



Visit North Iceland
THE ARCTIC NORTH

Destination Management Plan for North Iceland

Our destination



2021

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Summary

The Destination Management Plan for North Iceland presents a plan for the development of tourism services for the three years of 2021-2023. There is focus on the development of the destination as a single entity, as much work and investment has been devoted to building up the image of North Iceland ever since the year 2003. There are also more in-depth analyses of areas, points of emphasis and projects. Tourism statistics are divided into four categories to distinguish between different areas in North Iceland. These are the two Húnavatnssýsla districts, Tröllaskagi and Eyjafjörður, the Þingeyjarsýsla district and the Norðurhjá area. Particular attention is given to stakeholders in the field of tourism services in North Iceland.

The Plan is based on the findings of studies and analyses of the needs of tourists, tourism companies, municipalities and administrative agencies. There is a review of the principal tourism cooperation projects that have been undertaken by Visit North Iceland (VNI), in addition to which there is an emphasis on the importance for a needs assessment to be performed for new projects. There is a presentation of the future scenario for tourism services in North Iceland, and of policy and marketing strategies. Recent research projects are used as grounds for establishing what needs to be emphasised and what projects, market development and actions are required, as described in the Plan, and by examining these projects it is possible to get a good idea about the activities of VNI, and the involvement of companies in those activities.

Among the key projects discussed are the Air 66N aviation cluster, the Arctic Coast Way and the Diamond Circle, which are projects that lay the groundwork for the competitiveness of North Iceland. The work is done according to the ideology of clusters and tourist routes. The Icelandic market is also examined specifically with regard to the great changes that have occurred in the marketing environment of tourism services after the onset of the Covid-19 pandemic. Those who want more detailed information about the implementation of these projects can refer to VNI's websites, as the Destination Management Plan only covers key elements.

Part of the Destination Management Plan is a list of priorities for projects that must be completed in order to ensure strong tourism services. These projects are submitted by municipalities and tourism clusters. The projects are varied in scale and are based on the needs of each municipality, but what they have in common is the objective of improving access to destinations or creating new ones where care is taken to build up basic services as well as to improve the experience of tourists. The list of projects from

the previous Destination Management Plan remains fully valid as it includes projects that have not been completed. This list is referenced in the selection of projects for grant allocation from the Tourist Site Protection Fund, and it is the hope of VNI that the largest number possible of these projects will be implemented in the next three years.

Stakeholders

The principal stakeholders of this project are tourism companies and municipalities in North Iceland. Other stakeholders are those who directly or indirectly benefit from tourism services in the relevant area, as it is well known that tourism services have a cross-sectional effect in the economy. In accordance with the previous Destination Management Plan, North Iceland is divided into the following four areas of activities:



Development of the Destination Management Plan

Since the Destination Management Plan was published in 2018 a large number of projects have been completed, particularly those that were presented as focus projects. Detailed descriptions of these projects can be found below.

The Arctic Coast Way

The Arctic Coast Way was formally opened on 8 June 2019 and immediately drew a great deal of attention, both in Iceland and abroad. Lonely Planet added the route to its list of the top ten destinations in Europe before it was opened, in addition to which the route has received an award from LUX Magazine for best destination in Iceland in the category of tourism services relating to nature.



Two years of work on the development of tourist experiences concluded with the publication of a final report on the project, which is useful to tourism service providers.

At the core of this work is the “tool kit”. The co-operating companies involved with the Arctic Coast Way can use it to improve their availability of supplies and link their trademarks and marketing material to the route. Part of this work was the development of so-called heroic experiences, which are meant to be important attractions to draw tourists to the Arctic Coast Way.

Marketing of the route has included issuing directions for the use of the trademark, registration of the trademark, and the publication of a trade manual, which includes guidelines for travel agencies that wish to use the mark of the Arctic Coast Way in marketing and sales. Among the efforts to bring attention to the route are photo shoots, receptions for foreign correspondents, promotions on social media and the designing and launching of a website. Such efforts will continue for the foreseeable future, and the website is constantly being developed and regularly updated.

Much emphasis has been placed on developing and organising infrastructure. The first tourist signs in Iceland, brown in colour, were put up to indicate where the route lies, by the Icelandic Road and Coastal Administration. A database for GIS-cards has been completed, with more than 200 locations that can be presented as sites of interest. A special brochure has been written to explain the plan for the development of infrastructure, use of the map and to support the efforts of municipalities to build up infrastructure at sites of interest. Furthermore, work has been completed on the general design and appearance of information signs that are intended to link the experience of tourists more closely to sites of interest by providing information about the local nature, culture and daily life. Part of this information will be imparted in the form of stories that tourists can listen to by scanning a QR code on the signs with their smartphones. The next two years will see an emphasis on co-operation with the municipalities in order to establish infrastructure and mount the information signs along the route.

“Taste Arctic Coast Way” is a project that is part of the Arctic Coast Way and concerns the laying out of a gastronomic route where tourists have ready access to local food, and also to support providers of food-related tourism services in their marketing efforts towards tourists. Along with this project, work has been done on the project “Taste North Iceland”, which applies the same purpose to the entire area of North Iceland. Both these projects will be presented in more detail at the beginning of the year 2021, and subsequently there will be co-operation with companies in order to

use this new tool for marketing in North Iceland, and for the development of their own marketing efforts.

The Diamond Circle

The Diamond Circle tourist route connects some of the most well-known natural treasures in North Iceland. The origins of this project can be traced back to the year 1994 when the locals started to use the name “Demantshringurinn”, i.e. the Diamond Circle, and to market the route under that name. This 250 km long route has 5 defined key destinations: Goðafoss, Mývatn,



Dettifoss, Ásbyrgi and Húsavík. Trips have been provided under the Diamond Circle name for many years, but it has not been possible to market this product to the fullest extent as the road from Ásbyrgi up to Dettifoss has only been open in the summertime. After the Dettifoss road became part of the national transport policy and paving was completed, it was decided to begin formal marketing efforts. As the name Diamond Circle had been registered by Húsavíkurstofa there was the potential for development of a trademark, and the first step was taken in 2019 with the signature of a formal co-operation agreement with the Húsavík Chamber of Commerce and Tourism. A logo for the route was subsequently designed, and a trademark manual was written about the use of the mark. Finally, on 6 September 2020, the route was formally declared open on a new paved road between Dettifoss and Ásbyrgi. The next steps of the project are the publishing of a sales manual and continued marketing of the route in Iceland and abroad, as a co-operative project between VNI and companies located on the route.

