

Master's Thesis

Submitted to:

Reykjavik University

School of Business



MSC IN MARKETING

VAKINN, THE OFFICIAL QUALITY AND ENVIRONMENTAL SYSTEM WITHIN ICELANDIC TOURISM

An assessment of motives of seeking Vakinn,
reported benefits and use of quality tools

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Reykjavik, 15/05/2016

Abstract

This thesis, analyses Vakinn certified companies to identify the motives for seeking Vakinn, the official quality and environmental system within Icelandic tourism. It also analyses the reported benefits of implementing Vakinn and furthermore, analyses the use of various quality tools, which measure quality and are implemented within companies. Furthermore, the study compares these factors between sectors within the tourism industry and between companies, based on their last year's turnover.

The motives were divided into internal and external reasons. Participants were divided into groups based on the scoring of those reasons. Participants sought Vakinn for internal reasons, external reasons and a combination of these two reasons. The results indicate that companies which seek Vakinn for internal reasons, report higher levels of benefits, but do not use quality tools more frequently, than those that seek Vakinn for external reasons. Companies that seek the certificate for external reasons use quality tools to a greater extent than those that seek Vakinn for internal reasons. The difference between sectors of industry and between companies was insignificant. Restaurants and cafés report the highest level of benefits and use quality tools more frequently than other sectors. Those who checked the option "do not want to answer" of the question regarding sector of industry, scored lowest in benefits, but highest in use of quality tools. The main limitation of this study was the small sample size due to the limited population size; only 51 companies were Vakinn certified when this study was conducted.

Keywords: Quality certification, Internal benefits, External benefits, Quality tools, Iceland, Tourism Industry, Vakinn

Foreword and acknowledgement

This research is submitted in partial fulfilment of the requirements of the MSc in Marketing, Reykjavik University.

The author wishes to thank, Þröstur Olaf Sigurjónsson, Professor at Reykjavik University, for excellent guidance and feedback; Áslaug Briem, the Quality Control Supervisor at the Icelandic Tourist Board, for permission to conduct research on Vakinn access to companies, and valuable input and inspiration; Oddný Þóra Óladóttir, Research Manager at the Icelandic Tourist Board, for establishing contact; and finally, and most importantly, all Vakinn certified Icelandic companies that participated in this research.

The author alone assumes full responsibility for the contents of this thesis.

Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

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1 Introduction

The tourism industry in Iceland has expanded enormously in the past decade and is currently one of the three highest earning industries in the country (Icelandic Tourist Board, 2015). The number of visitors is estimated to increase by 29% in 2016 from the previous year, which would lead to 1.6 million visitors arriving at Keflavik airport this year (Íslandsbanki, 2016). The expansion has created many new jobs in various sectors within the tourism industry, i.e., restaurants and cafés, accommodation and travel agencies (Icelandic Tourist Board, 2014). Over one third of all new jobs created in 2010 to 2015 were generated directly by the tourism industry (Íslandsbanki, 2016). The rapid growth of the tourism industry has led to a swift expansion of existing companies, and new companies have entered the market. This might lead to an overall lower quality of products and services offered, and ultimately, decrease satisfaction among visitors (PKF Accountants and Business Advisers, 2013).

A joint quality system was needed in Iceland and as a response, Vakinn, the official quality and environmental system for companies within Icelandic tourism, was established in February 2012 (Forsaga, 2016). Vakinn is based on a quality certification model from New Zealand called Qualmark, but has been adapted to Icelandic conditions by various specialists and stakeholders within the industry (About Vakinn, 2016). Vakinn is led by the Icelandic Tourist Board a state-run operation. The main objective of the system is to assist and guide certified companies to enhance their overall quality and safety, along with raising the company's environmental and community awareness (About Vakinn, 2016). Icelandic companies within the tourism industry are not obliged to participate, but all companies are encouraged to do so, irrelevant of their size. Vakinn claims to provide applicants with an increase of their overall quality in various ways, for example, by providing guidance, access to data and education tools, enhanced company agenda, increased management skills, increased safety and health among guests and employees, a quality stamp for the company, a competitive advantage, increased market advantage, advertisements, and annual reassessments (Ávinningur, 2016). In order to be certified for Vakinn, companies have to meet standards, called "general criteria" and "specific criteria" (see appendix C). These criterias are used to evaluate applicants. A minimum of 70% of the general criteria must be met in order to be certified, and all aspects of the specific criteria must be fulfilled (Gæðaviðmið, 2016). Furthermore, companies can also apply for the environmental aspect of Vakinn as part of their certification which evaluates applicants' eco-friendliness (see appendix C).

The increase in tourism has resulted in more companies seeking quality systems worldwide (Heras Dick and Casadesús, 2002), and researchers have started analysing their motives for seeking quality certification. Previous studies have divided motives for seeking certification into internal and external reasons (Claver et al., 2006; Singels et al., 2001). Internal reasons concern the internal environment of the organizations, such as processes and procedures, and the external refer to the external environment of the company, such as competitive advantage and market share (Claver et al., 2006; Singels et al., 2001).

The increase in certification has led to a debate of the benefits of implementing quality systems. The benefits include for instance, increased productivity, improved customer satisfaction, and improved image. Several studies show no increase in benefits during the application process, nor any as a result of completion (Singels, Ruël and Van De Water, 2001; Tsekouras, Dimara and Skuras, 2002). Other studies reveal the opposite, that quality systems lead to increased benefits (Chow-Chua, Goh and Boon Wan, 2003; Dick, Heras and Casadesús, 2008; Heras, Dick, and Casadesús, 2002; Lee, 2012; Singh, 2008). The results of several papers indicate that greater benefits are obtained if the company seeks quality certification for internal reasons than for external reasons (Boiral and Roy, 2007; Martinez-Costa et al., 2008; Prajogo, 2011; Singels et al., 2001).

Quality tools are ways and methods to monitor and find out the actual quality of a product and/or service (McQuater et al., 1995). A classic example of a quality tool is customer satisfaction survey. By implementing quality tools the quality of a product and/or service can eventually be improved (Bunney and Dale, 1997; Stephens, 1997).

Due to its recent establishment, few studies on Vakinn are available, and thus limited information is available regarding the reasons for seeking this quality system, its benefits, and the use of quality tools. Furthermore, studies of quality systems in the Icelandic tourism industry overall is limited. The aim of this thesis is to gather data and investigate the internal and external reasons of seeking Vakinn. Additionally, this thesis includes a thorough analysis of the two reasons, along with reported benefits, and the use of quality tools. Therefore, the focus of this thesis is on the quality aspect of Vakinn, and the environmental aspect will be omitted at this time. The aim of this thesis is to provide Vakinn with information on why companies seek the quality system and what the benefits are of being certified. The study was conducted in co-operation with the Icelandic Tourist Board which is responsible for Vakinn.

The following are the five research questions addressed:

1. Do companies seek Vakinn mainly for internal reasons or mainly for external reasons?
2. Do companies that seek Vakinn for internal reasons report a higher level of benefits than companies that seek Vakinn for external reasons?
3. Do companies that seek Vakinn for internal reasons use quality tools more frequently than companies that seek Vakinn for external reasons?
4. Do the reasons for seeking Vakinn, reported benefits, and use of quality tools differ depending on industry sector?
5. Do the reasons for seeking Vakinn, reported benefits, and use of quality tools differ depending on the size of companies?

The structure of this thesis is as follows: chapter two discusses existing literature, chapter three describes the methodology, chapter four describes the results, chapter five covers discussion with regards to limitations and future research, and finally, chapter six covers conclusion and recommendations.

2 Literature Review

2.1 Definition of quality in tourism

Quality is a multidimensional concept of various meanings and interpretations (Ishikawa, 1990; Seawright and Young, 1996; Smith, 1993). Researchers have debated over the definition of quality for centuries, and defined it in various ways but still today no universal definition of quality exists (Crosby, 2006; Reeves and Bednar, 1994; Wicks and Roethlein, 2009). Different perspectives, components and orientations have led to different definitions between industries, products, and services (Tapiero, 2012, p4; Edwards, 1968). Quality is not physical and cannot be measured directly, but is instead valued in an objective and subjective manner (Tapiero, 2012, p4). This often results in managers defining quality requirements influenced by their prior experience, leading to inaccurate communication within the company (Hagan, 1984). Companies within the tourism industry assess quality by finding the customer's needs, and analyse the needs in relation to quality characteristics. This has led to the establishment of quality systems, for instance, Total Quality Management (TQM) and the ISO 9000 system, which are the largest quality management systems within the tourism industry worldwide (Sun, 2000). Vakinn is the national quality system in Iceland, operated by the Icelandic Tourist Board and is the basis of this thesis.

2.2 Reasons for seeking quality certification

The establishment of quality certification systems can be traced to the increased competition on the market as well as the increasing demands of tourists who are more aware of the quality of service and product (Brown Van Der Wiele and Loughton, 1998; Costa, 2004; Claver, José Tarí and Pereira, 2006). Meeting customers' expectations is vital as high customer satisfaction leads to customer loyalty, business growth, improved image and personal recommendations (Nightingale, 1985). The pressure of seeking certification does not exclusively arrive from tourists and greater competition worldwide, but also from larger enterprises that require their suppliers to have a certification of some kind. This has had a large effect on companies that feel forced to seek certification in order to maintain their competitive position and meet customers' requirements. For instance, in some states in Australia, the government requires companies to be certified in order to be able to tender for contracts (Brown et al., 1998). To conclude, companies within the tourism industry seek quality certifications to a

higher degree due to the competitive pressures, increased demands of tourists, and pressure from other companies (Brown and Van der Wiele, 1995; Street and Fernie, 1993; Wenmoth and Dobbin, 1994).

The motives behind seeking certification can affect organizational performance, according to several studies (Martínez-Costa, et al., 2008; Nair and Prajogo, 2009; Prajogo, 2011). These studies have reported mixed results when it comes to identifying the motives that companies have for seeking quality certification. Previous studies have divided these motives into two groups; internal reasons, i.e. from within the organization, and external reasons, i.e. for various factors from the organization's environment (Claver et al., 2006; Singels et al., 2001). The internal reasons are factors concerning the internal environment of the organization, such as the company's structure and processes, efficiency, quality of products and/or services and quality awareness (Claver et al., 2006; Singels et al., 2001; Tarí, Heras-Saizarbitoria and Dick, 2014). External reasons, on the other hand, concern the external environment of the organization, such as competitive advantage, market share, customer demands, pressure of customers, and direct entry into new markets (Claver et al., 2006; Singels et al., 2001; Tarí, Heras-Saizarbitoria and Dick, 2014); . Several studies indicate that companies mainly seek certification for external reasons (Carlsson and Carlsson, 1996; Jones et al., 1997; Huarng et al., 1999; Lee, 1998; Lipovatz Stenos and Vaka, 1999; Martínez-Costa et al., 2008; Taylor, 1995). However, other studies indicate that companies seek certification mainly for internal reasons (Alonso-Almeida, Rodríguez-Antón and Rubio-Andrada, 2012; Boiral and Roy, 2007; Casadesús, 2010; Gotzamani and Tsiotras, 2002; Idris et al., 1996).

Jones et al. (1997), studied 272 ISO certified Australian organizations and divided the participants into three groups based on the two reasons mentioned earlier. A minority of participants sought certification for internal reasons (14%) but the majority sought certification for both external reasons (43%) and a combination of internal and external reasons (43%). Similarly, Boiral and Roy (2007), divided the participants into four groups depending on the same two reasons. The first group (24%) sought certification for external reasons, and the second group (23%) for internal reasons. The third group (34%) sought certification for a combination of internal and external reasons and scored highly for both reasons, the fourth group (20%) sought certification for a combination of reasons and scored low for both reasons.

There are three reasons that seem to be the most common for seeking certification, and these reasons come from both internal and external sides of the spectrum. “Improving customer service” was the highest ranking item out of the reasons in several of the studies, including Brown and Van der Wiele (1995), and Claver et al. (2006). “Meeting customers’ demands” was highly ranked in four of the studies (Carlsson and Carlsson, 1995; Gotzamani and Tsiotras, 2002; McTeer, and Dale, 1994; Sun and Cheng, 2002), however, “meeting customers’ demands” scored lowest in the study by Claver et al. (2006). “Increasing quality” was among the highest scores in the studies by Brown and Van der Wiele (1995) and Carlsson and Carlsson (1995).

