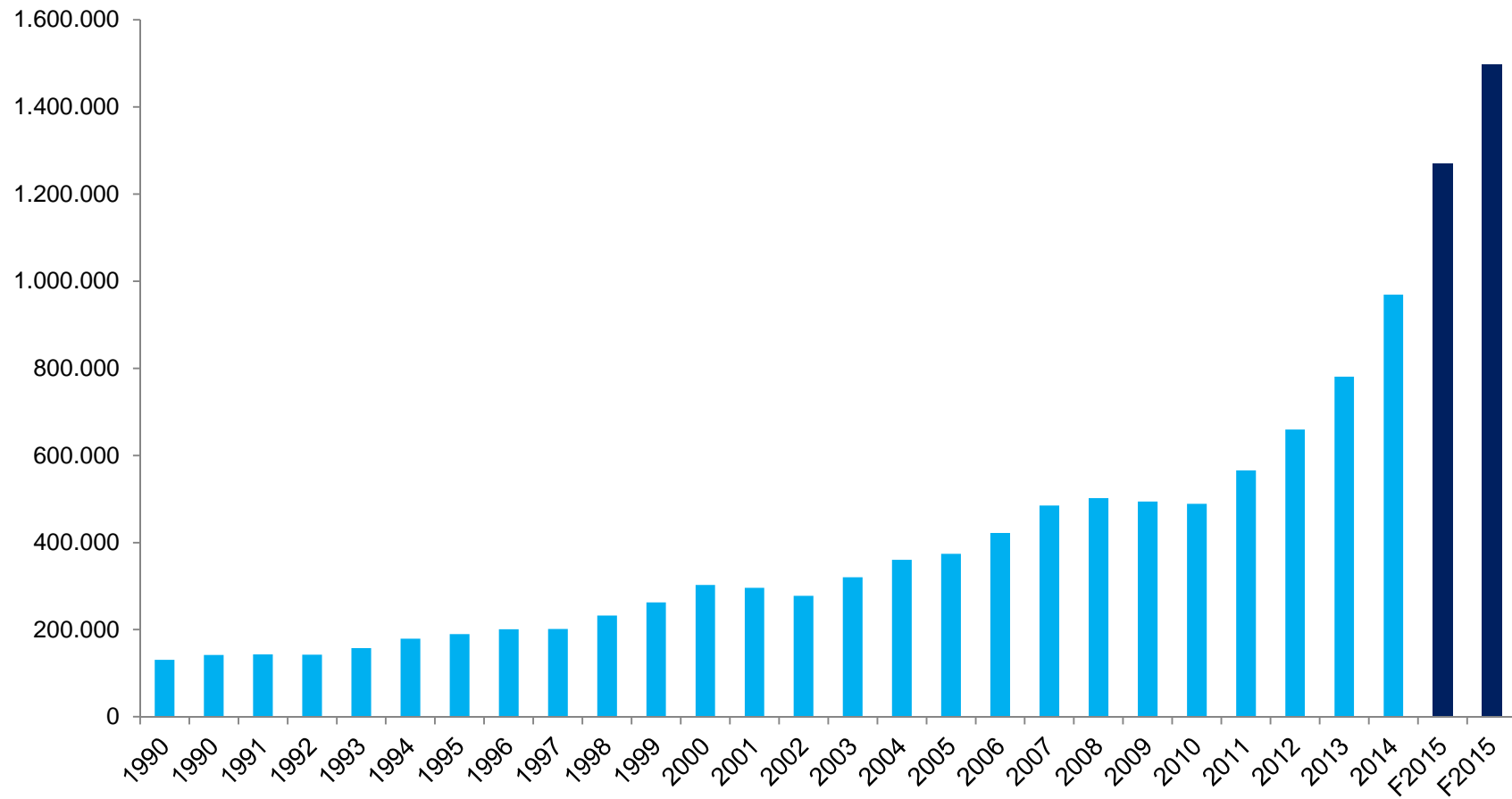
Catchment area (population):

