

ISLAND TOURISM AND COVID-19: BUTLERS TOURISM AREA LIFE CYCLE, CULTURE, AND SWOT ANALYSIS

Hafdís Björg Hjálmarsdóttir¹, Helga Kristjánsdóttir²

Abstract. The *purpose* of this current research is to study island tourism during the COVID-19 pandemic. A unique island in the North Atlantic Ocean, in the Arctic region, was chosen to analyse island tourism. It is a European country, Iceland, located near the North Pole, at the "top of the world". In contrast to the well-known concept of sand island tourism, Iceland can be said to offer snow island tourism. In this remote area, the economic slowdown became noticeable somewhat later than in other regions of the world due to the COVID-19 pandemic. The *methodology* chosen to be presented in this study involves the use of a SWOT analysis to help clarify business strategy, applied to shed light on the strengths, weaknesses, opportunities and threats to a small open economy in the wake of the COVID-19 pandemic, focusing on island tourism, with a tourist destination located in the middle of the North Atlantic Ocean, almost equidistant from the US and Europe. The tourism industry in Iceland has grown substantially in recent years and has become the most important sector of the Icelandic economy in recent years, generating significant foreign exchange earnings for the country. In this analysis, tourism exports are presented as a share of GDP in line with international economic theories. Additionally, the country case study is considered in conjunction with the Butlers Tourism Area life cycle and culture in the analysis. The *results* of the SWOT analysis indicate that, when considering the strengths, weaknesses, opportunities and threats faced by the market, the overall growth potential of the market is significant. *Practical implications* include the need to strengthen the infrastructure further to best supply tourism opportunities. New opportunities are seen in online advertising, social media, digital marketing, food culture and historical culture, as well as sustainable and renewable resources. In addition, more attractions and pedestrian areas, as well as improved ski resorts. The *value / originality* of this study is somewhat unique, as it analyses island tourism, showing the successful development of tourism after the COVID-19 pandemic on remote islands in the North Atlantic Ocean. Ultimately, the summary and conclusions provide an overview and suggestions to consider when looking for ways to successfully promote tourism in the post-COVID crisis market.

Keywords: COVID-19 pandemic, European tourism, SWOT analysis, marketing, international trade and investment.

JEL Classifications: F10, F11, M10, M20, M30

1. Introduction

The aim of this current research is to study island tourism. Researchers have analysed the concept of sand island tourism (Aguilo, Alegre and Sard, 2005), however this current paper studies an island that some would say applies more to the concept of snow island, the country in question is Iceland. Tourism during COVID-19 has made everyone live in a new era (Duro, Laborda, Turrion-Prats, Fernández-Fernández, 2021) where the world is increasingly becoming a global village, teaching people that what affects one can affect the whole, and in this sense all people

are in this together. From the most densely populated places in China to some of the least densely populated places, such as Iceland. Iceland has only three inhabitants per square kilometre (European Environment Agency, 2020). The aim of this research is to focus on the COVID-19 pandemic and the country of Iceland, and to explore opportunities in tourism marketing to respond to the impact of the COVID-19 pandemic (Gössling, Scott, and Hall, 2021; Shapoval, Hägglund, Pizam, Abraham, Carlback, Nygren, Smith, 2021). The focus on the small open economy of Iceland as a sample country in this

¹ University of Akureyri, Iceland

E-mail: hafdisb@unak.is

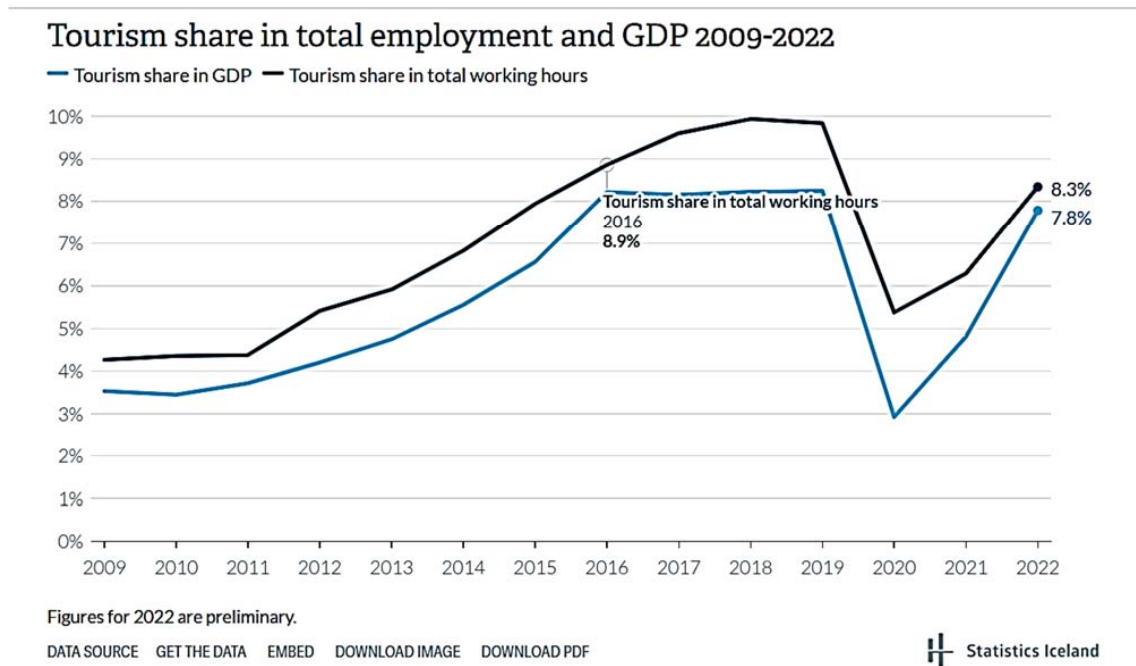
ORCID: <https://orcid.org/0000-0001-5258-515X>