The concepts of the resource-based view and institutional theory reveals the effect of the reasons behind certification. The resource-based view reflects how companies seek certifications for internal reasons, how a company can gain competitive advantage by using important internal resources, which the firm already has, and applying them where they are needed (Grant, 1991; Oliver, 1997; Penrose, 1959). Conversely, institutional theory describes how companies are motivated by external reasons, how environmental and social factors can lead to the use of management practices (Martínez-Costa et al., 2008; Nair and Prajogo, 2009; Oliver, 1997; Prajogo, 2011). For instance, quality systems (Heras-Saizarbitoria, 2011; Heras-Saizarbitoria and Boiral, 2013; Nair and Prajogo, 2009). An organizations’ behaviour is affected by three factors: coercive, mimetic and normative pressures (DiMaggio and Powell, 1983). Firstly, coercive pressure derives from society. For example, regulations from other companies or from customer pressure (Del Mar Alonso-Almeida and Rodríguez-Antón, 2011; Lee, 1998; Rubio-Andrada, Singels et al., 2001). Secondly, normative pressures are pressures to match the others’ norms, for example by improving the company’s image (DiMaggio and Powell, 1983; Jones, Arndt and Kustin, 1997; Prajogo, 2011). Finally, mimetic pressure refers to copying others’ practices, such as seeking the same quality system as some other company on the market (DiMaggio and Powell, 1983). These three factors may lead to low performance in trying to reach the criteria of the certification because the company seeks certification for external reasons (Nair and Prajogo, 2009).

2.3 Benefits of implementing quality certification

The increase in quality systems worldwide in the recent years has led to increase in studies, analysing the benefits of seeking certification (Brown et al., 1998; Jones et al., 1997; Naveh and Marcus, 2005; Prajogo, 2011; Singels et al., 2001; Yahya and Goh, 2001). Various benefits have been identified and analysed by researchers, and like the reasons to seek certification that were mentioned previously, the reported benefits of implementing certification have been divided into internal and external benefits. Internal benefits concern the changes within the company, conversely, external benefits concern the change in the external environment of the company such as customer satisfaction. Of the internal benefits, the most reported benefit that companies feel they gained after completing the certification is increased quality awareness within their firm and amongst their staff. (Boiral, 2003; Brown, et al., 1998; Carlsson and Carlsson, 1995; Casadesus and Gimenez, 2000; Chow-Chua et al., 2003; Sharma, 2005). Brown and Van der Wiele (1995), studied 160 companies in Australia. The companies reported increased quality awareness as the main benefit obtained after completing certification. This is consistent with the results of Jones et al (1997), Van der Wiele, Dale and Williams (2000), and Yaha and Goh (2002). According to Dale (1994), with increased quality awareness customers perceive the products and services of higher quality, and this results in a higher level of customer satisfaction. Improved customer satisfaction scored the highest of external benefits in several studies. Companies report that their customers are more satisfied with their service and/or product after they've implemented a quality system (Jones et al., 1997, Casadesus and Gimenez, 2000, Claver et al., 2006 Leung et al., 1999).

Various studies have analysed if quality systems affect financial performance. Terziovski et al. (1997), found no positive relationship between quality certification and business performance in a study of 1,000 companies in both Australia and New Zealand. A study by Heras, Dick and Casadesús (2002), revealed similar results; that the certification did not lead to an increase in sales. Consistent with this are the following studies: (Redman et al., 1995; Terziovski et al., 1997).

When seeking certification, companies that seek certification for internal reasons report higher benefits than those that seek certification for external reasons (Brown et al., 1998; Jones et al., 1997; Singels et al. 2001; Terziovski and Power, 2007; Yahya and Goh, 2001). Furthermore, these companies are able to create valuable internal resources and capabilities that are hard to copy and result in a competitive advantage

(Prajogo, 2011; Martínez-Costa et al., 2008). Internal reasons lead to continuous improvement but external reasons only reach the minimum criteria of a quality certification system (Nair and Prajogo, 2009).

The resource-based view reflects internal reasons, and results in reaching the certification criteria to a higher degree, leading to an increased benefit (Boiral and Roy, 2007; Casadesus and Karapetrovic, 2005; Jones et al., 1997; Leung, Chan and Lee, 1999; Martínez-Costa et al., 2008; Poksinska et al., 2006; Sampaio et al., 2009; Yaha and Goh, 2001). As they have less difficulty in reaching the certification criteria than the organizations that seek certification for external motives, they acquire more advanced quality culture and management system (Jones et al., 1997; Yahya and Goh, 2001). When internal motives are missing, no benefits of quality certification are achieved, either internal or external (Dick, 2009). Internal reasons are vital in order for the quality certification to be effective, such as increased efficiency, and continuous improvement of process and product (Augustyn and Pheby, 2000; Psomas, Fotopoulos and Kafetzopoulos, 2010). Organizations that seek a quality certification for external reasons (institutional theory) often engage in superficial implementation (Jones et al., 1997; Nair and Prajogo, 2009), and seek the certification exclusively to receive the quality staple. Minimum effort is made to reach the criteria, resulting in little improvement and leading to higher costs than benefits for the company (coercive pressure) (Brown et al., 1998; Gore, 1994; Martínez-Costa et al., 2008). Overall, internal motives assist with continuous enhancement of the quality of the management system, instead of reaching the minimum standards that are common with external motives (Nair and Prajogo, 2009).

Companies have reported several problems with implementing quality systems, such as high cost, lack of resources, and being very time-consuming (Brown and Van der Wiele, 1995; Carlsson and Carlsson, 1996; Ingram and Daskalakis, 1999; Nield and Kozak, 1999). Other studies have reported a lack of support from management, inadequate training, and unclear benefits of obtaining the certification (Calingo et al., 1995; Quazi and Padibjo, 1998). The high cost and lack of resources are the biggest problems and hindrances for small companies (Bryde and Slocock, 1997). Furthermore, smaller companies often feel forced to seek certification because larger enterprises refuse to do business with them without the certification. The majority of the smaller companies claimed that the pressure from customers was the most important reason for seeking certification (Gotzamani and Tsiotras; 2002; McTeer, and Dale, 1994; Sun and

Cheng, 2002), and companies that seek certification due to this kind of coercive pressure report fewer benefits than those that seek certification for internal reasons (Brown et al., 1997; Bryde and Slocock, 1997; Lee, 1995; Stalhane, 2006).

2.4 Effects of internal and external reasons on the use of quality tools

Quality tool is a device which companies can use and apply to monitor their quality. Sometimes multiple tools are combined creating a technique to find out the quality of products and/or service (McQuater et al., 1995). Tarí, Heras-Saizarbitoria and Dick (2014), studied the use of following quality tools “customer satisfaction surveys”, “internal audits”, “data statistics”, “mystery guest”, “quantification of non-conformity cost”, “internal training”, “flow-charts”, “quality and procedures manuals”, “complaints register”, “minutes from meetings”, “incident register – internal communication” (Tarí, Heras-Saizarbitoria and Dick, 2014). Of those mentioned above, “customer satisfaction surveys”, were most commonly used quality tools and the use of a “mystery guest” was hardly ever used. According to study by Vouzas (2004) “checklist” and “flowchart” were most commonly used quality tools amongst Greek companies.

Quality tools both help and are vital when it comes to improving the quality of products and/or service (Bunney and Dale, 1997; Stephens, 1997). Motives of seeking quality certification have been linked to the use of quality tools. According to studies by Ahire, Waller and Golhar (1996), Rao, Raghunathan and Solis (1999) and Rahman (2001), organizations that seek certification for internal motives are more prone to use quality tools.

2.5 Limited literature of Icelandic tourism industry

Previous studies have reflected mixed results of motives seeking certification. However, studies indicate that companies that seek certification for internal reasons, obtain higher level of benefits and use quality tools more frequently than those that seek certification for external reasons. Therefore it would be interesting to analyse these factors in the case of Vakinn. Although, there are problems with quality within the Icelandic tourist industry, limited literature is available at hand on this matter concerning Icelandic companies.

Thus based on this literature review, five research questions were proposed:

1. Do companies seek Vakinn mainly for internal reasons or mainly for external reasons?
2. Do companies that seek Vakinn for internal reasons report a higher level of benefits than companies that seek Vakinn for external reasons?
3. Do companies that seek Vakinn for internal reasons use quality tools more frequently than companies that seek Vakinn for external reasons?
4. Do the reasons for seeking Vakinn, reported benefits, and use of quality tools differ depending on industry sector?
5. Do the reasons for seeking Vakinn, reported benefits, and use of quality tools differ depending on the size of companies?

The next chapter will describe the methods implemented in this research. Following this are the results, the discussion that reflects on the research questions stated above, along with recommendations for Vakinn, and lastly the conclusion.

3 Method

3.1 Participants

The participants consisted of representatives of all the Icelandic companies which were certified by Vakinn in February 2016 (see appendix C) amounting to 76 employees that were responsible for implementing the system at these 51 certified companies. The sample, however, consisted of a total of 45 participants with a response rate of 59%. The answers were anonymous and not traceable. No compensation or credit was offered for participation and participants were not obligated to answer the survey.

Demographic characteristic of the sample are shown in table 1, below. The majority of the companies were travel agencies, whereas the smallest portion were restaurants or cafés which correlates with the high number of travel agencies certified and small number of restaurants and cafés certified (see appendix C). A substantial amount of participants marked the option “other” referring to their multiple roles as

both travel agency and accommodation or a combined restaurant and accommodation. Furthermore, some were representatives of a whale watching company, a national park, a cultural base and museum which was hard to link to the options given. The majority of the sample consisted of companies with last year's turnover above 400 million ISK and none of the companies had turnover below 20 million ISK.

Table 1

Sample characteristics of participants, regarding sector of tourism industry and the companies' last year's turnover

Demographic Variables	Frequency (Percentage)
Industry sector	
Travel Agency	21 (47%)
Accommodation	8 (18%)
Restaurant or Café	3 (7%)
Other	9 (20%)
Do not want to answer	4 (9%)
Last year's turnover	
≥ 400 million ISK	14 (31%)
200-400 million ISK	3 (7%)
120-200 million ISK	7 (16%)
50-120 million ISK	7 (16%)
20-50 million ISK	5 (11%)
≤20 million ISK	0 (0%)
Do not want to answer	9 (20%)

The number of employees at the companies varied, and thus the average number of employees was calculated based on the last year's turnover of the organization (see appendix B). On average, 103 employees worked at companies with last year's turnover over 400 million ISK, 23 employees at companies with last year's turnover of 200-400 million ISK, 16 employees at companies with last year's turnover of 120-200 million ISK, six employees at companies with last year's turnover of 50-120 million ISK and four at companies with last year's turnover of 20-50 million ISK.

3.2 Procedure

An online survey was created from the questionnaire, described below, with the online survey tool called Survey Gizmo (see appendix A). The estimated time to finish the online survey was approximately six minutes. The study was conducted in collaboration with Áslaug Briem, the Quality Control Supervisor of The Icelandic Tourist Board. Áslaug Briem was responsible for sending e-mails to all participants. The content of the e-mail comprised of a short introduction letter (see appendix A) along with a link of the online survey. The e-mail was sent on February 24, 2016 and 23 responded. A follow up e-mail was conducted on March 4, 2016 and participants were encouraged to participate if they had not participated already and furthermore politely thanked if they had already completed the survey. The responses of the follow up e-mail were 23, amounting up to total of 46 responses in the end.

3.3 Measures

The questionnaire implemented in this study was based on previous study conducted by Tarí, Heras-Saizarbitoria and Dick (2014). Which analysed all hotels in Alicante in Spain that were certified under the Q for Tourist' Quality Mark certification of the Spanish Tourism Quality Institute (ICTE). Their questionnaire was based on previous studies (Brown et al., 1998; Bryde and Slocock, 1998; Carlsson and Carlsson, 1996; Claver et al., 2006; Jones et al., 1997; Kaynak, 2003; Powell, 1995; Singels et al., 2001; Tarí and Sabater, 2004; Samson and Terziovski, 1999). As the questions in this study were solely targeted at Icelandic companies, the questionnaire was translated from English to Icelandic (see appendix A). The translation of the questionnaire was read over by various individuals and approved by Áslaug Briem.