| Each gateway in SCA: 1.4 – 2.1 million

| KEF: 0.2 million

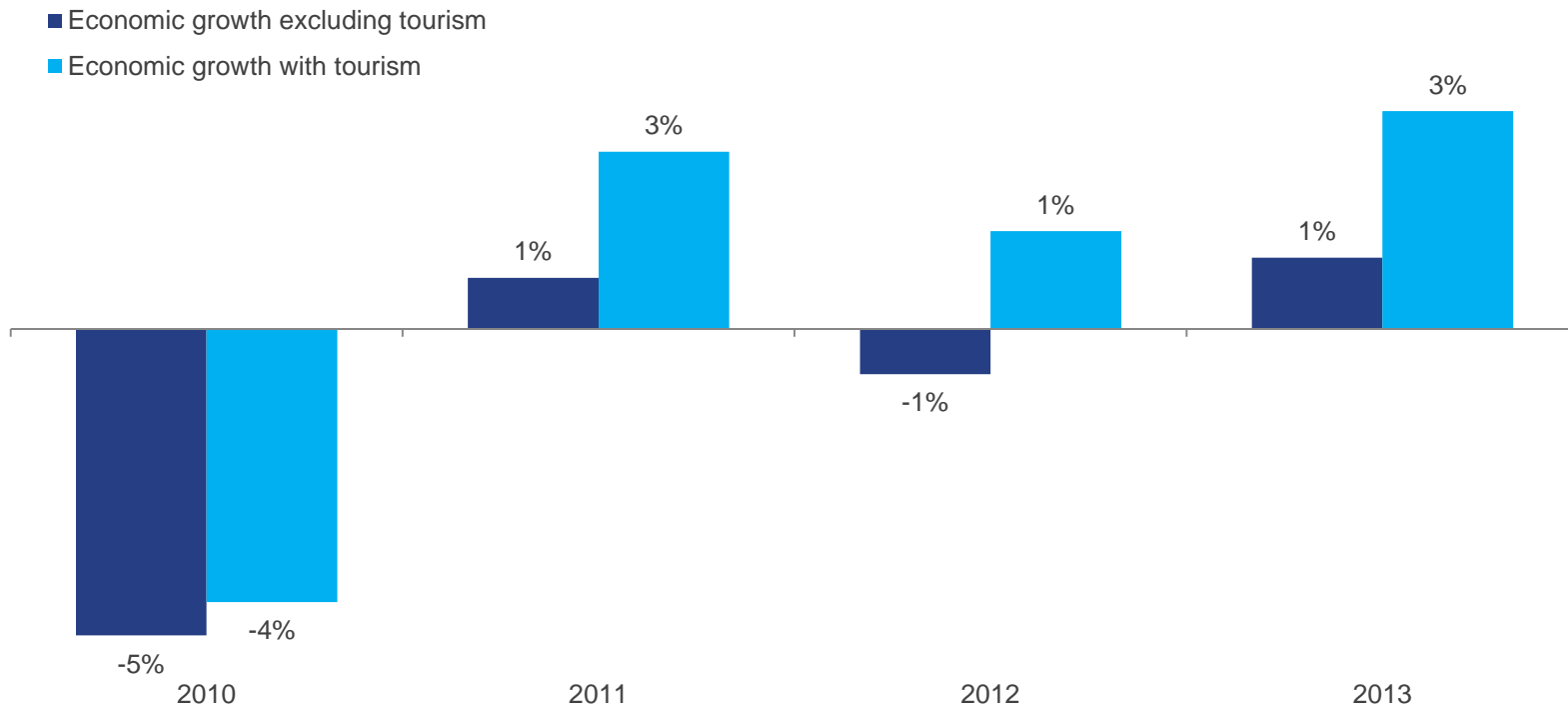


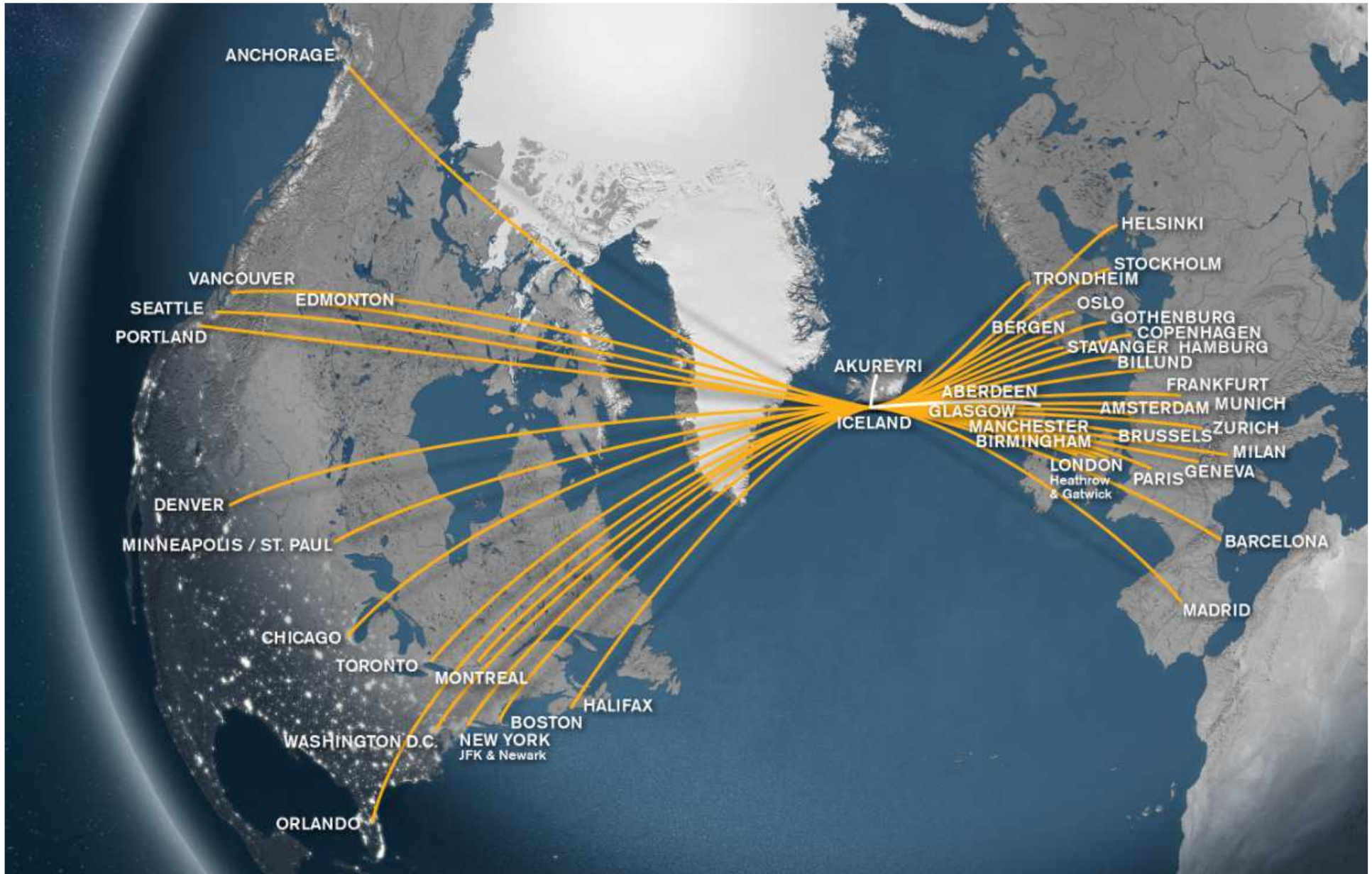