History-related tourism service

In the 2018 Destination Management Plan it was established in meetings that were held in all the areas that the destination was not utilising the potential offered by history-related tourism services. VNI therefore decided to conduct a study of how the visitors who attended museums, farmsteads and exhibitions in North Iceland experienced the region. A grant from the Icelandic Tourist Board was used to fund two studies aimed at providing better insight into the status of history-related tourism services in North Iceland. In the first study, which was conducted by the Icelandic Tourism Research Centre, visitors to museums, farmsteads and exhibitions in North Iceland were asked about their experience. It revealed that 97% of respondents said they were either happy or very happy with their visits to museums, and 90% said they would recommend to their family and friends to do the same. The second study,

conducted by Rannsóknir og ráðgjöf ferðapjónustunnar (Tourism Research and Consultancy), was based on the Dear Visitor study and indicated that tourists in North Iceland were significantly more likely to visit museums or attend exhibitions than the average tourist in Iceland, and therefore it may be assumed that such forms of entertainment attract tourists to the region to some extent. In addition, tourists in North Iceland were similarly more likely to go on tours of churches and famous historical sites. Further information about the reports is available at nordurland.is.



The aviation cluster

The Air 66N aviation cluster was established in October 2011 by tourism service providers and municipalities in North Iceland. From the beginning this project has been under the supervision of VNI.



The primary objective with the aviation cluster is to arrange direct international flights via Akureyri airport on a year-round and permanent basis. Additional or secondary objectives for the aviation cluster include:

- Regular international flights to North Iceland via Akureyri airport
- The opening of a new destination in Iceland for foreign tourists year-round
- To increase the number of tourists in North Iceland year-round
- To improve the distribution of demand for tourism services with regard to the numbers and regions involved
- To create new opportunities for development and innovation in tourism services
- To strengthen the services provided to tourists with regard to opening hours and supply
- To increase the number of year-round jobs in tourism service

Other benefits:

- Better access for local residents to direct international air transport
- More potential for local companies with regard to co-operation and/or expansion in foreign countries

Roughly, the efforts of the aviation cluster can be divided into two categories. On one hand there are marketing efforts – the presentation of North Iceland as a destination with Akureyri as a portal, through joint and strong marketing of North Iceland. On the other hand, there is lobbying of government agencies and other institutions to promote the success of the project.

Much progress has been made since the aviation cluster was established. North Iceland has received acclaim from abroad as an attractive tourist destination, and more travel agencies and airlines know about it than before. Chartered flights became available from the UK, as well as the Netherlands, and proved a success. A flight development fund was established to create incentives for airline operators to

offer flights to Akureyri and/or Egilsstaðir. New ILS flight approach equipment was installed at Akureyri airport for planes coming in from the north.

In coming seasons, a new extension will be added to the Akureyri airport terminal, which will completely transform all accommodation for receiving visitors and enable domestic and international flights to arrive there at the same time. There are also plans for completing the expansion of the loading and fuelling ramp, which will greatly increase the capacity for receiving airplanes, and is also of immense importance when it comes to flight safety in Iceland. New and improved facilities will provide an excellent foundation for continuing progress in foreign markets, and the marketing plan for the aviation cluster contains more detailed information about them.

Walking route database

When the Destination Management Plan was made in 2018, VNI was looking for ways to increase the visibility of the walking routes available in North Iceland. A grant was subsequently obtained from the Icelandic Tourist Board for the creation of a database of walking routes in North Iceland. A steering group established basic criteria for sharing a given route in a central database. In the summer of 2019 municipalities were then asked to submit routes in their area, and about 20 routes were received during this first phase. This was followed by creating a website where information about the relevant route could be obtained along with a GPX file showing it. There was another invitation for submission of routes in the summer of 2020, and about 45 routes were added to the project at that point. Presently, work is being done on updating the site with the advent of a new VNI website, which will be completed in early 2021. Further information about the database can be found at nordurland.is.



New projects

Rural areas in North Iceland

In the beginning of 2020 work began on analysing whether it was possible to create a new tourist route through rural areas in North Iceland. This analysis included searching online for comparable routes in other countries. When that work was completed, it was decided that a tourist route was not feasible for such a project.

It was therefore decided to take a different approach to this project and find out how the rural areas in North Iceland could be better advertised. The result was that a separate section was added to the home page nordurland.is specifically to provide information about the project “Sveitir Norðurlands” (Rural Areas in North Iceland). It will include text with information about Icelandic agriculture, Icelandic farm animals, forestry and more, along with high-quality images and videos. The Farmers’ Association of Iceland provided copywriting assistance. The goal of the project is to draw attention to life and culture in Icelandic rural areas, and to spark interest in Icelandic animals. The website will include information about the places in North Iceland where visitors can see Icelandic animals and farms. The website will be in both Icelandic and English.

“Sveitir Norðurlands” is also connected to another project called Taste North Iceland, where the emphasis is on the food in North Iceland.

Taste North Iceland

The goal of the Taste North Iceland project is to further the status of North Iceland as a known culinary destination. Culinary tourism is currently one of the most important tourism industries worldwide. VNI aims to strengthen this aspect in tourism services in North Iceland in order to reach out to those tourists who are interested in food-related experiences.