Internal and external reasons were assessed with the question, “please rate how much effect following factors had on the decision to seek Vakinn”. A total of eight factors were stated and the participants were asked to rate the importance of each of the eight items on a five point scale from extremely important to not at all important. Items included, for example, process standardisation, improving service quality and increasing market share. The internal reliability of the eight items was good or, $\alpha = .82$.

Benefits were assessed with an incomplete statement. “Participation of Vakinn has led to...” Following with eight items of benefits which the participants were asked to rate on a five point scale from agree strongly to disagree strongly. Items included for

instance: favours process optimisation, increased sales and improved customer satisfaction. The internal reliability score of the question was excellent or, $\alpha = .90$.

Use of quality tools, was assessed with the question “how much does the organization use the following quality tools?” A total of eleven quality tools were listed and participants were asked to rate on a five point scale from very frequently to very rarely. Items included for instance: customer satisfaction surveys, internal training and mystery guest. The reliability score of the question was good, or $\alpha = .71$.

Companies' sector was assessed with the question “which sector of the tourism industry is the company based in?” with the options “travel agency”, “accommodation”, “restaurants and cafés”, “other” and “do not want to answer”.

Last year's turnover was assessed with the question “what was the last year's turnover of the company?” with the options “over 400 million ISK”, “200-400 million ISK”, “120-200 million ISK”, “50-120 million ISK”, “20-50 million ISK” and “under 20 million ISK”.

3.4 Analysis

Principal Components analysis was conducted with Varimax rotation of the eight items of the first question regarding the reasons of seeking Vakinn, in order to identify the different reasons for seeking the quality system. Based on the results from the Principal Components analysis, a two stage analysis, hierarchical and non-hierarchical analysis were conducted of the participants. It divided participants into various groups depending on their score of internal and external reasons. Kruskal-Wallis analysis was implemented in order to identify the reasons and if the score of reasons was in relation to the score of benefits and the score of use of quality tools.

One way ANOVA was implemented was to analyse different score of reasons, benefits and use of quality tools between sectors of the industry and between companies.

In this research a principal component analysis with orthogonal rotation was conducted on the eight items of reasons for seeking Vakinn. All factors below .4 were excluded from the analysis as recommended by Stevens (2002). (Correlation matrix was also analysed, see appendix B). The Kaiser-Meyer-Olkin was .753, which indicated the sampling adequacy of the test was good. As according to Kaiser (1974), the Kaiser-Meyer-Olkin measures that range within .7 and .8 are considered a good value. The value of KMO for each item was $> .62$ but according to Field (2009), value for item

above .5 is considered sufficient. Bartlett's sphericity test $\chi^2(28) = 161.785, p < .001$, which shows that the calculated correlation among items were adequately large for the Principal Component Analysis. These two components together explain total of 69% of the variance (see table 3). The results of the Scree plot revealed that the factors should be divided into two groups (see appendix B).

4 Results

4.1 Internal and external reasons, benefits and use of quality tools

Table 2 shows the Varimax rotated factor matrix of the reasons. As seen in table 2, below, the eight items cluster into two groups which reflect the internal and external reasons. The first component includes the items that represent external reasons and consists of the following items: increasing competitiveness, increasing market share, improving service quality, customer demand and improving customer satisfaction. The second component includes the items that represent internal reasons, and consists of the following items: increasing efficiency, process standardisation and developing quality awareness and culture.

Table 2

Factor loadings for exploratory factor analysis with varimax rotation of internal and external reasons of seeking Vakinn

Item content	External reasons	Internal reasons
Increasing competitiveness	.88	
Increasing market share	.82	
Improving service quality	.68	.55
Customer demand	.67	
Improving customer satisfaction	.62	.55
Increasing efficiency		.86
Process standardisation		.79
Developing quality awareness and culture	.46	.63
Eigenvalue	3.01	2.49
Percentage total variance explained	37.63	31.18

Two-way analysis was conducted, hierarchical and non-hierarchical analysis, in order to identify the groups of companies according to the reason for seeking certification. The hierarchical analysis included the square of the Euclidean distance, and the Ward's method and Dendogram (see appendix B) and agglomeration coefficient (see appendix B) were analysed to decrease the clusters' differences. The analysis is based on total of four groups of companies and is validated by significant differences between the groups, see table 3 below. The Kruskal-Wallis test was conducted in order to find the means of each item. The first group scored high on internal reasons but low on external reasons. The second group scored high on external reasons but low on internal reasons. The third group scored high on both reasons, and the fourth group scored low on both reasons.

There was a significant difference between the four groups in terms of benefits, see table 3 below. The first group scored higher on internal reasons than external reasons and also scored higher on benefits. The second group, conversely, scored higher on external reasons but low on internal reasons, and scored low on benefits. The third group scored high on both reasons and also high on benefits, but the fourth group scored low on both reasons and low on benefits as well.

There was also a significant difference between the four groups in terms of use of quality tools. The first group scored higher on internal reasons than on external reasons, but scored low on the use of quality tools. The second group scored higher on external reasons than on internal reasons, but scored higher on the use of quality tools. The third group scored high on both reasons as well as on the use of quality tools and the fourth group scored low on both reason as well as on the use of quality tools.

Table 3

Factors averages and Kruskal-Wallis test verifying the differences between the four groups of the two stage analysis based on reasons of seeking Vakinn

Factors	Kruskal-Wallis					
	Cluster	Cluster	Cluster	Cluster	Chi	Sign
	1 <i>n</i> = 14	2 <i>n</i> = 11	3 <i>n</i> = 12	4 <i>n</i> = 6	square	
Internal reasons	4.52	3.33	4.78	3.44	33.02	.000
Increase efficiency	4.50	2.91	4.75	3.17	27.10	.000
Develop quality awareness and culture	4.64	4.09	4.92	3.17	21.05	.000
Process standardization	4.43	3.00	4.67	4.00	19.63	.000
External reasons	3.94	3.98	4.70	2.47	27.47	.000
Customer demand	3.86	3.82	4.50	2.67	15.03	.002
Increase market share	2.71	3.73	4.50	1.83	24.45	.000
Increase competitiveness	3.86	4.27	4.75	2.17	18.25	.000
Improve customer satisfaction	4.43	3.82	4.75	2.50	20.92	.000
Improve service quality	4.86	4.27	5.00	3.17	28.38	.000
Benefits	3.43	3.26	3.87	2.67	9.31	.025
Internal benefits						
Increased motivation	3.64	3.27	4.00	2.67	8.13	.044
Increased productivity	3.07	2.91	3.58	2.33	7.08	.069
Reduction in non-conformity cost	3.36	3.00	3.83	2.67	5.86	.119
Favours innovation in tourist product	2.79	2.64	3.17	2.17	4.74	.192
Favours process optimisation	4.21	3.18	4.33	3.67	13.09	.004
External benefits						
Improved customer satisfaction	3.43	3.46	4.00	2.50	9.89	.020
Improved image	4.21	4.36	4.67	3.33	10.25	.017
Increased sales	2.71	3.27	3.33	2.00	14.53	.002
Quality tools	3.36	3.48	3.72	3.03	9.60	.022
Customer satisfaction surveys	2.79	3.55	3.25	3.00	2.45	.484
Minutes from meeting	3.21	2.18	3.50	2.50	2.47	.481
Mystery guest	1.54	1.82	2.30	1.17	5.97	.113
Facilities and/or corporate internal audits	4.21	3.91	4.33	3.83	1.94	.585
Quantification of non-conformity cost	2.21	2.36	2.60	2.67	1.16	.762
Flow chart	2.71	3.20	2.55	2.50	1.77	.621
Quality manual	4.29	4.10	4.42	3.17	10.03	.018
Complaints register	4.07	3.91	4.58	3.50	6.43	.093
Data statistics	3.57	3.64	4.25	3.17	3.81	.282
Internal training	4.21	4.46	4.33	4.00	1.30	.729
Procedures manual	4.29	4.00	4.50	3.83	3.86	.277

The highest mean score of internal reasons was for the item “developing quality awareness and culture”, followed by “process standardization” and “increase efficiency”. The highest mean score of external reasons was for “improving service quality”, followed by “improving customer satisfaction”. The lowest score of reasons was of the item “increase market share”. The highest score of benefits was for the item “improved image” followed by “increased customer satisfaction” and the lowest score of benefits was for the item “increased sales”, see table 4 below. The highest score of quality tools was for the item “internal training”, followed by “procedures manual”. “Mystery guest” scored lowest for items of quality tools. Note that only one item of the quality tools, the “quality manual”, was statistically significant, although the total score of quality tools showed significant difference, see table 4 below.

Table 4

Mean scores of all participants on items of internal and external reasons, internal and external benefits and the use of quality tools

Items	<i>n</i>	<i>M</i>	<i>SE</i>
Internal reasons	45	4.17	0.75
Increasing efficiency of service and staff	46	4.00	0.99
Developing quality awareness and culture	45	4.40	0.84
Process standardization	45	4.11	0.96
External reasons	43	3.96	0.81
Customer demands and requirements	46	3.91	0.94
Increasing market share	43	3.35	1.27
Increasing competitiveness	43	3.98	1.19
Improving customer satisfaction	45	4.13	0.99
Improved service quality	45	4.53	0.73
Benefits	45	3.42	0.68
Internal benefits			
Increased employee motivation	45	3.56	0.92
Increased productivity	45	3.09	0.87
Reduction in non-conformity cost	45	3.36	1.05
Favours innovation in tourist product	45	2.78	0.93
Favours process optimisation	45	3.96	0.85
External benefits			
Improved customer satisfaction	45	3.47	0.89
Improved image	45	4.24	0.83
Increased sales	45	2.91	0.76
Quality tools	40	3.45	0.52
Customer satisfaction surveys	45	3.13	1.31
Minutes from meetings	45	3.09	1.28
Mystery guest	42	1.86	1.07
Facilities and/or corporate internal audits	45	4.09	0.79
Quantification of non-conformity cost	43	2.44	1.05
Flow chart	43	2.72	1.22
Quality manual	44	4.16	0.71
Complaints register	45	4.13	0.99
Data statistics	45	3.76	1.19
Internal training	45	4.31	0.63
Procedures manuals	45	4.22	0.74

4.2 Differences between tourism industries' sectors

A one-way between-groups analysis was conducted to compare the mean score of internal and external reasons, between different sectors of the industry. Analysis of variance showed that the effect of industries' sector on internal reasons was non-significant $F(4, 40) = 1.374, p = .260$. The highest mean score of internal reasons was from restaurants and cafés, and the lowest mean score was from those that checked the option "do not want to answer", when asked about the sector within the tourism industry, see table 5, below.

Table 5

Comparison of the mean score of internal reasons between different sectors of the tourism industry

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Travel agency	21	4.08	0.69	0.15	[3.77, 4.39]	2.67	5.00
Accommodation	8	4.08	0.85	0.30	[3.37, 4.79]	2.33	5.00
Restaurant or café	3	4.89	0.19	0.11	[4.41, 5.37]	4.67	5.00
Other	9	4.41	0.52	0.17	[4.01, 4.81]	3.67	5.00
Do not want to answer	4	3.75	1.29	0.64	[1.70, 5.80]	2.00	5.00
Total	45	4.17	0.75	0.11	[3.94, 4.40]	2.00	5.00

Analysis of variance showed that the effect of the sector on external reasons was statistically significant $F(4, 38) = 3.000, p = .03$. The mean score of external reasons was similar among the groups. The highest mean score was for restaurants and cafés. The lowest mean score was of those that checked the option "do not want to answer", when asked about the sector within the tourism industry, see table 6, below.