# TOURISTS TO ICELAND: 1980-2016



# TOURISM IS THE SOURCE OF GROWTH

| Limited economic recovery if we exclude tourism

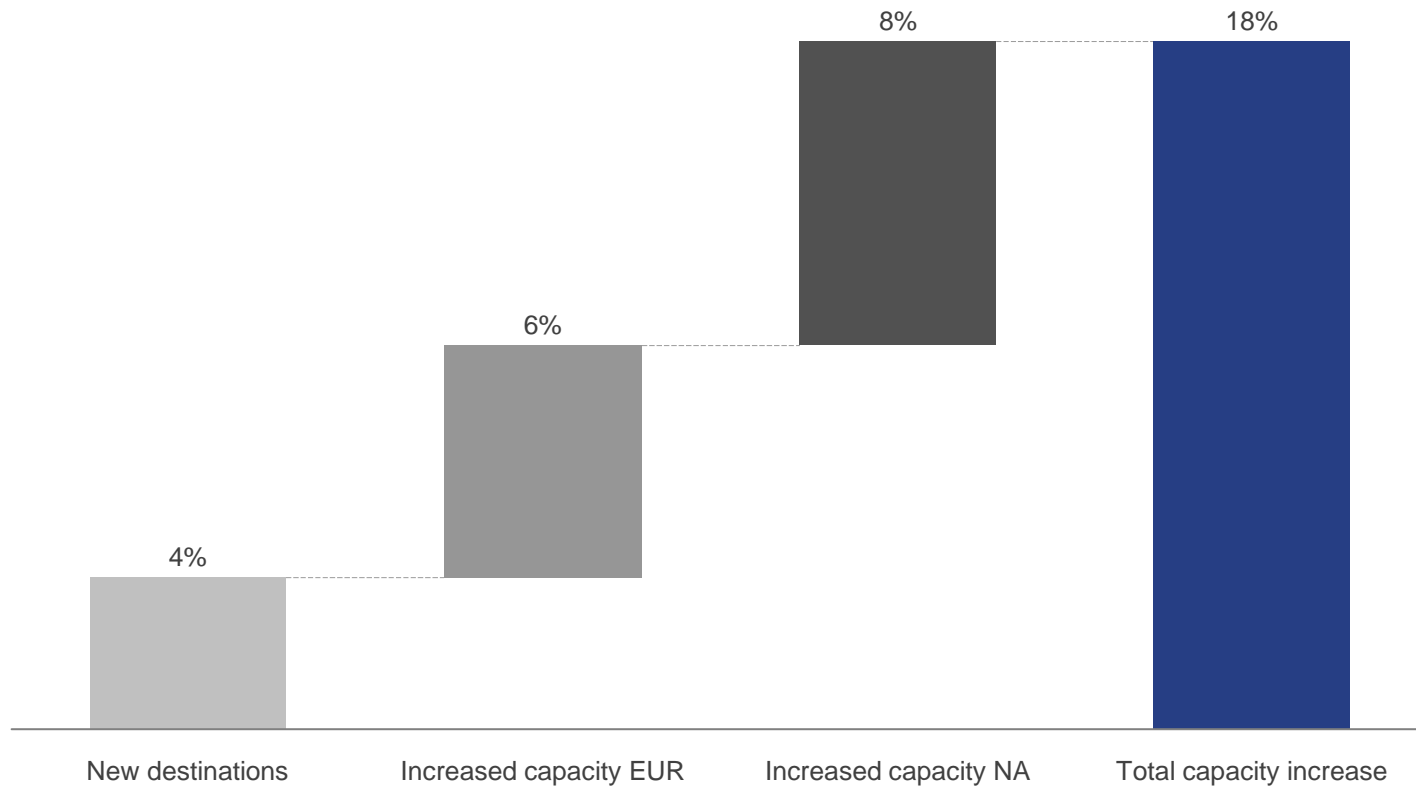






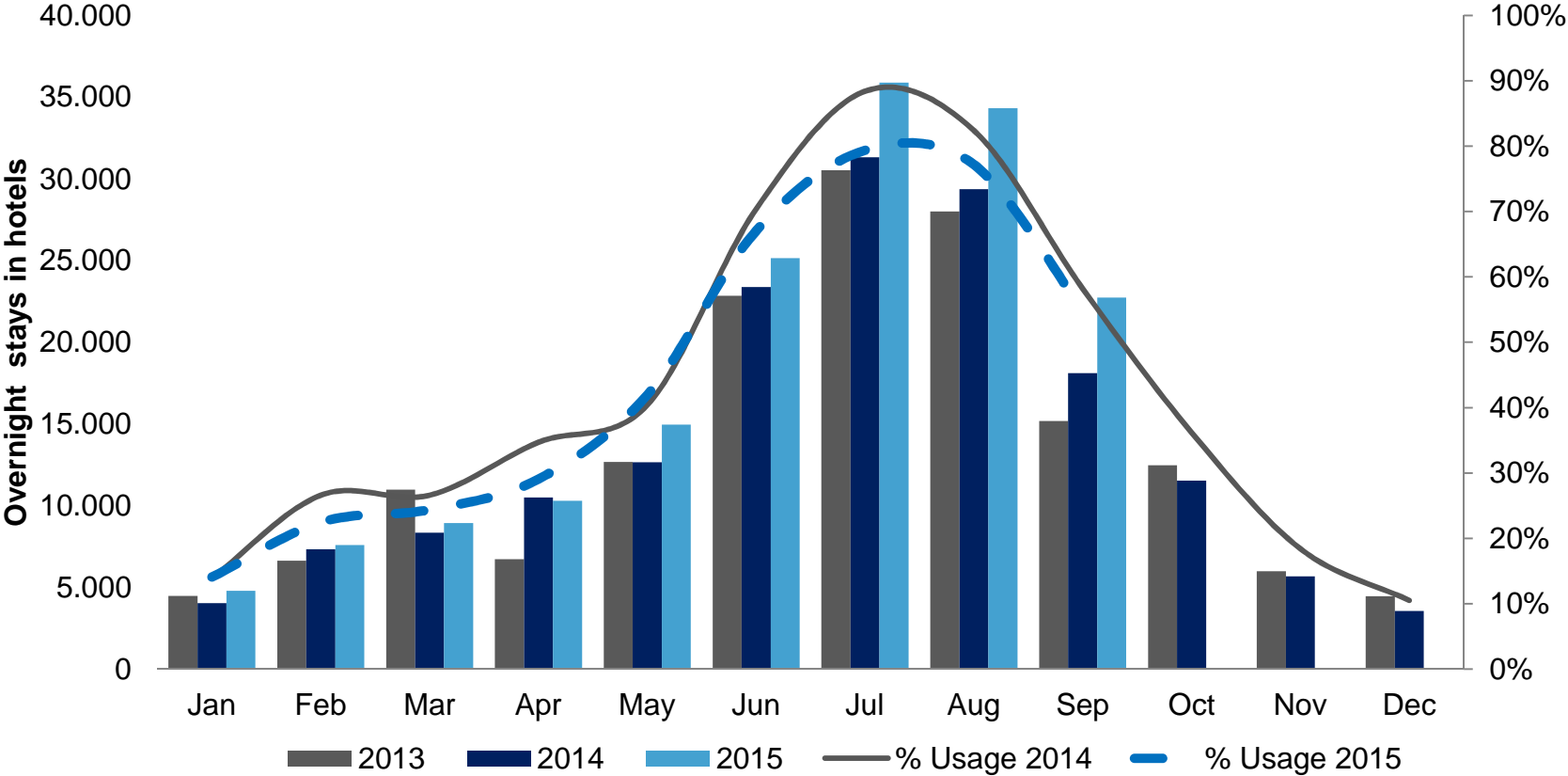
# CHANGES IN CAPACITY 2016 VS FORECAST 2015