² University of Akureyri, Iceland (*corresponding author*)

E-mail: helga@unak.is

ORCID: <https://orcid.org/0000-0002-8857-8063>





Graph 1. Tourism share in Iceland

Source: Statistics Iceland (2023a)

research provides an interesting study of island tourism flows (Kristjánsdóttir, 2017).

This is due to Iceland's location in the middle of the North Atlantic, almost equally distant from mainland Europe and the United States, and its reliance on air connections for tourists. This has led to limited foreign direct investment in the hotel industry (Kristjánsdóttir, 2016a), and to some extent to the Butler Tourist Area Cycle of development (Kristjánsdóttir, 2016b). Lonely Planet's travel experts have chosen Iceland as the third best place to visit in 2019, with its remote coastlines (Lonely Planet, 2020). The total area of Iceland is 103,000 km² (square kilometres). The country has a population of around 364,000, 2/3 of whom live in the capital area, and almost all of Iceland's inhabited areas are located in the coastal areas of the country. Iceland is one of the least densely populated countries in the world with around three inhabitants per km² (European Environment Agency, 2020). The export potential is subject to various issues, including culture, as shown in research analysing the impact of Hofstede's national culture on international trade (Kristjánsdóttir, Guðlaugsson, Guðmundsdóttir and Aðalsteinnsson, 2017, 2020). Tourism is particularly important to the Icelandic economy as it was the main export industry before the 2020 COVID-19 crisis, even though tourism taxes are higher than in other European countries (Kristjánsdóttir, 2019, 2020). The 2008 crisis hit this small economy particularly hard (IMF, 2018, 2020), causing one of the deepest recessions of any country in the world, with an interesting connection to the

tourism cycle designed by Butler (Kristjánsdóttir, 2016b). Hence, this paper is an effort to study and identify the opportunities in the current COVID-19 crisis.

Given how heavily Iceland depends on tourism, the tourism industry needs to send the right message in the wake of the crisis (Hjálmarsdóttir and Kristjánsdóttir, 2018). "According to the Icelandic Tourist Board surveys, one of the main reasons visitors come to Iceland is because of the distinctive nature"... "Visitors come with certain expectations to Iceland"... "The authors chose tour operators from public and private sectors and analyzed their promotion material, and the way they promote themselves according to the theories of IMC" (Hjálmarsdóttir and Kristjánsdóttir, 2018).

One of the novelties of this paper is the presentation of a SWOT analysis. How can Iceland assess the situation to deliver the right message? Consider several factors influencing tourism, combined with tourism marketing according to Michael Porter (1979).

This article provides a SWOT analysis for the remote country of Iceland. The strengths, weaknesses, opportunities and threats are analysed. The SWOT matrix is used for the analysis and it is found that the basic expectations do not need to be changed.

2. Literature

From an economic point of view, tourism can be divided into three main types: first, inbound tourism, also known as active tourism, which includes visits and stays by non-residents on the economic territory

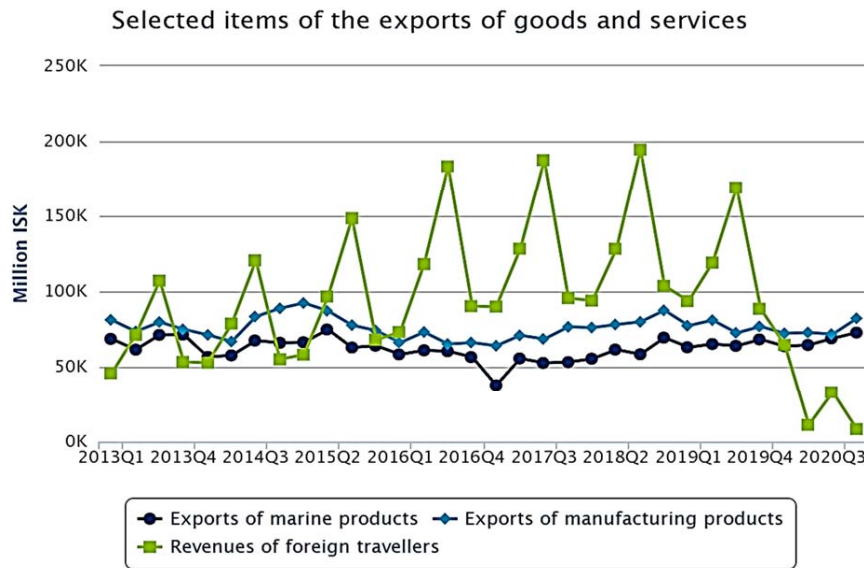


Figure 1. Development of export industries in Iceland, the most important of which is tourism
 Source: Statistics Iceland (2023b)