In several areas in North Iceland, work is underway to create projects and arrange gastronomic routes where local food is offered. Taste North Iceland is another opportunity for supporting these projects in order to draw more attention to them in foreign markets and, as stated earlier, further promote the image of North Iceland as a destination that is strongly linked to food and gastronomic experiences. Experiences of this kind need to be as diverse as possible if this is to be achieved. They can involve food markets and upscale restaurants and everything in between, day trips with an emphasis on food, gastronomic routes and food festivals.

There will be an emphasis in the project on using locally sourced raw materials and traditional food production, for tourists who wish to experience the destination through food. Such tourists will be looking for the flavours, information and communication inherent in the genuine gastronomic experience in North Iceland. To further this progress, a tool kit has been created for local food in order to help VNI partner companies create these experiences and use their own channels of communication when it comes to marketing.

For the Taste the Arctic Coast Way project, a special digital “passport” has been created and will be the focal point in the marketing of that project. Each gastronomic route in North Iceland can use the model of that passport to create one of their own, but all such passports will be marketed jointly under the name Taste North Iceland. The idea is that tourists will be able to collect North Iceland recipes, from restaurants and other participants, and store them in their passports to compile their own book of recipes from the area.

Teleconferences will be held to present the idea behind Taste North Iceland, and VNI will be in close communication with the representatives of local projects in North Iceland. VNI will also maintain contact with partner companies in the food industry to assist them in using the marketing tools available in the project.

Future projects

VNI is considering a number of projects that will be emphasised between 2021 and 2023. These projects will support the progress that VNI has achieved in recent years. They will be characterised by not having a clearly defined beginning and end, but rather providing support for long-term progress. A more detailed description of these projects follows below, and it should be stated that the focal points and agendas of the projects will be influenced by grant allocations, and could therefore change during the process.

Winter tourism services

One of the principal strengths for North Iceland as a destination lies in what it has to offer for winter tourists. In marketing, this potential is also stressed as one of the main features of the area. Therefore, certain opportunities exist for examining ways in which better results could be achieved in the provision of winter tourism services. Emphasis will therefore be placed on analysing the following:

- The unique characteristics of North Iceland as a destination for winter tourists.
- How companies in North Iceland can capitalise on the opportunities that exist with regard to winter tourism.
- Possible development projects for the purpose of supporting winter tourism services.
- Development of market operations.
- The target group for winter tourism in North Iceland.

The project will be led by VNI and the partners will be companies and municipalities in the area.

Skiing in North Iceland

In recent years, VNI has studied and analysed defined target groups in order to be better able to reach them. Even though skiing is one of the key aspects of the winter tourism project, it is the assessment of VNI that a special analysis should be carried out regarding all facets of marketing of the area as a destination for skiers. This should include an examination of all aspects of all types of skiing, whether on pre-laid paths in skiing area, cross-country skiing areas or off-road ski trips in mountain terrain. It is the assessment of VNI that better results can be achieved, and that a unique image can be created of North Iceland as a skiing paradise, by building on the existing strengths of the area. The following aspects would be examined:

- Analysis of the uniqueness of the area
- Marketing operations
- Analysis of potential development projects
- Study of tourists

The project will be led by VNI and the partners will be companies and economic operators involved with skiing areas.

Sustainable tourism in North Iceland

VNI has participated in a study that involves the analysis and development of what opportunities may be available with regard to sustainable tourism. The intent with the project is to develop a policy for sustainable and responsible tourism for North Iceland. To work out such a policy it is necessary to develop a mechanism for oversight of the principal milestones and work flow of the project, as long-term development will be required in order to achieve a sustainable transformation in tourism services. The policy will be consistent with Icelandic domestic policy regarding sustainable tourism services. The process can be divided into three parts:

- Development of channels for policy making
- Development of the destination area
- Mapping and stakeholder participation

The project will be led by VNI and the partners will be companies, municipalities and administrative agencies.

Film in North Iceland

In recent years, North Iceland has been a destination for shooting films, television series and commercials. VNI has provided support for such projects, and there is a desire to explore further how to make the most of these opportunities. VNI has worked in close cooperation with Film in Iceland, for instance by inviting location managers from Hollywood on a tour of North Iceland.

There will be two main focal points in this project, namely the following:

- Analysis and marketing of filming projects that have taken place in North Iceland.
- Database for production companies

This project will be under the leadership of VNI in cooperation with municipalities and Film in Iceland.

Adventure trip services in North Iceland

Adventure trip services have been a part of VNI’s marketing strategies. This has involved highlighting various aspects that are relevant to adventure trip services, and VNI believes there is potential for North Iceland to become a leading destination in this category. There are many opportunities in North Iceland for providers of services in connection with mountain biking, ice climbing, mountain running, paragliding, skiing and other activities. VNI would therefore like to do the following, for the purpose of assessing those opportunities:

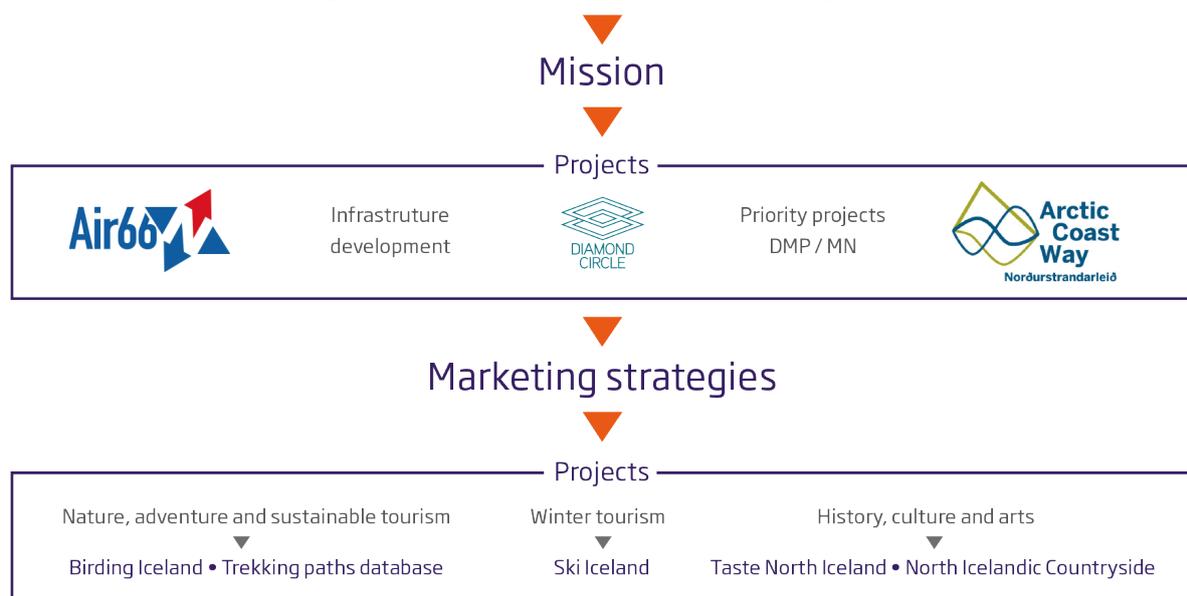
- Analyse the unique characteristics of the region and its competitiveness as regards adventure tourism
- Analyse the potential for marketing and development projects

The project will be led by VNI in cooperation with companies and municipalities in the area.

Strategy for North Iceland

Strategy for North Iceland

North Iceland offers unique and diverse nature, winter experiences, animal life, history, culture, arts, and events of a kind you will not find elsewhere. The future scenario for North Iceland is to increase the importance of tourism services on a **year-round basis**, which will lead to the installation of **infrastructure**, more efficient **transportation**, more **whole-year jobs** and higher **yield** from the sector. One basic criterion for achieving objectives in the near future is that direct scheduled flights to North Iceland will be available.



The 2018 Destination Management Plan included a revision of the future scenario for North Iceland as a destination. The future scenario will remain a guiding principle, but additional focus will be placed on the ways in which it can be achieved.

"North Iceland offers unique and diverse nature, winter experiences, animal life, history, culture, arts, and events of a kind you will not find elsewhere. The future scenario for North Iceland is to increase the importance of tourism services on a year-round basis, which will lead to the installation of infrastructure, more efficient transportation, more whole-year jobs and higher yield from the sector. One basic criterion for achieving objectives in the near future is that direct scheduled flights to North Iceland will be made available."

As indicated in the diagram, two factors are presented as necessary to achieve this future vision. On one hand there are aspects of policy-making that involve development projects to promote the appropriate development of the destination. On the other hand there are marketing strategies that involve certain projects that promote the uniqueness of the region and ensure that it will be possible to achieve the intended results.

Policy-making

The major aspects of policy-making are projects connected with the development of the destination. As indicated in the figure, there are four key projects that mostly revolve around promoting the development of the area. Some of these projects are exclusively development projects, such as in relation to prioritising road administration and the projects of the Destination Management Plan (DMP). The section on the prioritising of projects includes a detailed description of the projects concerned. VNI's role is to assist in completing these projects and ensure that they are allocated all necessary support, as these are the projects that the relevant municipalities and areas have deemed most important for the development of the region. VNI has also worked hard to present the views of tourism service providers on road construction in North Iceland. In 2015, VNI compiled a list of the priorities of tourism service providers regarding road construction. Considerable results have been achieved since then, as key projects such as the construction of the Dettifoss and Bakkafjörður roads are currently in progress. On the other hand, important roads such as the Vatnsnes road and the road out from Skagi still remain to be constructed, to name a couple. In addition, VNI has worked together with the Road and Coastal

Administration to introduce the first brown-coloured signs on the Arctic Coast Way, and agitated for more turnout lanes and rest stops. This work is ongoing.

There are also projects such as the Air 66N aviation cluster and the Arctic Coast Way, which can be called market development projects, as in both cases the relevant product is being marketed and developed. What has been achieved with both these projects is the result of cooperation between the principal stakeholders, such as tourism service providers and municipalities. Both projects are described in more detail earlier in this report.

Marketing strategies

The 2018 Destination Management Plan included principal strategies for marketing the destination North Iceland. There was also an attempt at summarizing the aspects that are characteristic of marketing of the destination in order to focus more clearly on how to achieve the future scenario. This Destination Management Plan will therefore include a description of how a marketing plan that is derived from these marketing strategies will be implemented. This was possible partly due to the availability of market surveys that were submitted to tourism service providers in North Iceland and foreign tourists. These strategies are discussed in more detail in the section on the market plan.

Marketing

This section includes a review of VNI's principal strategies in marketing of the destination North Iceland. In the last two years, an enormous amount of work has been devoted to defining a clear policy and development of a market plan for the region. The work has focused on the basic market strategies that the destination North Iceland has provided, which are **nature, adventure and sustainable tourism service, winter tourism service** and **history, culture and art**.

A trade mark manual was compiled and the most extensive market survey on tourism in North Iceland to date was launched.

Trade mark manual

In recent years, targeted efforts have been made to promote the chief attractions of North Iceland, and thereby to create a strong image for the region. There have been calls for better “packaging” of the products on offer to create stronger magnets. New opportunities have also been analysed and work has been devoted to remedying the flaws that have been detected in the supply of services or distribution channels. Much

product development work has been done and resulted in strong products such as the Arctic Coast Way and the Diamond Circle, which are both projects that are kept going by tourism service providers with a keen eye for what opportunities the region has to offer. The market development then revolves around arranging for better promotion of the projects. The Air 66N aviation cluster is also worth mentioning, which involves working specifically towards improving distribution channels for the service in addition to creating strong marketing projects. Ski Iceland is yet another example, and VNI has also been involved with marketing Birding North Iceland for bird watchers.