## AVAILABLE SEAT KILOMETRES





# OVERNIGHT STAYS IN HOTELS - NORÐURLAND

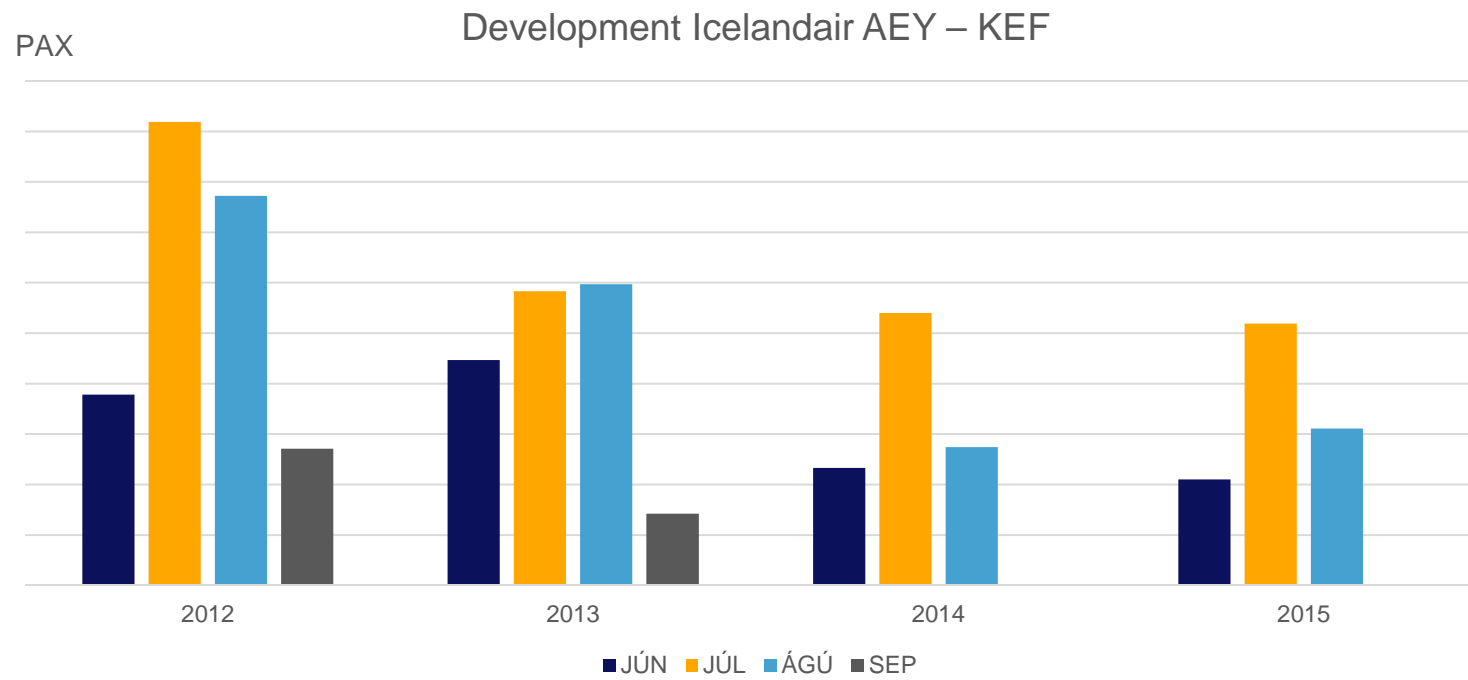


- + Overnight stays in Hotels increased 14% between 2015 and 2014
- + Overnight stays in hotels more than doubled now compared to 2005