Table 6

Comparison of the mean score of external reasons between different sectors of the tourism industry

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Travel agency	21	3.67	0.83	0.18	[3.29, 4.05]	1.60	5.00
Accommodation	8	4.43	0.33	0.12	[4.15, 4.70]	3.80	4.80
Restaurant or café	2	4.90	0.14	0.10	[3.63, 6.17]	4.80	5.00
Other	8	4.23	0.74	0.26	[3.61, 4.84]	3.00	5.00
Do not want to answer	4	3.55	0.87	0.43	[2.17, 4.93]	2.40	4.40
Total	43	3.96	0.81	0.12	[3.71, 4.21]	1.60	5.00

A one-way between-groups analysis was conducted to compare the mean score of benefits between different sectors of the industry. Analysis of variance showed that the effect of industry' sector on benefits was non-significant $F(4, 40) = 2.197, p = .087$. However, the mean score between the five groups were different. The lowest mean score was from those who preferred not to answer. The highest mean score was for restaurant and cafés, see table 7, below.

Table 7

Comparison of the mean score of benefits between different sectors of the tourism industry

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Travel agency	21	3.29	0.58	0.13	[3.02, 3.55]	1.75	4.13
Accommodation	8	3.70	0.55	0.19	[3.25, 4.16]	3.25	4.88
Restaurant or café	3	4.21	0.47	0.27	[3.03, 5.38]	3.88	4.75
Other	9	3.42	0.63	0.21	[2.93, 3.90]	2.50	4.50
Do not want to answer	4	2.97	1.20	0.60	[1.06, 4.88]	1.50	4.13
Total	45	3.42	0.68	0.10	[3.21, 3.62]	1.50	4.88

A one-way between-groups analysis was conducted to compare the use of quality tools between different sectors of the industry. Analysis of variance showed that the effect of industries' sector on the use of quality tools was non-significant $F(4, 35) = 1.460, p = .235$. The mean score of the use of quality tools was similar among the

groups except for the accommodation sector which had the lowest mean. Restaurants and cafés scored second highest which is, according to the previous results, of benefits received of the accommodation sector. The highest score of mean was for those that checked the option “do not want to answer”, when asked about the sector within the tourism industry, see table 8, below.

Table 8

Comparison of the mean score of the use of quality tools between different sectors of the tourism industry

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Travel agency	18	3.38	0.49	0.11	[3.14, 3.63]	2.36	4.27
Accommodation	6	3.11	0.73	0.30	[2.34, 3.88]	2.27	4.18
Restaurant or café	3	3.70	0.05	0.03	[3.57, 3.83]	3.64	3.73
Other	9	3.61	0.26	0.09	[3.41, 3.80]	3.27	4.00
Do not want to answer	4	3.73	0.76	0.38	[2.51, 4.94]	2.73	4.55
Total	40	3.45	0.52	0.08	[3.28, 3.62]	2.27	4.55

4.3 Differences between companies based on last year's turnover

A one-way between-groups analysis was conducted to compare the mean score of internal and external reasons between companies based on their last year's turnover. Analysis of variance showed that the effect of last year's turnover on internal reasons was insignificant $F(5, 39) = 1.018, p = .420$. The higher the last year's turnover, the higher the company's mean score of internal reasons. Except for companies with last year's turnover of 20-50 million ISK which had highest mean score, see table 9, below.

Table 9

Comparison of the mean score of internal reasons between different companies based on their last year's turnover

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Over 400 million ISK	4	4.31	0.63	0.17	3.94, 4.68]	3.00	5.00
200-400 million ISK	3	4.00	1.20	0.69	1.01, 6.99]	2.67	5.00
120-200 million ISK	7	4.05	1.06	0.40	3.07, 5.03]	2.00	5.00
50-120 million ISK	7	3.67	0.75	0.28	2.98, 4.36]	2.33	4.33
20-50 million ISK	5	4.40	0.49	0.22	3.79, 5.01]	3.67	5.00
Do not want to answer	9	4.37	0.59	0.20	3.92, 4.82]	3.33	5.00
Total	5	4.17	0.75	0.11	3.95, 4.40]	2.00	5.00

A one-way between-groups analysis was conducted to compare the mean score of external reasons between companies based on their last year's turnover. Analysis of variance showed that the effect of last year's turnover on external reasons was insignificant $F(5, 37) = 0.560, p = .730$. The mean score of the groups was similar, although the group with last year's turnover of 120-200 million ISK scored relatively low and those that checked the option "do not want to answer", when asked about company's turnover, had the lowest mean score, see table 10, below.

Table 10

Comparison of the mean score of external reasons between different companies based on their last year's turnover

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Over 400 million ISK	13	4.06	0.88	0.24	[3.53, 4.59]	1.60	5.00
200-400 million ISK	3	4.07	0.64	0.37	[2.47, 5.66]	3.60	4.80
120-200 million ISK	7	3.71	1.15	0.44	[2.65, 4.78]	2.40	5.00
50-120 million ISK	7	4.11	0.46	0.17	[3.69, 4.54]	3.60	4.80
20-50 million ISK	5	4.24	0.71	0.32	[3.36, 5.12]	3.00	4.80
Do not want to answer	8	3.65	0.75	0.27	[3.02, 4.28]	2.20	4.60
Total	43	3.96	0.81	0.12	[3.71, 4.21]	1.60	5.00

A one-way between-groups analysis was conducted to compare the mean score of benefits between companies based on their last year's turnover. Analysis of variance

showed that the effect of last year's turnover on benefits was insignificant $F(5, 39) = 1.220, p = .318$. The mean score of the groups was similar, except for the group that checked the option "do not want to answer" of the question regarding last year's turnover, had the lowest mean, see table 11, below.

Table 11

Comparison of the mean score of benefits between different companies based on their last year's turnover

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Over 400 million ISK	14	3.55	0.51	0.14	[3.26, 3.85]	2.50	4.13
200-400 million ISK	3	3.63	0.78	0.45	[1.69, 5.56]	3.00	4.50
120-200 million ISK	7	3.46	0.99	0.38	[2.54, 4.38]	1.50	4.75
50-120 million ISK	7	3.39	0.46	0.17	[2.97, 3.82]	2.50	3.88
20-50 million ISK	5	3.73	0.70	0.31	[2.85, 4.60]	3.13	4.88
Do not want to answer	9	2.96	0.70	0.23	[2.42, 3.50]	1.75	3.88
Total	45	3.42	0.68	0.10	[3.21, 3.62]	1.50	4.88

A one-way between-groups analysis was conducted to compare the mean score of use of quality tools between companies based on their last year's turnover. Analysis of variance showed that the effect of last year's turnover on the use of quality tools was insignificant $F(5, 34) = 1.063, p = .398$. The score of the use of quality tools is consistent with the last year's turnover, companies yielding higher last year's turnover were more likely to emphasise the use quality tools. However, the lowest mean score was from companies with turnovers last year's of 50-120 million ISK. The highest mean score was from companies with turnovers last year's of over 400 million ISK, see table 12, below.

Table 12

Comparison of the mean score of use of quality tools between different companies based on their last year's turnover

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Over 400 million ISK	11	3.67	0.56	0.17	[3.30, 4.04]	2.36	4.55
200-400 million ISK	3	3.67	0.46	0.26	[2.53, 4.80]	3.18	4.09
Do now want to answer	9	3.48	0.39	0.13	[3.18, 3.79]	3.00	4.00
120-200 million ISK	7	3.32	0.48	0.18	[2.88, 3.77]	2.55	3.73
50-120 million ISK	7	3.19	0.68	0.26	[2.56, 3.82]	2.27	4.18
20-50 million ISK	3	3.21	0.28	0.16	[2.52, 3.90]	2.91	3.46
Total	40	3.45	0.52	0.08	[3.28, 3.62]	2.27	4.55

5 Discussion and recommendation

5.1 RQ 1. Do companies seek Vakinn mainly for internal or mainly for external reasons?

The motives for seeking Vakinn in this study were divided into internal i.e. from within the company and external reasons i.e. from various factors from the external environment of the company. The companies applied for Vakinn for internal reasons, external reasons and combination of both. This is consistent to previous studies. Following studies report that companies seek certification for external reasons: Carlsson and Carlsson (1996), Jones et al. (1997), Lee (1998), Martínez-Costa et al. (2008), Lipovatz et al. (1999), Taylor (1995), and Huarng et al. (1999). These studies report that companies seek certification for internal reasons: Boiral and Roy (2007), Casadesús (2010) and Gotzamani and Tsiotras (1997). The results of those that applied for combination of reasons are consistent with the study by Boiral and Roy (2007). The combination of reasons could also be explained by response bias, which is the tendency to alter the response for a variety of reasons or answer all in the same way, for instance, social desirability or prestige seeking. This could have been prevented by including negatively worded questions (Aaker, Kumar and Day, 2008).

The highest score for the internal reasons was to “develop quality awareness”, and the highest score of external reasons was to “improve service quality” which is consistent with the main objective of Vakinn, which is to enhance overall quality

Possibly, this is related to the fact that companies believe that the certificate can increase overall quality and/or they believe that as stated by Dale (1994), that increased quality awareness results in higher level of customer satisfaction. The score of “improving customer service” is consistent with previous studies by Brown and Van der Wiele (1995) and Claver et al. (2006), report high score of customer service. But previous studies by Boiral (2003), Brown, et al. (1998), Carlsson and Carlsson (1995), Casadesus and Gimenez (2000) Chow-Chua et al. (2003) and Sharma (2005), have usually analysed “quality awareness” as a benefit not as a reason and reported high score of “quality awareness” obtained by quality certifications. Previous studies by Carlsson and Carlsson (1995), Gotzamani and Tsiotras (2002), McTeer, and Dale (1994) and Sun and Cheng (2002), also report high score of “meeting customer satisfaction”. However in this study “customer satisfaction” was not among the highest scores for seeking Vakinn, although it scored high.

Companies did not seek Vakinn in order to increase market share which is not in accordance with previous studies by, Claver et al. (2006) and Singels et al. (2001). Therefore, it seems like companies do not believe that the certificate staple leads to increased market share. Vakinn should take this seriously and do its outmost to provide its affiliates with an advantage in the market. After all, Vakinn claims to provide applicants with an increased market opportunities and a competitive advantage as overall quality increases. Vakinn is a recently established local brand and therefore not well-recognized global brand. This most likely results in very few tourists recognising the certificate and a limited effect on the tourists’ purchasing decisions. Therefore, Vakinn should focus on increasing the brand awareness amongst tourists visiting Iceland.

5.2 RQ 2. Do companies that seek Vakinn for internal reasons report higher level of benefits than companies that seek Vakinn for external reasons?

Research question 2 analyses the reasons for seeking Vakinn certification and the benefits of the certificate. The results show that companies that seek Vakinn for internal reasons report greater benefits than those that seek Vakinn for external reasons, which is in accordance with studies by Singels et al. (2001), Boiral and Roy (2007), Martinez-Costa et al. (2008) and Prajogo (2011). “Improved image” scored highest in

the list of benefits and is not consistent with previous studies that do not report high score of “improved image” (Boir al, 2003; Brown, et al., 1998; Carlsson and Carlsson, 1995; Casadesus and Gimenez, 2000; Chow-Chua et al., 2003 and Sharma, 2005). Therefore, companies believe that the certificate leads to an improved image. This could be explained by how competitors within the same industry sector look at one another in comparison, most likely, not how tourists see the company. Furthermore, this describes the normative pressure which indicates that companies try to meet other’s norm with improved image. “Innovation in tourist product” scored lowest of the items, following with “increased sales”. The low score of “innovation in tourist product” could be because participants in this thesis, did not understand the term. The score of “increased sales” is consistent to previous studies by Heras, Dick and Casadesús (2002), Redman (1995) and Terziovski et al. (1997). On the other hand, Claver et al. (2006), reported high score of “increased sales”. This could be explained by the fact that Vakinn is a local brand and not very well known outside of Iceland. Increased sales is always a driving factor for any company, and if Vakinn somehow manages to deliver their affiliates increased sales and turnover, then it would without a doubt attract more associates and grow exponentially.

5.3 RQ 3. Do companies that seek Vakinn for internal reasons report higher level of benefits than companies that seek Vakinn for external reasons?