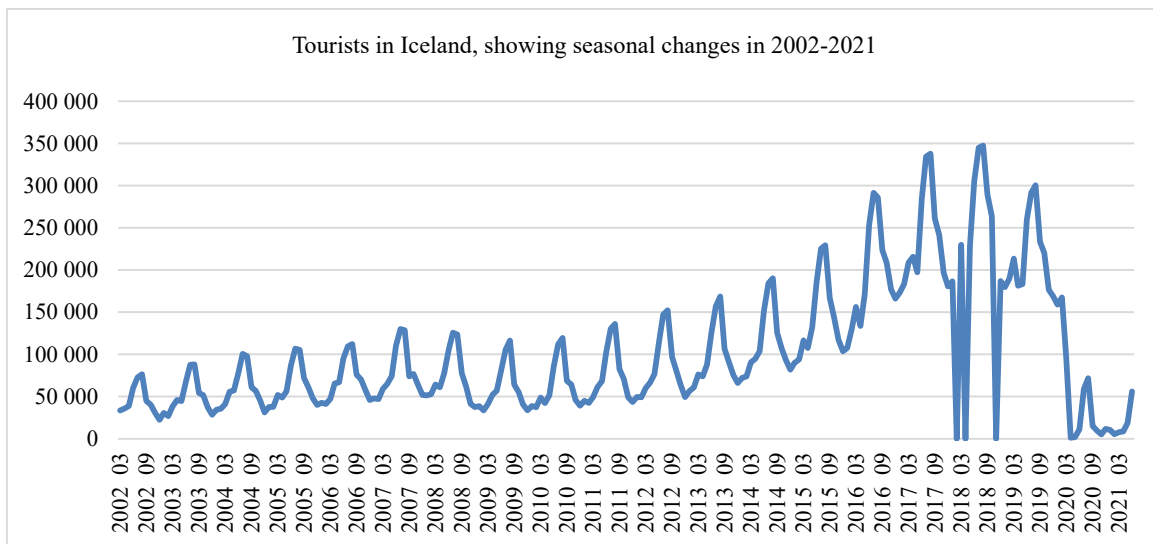


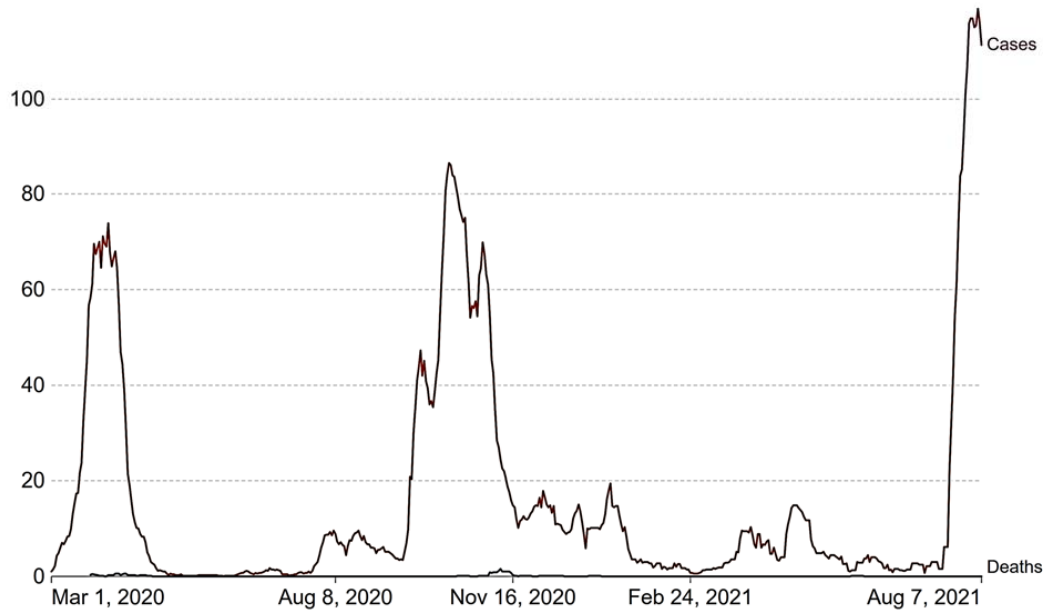
Figure 2. Tourists 2002-2021. Seasonal changes
 Source: Statistics Iceland (2023c)

of a given country. Second, domestic tourism, i.e., tourism by citizens of a given country on its own territory. Third, outbound tourism (passive tourism), including visits and stays of residents outside the territory of a given country (Lejsek, 2018). The SWOT matrix makes it possible to study the strengths, weaknesses, opportunities and threats after the COVID-19 pandemic. Several researchers have analysed the SWOT matrix (Menon et al., 1999; Hill and Westbrook, 1997; Koch, 2000; Chermack and Kasshanna, 2007; Porter, Argyres and McGahan, 2002). Economic studies have attempted to analyse the impact of the crisis in a small open economy such as Iceland (IMF, 2018, 2020; Krugman, 2011; World Bank, 2021). Prior to the pandemic, Iceland

experienced significant growth in tourism and investment with increasing returns to scale (Krugman, 1991; Kristjánsdóttir, 2016a, 2016b, 2017), and economists have sought to study the effects of taxation (Kristjánsdóttir, 2019, 2020), culture (Hofstede, 1980, 2001; Hofstede and Bond, 1988; Kristjánsdóttir, Guðlaugsson, Guðmundsdóttir and Aðalsteinnsson, 2017, 2020), and volcanic activity (Kristjánsdóttir H. and Kristjánsdóttir S., 2021). Researchers have also applied the knowledge capital model, taking into account skilled labour (Markusen et al., 1996). In addition, distance has been taken into account using the gravity model and Iceland (Bergstrand, 1985; Distance Calculator, 2020). Research has examined the effect of culture (He, Li, Lian and Zheng,

Daily new confirmed COVID-19 cases and deaths, Iceland

Shown are 7 day rolling averages. The confirmed counts shown here are lower than the total counts. The main reason for this is limited testing and challenges in the attribution of the cause of death.