Source: Hagstofa Íslands



# ICELANDAIR / KEF – AEY



# CONNECTIONS IN KEF

+ 2016 operation is once a week on Sundays from 19JUN – 28AUG

- Dep. KEF 16:45 – arr. AEY 17:35
- Dep. AEY 22:45 – arr. KEF 23:30

## + EUR – AEY

All 1st bank from EUR connecting 16:45 departure from KEF to AEY with 45 min. – 1 hour & 45 min. connecting time

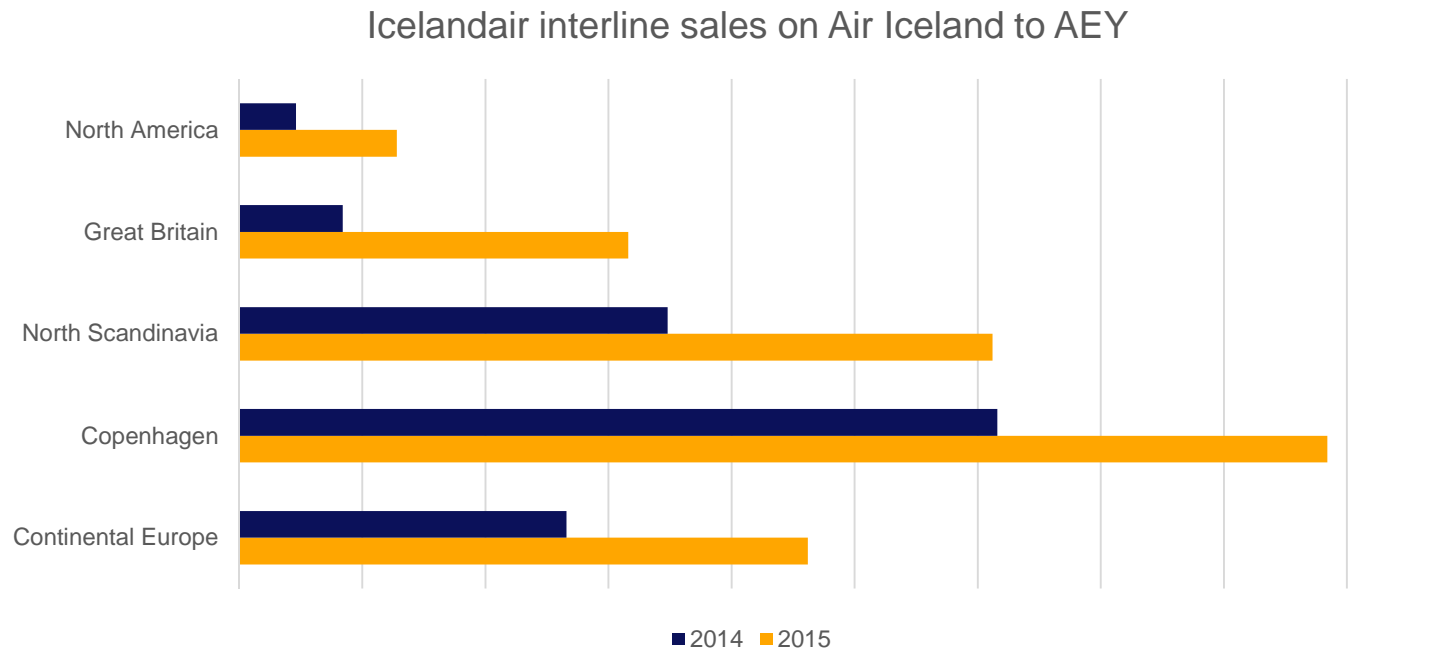
## + AEY – EUR

Connection time on arrival from AEY to KEF 23:30 is between 1 hour – 1 hour & 45 min.

Connects to 2nd bank to Gothenburg, Copenhagen, Helsinki, Paris, Oslo and Stockholm.