A good supply of products such as these calls for establishing a clear vision of what North Iceland represents and what the unique features of each projects are. It is necessary to distinguish between these projects in order to present customers with a clear image. Trade mark manuals have already been compiled for the Arctic Coast Way and the Diamond Circle, and a manual has also been published for North Iceland. It includes promoting the uniqueness of North Iceland and using the trade mark as an umbrella term for the products offered there, and emphasising the uniqueness inherent in having a destination that is among the most northerly in the world, as tourists keep heading further and further north. Concomitantly with the work on the marking, a manual was compiled regarding the use of the trade mark as more and more parties are using the mark North Iceland. Studies have also shown how important it is for companies and individuals to use the name North Iceland or Norðurland to promote a strong image among tourists. This trade mark manual should be useful for companies to work with the name of the region in a targeted manner. The solidarity and drive of the partner organisations that join forces to create this image can result in strong awareness in the market, and place North Iceland firmly on the map as a destination.

Market research

During the time that has passed since the Destination Management Plan was published in 2018, VNI has worked systematically on gathering data, including data from Statistics Iceland, and conducted studies and surveys. This section contains a summary of these studies and their principal results. Preparations for the Destination Management Plan in 2017 showed that there is a great lack of local studies regarding North Iceland. Subsequently, VNI began to work on obtaining more locally sourced data. Among its courses of action, VNI applied to be part of the Regional Plan of Action and received a grant from both regional organisations, SSNV and SSNE. This provided ISK 18.5 million, the highest amount obtained for the study of tourism services in

North Iceland. In addition, VNI arranged for more studies to be conducted, which will be described below. At present, a research programme is ongoing regarding Icelandic tourism, and there are indications that it will include an emphasis on local studies. This is a cause for celebration, as VNI submitted a commentary on a parliamentary bill in that regard which was well received. Following are more detailed descriptions of these studies.

VNI studies 2019

As aforesaid, VNI received a grant for studying tourists and tourism service providers in North Iceland. Agreements were reached with the Icelandic Tourism Research Centre and Hólar University regarding the way in which this study would be conducted. The study was divided into the following three different parts:

- Report 1: Marketing of tourism service providers and municipalities in North Iceland
- Report 2: Tourism trends and attitudes of foreign tourists in North Iceland
- Report 3: Comments from tourists on Instagram, TripAdvisor and Facebook

Marketing of tourism service providers and municipalities in North Iceland

In this study, companies that conduct activities in North Iceland were asked about their marketing, and this is the first time this has been done in this manner. This was an online study sent to 344 e-mail addresses, and 173 valid answers were received, which is a response rate of 50%. Among the major findings was that companies mostly do their marketing on their websites and social media. In addition, booking pages were of great significance. Direct communication with travel agencies and travel wholesalers were also important aspects of the marketing of companies. It was also revealed that there was a lack of market knowledge among the companies. Further information about the study can be found at nordurland.is.

Tourism trends and attitudes of foreign tourists in North Iceland

In Report 2, tourism trends and attitudes of foreign tourists in North Iceland were examined. The study was conducted through interviews, where a qualitative research method was used in the form of half-standardised in-depth interviews. A total of 32 interviews were conducted with 58 interviewees. This revealed that tourists do not usually stay in North Iceland for long periods of time, and that they did not feel they were visiting North Iceland specifically but rather Iceland in general. Most described North Iceland as different and beautiful with spectacular views. They described booking pages and websites such as Google Maps as important sources of

information. It also came to light that bloggers had significant influence. Also of note was the fact that only a few of the respondents used Facebook. There was general satisfaction with the North Iceland experience, and most of the people said that the trip had met or exceeded their expectations. Further information about the study can be found at nordurland.is.

Comments from tourists on Instagram, TripAdvisor and Facebook

For Report 3 it was opted to look for data on the major social media connected with tourism services. Data collection was in the form of examining data on three search strings: #northiceland (62,450 total entries), #northicelandIS (1,683 total entries) and #northicelandadventure (1,326 total entries). According to the analysis, tourists consider it a great advantage that there are fewer tourists in North Iceland, as evidenced by the fact that the vast majority post photos where no people can be seen in the frame. Such pictures are also shared during the trip and after it in equal measure. Further information about the study can be found at nordurland.is.

Other studies

More studies were conducted in 2019. One of the projects that VNI executed in continuation of the Destination Management Plan was an examination of the opportunities for history-related tourism services in North Iceland. It was decided to carry out two studies: a study of 14 different museums, farmsteads and exhibitions in North Iceland in the summer of 2019, and a study of data based on a Dear Visitor survey carried out in Keflavík International Airport.

A survey was carried out by the Icelandic Tourism Research Centre, and 823 individuals responded to the study, i.e. 625 foreign visitors and 198 Icelandic visitors to museums, farmsteads and exhibitions in North Iceland. The survey showed that just over a third of tourists decides to visit museums more or less spontaneously. Another third decided to visit museums before they go on the trip. It also seems that tourist handbooks have a significant influence on which museums are visited. It was also noted that tourism websites and blogs reached a certain section of tourists. More information about the study can be found on nordurland.is.

The Dear Visitor study is carried out each year by Rannsóknir og ráðgjöf ferðapjónustunnar (RRF) in Keflavík International Airport. There, visitors are asked about their experience of travelling in Iceland. VNI assigned to RRF the task of compiling the results obtained from those who visit museums, farmsteads and exhibitions in North Iceland. Included is an examination of factors such as whether

Icelandic history and cultural legacy has an influence on the decision to go on a trip to Iceland. Also, whether the Icelandic Sagas or Icelandic films/documentaries have provided information for a prospective trip to Iceland. More information about the study can be found at nordurland.is.