Source: Johns Hopkins University CSSE COVID-19 Data – Last updated 8 August, 09:03 (London time) OurWorldInData.org/coronavirus • CC BY

Figure 3. Daily COVID-19 cases and deaths, Iceland
 Source: Our World in Data (2021)

2020) based on Hofstede's culture measure. When considering tourism evolvement, an S-shape curve can be considered, as explained in Kristjánsdóttir's (2016b) article on Butler's Tourist Area Cycle of Evolution. Previous analysis of tourism in Iceland (Kristjánsdóttir, 2016b) supports the hypothesis that tourist destinations follow the S-shape of tourism evolution over time: "Data on the dependent variable tourists include the number of tourists arriving in Iceland. The data on tourists are from the Icelandic Tourist Board (2012), cover the period 2003-2011, and include over 93% or more of foreign visitors who pass through Keflavik International Airport each year and register their nationalities" (Kristjánsdóttir, 2016b). The development of tourism in Iceland

in recent years supports this theory, both before (Figure 4) and after (Figure 5) the COVID pandemic. Figure 4 shows the number of tourists over the period from 1949 to 2011 (Kristjánsdóttir, 2016b).

Davidescu et al. (2021) examines the cultural activities of Hofstede. Davidescu et al. (2021) conduct an analysis using gravity models based on panel data and scenario forecast simulations for Romanian exports in the context of COVID-19. Tourism as a percentage of total exports, describing two scenarios including a V-shaped economic recovery and a U-shaped recovery. It will be of interest to observe whether Iceland will experience a U-shaped rather than a V-shaped recovery, based on the graph in Figure 6. Graph showing whether Iceland will experience

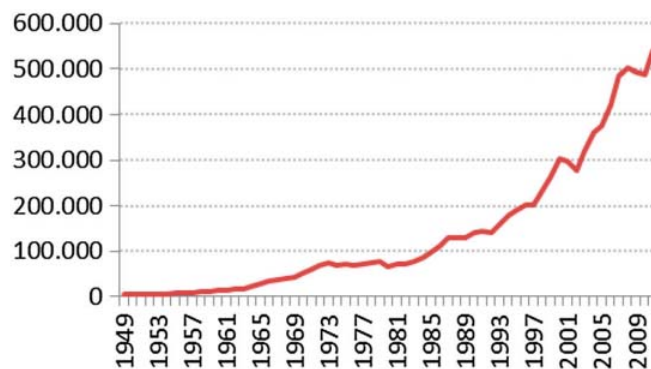


Figure 4. Number of inbound tourists in Iceland in the time period 1949-2011
 Source: Statistics Iceland, 2012

a recovery in the period 2018-2021. The graph is somewhat U-shaped, but the dashed line showing the time trend indicates a V-shaped recovery.

3. SWOT Matrix (Strengths Weaknesses Opportunities Threats) Matrix Setup

A SWOT analysis is used to assess future opportunities and possible constraints. SWOT analysis shows strengths, weaknesses, opportunities and threats, which is useful for marketing potential. Analysis of the SWOT matrix indicates that tourist expectations may be similar after the crisis. COVID-19

is likely to have a long-term impact on tourism globally. It is likely that future tourists will look for destinations with open and large spaces, where people are not necessarily interested in living in densely populated areas with huge hotels. It is expected that tourists will come here for a sense of remoteness, peace and quiet, and many of them will travel privately. It can be assumed that tourists will value clean air and clean water, as well as easy access to quality healthcare. Travel companies and airlines should do their best to bring travellers back to attractive destinations, possibly by offering them reduced airfares.

SWOT analysis for Iceland with regards to the COVID pandemic

<p>STRENGTHS</p> <ul style="list-style-type: none"> - Tourists come to experience remoteness. - Private travel is common - Quietness - Peace and security - Clean water in all wells - Clean agricultural products - Local hospitality - Culture of authenticity - Legal environment and stability - Unspoilt and clean renewable nature - Good healthcare - Snow tourism with potential for skiing 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - High price of the hotel - High flight costs - Limited access in winter - Limited infrastructure - Limited number of attractions and pedestrian areas - Long-term policy in access pricing - Difficult access in winter due to snow
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Online advertising, social media and digital marketing - Square kilometre per person in Iceland - Individual trips in the country - Sightseeing and hiking routes - English language skills of the locals - Food culture and historical culture - Sustainable and renewable resources - Geothermal pools throughout the country - Snow tourism with growing skiing potential. - Improvement of ski resorts 	<p>THREATS</p> <ul style="list-style-type: none"> - Foreign competition - Dangerous weather - The worldwide spread of diseases such as COVID-19 pandemic - Unprofessional marketing message - Natural hazards, volcanic activity, etc. - Avalanche due to snow

