



destinations : wellbeing tourism



## IO2 – Wellbeing Tourism Destination Action Plan - Iceland



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## 1. Introduction

Iceland is a volcanic island located in the North Atlantic Ocean that lies south of the Arctic Circle. It covers an area of 103,000 km<sup>2</sup>.

Over 10 percent of Iceland's territory is covered by glaciers, which includes Vatnajökull, the largest glacier in Europe. Due to the volcanic origin of the island, the country's nature features gushing geysers, natural hot springs, as well as lava fields and volcanic deserts creating a unique chance to experience the untouched vastness. Icelandic nature remains quite unspoiled as the island is scarcely populated, with the lowest population density in Europe of 3.5 people per square kilometre in 2021. The habitable part of the island is mostly by the sea shore and in few lowland areas located more inland.

Iceland's climate is subpolar oceanic, leading to cold winters and cool summers, although the winters are milder than most places of similar latitude due to the Gulf Stream that temperate the climate of the island.

This island of ice and fire with its unspoiled wasteness has for many years been a destination for few tourists that like to travel places and locations off the beaten track. This changed after 2010 when Eyjafjallajökull erupted and put Iceland on traveller's destination map, causing it to become a popular tourism destination. The tourism visits rose from close to 500.000 in 2009 to 2,3 million in 2018. Travelers come to Iceland because of its nature, cleanliness, outdoor activity and the geothermal baths. The fact that Iceland has a relatively short history as a popular destination indicates that there are many opportunities for marketing the country further.

The Covid-19 pandemic has, like all over the world stopped traveller flocking to Iceland but at the same time has given Icelandic tourism companies and governing institutions time to work on the infrastructure related to tourism that did not really follow the tremendous rise of the tourists visiting the country.

Much has been written about post-Covid travellers' behaviour and many have predicted that eco-tourism, slow-tourism and **wellbeing tourism** is what traveller will seek after the pandemic ([What will travel look like in a post-Covid world? | Euronews](#)) Iceland has opportunities there as wellbeing tourism is not something new to Iceland, regarding outdoor activity, baths and spas. Being outdoors in a nature setting and all kind of weather, makes for a constructive and relaxing experience.

Most of the tourism companies in Iceland offers outdoor activities in nature and bathing facilities and spas are all over. Although Icelandic tourism companies have not been promoting them self's much as wellbeing tourism companies, it is mostly the spas that have been doing so.

This destination action plan's priority strategies and actions will enhance the competitiveness of the south of Iceland and the SMEs operating there to promote their existing and new products, both in activity, accommodation and culinary offers. It provides a framework and direction for delivering improved and new tourism experiences across the region. This plan aims to stimulate the implementation of strategic interventions that will contribute to increasing the understanding of wellbeing tourism and its opportunities, as well as to prepare the local stakeholders to embrace them. It is particularly focused on the basic needs of the wellbeing tourism sector according to the destination audit that has been previously undertaken.

## 2. Objectives for the Wellbeing Tourism Sector

The main objectives for the wellbeing tourism sector are deeply associated with the improvement of fundamental features that can, in the long term, leverage its development and competitiveness. These goals are also associated with what the south of Iceland offers and makes it a perfect destination post-Covid-19. The goals presented in this action plan are:

1. To increase the awareness with tourist companies of the possibility to promote their existing tour options as wellbeing products.
2. To grow awareness in the south of Iceland as a year-round wellbeing destination.
3. To increase the number of people with specific training in wellbeing tourism.

## 3. The Strengths, Challenges and Opportunities for the Wellbeing Tourism Sector

A big part of the operating tourism companies in the south of Iceland already offers products that can be defined as wellbeing products and the region have a very diverse nature that is useful in the supply of wellness trips and services. There are black beaches, arable agricultural areas, mountains, glaciers and untouched vastness. There is a lot of geothermal energy in the area which occurs in many hot natural pools and spas, and in many parts of the area vegetable are grown in sustainable ways in greenhouses. All that already mentioned along with e.g., the social characteristic of the region is very much aligned with wellbeing tourism.

### a) *Strengths*

The natural resources and the human capital of the country are the valuables that Icelanders share with their guests and are the basis of the wellbeing tourism, both mental and physical wellbeing experiences.

- ↘ **Natural resources diversity**, that brings great flexibility to experience designers and product developers, also facilitating the destination positioning in different market segments.
- ↘ **Hot springs & thermal water pools of volcanic origin**. Geothermal energy has played a major role in building the welfare society of Iceland. Houses are heated with hot water and both the residents and visitors use numerous natural pools, spas and swimming pools for health benefits.
- ↘ **Natural exotic scenery and untouched vastness** is ideal for slow travel, mindful experience or intense activities.
- ↘ **Very high standards of safety & security**. According to the [Global Peace Index](#), for 2021 Ice-

land is the safest country in the world for the 12th year in a row and it is among the European countries that have most days as a “[green](#)” Country during the Covid 19 pandemic.