Research question 3 analyses the reasons for seeking Vakinn, and the use of quality tools, which help the company to measure quality. Companies that applied for internal reasons did not use quality tools to a greater extent than those that applied for external reasons. However, those that applied for external reasons used quality tools more frequently. This is not consistent to previous studies by Ahire, Waller and Golhar (1996), Rao, Raghunathan and Solis (1999) and Rahman (2001) that reported that those that applied for certification for internal reasons used quality tools more frequently.

“Mystery guest” scored lowest of the quality tools which is consistent to study by Tarí, Heras-Saizarbitoria and Dick (2014). The low score of “mystery guest” could be explained either by little use of these quality tools within the Icelandic tourism industry, or difficulty understanding the term. “Internal training” scored highest of the items, which is not a surprise as one of the requirements to be certified is to hand in data

regarding internal training. This could also indicate that internal training is used to a great extent within the tourism industry in Iceland.

5.4 RQ 4. Do reasons for seeking Vakinn, reported benefits, and use of quality tools differ depending on industry sector?

Research question 4 compared the mean score of benefits and the mean score of use of quality tools between different sectors of the industry. The score of the reasons were similar among the groups and were insignificant. The highest score of internal and external reasons between sectors was from restaurants and cafés, which indicates that this sector applies for Vakinn for a combination of several reasons.

In terms of benefits, those that checked the option “do not want to answer” when asked about the sector of industry the company was based in, had the lowest score of benefits. Participants were reluctant to state in which sector of the industry, the company was in. Most likely this is because they were afraid their answers were traceable. Those that checked the option “do not want to answer”, when asked about the sector of the tourism industry, the company was based in, used quality tools to the greatest extent. This could be explained by the fact that these companies had implemented other quality systems prior to Vakinn and implemented quality tools to a greater extent. Therefore, Vakinn did not lead to great benefits, as the companies had already reached the maximum standards prior to Vakinn. Restaurants and cafés scored highest both in terms of benefits, and in the use of quality tools. This is most likely due to the fast-paced work environment of restaurants and cafés and in fast-paced work environment it is vital that all employees are well trained and follow certain work procedures. Customers at restaurants and cafés are often asked for feedback regarding the food and service received, so customer satisfaction is maintained. These customers are more demanding as they tend to seek restaurants and cafés more often than of other sectors of the tourism industry, such as, snowmobiling tour. Customer have wide comparison and thus, higher demands. However, only three companies were categorized as restaurants and cafés, in this thesis, so it is hard to generalize these results, although a high percentage three out of five restaurants and cafés of all certified companies were within this category.

5.5 RQ 5. Do reasons for seeking Vakinn, reported benefits and use of quality tools differ depending on companies' last year's turnover?

Research question 5 compared the mean score of reasons for seeking Vakinn certification, as well as the mean score of benefits and the use of quality tools between companies, based on their last year's turnover. The higher the last year's turnover, the higher the company's mean score of internal reasons, which indicates that the larger companies put a higher emphasis on improving processes and efficiency as well as increasing quality. This is consistent to previous studies that states that smaller companies feel pressured from customer (coercive pressure) such as larger enterprises to seek certification and thus seek certification for external reasons leading to low benefits (Gotzamani and Tsiotras; 2002; McTeer, and Dale, 1994; Sun and Cheng, 2002). The mean score for external reasons was similar among companies. In terms of benefits, the higher last year's turnover, the higher the mean score of benefits, except companies with last year's turnover of 20-50 million ISK, which scored highest. This is consistent with previous studies that indicate that the coercive pressure mentioned above, leads to lower benefits (Brown et al., 1997; Bryde and Slocock, 1997; Lee, 1995; Stalhane, 2006).

The companies with high turnovers last year's used quality tools more frequently than smaller companies with less annual yield. This could be explained by the fact that larger enterprises are more likely to have more employees available, which makes them able to implement quality tools to a greater extent, as they have employees that can work solely on that factor.

The results were insignificant, most likely due to the small sample size.

5.6 Demographic analysis

It seems like the certification is more suitable and/or attractive for bigger organizations, as the majority of certified companies that participated in this study are rather large and had last year's turnover above 400 million ISK and none of the companies had last year's turnover below 20 million ISK. Perhaps the bigger companies feel forced to adapt to Vakinn standards because of their leading role in the tourism industry. A refusal to participate in this kind of initiative could perhaps be damaging for the company's reputation domestically. This could be explained by normative pressures,

that the larger enterprises want to meet the norms of bigger enterprises worldwide who most likely have a national quality certification.

Smaller companies seem to be hesitant to seek Vakinn, according to the low number of those companies that are certified, although Vakinn states that it is suitable for companies of all sizes. Smaller companies seem not to put a high emphasis on seeking a quality system. This is consistent study by Bryde and Slocock (1997) that indicates that the biggest hindrances for small companies are the cost and lack of resource and time. This could be explained by previous studies (Yaha and Goh, 2001) that report that adapting to quality systems requires manpower, time and work, things that smaller companies might not have at hand. This is something that Vakinn should look into. It should focus on trying to find ways to attract those smaller companies to seek Vakinn as well as how to attract restaurants and cafés, which are in a minority of certified companies.

5.7 Limitations

As with all studies, this thesis had few limitations. The main limitation of this research was the relatively small size of the sample, caused by the limited number of Vakinn certified companies which was total of 51 in February 2016, when the study was conducted. With a larger sample the results of the difference between the sectors of tourism industry and between companies based on last year's turnover might have been significant.

A list of benefits that Vakinn claims it provides to applicants could have been added to the questionnaire, such as “safety among guests and employees”, “management skills”, and “enhanced company agenda”. Defining various quality tools such as “mystery guest” and “non-conformity cost” would have maybe led to different answers. The low scores from these concepts are perhaps due to participants not understanding the concept.

5.8 Future studies

It would be interesting to conduct similar study in the future, when a greater number of companies have joined Vakinn, which would offer the possibility of a larger sample and most likely lead to significant results. Furthermore, sending the questionnaire only to one employee at each company, and enhancing the questionnaire by including the items that Vakinn claims it provides applicants, and including

definitions of various items of the questionnaire are all modifications for future research. In-depth interviews would also be an interesting option as it would gather more detailed information from the answers.

Due to the increased environmental awareness worldwide in recent years, it would be interesting to analyse the environmental section of Vakinn. Particularly, to explore if the companies seek the certification in order to obtain the environmental stamp and to improve their environmental credentials and how that affects the benefits. In order to improve and attract more applicants, Vakinn could contact companies who have chosen not to seek Vakinn and ask what hindrances them to seek the quality certification system. With focus on the smaller companies and restaurants and cafés which are a minority of the certified companies.

6 Conclusion

Despite being recently established, Vakinn seems to be a beneficial quality system for Icelandic companies within the tourism industry. Companies seek Vakinn certification for internal reasons, external reasons, as well as a combination of both. Companies tend to seek Vakinn certification to “improve quality awareness” and “improve customer service”, which is in accordance to the main goal of Vakinn, which is to improve overall quality. Companies did not seek Vakinn to “increase market share” although Vakinn claims that it provides its applicants increased market opportunities. This is something that Vakinn should look into as they claim that Vakinn provides applicants with increased market opportunities. The benefits obtained overall was relatively high. “Improved image” scored highest of items of benefits, therefore, Vakinn could include “improved image” in the list of benefits of seeking Vakinn. “Increased sales” scored low of items of benefits, if Vakinn could somehow find a way to deliver their affiliates increased sales it would most likely attract higher number of applicants. Companies that applied for internal reasons reported higher levels of benefits than those that applied for external reasons. Companies that applied for internal reasons did not use quality tools more frequently than those that applied for external reasons. Those companies that applied for external reasons used quality tools more frequently. The comparison of companies between industries’ sectors was non-significant. Restaurants and cafés reported a high level of benefits, and also scored highly on the use of quality tools, thus Vakinn seems to be especially beneficial for that sector and should focus on how it can attract more companies within that sector. Those

that checked the option “do not want to answer” scored lowest in benefits but highest in use of quality tools. The companies that had the highest last year’s turnover reported a higher level of benefits and used quality tools to a greater extent, thus Vakinn is a beneficial for large enterprises and should focus on how it can make the quality certification system more beneficial for the smaller companies and in addition how it can attract smaller companies to seek Vakinn, as it seems like small companies are a minority of certified companies of Vakinn.

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8 Appendices

8.1 Appendix A. Questionnaire

Vakinn spurningakönnun

Ágæti þátttakandi,

Mig langar að biðja þig um að svara þessari könnun sem tekur um 5 mínútur.

Þátttaka þín mikils metin því miklu máli skiptir að sem flestir í úrtakinu svari henni svo niðurstöðurnar verði sem áreiðanlegastar.

Þessi könnun er unnin í samstarfi við Vakann og er hluti af lokaritgerð minni í MSc í markaðsfræði við Háskólann í Reykjavík.

Markmið rannsóknarinnar er að kanna hvaða ástæður liggja að baki þátttöku fyrirtækja í Vakannum og hver ávinningur fyrirtækja af þátttöku í Vakannum sé.

Þessi könnun er send til allra þátttakenda Vakans, hún er nafnlaus og ekki er hægt að rekja svör til þátttakenda. Fullum trúnaði er heitið.

Ef einhverjar spurningar vakna í sambandi við könnunina er þér velkomið að hafa samband gegnum tölvupóst á netfangið eddab09@ru.is eða í síma 824-6445.

Með fyrirfram þökk,
Edda Björg Bjarnadóttir.

1. Vinsamlegast metið hve mikil áhrif eftirfarandi þættir höfðu á að fyrirtækið sótti um þátttöku í Vakannum.

	Mjög mikil	Fremur mikil	Í meðallagi	Fremur lítil	Mjög lítil
Að mæta kröfum og skilyrðum viðskiptavina	<input type="radio"/>				
Að auka skilvirkni þjónustu og starfsmanna	<input type="radio"/>				
Að þróa gæðavitund og menningu innan fyrirtækisins	<input type="radio"/>				
Að auka markaðshlutdeild	<input type="radio"/>				
Að auka samkeppnishæfni fyrirtækisins	<input type="radio"/>				
Að staðla verkferla	<input type="radio"/>				
Að auka ánægju viðskiptavina	<input type="radio"/>				
Að auka gæði þjónustu	<input type="radio"/>				

2. Hversu sammála eða ósammála ertu eftirfarandi fullyrðingum?

Þátttaka í Vakanum hefur stuðlað að...

	Mjög sammála	Fremur sammála	Hlutlaus	Fremur ósammála	Mjög ósammála
Aukinni ánægju meðal viðskiptavina	<input type="radio"/>				
Bættri ímynd fyrirtækisins	<input type="radio"/>				
Aukinni sölu	<input type="radio"/>				
Aukinni starfshvatningu meðal starfsmanna	<input type="radio"/>				
Aukinni framleiðni	<input type="radio"/>				
Færri mistökum í þjónustu eða í framleiðsluferli vöru	<input type="radio"/>				
Aukinni nýsköpun í vörum eða þjónustu fyrir ferðamenn	<input type="radio"/>				
Hagræðingu verkferla og vinnulags	<input type="radio"/>				

3. Hversu mikið nýtir fyrirtækið sér eftirfarandi þætti?

	Mjög mikið	Fremur mikið	Hvorki né	Fremur lítið	Mjög lítið
Þjónustukannanir	<input type="radio"/>				
Fundargerðir	<input type="radio"/>				
Hulduheimsóknir frá utanaðkomandi aðila	<input type="radio"/>				
Endurskoðun á aðstöðu og búnað fyrirtækisins	<input type="radio"/>				
Upplýsingar um heildarkostnað sem verður vegna mistaka í þjónustu eða í framleiðsluferli vöru	<input type="radio"/>				
Flæðirit (Flow charts)	<input type="radio"/>				
Gæðahandbók	<input type="radio"/>				
Haldið er utan um skráningu kvartana og ábendinga	<input type="radio"/>				
Tölfræðilega úrvinnslu gagna	<input type="radio"/>				
Starfsþjálfun	<input type="radio"/>				
Verkferla	<input type="radio"/>				

4. Í hvaða atvinnugrein starfar fyrirtækið?