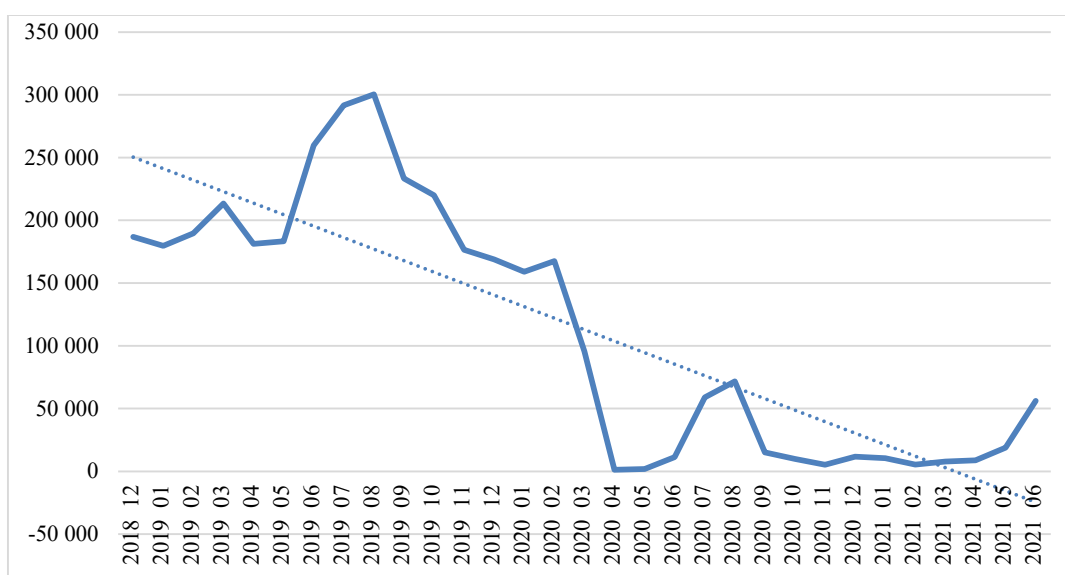
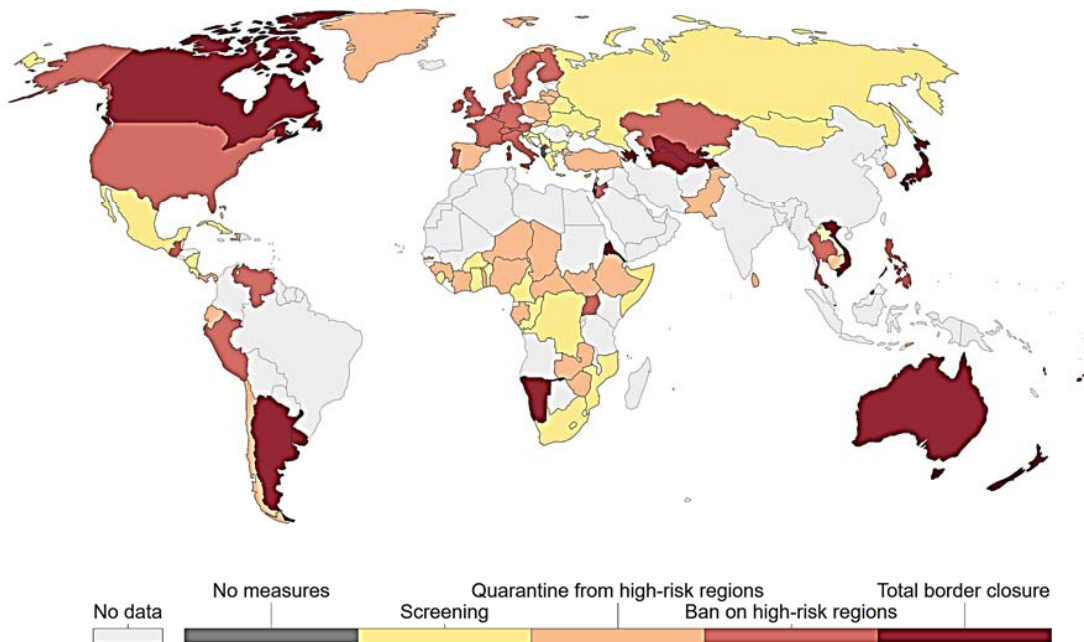


Figure 5. Tourists in Iceland, over the period 2018-2021. The dotted line is a time trend
Source: Statistics Iceland (2023d)