- ↙ **Rich cultural resources.** Iceland’s rich culture is strongly rooted in Norse traditions and can be traced back to the settlement of the island in the 9th century. It includes e.g., medieval sagas and more recent literature, art and craft, music and traditional Icelandic cuisine, all interesting in the tourism context.
- ↙ **Ever-changing weather.** Weather and seasons in Iceland vary significantly throughout the year, causing each season and day to offer new experiences. Summer will bring the midnight sun, and winter will bring the Northern Lights; spring and autumn bring everything in between.
- ↙ **Welcoming people.** Apologizing for classing Icelanders into stereotypes but being islanders, they are inherently a curious people and do want to get to know their guests. They might appear as being unapproachable, but they are warm and welcoming people.
- ↙ **Gastronomy & Beer,** Iceland is blessed with fresh water, clean nature and fertile fishing grounds which is the source of Icelandic food production and geothermal used to grow fresh vegetables in greenhouses. Chefs create modern dishes with traditional ingredients where freshness and local seasonal ingredients play a vital role. Micro-Breweries can be found all over the country, making local, unique beers.
- ↙ **Low population density.** Iceland is not a small island, and few people live there causing it to have the lowest population density in Europe of 3.5 people per km<sup>2</sup>. Iceland is therefore an ideal destination for guests that want to relax and enjoy untouched vastness.
- ↙ **Peaceful and tranquil rural settings** that share landscape with black beaches, sea, mountains, glaciers, waterfalls and geysers, housing a deeply relaxing ambience for mindful moments.
- ↙ **High sustainability standards and social responsibility.** Companies, institutions, organizations and the government take responsibility and work on having a constructive impact on the environment, governance and society. By doing so they promotes responsible tourism.
- ↙ **South Iceland** is a diverse terrain, both geologically and culturally, offering an incredible diversity of experiences and places to explore.
- ↙ **Heritage preservation and nature conservation.** Iceland is mostly visited because of its stunning nature and to preserve its uniqueness a high emphasis is on conservation and education about the nature. In the south of Iceland alone there are two national parks, two geoparks including UNESCO World Heritage sites. All this sustains an incredible opportunity for immersive stays.

### b) Challenges

The development of tourism in Iceland has increased fast after 2010, causing some challenges to solve. The wellbeing tourism sector have been growing slower than many other parts of tourism, but its development has mainly been in the increased number of outdoor and indoor spas and in increased emphasis on salubrious quality and freshness in culinary. The wellbeing tourism faces some challenges, resulting from its own weaknesses and competitive market pressures. Some of these challenges are also common to the whole tourism sector in the region, meaning that addressing them might benefit everyone.

- ↙ **Existing products.** Many of the product offerings that are already available in southern Iceland have not been classified or promoted as wellbeing products, even though they can easily be categorised as such.
- ↙ **Availability of qualified human resources and service quality.** Education and training in wellbeing tourism has barely been able to keep up with the rapid growth of tourism. It is probably a combination of the rapid growth of tourism and lack of qualified human resources, that the overall service quality is still too far from the desired levels.
- ↙ **Weather volatility.** The weather in Iceland is very diverse and changes rapidly. This makes planning challenging and can affect the experience of unprepared tourists.
- ↙ **Seasonality.** Tourism in Iceland is still rather seasonal, with peak demand during summer months. The difference between Summer and Winter seasons causes some troubles and inefficiencies to tourism companies.

### c) Opportunities

Although the Covid-19 pandemic has brought serious challenges and unexpected difficulties to tourism development in general, facing the future with optimism is vital. Due to its somewhat remoteness, vastness, insularity and welcoming people, Iceland offers great venue for disconnecting, destressing and experiencing wellbeing in a safe and sustainable environment.

Opportunities that lie in the challenges:

- ↙ **Existing and new products.** *Many of the product offerings that are already available in southern Iceland have not been classified or promoted as wellbeing products, even though they can easily be categorised as such.*
  - Opportunities lie in raising tourism operator's awareness of which activities they already offer, may fall under the definition of wellbeing tourism. Raising this awareness is vital to reinforce the wellbeing identity of the brand to reach more tourists, confer new grounds to the brand and promote the wellbeing tourism sector. This sector needs to broaden its scope and make more room to strengthen existing products as well as stimulating new approaches in its development to enhance physical, mental and social wellbeing, e.g., with combining localism, slow

adventure, yoga and mindfulness with their outdoor activity. Crossing over with other products and stimulating new offerings may bring great benefits for the whole tourism sector.