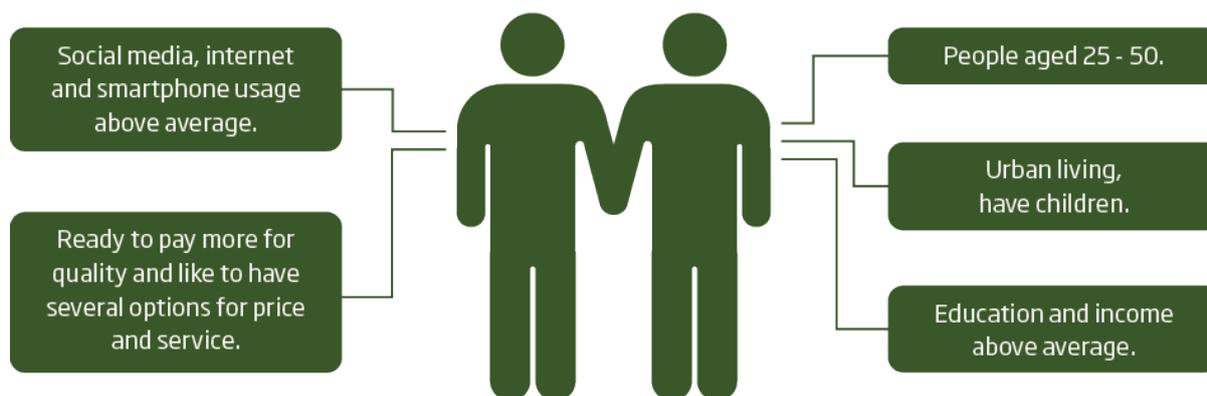
Market strategy

The 2018 Destination Management Plan included deciding VNI's marketing strategies for the next years. These strategies were condensed into three focal points for marketing strategies: **nature, adventure and eco-friendly tourism services**, **winter tourism services** and **history, culture and arts**. It was revealed that there was considerable lack of data for making a clear market strategy for the destination. Efforts have therefore been devoted to studies of tourism in North Iceland over the past two years. One thing that was especially Lacking was an analysis of what the key target group for North Iceland was, based on the target group analysis from Business Iceland. It turned out that it was the "pleasure-seeking cosmopolite". Using this information and other findings from these studies it is finally possible to make a clear market strategy on the basis of the target group and market areas. It is also possible to work out what projects will support the marketing strategies and thereby create a clear vision of what VNI intends to do and how it will be done. The VNI market strategy is explained in more detail below.

Nature, adventure and sustainable tourism

This marketing strategy involves highlighting the strengths of nature, adventure and sustainable tourism in North Iceland. The VNI study indicates that the pleasure-seeking cosmopolite is the key target group for North Iceland, based on the target group analysis from Business Iceland. Emphasis will therefore be placed on this target group in this marketing strategy. A brief description of the target group:

"Extroverted, creative and open to innovations and socialising. Naturally curious and willing to challenge themselves by experiencing exotic nature and culture, but without placing themselves in unnecessary danger. They want to see how people in different places live their lives and take the time to seek out experiences and sensations." (Source: Business Iceland, www.islandsstofa.is)



Market area

Based on market groups, certain market areas have been defined and applied to this marketing strategy. These market areas also got a high score in the Business Iceland market group analysis, and are also the key market areas in North Iceland. They are as follows:

 <p>In a 2019 survey, Americans were the largest demographic, a 20% of respondents who visited museums, centers and exhibitions in North Iceland.</p>	 <p>Great Britain accounts for the fourth largest group in North Iceland, with 65.000 guest nights in 2019, which was a 4% decrease from the year before.</p>	 <p>Germans were the second largest group in North Iceland, with 125.000 guest nights in 2019, a 12% decrease from the previous year.</p>	 <p>France accounted for 66.000 guest nights in 2019, making them the third largest group, with no change in numbers from the year before.</p>
<p>The biggest increase was in the Northwest region, an increase of 16% in 2019 from the year before.</p>	<p>4% increase in the Northeast region, despite an overall decrease.</p>	<p>A decrease in all areas of North Iceland, most in the Northeast region, 14%.</p>	<p>2% increase in the Northeastern region and a slight decrease in other areas.</p>

Projects that support market strategies

The Arctic Coast Way

As has been noted, the Arctic Coast Way is a 900 km route along the coastline of North Iceland. The project fits well with this marketing strategy as the route offers unique nature experiences involving mountains, beaches, cliffs, seaside villages, walking routes, midnight sun locations, wildlife and more. What makes this route unique is that you never know what the next adventure will be. Diverse recreation is available along the route, such as jet skiing, kayaking, paddleboarding, day trips, hikes and cycle

routes that make the route a unique experience for nature and adventure lovers. Even though the route is long, the entire 900 kilometers can be completed by electric car (with a range of 400 km.)

The Diamond Circle

The Diamond Circle is a 250 km route through nature and adventure destinations in North Iceland. The route is very suitable for the aforesaid strategies as it includes some of the major natural attractions in Iceland such as Mývatn, Dettifoss, Ábyrgi and Goðafoss. These are all unique places to visit and they offer different nature experiences. The Diamond Circle also offers adventure experiences, for instance in Húsavík, the whale watching capital of Iceland. The whale watching that is offered there can be experienced in different ways, such as on old oak boats or rigid inflatable boats.

Natural marvels

This strategy focuses on certain natural locations that have not received the same amount of recognition as the most well-known natural marvels of North Iceland. Attention will therefore be focused on the following locations in this market strategy:

- Kolugljúfur
- Kálfshamarsvík
- Drangey
- Aldeyjarfoss
- Stórikarl

Walking route database for North Iceland

To follow up on the Destination Management Plan, VNI has worked on compiling a central database for walking routes in North Iceland. There is an emphasis on visitors being able to obtain information regarding walking routes in North Iceland, including precise data on the relevant walking route and a GPX file for the relevant route. More detailed information on nordurland.is.