International travel controls during the COVID-19 pandemic, Aug 8, 2021

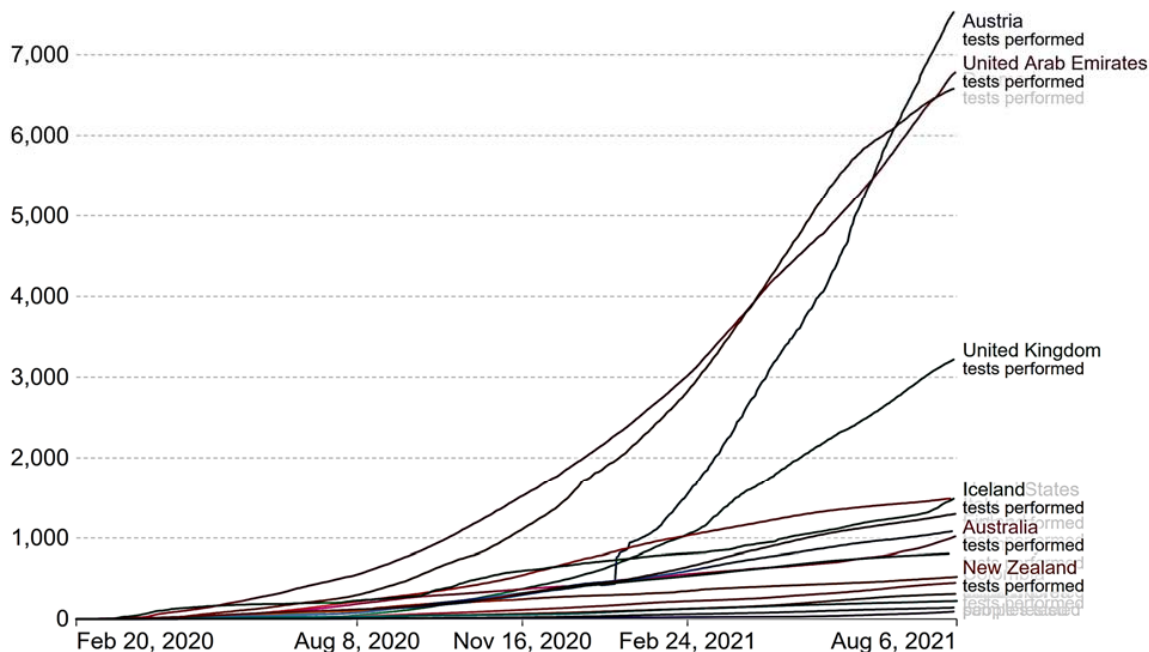


Source: Hale, Angrist, Goldszmidt, Kira, Petherick, Phillips, Webster, Cameron-Blake, Hallas, Majumdar, and Tatlow (2021). "A global panel database of pandemic policies (Oxford COVID-19 Government ResponseTracker)." *Nature Human Behaviour*. – Last updated 8 August 2021, 18:50 (London time)
 OurWorldInData.org/coronavirus • CC BY

Figure 6. International travel controls during the COVID-19 pandemic, Feb 12, 2021

Source: *Our World in Data* (2021)

Total COVID-19 tests per 1,000 people



Source: Official sources collated by Our World in Data
 Note: Comparisons of testing data across countries are affected by differences in the way the data are reported. Details can be found at our Testing Dataset page.
 OurWorldInData.org/coronavirus • CC BY

Figure 7. Total COVID-19 tests per 1,000 people

Source: *Our World in Data* (2021)

The authors believe that the weakness of the SWOT analysis is the long-term pricing policy, as there is still a lack of common agreements and solidarity on pricing, such as nature passes, airport arrival fees, tourism tax or overnight hotel fees. Over the past ten years, Iceland has experienced an explosion in tourism. This break in the influx of tourists should encourage policymakers and stakeholders to strengthen infrastructure and finally agree on an access fee to better prepare for tourist visits in the near future.

4. Results and Conclusions

This study focuses on the small open economy of Iceland, an island in the middle of the Atlantic Ocean, isolated by the COVID pandemic that has spread across the world. The authors aim to analyse the situation in the small open economy of Iceland in the hope that it will be useful for other economies by considering a SWOT analysis. The conclusions of the analysis indicate that there are several things that the tourism industry needs to consider. Strengths include the fact that after COVID, tourists come to experience remoteness, as in Iceland, snow island tourism has great potential with many fjords and mountains, and it is easy to travel privately, in peace, quiet and safety, with clean water in all facilities and clean agricultural products. Strengths also include local hospitality, authentic culture, legal environment and stability, unspoilt and clean renewable nature. However, weaknesses include high hotel prices, high airfares and limited access in winter, as infrastructure is limited to a few sightseeing sites and hiking trails, and there is a need for a more long-term pricing policy. The authors believe that now is the time to find a solution and agree on an access pricing policy,

as well as strengthen the infrastructure to be ready to receive tourists after this crisis. Opportunities include the growth of snow island tourism, online advertising, social media and digital marketing, as well as Iceland's large number of square kilometres per person, private travel in the country, attractions and walkways, English language skills of locals, culture linked to food and history, sustainable and renewable resources, and swimming pools across the country for leisure, socialising and sports. Threats include foreign competition, adverse weather conditions, the global spread of diseases such as the COVID-19 pandemic, unprofessional marketing messages, natural disasters, volcanic activity, etc.

This can be seen as one of the strengths of how the Icelandic government and health authorities have handled the coronavirus, or COVID-19. They have made quick decisions using few but effective methods to ensure that this pandemic is not as severe as it seems in some other countries and that the healthcare system continues to function. These methods include paid quarantine and excellent coordination. It showed that cooperation between medical professionals, police, government and others was incredibly important. Not to mention the emphasis on full transparency. Daily press conferences by the Health Department, the police, the Red Cross and others ensured that truthful and correct information was provided. No other country has conducted more testing, or conducted very limited amounts of it. Probably due to the small population in Iceland, it was easier to get people to follow instructions and receive information. In general, it is believed that a small open economy has the ability to successfully recover from the COVID-19 pandemic, given the strengths, weaknesses, opportunities and threats. In addition, the authors believe that Iceland has strengths and opportunities to develop snow island tourism.