- Bílaleiga
- Gisting
- Ferðaskrifstofa
- Veitingarekstur
- Vil ekki svara
- Annað - Tilgreinið

5. Hversu margir starfsmenn og verktakar starfa hjá fyrirtækinu (áætlaður fjöldi ársverka)?

6. Hver var velta síðasta árs?

- Undir 10 milljónum
- 10-20 milljónir
- 20-50 milljónir
- 50-120 milljónir
- 120-200 milljónir
- 200-400 milljónir
- Yfir 400 milljónir
- Vil ekki svara

8.2 Appendix B. Tables and figures from SPSS

Table 13

Correlation Matrix of internal and external reasons of all participants

	1	2	3	4	5	6	7	8
1. Customer demand	-							
2. Increased efficiency	.372	-						
3. Developing quality awareness and culture	.426	.511	-					
4. Increasing market share	.440	.118	.028	-				
5. Increasing competitiveness	.424	.139	.341	.702	-			
6. Process standardization	.090	.565	.290	-.020	-.082	-		
7. Improving customer satisfaction	.650	.522	.580	.369	.406	.192	-	
8. Improved service quality	.518	.528	.643	.390	.642	.285	.681	-

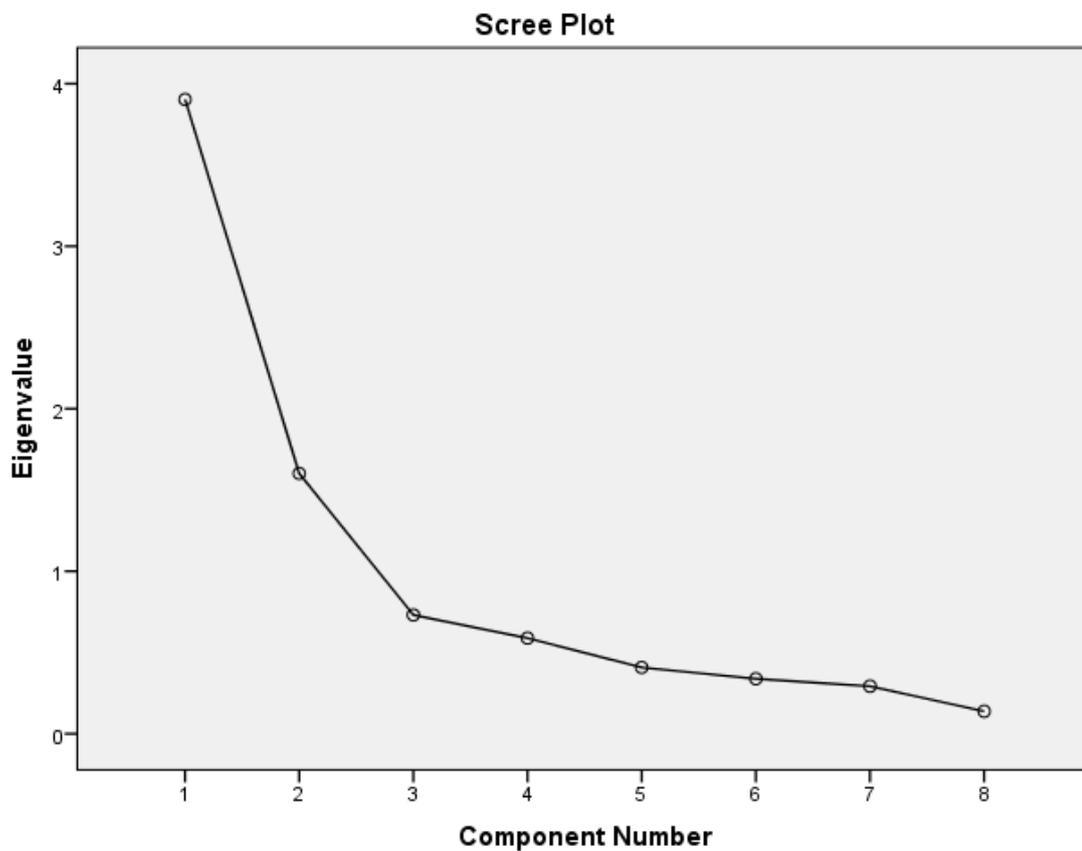


Figure 1. Scree plot and extracted eigenvalues.

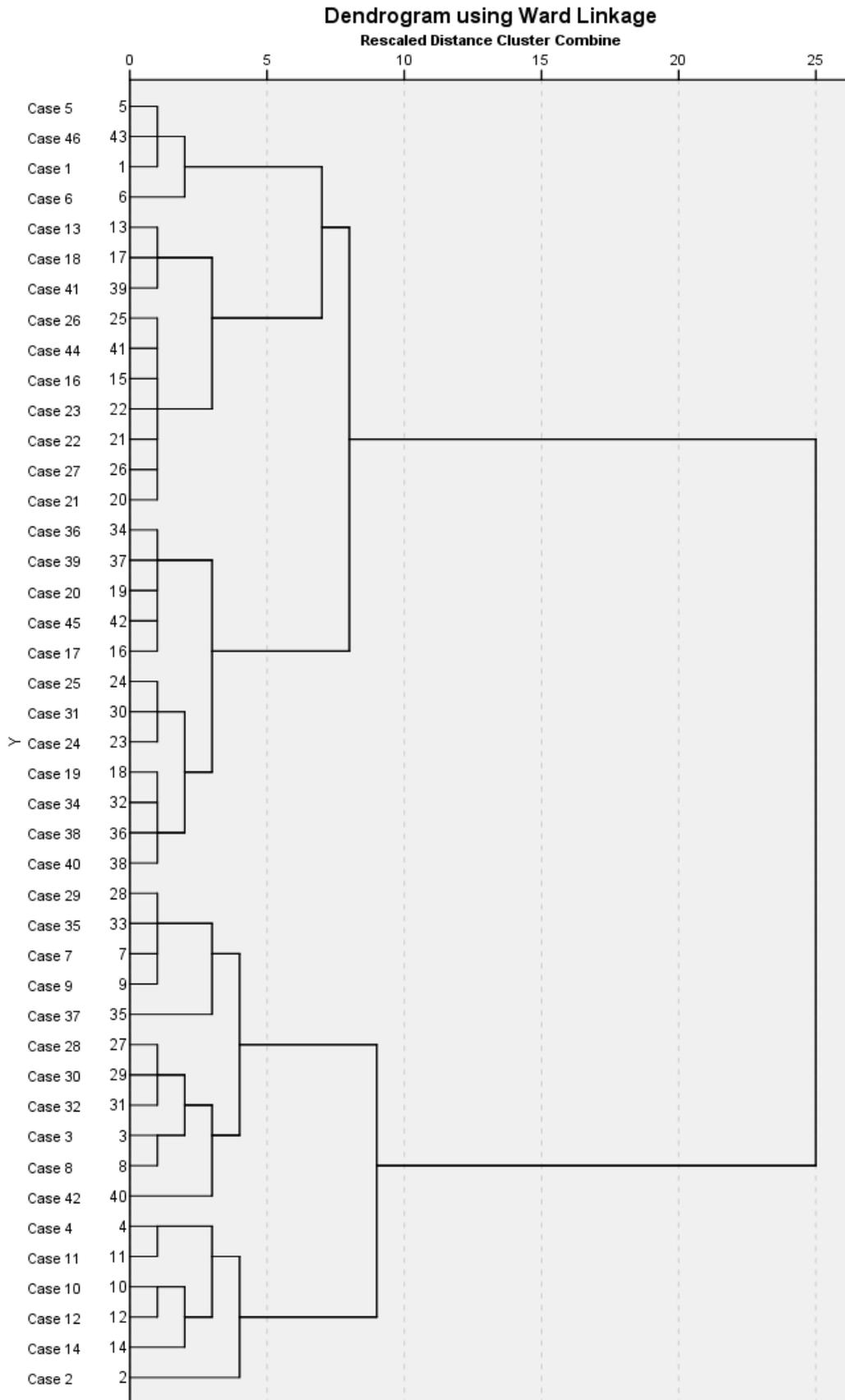


Figure 2. Dendrogram using Ward linkage.

Table 14

Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	42	44	.000	0	0	15
2	5	32	.000	0	0	18
3	13	31	.000	0	0	17
4	19	30	.000	0	0	9
5	24	27	.000	0	0	24
6	12	22	.000	0	0	16
7	18	21	.000	0	0	10
8	15	20	.000	0	0	12
9	9	19	.000	0	4	11
10	17	18	.000	0	7	31
11	9	16	.000	9	0	26
12	14	15	.000	0	8	26
13	8	11	.000	0	0	23
14	23	43	.100	0	0	25
15	42	45	.233	1	0	30
16	12	26	.367	6	0	22
17	10	13	.500	0	3	24
18	4	5	.633	0	2	28
19	7	37	.828	0	0	25
20	34	36	1.022	0	0	30
21	38	40	1.216	0	0	34
22	12	28	1.447	16	0	31
23	8	29	1.706	13	0	33
24	10	24	1.973	17	5	35
25	7	23	2.303	19	14	34
26	9	14	2.646	11	12	33
27	35	39	2.989	0	0	29
28	4	6	3.388	18	0	40
29	35	41	3.794	27	0	37
30	34	42	4.252	20	15	36
31	12	17	4.748	22	10	35
32	25	46	5.422	0	0	38
33	8	9	6.183	23	26	39
34	7	38	6.963	25	21	36
35	10	12	7.842	24	31	39
36	7	34	8.837	34	30	38
37	33	35	9.949	0	29	41
38	7	25	11.457	36	32	41
39	8	10	13.637	33	35	40
40	4	8	16.455	28	39	42
41	7	33	19.634	38	37	42
42	4	7	27.998	40	41	0

Table 15

Number of employees based on last year's turnover

	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE</i>	95% CI	Min	Max
Over 400 million ISK	13	102.77	92.36	25.62	[46.96, 158.58]	10	350
200-400 million ISK	3	23.33	7.64	4.41	[4.36, 42.31]	15	30
120-200 million ISK	7	16.29	4.50	1.70	[12.13, 20.45]	10	22
50-120 million ISK	7	5.57	2.44	0.92	[3.32, 7.83]	2	10
20-50 million ISK	5	3.60	1.14	0.51	[2.18, 5.02]	2	5
Do not want to answer	8	60.88	63.88	22.59	[7.47, 114.28]	7	200
Total	43	48.00	69.50	10.60	[26.61, 69.39]	2	350

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	71645.808	5	14329.162	4.041	.005
Within Groups	131200.192	37	3545.951		
Total	202846.000	42			

8.3 Appendix C. Vakinn criteria, required data, Vakinn logo and list of participants

1. Sale and purchase of goods or services

MINIMUM REQUIREMENTS		Yes	No	N/A
200-1.1	It is made clear to customers what is included in the indicated price for goods and services, e.g. VAT and whether any other incidental costs are involved (fuel duty, subscription fee etc.).			
200-1.2	Goods and services are clearly described, whether by advertisement, in a brochure, on electronic media or by any other means.			
200-1.3	Changes which may occur are explained, for example, weather or any other unforeseen factors.			
200-1.4	The company's terms and conditions with regard to confirmation fee, cancellation of a trip or order, customer's absence (<i>no show</i>) and/or refund, are clearly defined and explained, for example on the company's home page and in brochures.			
200-1.5	The customer receives a receipt for purchased services, indicating, among other things, VAT and the seller's name, identity number and VAT number.			
GOOD		Yes	No	N/A
200-1.6	The company's name is mentioned when answering the telephone.			
200-1.7	It is clearly shown how the location or operation is to be found, for example on a home page, in brochures, on road signs etc.			
200-1.8	Goods and services may be paid for by means of a credit card, debit card, foreign currencies or vouchers.			
200-1.9	All queries regarding orders are answered within 24 hours.			
BETTER		Yes	No	N/A
200-1.10	The customer receives a receipt or confirmation of order.			
200-1.11	Appropriate information is presented to customers on a home page, in an information file, brochures or at company reception. Examples of this are details of opening hours, safety regulations, food consumption, handling of alcohol and tobacco, guidance relating to clothing, age or health-related restrictions on participation in tours etc.			
BEST		Yes	No	N/A
200-1.12	Tours or services may be booked through the Internet (booking software) and pay in a secure electronic manner acknowledged by a third party (Internet order through secure pages).			
200-1.13	Loyal customers receive benefits.			
200-1.14	All queries are responded to promptly (8-12 hours), also those which reach the company outside opening hours.			