# AIR ICELAND PARTNERSHIP / REK – AEY

- + Interline sales Icelandair on Air Iceland to AEY has doubled between 2014 (Jan-Dec) and 2015 (YTD)



# AIR ICELAND AND Q400

- + Next year Air Iceland will introduce Q400 into their network
- + Below are flight times to MAN and LON (STN) – North-east of London

## En Route Performance - AIR ICELAND Q400

Total Taxi Time for all Sectors: 15 min  
 Total Taxi Fuel for all Sectors: 105 kg

En Route Temp: ISA  
 En Route Wind: 85% Annual  
 Diversion Wind: Zero

No.	SECTOR				Cruise		TIME	
	From	To	Dist. <i>nm</i>	Wind <i>kt</i>	FL	Speed <i>kt</i>	Flight <i>hr:min</i>	Block <i>hr:min</i>
1	AEY	STN	1.043	-18	270	333	03:29	03:44
2	STN	AEY	1.043	-38	260	342	03:36	03:51
3	AEY	MAN	902	-19	270	334	03:06	03:22
4	MAN	AEY	902	-38	260	337	03:15	03:30



# ICELANDAIR Q400 OBSERVATION

- + Dialogue between Icelandair and AEY (e.g. meeting at Routes Europe in Apr in ABZ)
  - Icelandair: Director Network Planning and General Manager UK & Ireland
  - AEY: Arnheiður and Hjördís
  
- + General idea to look into MAN. 2 month period with focus on school and skiing groups
  
- + Sep/Oct 2016 was the original idea but now will be explored for 2017 (also ref. ABZ)
  
- + Q400 aircraft will operate few times a day to AEY, which minimizes complexity (service level as per KEF-ABZ incl. lot of work and research)
  
- + Jan-Mar 2017 would be the basis for analysis. Icelandair has a comprehensive sales and distribution channels in UK



# AKUREYRI PROMOTIONS – IS



+ Bókaðu á [www.icelandair.is](http://www.icelandair.is)

ICELANDAIR



+ Bókaðu á [www.icelandair.is](http://www.icelandair.is)

ICELANDAIR



**Aukin þægindi fyrir Norðlendinga  
– ný tækifæri í ferðapjónustu**

Icelandair býður í sumar flug til og frá Akureyri um Keflavíkflugvöll til helstu áfangastaða félagsins í Evrópu og Norður-Ameríku. Flugjó er hluti af leiðakerfi Icelandair þar sem innritun alla leið á sér stað á Akureyri.

**Góð tenging við helstu áfangastaði Icelandair**

• Brottför frá Akureyri kl. 14:30. Lent í Keflavík kl. 15:20 og tenging við ýmsa áfangastaði Icelandair.  
• Brottför frá Keflavík til Akureyrar kl. 18:20, eftir komutíma frá helstu áfangastöðum Icelandair í Evrópu. Lent á Akureyri kl. 17:10.

+ Bókaðu á [www.icelandair.is](http://www.icelandair.is)

ICELANDAIR

Míli Akureyrar og Keflavíkur er flögjó með Fokker 50 vörum Flugfélags Íslands.

ICELANDAIR

# AKUREYRI PROMOTIONS – IS



**BÆTTU MEIRA AF  
EVRÓPU Í LÍF ÞITT**  
Veró frá **28.400** kr.

+ Bóka núna á [icelandair.is](http://icelandair.is)

[f](#) [t](#) [v](#) [y](#) [t](#) Vertu með okkur



75 | ÁR Á FLUGI

**FLUG FRÁ AKUREYRI  
TIL EVRÓPU OG  
NORÐUR-AMERÍKU**

7. JÚNÍ – 30. SEPTEMBER

## UMHEIMURINN FÆRIST NÆR AKUREYRI

Icelandair býður flug til og frá Akureyri um Keflavíkflugvöðil til ýmissa áfangastaða í Evrópu og Bandaríkjunum. Vöskipavinir bóka flugið og innrita sig alla leið.



## BÆTTU SMÁ NORÐUR-AMERÍKU Í LÍF ÞITT

Veró frá **43.200** kr.



### Fólk er glætt á góðum degi viðar en í Öxnadal

Syetir sagði listakaldinu einn sógur og hann hefði eflaust orðið hugfanginn af ævintýrum frá stórfenglegum víðdættum Norður-Ameríku, náttúruperlum Klettafjalla og álfaheimi stórborganna. Þessi einstæða veröld opnað til allra átta frá áfangastöðum Icelandair í Bandaríkjunum og Kanada, veröld þar sem má finna allt sem hugurinn ginnist og jafnvel hreppetjóra á fórnun vegi.

+ Bókaðu núna á [icelandair.is](http://icelandair.is)


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# AKUREYRI PROMOTION – SCA

Þér er boðið á opnunarkvöld  
**IWG**  
2015  
á Icelandair Hótel Akureyri, 12. mars kl. 21:00

Léttar veitingar í boði Red Bull og Icelandair hótel Akureyri.  
Dj Our Psych og trúbadorinn Allan Newman sjá um tónlistina.