References:

- Aðalsteinsson, G. D., Guðmundsdóttir, S., & Guðlaugsson, Þ. (2011). Icelandic National Culture in Relation to Hofstede's Five Dimensions. *Icelandic Review of Politics & Administration*, Vol. 2(7), p. 353–368. DOI: <https://doi.org/10.13177/irpa.a.2011.7.2.7>
- Almannavarnir (2020). Corona virus development.
- Aguilo, E., Alegre, J., & Sard, M. (2005). The persistence of the sun and sand tourism model. *Tourism Management*, Vol. 26 (2), p. 219–231.
- Belch, G. E., & Belch, M. A. (2018). *Advertising and Promotion an Integrated Marketing Communication Perspective 11th global ed.* McGraw-Hill.
- Bergstrand, J. H. (1985). The Gravity Equation in International Trade: Some microeconomic Foundations and Empirical Evidence. *The Review of Economics and Statistics*, Vol. 67, p. 474–481.
- Chermack, Thomas J., & Bernadette K. Kasshanna (2007). The Use of and Misuse of SWOT analysis and implications for HRD professionals. *Human Resource Development International*. 10 (4): 383–399. S2CID 145098663. DOI: <https://doi.org/10.1080/13678860701718760>
- Davidescu, Adriana AnaMaria; Popovici, Oana Cristina; & Strat, Vasile Alecsandru (2021). An empirical analysis using panel data gravity models and scenario forecast simulations for the Romanian exports in the context of COVID-19.
- Distance Calculator (2019). How Far is it. Available at: <http://www.indo.com/distance>

- Duro, J. A., Laborda, A. P., Turrion-Prats, J., & Fernández-Fernández, M. (2021). COVID-19 and tourism vulnerability, *Tourism Management Perspectives*, Vol. 38.
- European Central Bank (2020). ECB. EU and euro area membership. Available at: <https://www.ecb.europa.eu/stats/payments/paym/html/data.en.html>
- European Environment Agency (2020). Country introduction Iceland. Available at: <https://www.eea.europa.eu/soer/countries/is/country-introduction-iceland>
- European Free Trade Association (2020). About EFTA. History. Available at: <http://www.efta.int/about-efta/history.aspx>
- European Union (2020). Available at: <https://europa.eu/>
- Gössling, S., Scott, D., & Hall, C. M. (2021) Pandemics, tourism and global change: a rapid assessment of COVID-19. *Journal of Sustainable Tourism*, Vol. 29:1, p. 1–20. DOI: <https://doi.org/10.1080/09669582.2020.1758708>
- He, R., Li, H., Lian, Z., & Zheng, J. (2020). The effect of culture on consumption: A behavioral approach, *Journal of Asian Economics*. DOI: <https://doi.org/10.1016/j.asieco.2020.101180>
- Hill, T., & Westbrook, R. (1997). SWOT Analysis: It's Time for a Product Recall. *Long Range Planning*, Vol. 30 (1), p. 46–52. DOI: [https://doi.org/10.1016/S0024-6301\(96\)00095-7](https://doi.org/10.1016/S0024-6301(96)00095-7)
- Hjálmarsdóttir, H. B., & Kristjánsdóttir, V. K. (2018). Icelandic tourism – are we sending out the right message? Proceedings of the 43rd International Academic Conference, Lisbon. Available at: <https://iises.net/proceedings/43rd-international-academic-conference-lisbon/table-of-content/detail?article=icelandic-tourism-are-we-sending-out-the-right-message->
- Hofstede, G. (1980). *Culture's Consequences*. New York: Sage.
- Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*. New York: Sage.
- Hofstede, G., & Bond, M. H. (1988). The Confucius Connection: From Cultural Roots to Economic Growth. *Organizational Dynamics*, Vol. 16(4), p. 4–21.
- IMD (2020). Infrastructure. IMD International. Lausanne, Switzerland.
- International Monetary Fund (2011). IMF Conference Iceland's Recovery – Lessons and Challenges. Reykjavík, Iceland. Available at: <http://www.imf.org/external/np/seminars/eng/2011/isl/>
- International Monetary Fund (1992). Regional Trade Arrangements March. Occasional Paper 93. Editors: Augusto de la Torre and Margaret R. Kelly. Washington DC.
- IMF (2015). IMF and Iceland Outline \$2.1 Billion Loan Plan. IMF Survey online. Available at: <https://www.imf.org/en/News/Articles/2015/09/28/04/53/socar102408a>
- International Monetary Fund (2020). Available at: <http://www.imf.org/external/data.htm>
- IMF (2018). International Monetary Fund. Ragnarök: Iceland's Crisis, its Successful Stabilization Program, and the Role of the IMF. Poul M. Thomsen, Director, European Department, International Monetary Fund. Harpa Conference Center, Reykjavik. Available at: <https://www.imf.org/en/News/Articles/2018/09/15/sp091518-ragnarok-iceland-s-crisis-its-successful-stabilization-program-and-the-role-of-the-imf>
- IMF (2020). International Monetary Fund. Iceland. Available at: <https://www.imf.org/en/Countries/ISL>
- IMD (2020). Infrastructure. IMD International. Lausanne, Switzerland.
- Johnson, G., Whittington, R., Scholes, K., Angwin, D., & Regnér, P. (2017). *Exploring Strategy, text and cases*. Harlow. Pearson Education Limited.
- Koch, Adam (2000). SWOT does not need to be recalled: It needs to be enhanced. Swineburne University of Technology.
- Kotler, P., Keller, K. L., Brady, M., Goodman, M., & Hansen, T. (2019). *Marketing Management (4th europe.ed.)*. Harlow. Pearson Education Limited.
- Kristjánsdóttir, H. (2016a). Foreign Direct Investment in the Hospitality Industry in Iceland and Norway in comparison to the Nordics and a range of other OECD countries. *Scandinavian Journal of Hospitality and Tourism*, Vol. 16(4), p. 395–403.
- Kristjánsdóttir, H. (2016b). Can the Butler's tourist area cycle of evolution be applied to find the maximum tourism level? A comparison of Norway and Iceland to other OECD countries. *Scandinavian Journal of Hospitality and Tourism*, Vol. 16(1), p. 61–75. DOI: <https://doi.org/10.1080/15022250.2015.1064325>
- Kristjánsdóttir, H. (2017). The Longitude and Latitude of Trading in Tourists. *Journal of Tourism Research & Hospitality*, Vol. 6(2), p. 1–6. DOI: <https://doi.org/10.4172/2324-8807.1000165>
- Kristjánsdóttir, H. (2019). Tourism in a Remote Nordic Region: Vat, Internet, Oil, English, Distance, Hofstede, and Christianity. *Cogent Social Sciences*, 5: 1709346.
- Kristjánsdóttir, H. (2020). Tax on tourism in Europe: Does higher value-added tax (VAT) impact tourism demand in Europe? *Current Issues in Tourism*. DOI: <https://doi.org/10.1080/13683500.2020.1734550>
- Kristjánsdóttir, H., Guðlaugsson, Þ. Ö., Guðmundsdóttir, S., & Aðalsteinsson, G. D. (2017). Hofstede National Culture and International Trade. *Applied Economics*, Vol. 49(57), p. 5792–5801. DOI: <https://doi.org/10.1080/0036846.2017.1343446>