2. Service and customer satisfaction

MINIMUM REQUIREMENTS		Yes	No	N/A
200-2.1	Staff are on location during those times when customers' arrivals and departures are at a maximum.			
200-2.2	Customers are not discriminated against (e.g. with regard to gender, marital status, religious or moral convictions, skin colour, race, nationality, handicap, age, political opinions, employment and family status or sexual orientation).			
200-2.3	Service is conducted in a friendly manner, for example when answering the telephone, attending to customers and providing guidance.			
200-2.4	Necessary information relating to the service/tour in question is readily available to customers.			
200-2.5	Where meals prepared by the company are on offer to customers or by a third party, The strictest safety rules are observed in their preparation and the appropriate service is on offer. The company has compiled written regulations regarding the storage and handling of food carried on excursions.			
GOOD		Yes	No	N/A
200-2.6	The operation takes into account the conditions that apply on every occasion and the main risk factors are explained. Where applicable, the situation is explained to clients who are made fully aware of safety matters relating to the service on offer.			
200-2.7	Customers are given the opportunity to express their views/complaints in a simple and accessible manner (whether in writing or by electronic means).			
BETTER		Yes	No	N/A
200-2.8	The service is characterised by promptness and professionalism. Owners and staff are neat and proper in appearance and manner.			
200-2.9	The operation can be trusted; that is, the programme begins at the right time and schedules are observed.			
200-2.10	The company resolves complaints in an organised and well defined manner.			
200-2.11	The standard of service is clearly defined and maintained by regular monitoring, for example by means of checklists.			
200-2.12	Information on services and clients' experiences is gathered and processed in order to evaluate and improve services.			
200-2.13	Where meals are included, there is an attractive selection of appetising courses. In the case of packed meals, those are stored in an appropriate manner. Customers' special requests can be fulfilled, for example with regard to food allergy or intolerance.			
BEST		Yes	No	N/A
200-2.14	All employees carry labels with their own names and/or the name of the company (a uniform, for example a light jacket, sweater, or T-shirt).			
200-2.15	Positive signs indicate an ambitious operation and customer satisfaction (e.g. letters, emails, comments on travel pages and other materials from customers).			
200-2.16	Items of special interest are on offer relating to the tour/visit in question, for example, souvenirs and photography services.			
200-2.17	Where meals are included, a diverse selection of excellent courses is on offer, with special emphasis on local produce.			
200-2.18*	Service surveys are conducted regularly and used to improve quality.			

3. Facilities¹, equipment and immediate environment

MINIMUM REQUIREMENTS		Yes	No	N/A
200-3.1	The first impression of the facilities is satisfactory, including approach and site, if relevant.			
200-3.2	Accommodation, apparatus and equipment is safe (without posing danger) and well maintained. Strong emphasis on hygiene.			
200-3.3	Instructions are available with regard to equipment and apparatus used by customers.			
200-3.4	Vehicles are in roadworthy condition and a certificate to this effect is available.			
GOOD		Yes	No	N/A
200-3.5	The approach to the company/service is safe and well tended, including the car park.			
200-3.6	Where excursions are on offer (the transportation of people) the following conditions have to be fulfilled where relevant: a. The operator has a licence for passenger transport. b. All drivers/operators have appropriate qualifications. c. Driving journals are preserved, as well as information from tachographs.			
BETTER		Yes	No	N/A
200-3.7	It is easy to find the company/facility by means of external signs.			
200-3.8	Access routes are well maintained, for example driveways, piers, steps, pavements, car parks etc.			
200-3.9	All signboards, flags and markings are in good condition.			
200-3.10	The facilities are well maintained and tidy, as well as the immediate surroundings. There is no flaking paint to be seen, no graffiti, broken windows etc.			
200-3.11	The maintenance and supervision of equipment is registered in an organised and regular manner in accordance with the appropriate maintenance schedule.			
200-3.12	Equipment is safe, in good condition and well suited to its intended purpose, e.g. heaters which quickly warm up a room and vehicle engine sizes in accordance with number of passengers.			
200-3.13	Where appropriate, protective clothing/equipment is readily available to customers, e.g. helmets, thermal suits, shelters (for bird and seal observation), wetsuits, waterproof clothing, fly netting, suitably sturdy footwear etc.			
BEST		Yes	No	N/A
200-3.14	The indoor facilities look impressive, furnishings and other facilities for guests are of high quality. There are few signs of wear and tear and hygiene is of the highest standard.			
200-3.15	Attractive outdoor surroundings, for example landscaping, tidy driveway, impressive view, sheltered external areas equipped with matching sets of garden furniture, flower tubs, etc.			
200-3.16	Signs of significant renovation or recent investment (in the past 5 years) to improve facilities.			
200-3.17	Equipment renewed or its renewal included in budget.			
200-3.18	Equipment and apparatus among the best in the business, which strengthens the image of the company and presents it as a responsible and trustworthy tourism operator.			
200-3.19	The company has been assessed and accepted by an independent party,			

	recognised by the Organization of Disabled in Iceland, with regard to ease of access, for example for wheelchair users, those with mobility or manual disabilities, those with hearing or sight impairments, individuals suffering from asthma or allergies, mental handicaps and/or reading difficulties.			
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¹ "Facilities" refers to buildings, in case of sleeping accommodation, restaurants, shops and tourist centres; ships or boats in instances of whale watching, river rafting, or ferries; jeeps or coaches owned or operated by companies in charge of coach tours etc. Snowmobiles or ATVs with regard to adventure tours. The term indicates facilities or services which may be offered on location or elsewhere and are either included in the business transaction or optional offers at extra cost.

4. Management and staff

MINIMUM REQUIREMENTS		Yes	No	N/A
200-4.1	The managing director/owner/captain/driver etc. has sound knowledge and experience with regard to the goods or services on offer.			
200-4.2	In all jobs, the employee's role and responsibility is clearly defined, e.g. job descriptions and rules of conduct.			
200-4.3	Written contracts (e.g. terms of employment contracts or subcontracting agreements) apply to all employees, contractors and volunteers.			
200-4.4	Workplace identification is available where relevant.			
200-4.5	Staff are well informed with regard to the company's organisation.			
GOOD		Yes	No	N/A
200-4.6	Service is provided by suitably trained staff.			
200-4.7	The company offers staff training for new recruits. This is regularly updated and in step with current services.			
BETTER		Yes	No	N/A
200-4.8	Work is in accordance with written procedures.			
200-4.9	Staff possess sound knowledge of the goods and services on offer. This applies to all employees, both Icelandic and from abroad.			
200-4.10	Staff members are encouraged to express their ideas as to potential improvements in the company's operation.			
200-4.11	The company supports employees' professional development, for example by the opportunity to attend courses or work related training.			
200-4.12	Employees are formally and regularly informed of their performance, for example by means of staff interviews.			
200-4.13	Where applicable, employees are encouraged to obtain recognised qualifications in their professional field.			
BEST		Yes	No	N/A
200-4.14	Esprit de corps and a team spirit is encouraged within the organisation, for example, by means of group dynamics, staff excursions etc.			
200-4.15	Staff in reception and sales are well trained and have the authority and ability to sort out minor problems when required.			
200-4.16	Staff receive regular training and their competence is assessed at least once a year with regard to safety matters.			
200-4.17	Staff receive recognition for excellent performance through praise, encouragement or by other means.			
200-4.18	Staff loyalty is obvious, as for example demonstrated by low staff turnover.			
200-4.19*	An educational and continuing training plan is in place.			

5. Culture and history

MINIMUM REQUIREMENTS		Yes	No	N/A
200-5.1	The operator has familiarised himself with the historical, cultural and environmental importance of areas, locations, buildings etc. with regard to protection and atmosphere.			
200-5.2	When using cultural and/or historical materials in brochures, on home pages, in exhibitions etc. these must be supported by dependable sources.			
200-5.3	The operator is familiar with relevant laws and regulations relating to his operational area, which serve the purpose of protecting objects and phenomena of particular value to nature, culture and/or history.			
200-5.4	Basic information relating to customers' safety is clearly expressed in the languages of the company's main target groups and/or by graphical presentation.			
GOOD		Yes	No	N/A
200-5.5	A special effort is made to relate the presentation of information to Icelandic culture and/or heritage.			
200-5.6	Specialists are consulted when buildings or other structures are altered in the interest of tourism.			
200-5.7	Particular care is taken to protect objects and phenomena of cultural and historical value from damage caused by tourist traffic.			
BETTER		Yes	No	N/A
200-5.8	Staff are familiar with the operator's immediate surroundings and provide guests with information relating to local history, culture and current events.			
200-5.9	Goods and services are introduced on the company's home page in Icelandic and English.			
200-5.10	A special effort is made to present/sell souvenirs produced locally, aspects of local art and culture, local cuisine etc.			
BEST		Yes	No	N/A
200-5.11	Staff are provided with education/instruction to enhance their knowledge and understanding of cultural diversity.			
200-5.12	Emphasis is placed on Iceland and/or the area in question by offering a wide selection of Icelandic materials; for example books, magazines videos/DVDs, food and drink items for sale and/or for the use of guests.			
200-5.13	The majority of souvenirs for sale are produced locally and/or in Iceland.			
200-5.14	Goods and services are presented on the company's home page and in other promotional materials in at least two foreign languages.			

6. Safety, welfare and responsibility

MINIMUM REQUIREMENTS		Yes	No	N/A
200-6.1	A plan has been compiled on safety and health in the workplace. This plan shall be in accordance with guidelines issued by the Directorate of Labour and based on Regulation No. 920/2006 cf. Act No. 46/1980			
200-6.2	A safety plan has been compiled with regard to the services offered by the company. This includes the following: <ul style="list-style-type: none"> a. Risk assessment – a precise analysis of those environmental risks which could conceivably cause accidents. b. Rules on work procedures – which work procedures should be used to minimise risk of accident. c. Contingency plan – how to respond to an accident. d. Incident report – registration of all irregularities, mishaps and/or accidents. 			
200-6.3	At least one employee has been trained in first aid and attends a refresher course once a year.			
200-6.4	Guests and staff are invited to use waste classification facilities for recycling purposes.			
200-6.5	Land use is in accordance with municipal planning (land use plan/site plan) and security or management planning when applicable.			
200-6.6	All the company's assertions of own excellence in environmental matters are based on facts, including information on the company's website, in brochures and in advertising.			
200-6.7	Staff members must inform their nearest superior of incidents/accidents which cause concern.			
GOOD		Yes	No	N/A
200-6.8	The company's safety plan is updated once a year and more often if needed, especially in the wake of accidents or other mishaps.			
200-6.9	Unfortunate incidents are regarded as opportunities for learning; by always filling out an incident report and using this data when the safety plan is revised.			
BETTER		Yes	No	N/A
200-6.10	Emergency responses are tested once a year, more often if needed, or considered appropriate.			
200-6.11	In work descriptions staff members are allocated responsibilities regarding the health and safety of customers and staff.			
200-6.12	Clear rules on work procedures have been compiled as to who: <ul style="list-style-type: none"> a. Informs the authorities of accidents or mishaps. b. Takes charge of contact with the media. c. Takes charge of contact with relatives. 			
200-6.13	At least one employee on each work shift has been trained in first aid and attends a refresher course once a year.			
BEST		Yes	No	N/A
200-6.14	If a problem arises regarding the safety of guests/staff which calls for altered work procedures (processes and instructions) company staff are retrained.			
200-6.15	In the event of accident, company management and staff are prepared to make every effort to minimise the resulting trauma, for example by means of counselling, family support and by changing customers' itineraries.			