- ↙ **Availability of qualified human resources and service quality.** *Education and training in wellbeing tourism has barely been able to keep up with the rapid growth of tourism in Iceland. It is probably a combination of the rapid growth of tourism and lack of qualified human resources, that the overall service quality is still too far from the desired levels.*
  - Opportunities lie in further and more targeted education and training within the field of wellbeing tourism. This is needed to be better able to answer to the companies and tourists need for high quality service and experiences. It is important to address this need to improve the tourists' experience, the destination's competitiveness and its perceived value. New research projects are being developed in Iceland, involving Universities, research centers and tourism companies. These projects are exploring new ideas and innovation-based experiences in the scope of tourism and a comprehensive curriculum for tourism education is currently being developed. All this may bring interesting prospects for the future and different market segments.
- ↙ **Weather volatility.** *The weather in Iceland is very diverse and changes rapidly. This makes planning challenging and can affect the experience of unprepared tourists.*
  - Opportunities lie in having plan-B and to inform guests about who is the boss in Iceland (the weather!). It is also important to offer clear information about what happens if plans need to be altered or services need to be cancelled due to weather and clear information about refunds policies is crucial. With good and safe equipment one can change this challenge into opportunities to create more value to the wellbeing experience e.g., with marketing the benefits of cold baths or a walk in the storm.
- ↙ **Seasonality.** *Tourism in Iceland is still rather seasonal, with peak demand during summer months. The difference between Summer and Winter seasons causes some troubles and inefficiencies to tourism companies.*
  - Opportunities lie in continue working on increasing the demand during the winter months. Focus on northern light hunting, the bathing culture and experiencing different weather conditions are factors that can be emphasized.

Other opportunities:

- ↙ Post-pandemic search for relaxation and wellbeing is expected to boost the search for off-the-beaten-path destinations with low tourist density, that provide a soothing place to recharge, celebrate life and find renewed purpose and motivation - something Iceland can easily offer.
- ↙ Collaboration between companies and other tourism stakeholders can be further strengthened. As tourism is being reactivated globally, there is a new chance for that to happen and

to create new partnerships and synergies.

- ↙ New supporting policies of the 2021-2027 EU framework represent an opportunity to strengthen wellbeing as a differentiation feature in Icelandic tourism. It is vital to understand them and leverage the possibilities that they might trigger in what regards the qualification of the regional tourism resources and landscape.
- ↙ Recent investments in tourism have improved the conditions for the sector's development as well as the quality of the supply in several activities, including accommodation, activities, restaurants and protected areas. The pandemic has brought a halt to the capitalization of these new conditions, but as tourism bounces back, south Iceland have the means to intensity the recovery.

#### 4. What are the priority actions?

The following action plan is a direct result from the analysis of the strengths, opportunities and challenges of the wellbeing tourism sector in Iceland, as well as from the destination audit that has been previously developed. It is intended to be a guideline for local tourism stakeholders, presenting several priority actions and cooperative work that may contribute to the development of wellbeing tourism in the region.

It is important to mention that while some entities and organizations are identified in the plan and presented as "responsible" for each initiative, this is a merely conceptual exercise, that, by no means, commits them to pursue the proposed actions. Furthermore, the priority level has been established with according to an implementation horizon: High - less than a year; Medium - within one to two years; Low - within two to three years.

Action	Priority Level (high / medium / low)	Whose responsibility
<b>1.</b> Emphasize on defining wellbeing tourism and present that definition to tourism operators. In this way, tourism operators can systematically examine the products they offer to assess whether they already have a wellbeing supply.	High	Visit south- Regional DMO  Local DMO's in the south of Iceland  Municipalities in the south (local government)  Businesses & other Private Sector Representatives  Tourism Skills Center
<b>2.</b> Emphasize features of the brand's identity related to wellbeing, while leveraging top of mind brand characteristics (like nature), to strengthen the awareness of south of Iceland as the perfect destination for the post-Covid-19 (e.g., the Nature of wellbeing)	High	Visit south- Regional DMO  Local DMO's in the south of Iceland  Municipalities in the south (local government)  Businesses & other Private Sector Representatives
<b>3.</b> Structure and implement a long- and short term training and qualification plan for the wellbeing tourism sector (including experience development, accommodation, cooking & catering, entertainment, guides, marketing) leveraging joint efforts of vocational schools, the university and businesses.	High	Tourism Skills Center  HI Research Centre Hornafjörður  Icelandic Tourist board  Upper secondary schools – FAS and FSU  Businesses & other Private Sector Representatives
<b>4.</b> Develop a new promotion and product development strategy, as well as the respective campaign plans, to promote the Winter season.	Medium	Visit south- Regional DMO  Business Iceland  Local DMO's in the south of Iceland  Businesses, & other Private Sector Representatives
<b>5.</b> Foster joint projects between companies, research centres and other tourism-related organizations to develop pilot projects and programs to diversify wellbeing tourism offerings.	Medium	HI Research Centre Hornafjörður  Upper secondary schools – FAS and FSU  HI Research Centre Hornafjörður
<b>6.</b> Develop a catalogue of business opportunities in wellbeing tourism to stimulate the private sector initiative and investment.	Medium	Visit south- Regional DMO  Local DMO's in the south of Iceland
<b>7.</b> Mobilize funding resources to support the private and public investment in wellbeing tourism development.	Medium	Visti Iceland (GOV)  Visit South regional DMO  SASS - Association of southern municipalities

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