2014 ICELAND WINTER GAMES

ICELANDAIR N4 e3E Siminn AVIS

ALCAN 66° NORÐUR Visit North Iceland THE AFETIC NORTH AKUREYRI VÍSIT AKUREYRI VÍSITURDASTOFA NORÐURLANDS

AIR ICELAND STEFNA SBA-NORÐURLEIÐ

# AKUREYRI PROMOTION – SCA

**Vidunderligt eventyrlandskab**

**KE NORDISL**

**ferie**

**Rejsesbløkken**

*for de der elsker at rejse*

**Rejsesbløkken**

**Rejsesbløkken**

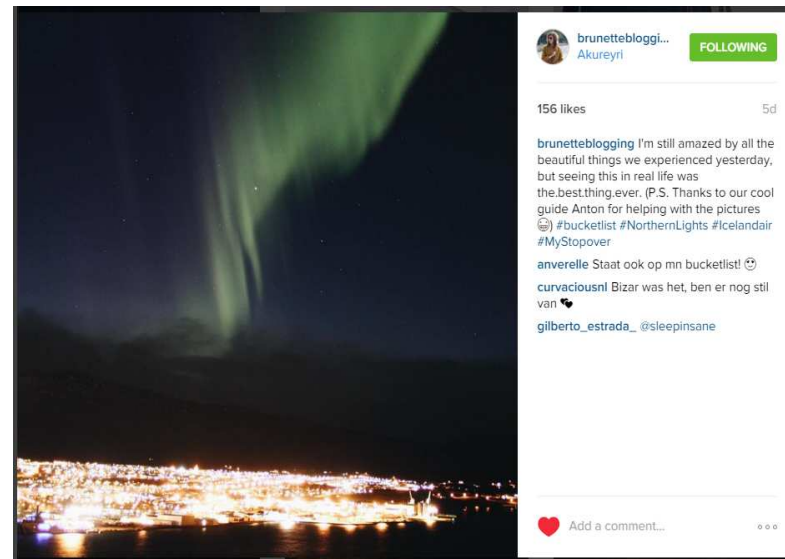
**Nordisland - en kold skøn**

**Kall skönhe på Nordislan**

**Nordisland**

**Kall skönhe på Nordislan**

# AKUREYRI PROMOTION – C-EUR



# AKUREYRI PROMOTION – UK



**£499pp -- Northern Iceland & Reykjavik Break w/Flts & Tour**  
Source: Icelandair Holidays



## LAND OF SNOW - BUT LITTLE ICE

Ice is a problem for most recreational skiers - but Arnie Wilton found only deep snow when he spent his Icelandic Skippur sitting in the country's north.

It's early spring in Iceland, but it's snowing hard when we head north to Snæfellsnes, the country's second largest island. It's a beautiful contrast to the landscape of the north, which is mostly a flat, open area of low hills and valleys. The snow is deep, and the weather is cold. Arnie Wilton, who has been skiing in Iceland for over 20 years, is sitting on the snow, looking at the camera. He says that the snow is perfect for him, but that it's not ideal for most recreational skiers.

including one of the most famous, we get to have a variety of ice, including the 'glacial' snow that we've discussed, and formed by a glacier. This is a 'fresh' snow, and is very soft. The 'glacial' snow is much harder, and is made up of ice that has been broken up by the glacier. This is a 'glacial' snow, and is much harder than the other snow. It's also a 'glacial' snow, and is much harder than the other snow. It's also a 'glacial' snow, and is much harder than the other snow.



“ The wide, open space in front of you highlights the feeling that you're almost floating in space.

# AKUREYRI PROMOTION – N-AMERICA

**TRAVELZOO**<sup>®</sup> NEWSFLASH™

From the Travelzoo Newsdesk

## \$1159 -- Iceland 2-City Northern Lights Escape from Edmonton

By Lily Fu



EDMONTON--JUNE 24, 2014-- Today, Icelandair launched a four-day sale on Iceland winter vacations -- with nonstop air from Edmonton -- cutting prices up to \$530 per person compared with purchasing components of the package separately.

This four-night package costs \$1159 per person including tax and allows travellers to explore both northern and southern Iceland, including the alpine town of Akureyri -- one of the top places to spot the Northern Lights and one of Lonely Planet's Top 10 European Travel Destinations last year.

The package includes:

Roundtrip nonstop flight to Reykjavik from Edmonton  
Intra-Iceland flights and transfers in Reykjavik and Akureyri  
Two nights at the Hotel Reykjavik Natura

**ICELANDAIR** 

THANK YOU