7. Company management and overall performance

MINIMUM REQUIREMENTS		Yes	No	N/A
200-7.1	The operator works in compliance with laws and regulations on accounting procedure, cf. the Act on accounting No. 145/1994			
200-7.2	The operator is aware of laws and regulations which apply to the operation of the company and is in possession of all the necessary valid permits.			
200-7.3	The company operates in accordance with the VAKINN Code of Ethics.			
200-7.4	Appropriate insurance has been arranged, based on the extent and nature of the operation.			
GOOD		Yes	No	N/A
200-7.5	If there exist any unfinished matters relating to the company; that is, complaints, charges or lawsuits, those are issues are in the proper channels.			
200-7.6	The company's homepage displays trustworthy pictures and information relating to the services on offer. The information is regularly updated.			
200-7.7	The company is an active participant in its professional association and/or in joint marketing.			
200-7.8	The company has a written strategy in place.			
BETTER		Yes	No	N/A
200-7.9	Contingency plans are in place to ensure a safe operation, for example by the existence of a spare generator and by copies of computer data stored in a different location.			
200-7.10	An operating plan has been compiled.			
200-7.11	A marketing plan has been compiled.			
200-7.12	The main risk factors of the operation have been defined in writing.			
BEST		Yes	No	N/A
200-7.13	An integrated reservations, sales and accounting system is in place.			
200-7.14*	A staff and/or quality manual has been compiled covering all aspects of the company's operation, for example services, maintenance of tools and equipment, and matters relating to human resources.			
200-7.15	There are indications of development and innovation in company operations.			
200-7.16	The performance of partners and suppliers is monitored and improvements implemented if considered necessary, e.g. with respect to permits and safety, social responsibility, environmental issues and food handling.			
200-7.17	Operational and marketing plans have been completed for the current financial year and performance compared to plans.			
200-7.18	Staff are familiar with the company's strategy and mission.			
200-7.19	Performance measurements are used to monitor individual aspects of the operation and the overall success of strategy, for example: <ul style="list-style-type: none"> a. Financial performance, e.g. contribution margin (income minus miscellaneous expenses), EBITA (operating income minus taxes, interest and depreciation) and ROI (return on investment) etc. b. Internal performance measurements, e.g. cost per customer, profit per customer, customer returns etc. 			
200-7.20	The company has received an award for a successful operation or excellent performance in the field of tourism or business, for example the Educational Award of the the Icelandic Travel Industry Association (SAF) or the Environmental Award of the Icelandic Tourist Board (FMS)			

Figure 3. General criteria of Vakinn

211 Travel agencies – specific criteria

211-1	Safety factors	Yes	No	N/A
211-1.1	The travel agency has a written safety plan in place for all its tours, where, for example, the following issues are addressed: <ol style="list-style-type: none"> Risk assessment. Interaction with clients and information flow. The education and training of staff. Responding to emergencies and unexpected occurrences. A responsible attitude to nature. 			
211-1.2*	The safety plan is revised at least once a year.			
211-1.3*	Staff members are informed of the company's safety plan and know how to react according to its instructions.			
211-1.4	Suppliers and partners who are not members of VAKINN have compiled written safety plans with which the tourist office is familiar.			
211.2	Co-operation with suppliers/partners	Yes	No	N/A
211-2.1	The choice of suppliers/providers of accommodation, transport and leisure activities is built on fair commercial practices, and the fact that the company involved holds the necessary permits.			
211-2.2	General rules dictate that the company visits the local suppliers and service providers involved, to learn how their operations are conducted.			
211-2.3	The travel agency has a written contingency plan relating to sudden changes in products or services provided by a third party, in the event of unsatisfactory service.			
211-2.4*	At least 40% of accommodation which appears on the group itinerary has been through the VAKINN Star Ratings Assessment. <i>Becomes valid 1 January 2015 (50% 2016, 60% 2017 and 75% 2018).</i>			
211-2.5*	At least 40% of the leisure activities booked with local supplies and service providers have been through a process of quality control, e.g. by VAKINN. <i>Valid from and including 1 January 2015. (50% 2016, 60% 2017 and 75% 2018).</i>			
211-2.6	Regular surveys are conducted among the clients to check their opinions on the performance of suppliers and service providers; and ideas on how performance could be bettered are suggested when required.			
211-2.7	The travel agency demands that 75% of Icelandic companies providing transport/vehicles must pass the VAKINN quality control check.			
211-2.8	The company encourages Icelandic cooperating parties to obtain certification from VAKINN or another recognised quality control system.			

Figure 4. Specific criteria of Vakinn

Scorecard

General Criteria

CATEGORY	Max points	Weight in %	Relevant Items ¹	Pts awarded ²
1. Sale and purchase of goods or services	14	11.8		
2. Service and customer satisfaction	18	16.0		
3. Facilities, equipment and immediate environment	19	16.0		
4. Management and staff	19	16.0		
5. Culture and history	14	11.8		
6. Safety, welfare and responsibility	15	12.6		
7. Company management and overall performance	20	16.8		
Total	119	100.0		
RATIO (70% + to pass assessment, or 84 out of 119)				³

¹ The items in MINIMUM REQUIREMENTS, GOOD, BETTER and BEST which are relevant to the operation concerned.

² Total points awarded to the operation, that is, items answered by "Yes".

³ The points ratio awarded to the operation concerned (points awarded/relevant points) must reach a minimum of 70%.

Special criteria

NAME AND NO. OF SPECIAL CRITERIA:	Relevant items ¹	Pts. awarded ²
1.		
2.		
3.		
4.		
Total		
RATIO		³

¹ Items relevant to the operation concerned.

² Total points awarded to the operation, that is, items answered by "Yes".

³ The points ratio awarded to the operation concerned (points awarded/relevant points).

Figure 5. Scorecard of specific criteria of Vakinn

Environmental criteria (environment, sustainability and social responsibility)

MINIMUM REQUIREMENTS		Yes	No
300-1	The checklist "On the way to sustainable tourism" has been completed		
300-2	Guests and staff are invited to classify waste and to dispose of this at relevant collection points.		
300-3	The terms and conditions of all laws and regulations regarding the operation have been fulfilled and valid permits obtained.		
300-4	Land use complies with official planning and other statutes, e.g., relating to zoning plans, land use plans and the nature conservation strategy issued by the Ministry for the Environment.		
300-5	All the company's assertions of own excellence in environmental matters are based on facts, including information on the company's website, in brochures and in advertising.		
300-6	If there exist any unfinished matters relating to the company; that is, complaints, charges or lawsuits pertaining to the environment or the community, those issues are in the proper channels.		
GOOD		Yes	No
300-7	An action plan regarding sustainable tourism has been compiled on the basis of a sustainable tourism checklist, preferably keeping in mind guidelines which accompany the checklist. The plan is regularly revised and staff are informed of updates to it, for example with regard to the training of recruits.		
300-8	All in all at least six actions have been taken, and at least one specific action (see checklist) in each category, in order to: <ul style="list-style-type: none"> a. Reduce waste. b. Save energy (e.g. fuel, electricity and hot water). c. Encourage more economically viable procurements. 		
300-9	The company's statement emphasising sustainable tourism (see checklist) is on public display so that guests and others may be able to contribute suggestions and comments.		
BETTER		Yes	No
300-10	Regular measurements which have been carried out for 6-12 months indicate success in at least one area referred to in the company's action plan (see 300-7), for example: <ul style="list-style-type: none"> a. Reducing waste. b. Saving electricity. c. Saving hot water. d. Saving fuel. 		
300-11	All in all at least nine actions have been taken, and at least one specific action (see checklist) in each category, in order to: <ul style="list-style-type: none"> a. Reduce waste. b. Save energy (e.g. fuel, electricity and hot water). c. Encourage more environmentally viable procurements. 		
300-12	Information is available regarding the company's contributions to at least one project in the category of nature preservation or social affairs.		
300-13	Staff comply with the company's action plan on sustainable tourism and are able to explain it.		
BEST		Yes	No
300-14	Regular measurements which have been carried out for 6-12 months indicate success in at least two areas referred to in the company's action plan (see 300-7), for example: <ul style="list-style-type: none"> a. Reducing waste. b. Saving electricity. c. Saving hot water. d. Saving fuel. 		
300-15	All in all at least 25 actions have been taken, and at least five specific actions (see checklist) in each category, in order to: <ul style="list-style-type: none"> a. Reduce waste. 		

Figure 6. Environmental criteria of Vakinn



Figure 7. Vakinn logo



Figure 8. Vakinn logo of different sectors of the industry

Table 16

List of Vakinn certified organizations in February 2016

Organization	Travel Service	Hotel	Guesthouse	Private home	Restaurants and Cafés
Active North	X				
Ambassador-Akureyri Whale Watching	X				
Atlantik ehf.	X				
Bláa Lónið – Blue Café					X
Bláa Lónið – Lava Restaurant	X				
Bláa Lónið hf – Blue Lagoon	X				
Brunnhóll – Gistiheimili			X		
DIVE.IS – Sportköfunarskóli Íslands	X				
Eldhestar ehf.	X				
Elding / Hvalaskoðun Reykjavík ehf	X				
Ensku húsin gistiheimili			X		
Enterprice rent a car	X				
Ferðaþjónusta bænda hf./Icelandic Farm Holidays	X				
Fjallasýn Rúnars Óskarssonar ehf	X				
Flugfélag Íslands	X				
Gamlabúð – Vatnajökulsþjóðgarður	X				
Geysir car rental	X				
Gistihúsið Narfastöðum			X		
Gljúfrastofa – Vatnajökulsþjóðgarður	X				
Gray Line Iceland	X				
Hótel Rauðaskriða		X			
Humarhöfnin ehf	X				
Höldur ehf – Bílaleiga Akureyrar	X				
Iceland Encounter	X				
Iceland Guest	X				

Iceland Rovers	X			
Iceland Travel	X			
Íslenskir	X			
Fjallaleiðsögumenn/Icelandic Mountain Guides				
Íslenskur	X			
Ferðamarkaður/Icelandic Travel Market				
Jarðböðin ehf	X			X
Kynnisferðir ehf	X			
Lamb Inn		X	X	
Landnámssetur Íslands ehf	X			
Landnámssetur Íslands veitingahús				X
Laxnes Horse Farm	X			
Look North ehf	X			
Nordic Visitor	X			
Norðursigling/North Sailing	X			
Húsavík				
Pink Iceland	X			
Reykjavik Excursions	X			
Sérleyfisbílar	X			
Akureyrar/Norðurleið hf.				
Sigló Hótel – Hannes Boy				X
Sigló Hótel – Kaffi Rauðka				X
Skaftafellsstofa/Vatnajökulsþjóð garður	X			
Skriðuklaustur Gunnarsstofnun	X			
Snæfellsstofa/Vatnajökulsþjóðg arður	X			
South Iceland Adventure	X			
Sólheimahjáleiga Guesthouse		X		
Special Tours	X			
Trip Creator	X			
Vatnajökulsþjóðgarður	X			
Vélsleðaleigan ehf - Snowmobile	X			

Table 17

List of required data to apply for Vakinn

List of data
Safety plans
List of names of guides and their prior education and experience
Plan of safety and health at workplace (risk evaluation)
Appropriate government authorization, for example from the Icelandic tourist board (Tour Operator, Travel Agency), from health authorities regarding liquor license and for transportation.
Vehicle inspection certification
Written regulations regarding the food care in trips
Valid First-aid certificate
Copy of Employment Agreement
Examples of written job description (role, responsibility, behaviour)
Work certificate (obligation acc. Laws and agreement of Labour Market)
Safety instructions to guests in the most common languages
A copy of the sales invoice to customer
Information on the insurances of the company
Data related to specific criteria applicable to the organization

Table 18

Other data required to apply for Vakinn

List of other data

Written description of how to deal with complaints

Quality manual

Information of customer surveys/feedback from positive guests

Menu (if food is available)

Instructions for guests regarding equipment and tools.

Maintenance plan/checklist (maintenance and observation log of equipment)

Informations on staff, for example about the training of individuals.

Continuing education plan for staff

Write Organization policy

Written definition of major risk factors in the business

Operating Budget and Plan of Operations

Marketing Plan and Budget