- Kristjánisdóttir, H., Guðlaugsson, Þ. Ö., Guðmundsdóttir, S., & Aðalsteinsson, G. D. (2020). Cultural and geographical distance: effects on UK exports. *Applied Economics Letters*, Vol. 27(4), p. 275–279. DOI: <https://doi.org/10.1080/13504851.2019.1613495>
- Kristjánisdóttir, H., & Kristjánisdóttir, S. (2021). CarbFix and SulFix in geothermal production, and the Blue Lagoon in Iceland. *Baltic Journal of Economic Studies*, Vol. 7 No 1, p. 1–9. DOI: <https://doi.org/10.30525/2256-0742/2021-7-1-1-9>
- Krugman, P. (1991). Increasing Returns and Economic Geography. *The Journal of Political Economy*, Vol. 99(3), p. 483–499.
- Krugman P. (2011). A Song of Ice and Ire: Iceland in context. Presentation at the IMF Conference Iceland's Recovery—Lessons and Challenges, Reykjavík, Iceland. Available at: <http://www.imf.org/external/np/seminars/eng/2011/isl/>
- Lejšek, Z. (2018). Dokážeme změřit turistu? *Statistika&my*, Vol. 5, p. 18–20.
- Lonely Planet (2020). *Best in Europe*. Available at: <https://www.lonelyplanet.com/best-in-europe>
- Markusen, J. R. (2004). *Multinational Firms and the Theory of International Trade*. MIT Press, Cambridge, Mass.
- Menon, A. et al. (1999). Antecedents and Consequences of Marketing Strategy Making. *Journal of Marketing*. American Marketing Association, Vol. 63 (2), p. 18–40. JSTOR 1251943. DOI: <https://doi.org/10.2307/1251943>
- OECD (2020). FDI series of BOP and IIP aggregates. Inward position at year-end. Available at: http://stats.oecd.org/Index.aspx?DataSetCode=FDI_FLOW_PARTNER#
- Our World in Data (2021). Available at: <https://ourworldindata.org/grapher/covid19-tests-per-million-people?country=AUS+AUT+COL+DNK+FIN+FRA+DEU+ISL+IRN+ITA+JPN+NZL+KOR+ARE+GBR+USA+VNM>
- Porter, M. E., Argyres, N., & McGahan, A. M. (2002). An Interview with Michael Porter. *The Academy of Management Executive* (1993-2005), Vol. 16 (2), p. 43–52. JSTOR 4165839.
- Shapoval, V., Hägglund, P., Pizam, A., Abraham, V., Carlback, M., Nygren, T., & Smith, R. M. (2021). The COVID-19 pandemic effects on the hospitality industry using social systems theory: A multi-country comparison. *International Journal of Hospitality Management*, Vol. 94.
- Statistics Iceland (2023a). Available at: <https://statice.is/publications/news-archive/national-accounts/tourism-satellite-accounts-2022/>
- Statistics Iceland (2023b). Trade in goods and services. Available at: <https://statice.is/statistics/economy/external-trade/trade-in-good-and-services/>
- Statistics Iceland (2023c). Passengers. Available at: <https://statice.is/statistics/business-sectors/tourism/passengers/>
- Statistics Iceland (2023d). Passengers. Available at: <https://statice.is/>
- World Bank (2021). Data. Available at: <http://data.worldbank.org/indicator> Downloaded January 1
- World Bank (2121a). Data. Available at: <https://data.worldbank.org/>
- Zwinkels, R.C.J., & Beugelsdijk, S. (2010). Gravity equations: Workhorse or Trojan horse in explaining trade and FDI patterns across time and space? *International Business Review*, Vol. 19(1), p. 102–115.

Received on: 15th of June, 2024

Accepted on: 27th of August, 2024

Published on: 20th of September, 2024