Birding Iceland

For years, VNI has worked on developing and marketing bird watching in North Iceland. This work has been carried out in close cooperation with Birding Trail in the Northeastern Region, the tourism association of the Northwestern Region and a project group in Eyjafjörður. In recent years, VNI has attended Birdfair, which is a bird watching exhibition in the UK, along with representatives of tourism companies and

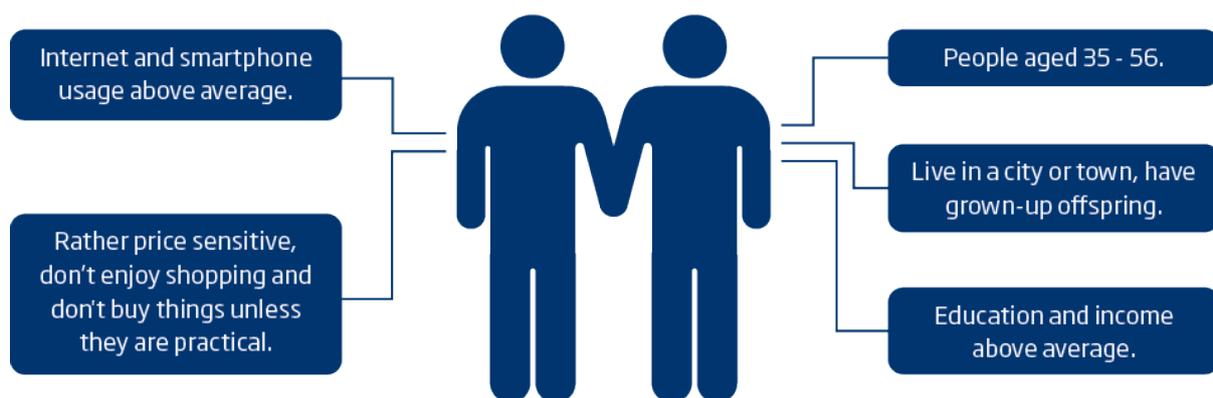
areas. This project is ongoing as it is the assessment of VNI that North Iceland is a unique bird watching area, as certain species can be found here that attract visitors from all over the world. More detailed information on birdingiceland.is.

Winter tourism services

Winter tourism services have been part of the principal marketing strategies for the destination North Iceland in recent years. This is mostly due to the fact that North Iceland has so much to offer, both as regards services and environment. The strongest attraction has been the aurora borealis, which North Iceland can offer in unique locations with high probability of sightings. A study that was made in 2017 indicated that there was a 90% likelihood of seeing aurora borealis for a person who stayed in North Iceland for five days or longer. This focus on the wintertime has already resulted in two travel agencies offering direct charter flights to North Iceland. There will therefore be an ongoing focus on winter travel and the strengths that the area has to offer.

The key target group in this regard will be the independent explorer. This target group is described as follows:

“Does not desire a traditional vacation nor the limitations of a fixed schedule, but rather looks for what is exotic and new. Prefers to travel in a small group where the authentic Icelandic experience is very important.” “Seeks to learn about the culture and history of the location and to travel in an environmentally friendly manner.” (Source: www.islandsstofa.is)



Market areas

Based on market groups, VNI has defined certain market areas that are applied to this marketing strategy. These market areas also got a high score in the Business Iceland market group analysis and are also the key market areas in North Iceland. Another

characteristic of these market areas is that the tourists from them tend to do a considerable amount of travelling outside the peak season. They are as follows:

 <p>The United States is the biggest market over the winter season, with 81.000 guest nights, a 37% increase between seasons, from September 2017 – April 2018 to September 2018 – April 2019.</p>	 <p>Great Britain was the second largest market in North Iceland during the winter season with 38.000 guest nights, a 12% increase between seasons, from September 2017 – April 2018 to September 2018 – April 2019.</p>	 <p>Germany was the third largest market for North Iceland during the winter season with 37.000 guest nights, a 4% increase between seasons, from September 2017 – April 2018 to September 2018 – April 2019.</p>	 <p>Spain has grown as a market in recent years and the winter season saw 13.000 guest nights from Spanish travelers, which made for an 18% increase between seasons, from September 2017 – April 2018 to September 2018 – April 2019.</p>
<p>Biggest increase from Sept. 2017 – Apr. 2018 to Sept. 2018 – Apr. 2019 was in the Northwestern region, 59%.</p>	<p>Biggest increase from Sept. 2017 – Apr. 2018 to Sept. 2018 – Apr. 2019 was in the Northwestern region, 37%, but the Northeastern region saw a 1% decrease.</p>	<p>Biggest increase from Sept. 2017 – Apr. 2018 to Sept. 2018 – Apr. 2019 was in the Northwestern region, 11%.</p>	<p>Biggest increase from Sept. 2017 – Apr. 2018 to Sept. 2018 – Apr. 2019 was in the Northwestern region, 36%.</p>

Projects that support market strategies

The Arctic Coast Way

What makes the Arctic Coast Way so interesting is precisely how diverse it is depending on the season. Even though there are parts of the route that sometimes cannot be reached by car during the winter season, the route still offers a completely different experience in winter. The Arctic Coast Way has many excellent locations to observe the aurora borealis, and diverse locations suitable for cross-country skiing and snowshoe walking. The many hot springs for bathing and swimming pools along the route should also not be forgotten. It is important to keep in mind that it can be difficult to travel parts of the route in winter so the current conditions at each time must always be monitored.

The Diamond Circle

Travelling the Diamond Circle in winter is a unique experience, both as regards the nature and services. Seeing Mývatn covered by ice or experiencing Dettifoss in the winter is completely different than in the summer, for example. The services offered in winter are also outstanding for those who want to go on snowmobile, dog sled or cycling tours, whale watching trips, bathe in hot springs or engage in other activities.

The Diamond Circle is a unique route to traverse, whether in the summer or winter. It is important to keep in mind that it can be difficult to travel part of the route in winter, and therefore it is necessary to keep track of the current conditions at each time.

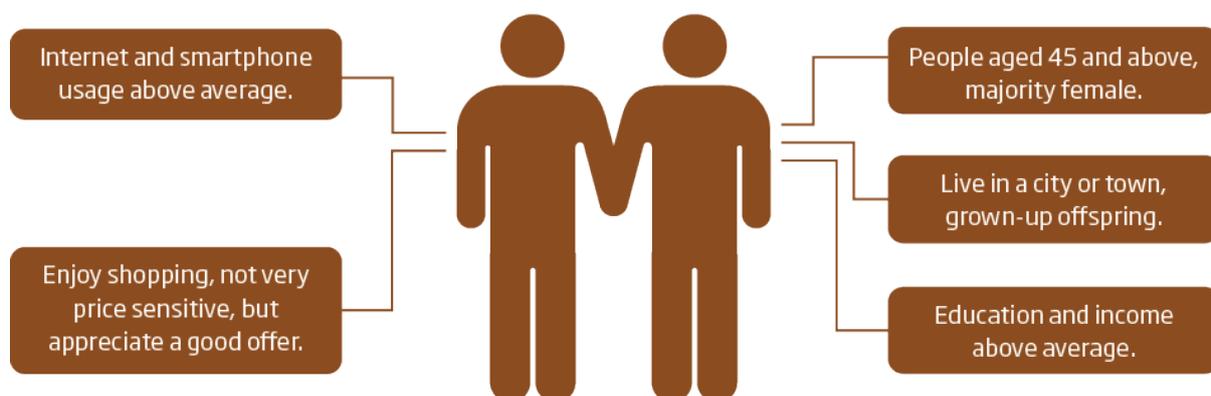
Skiing in North Iceland

North Iceland boasts many of the most spectacular skiing areas in Iceland. The most popular skiing area in the country is by Akureyri, where diverse services are offered that are suitable for people at all skill levels. Most skiing areas have ski rentals offering good equipment, as well as ski schools and skiing instruction for individuals and groups. Other skiing areas can be found at Dalvík, Ólafsfjörður, Siglufjörður, Sauðárkrúkur and Húsavík. There are plans to open a skiing area at Mývatn. Cross-country skiing is quite popular and there are many opportunities to practise the sport. There are also local companies that offer mountain ski trips. The area is unique with regard to service in connection with mountain skiing, as for instance helicopters, tracked snow vehicles and snowmobiles can be obtained, and there are also experienced guides working in the area. More detailed information about skiing services can be found at skiiceland.is.

History, culture and art

History, culture and art are important factors when it comes to promoting the destination. In recent years, VNI worked on analysing potential opportunities. History, culture and art will continue to be connected to the marketing of the destination, and there will be focus on the easy-going cultural aspirant as the target group for the project. Following is a short description of that character:

“Adventurous within sensible limits. Travels “in the now” and seeks to experience the local spirit and culture first-hand. Prefers comfort and service.” Source: www.islandsstofa.is).



Market area

Based on the target groups we have defined certain market areas, which we work with in this marketing strategy. They are as follows:

 <p>A 2019 survey showed Americans as the biggest target group, 20% of those who visited museums, centers and exhibitions in North Iceland.</p>	 <p>Brits were the third largest group in the 2019 study, 8%.</p>	 <p>Germans were the second largest group in the 2019 survey, a 16% of those who visited museums, centers or exhibitions in North Iceland.</p>	 <p>As Denmark is a proximate market, we believe that Danish tourists could become a larger part of visitors in the coming years. The connection to the history and culture is a significant factor as well.</p>
<p>American tourists were, on average, 7 years older than tourists from Central Europe.</p>	<p>Brits were least likely to make a spontaneous decision, only 24% of them.</p>	<p>Tourists from Central Europe were likelier to travel with a spouse, 58%.</p>	<p>The RRF study shows that Icelandic culture and arts are a significant factor in Nordic people's decision to visit Iceland.</p>

Projects that support market strategies

The Arctic Coast Way

A large part of the Arctic Coast Way experience is the rich culture and history which the route has to offer. The project includes the collection of stories about the people along the route, which can give tourists better insight into life by the Arctic Circle. The stories involved concern the people on the coast and how the environment has shaped their lives in the unique landscape where they live. These can be experienced in museums, farmsteads and exhibitions that are located along the route. In addition, a project is ongoing where the food culture of the route is being presented, with the issue of a food passport.

The Diamond Circle

There are many entertaining museums worth visiting along the Diamond Circle. Among them are the Whale museum in Húsavík, the Sigurgeir bird museum at Mývatn, Grenjaðarstaður in Aðaldalur and others. These are all museums that provide insights into the environment of the Diamond Circle, and the connection to the nature of the region.

Sveitir Norðurlands (Rural areas in North Iceland)

Sveitir Norðurlands is a recently launched project. The goal of the project is to highlight the unique nature of the rural areas in North Iceland. It includes examining in particular what opportunities lie in the culture that the region has to offer. Farm animals are also given a special presentation, and there is an emphasis on relating stories that are connected with rural areas in North Iceland.

Taste North Iceland

This project is about promoting the food culture in North Iceland. There will be a focus on highlighting the uniqueness of the food culture in each separate area. There will be an emphasis in the project on using locally sourced raw materials and traditional food production, for tourists who wish to experience the destination through food. Such tourists will be looking for the flavours, information and communication inherent in the genuine gastronomic experience in North Iceland.

Prioritisation of projects in North Iceland

Prioritisation of projects 2018 - 2020

The 2018 Destination Management Plan included a list prioritising the projects that needed to be undertaken and that were connected with tourism services in the region. Municipalities and tourism associations were invited to submit their top 5 lists of the projects which they considered would be most important in their area. Meetings were subsequently held in each area, a total of five meetings at each place, wherein 3 projects were selected for each area, a total of 15 projects.

As stated in the 2018 Destination Management Plan, the projects were associated with the most important aspects of policy-making for North Iceland, which were **the creation of infrastructure, the Arctic Coast Way and transportation**. These items are still defined as the most important priority projects for North Iceland, and it is now possible to view a database of priority projects for the improvement of the Arctic Coast Way, which can be found at nordurland.is.