



HÖGSKOLAN  
DALARNA

## **Degree Project**

Bachelor Thesis

## **Managing Seasonality in Tourism**

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**Challenges and Opportunities for the Tourism Industry in  
Húsavík, Iceland**

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## **Declaration**

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## **Abstract**

Seasonality is a common phenomenon in the tourism industry around the world. Húsavík, a town on the northern coast of Iceland, has experienced tremendous growth in tourism in recent years and is sometimes recognised as the ‘Whale Watching Capital of Europe’. However, Húsavík faces extreme seasonality with high demand mainly during the summer months and limited or no demand at other times of the year. As is emphasised in the tourism literature and widely in practice, seasonality is frequently seen as a problem for the tourism industry which has to be tackled. Academic research has never before been done on seasonality in Húsavík and the aim of this thesis is to understand the nature of seasonality within the tourism industry in Húsavík and discover potential ways to reduce seasonality in Húsavík tourism. In order to fulfil the aim, qualitative semi-structured interviews were undertaken with six tourism managers in Húsavík to investigate their perceptions of seasonality and if and how it could be managed. The results confirmed that the peripheral location of the destination stimulates seasonality and it poses major economic challenges for tourism businesses in Húsavík. Managers would prefer a longer tourism season. Several recommendations were provided for how to reduce seasonality such as develop other attractions than whale watching, improve accessibility, focus marketing on seasons outside the summer, and offer winter packages for foreign and domestic tourists.

***Keywords:*** *Tourism, Seasonality, Seasonal Demand, Peripheral Regions, Húsavík, Iceland*

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# 1. Introduction

Seasonality is a common phenomenon in the tourism industry, especially in peripheral areas, and Iceland is no exception to this (Jóhannesson, Huijbens, & Sharpley, 2010). The town of Húsavík, located on the northern coast of Iceland, faces extreme seasonality in tourism demand, mainly concentrated to the summer months. In recent years, Húsavík has become known as the ‘Whale Watching Capital of Europe’ (Visit Húsavík, 2013) and this is what the local tourism industry is mostly based on. At present, the whale watching season operates from April to October, with the high season from June to August, leaving the other months with limited or no tourism activity. International tourist arrivals to Húsavík during the summer months have risen rapidly in the last two decades (Statistics Iceland, 2014a) thus urging for more facilities and services during the high season, though they are mostly idle during the rest of the year.

Seasonality is frequently seen as a problem for the tourism industry that has to be tackled, although this does not necessarily apply to all destinations or tourism businesses (Baum & Lundtorp, 2001). In the case of Húsavík, no previous academic research has been done on seasonality in the local tourism industry and if and how it is appropriate to manage. This study is therefore expected to be a valuable contribution to the tourism development in Húsavík.

## 1.1. Aim, Objectives and Research Questions

The aim of this thesis is to understand the nature of seasonality in a peripheral destination with Húsavík as a case study, and discover potential ways to reduce seasonality in Húsavík tourism. In order to fulfil the aim, the following objectives are stated:

- Identify the causes of seasonality in tourism demand in Húsavík.
- Investigate the perceptions of seasonality by tourism managers in Húsavík.
- Explore opportunities to increase tourism demand in Húsavík outside the high season.

The following research questions provide a foundation for the study:

1. Why is tourism demand in Húsavík concentrated mainly to the summer season?
2. How are the impacts of seasonality perceived by managers of tourism businesses in Húsavík?
3. In what ways (if any) could Húsavík as a destination attract more tourists outside the high season?

Seasonality can be explored from different perspectives: economic (tourism businesses), environmental (physical settings), and social (local population and incoming tourists) (Koenig-Lewis & Bischoff, 2005). In this study, the emphasis is on the views of managers involved in the Húsavík tourism industry, therefore focusing mainly on the economic perspective. Qualitative research methods with in-depth semi-structured interviews are undertaken with managers to investigate their perceptions of seasonality and if and how it could be reduced. It should be noted that this study does not intend to gather confidential business information from individual companies, but rather focus on a broader level from the overall tourism industry in Húsavík.

Duval (2004, p. 336) has emphasised “the need to consider strongly the perception of seasonality held by operations and businesses within a particular locality”. It is considered that tourism managers in Húsavík can provide valuable ‘hands-on’ experience and knowledge from their own businesses as well as the wider environment in which they operate to accomplish the aim of the thesis.

Managing seasonality can sometimes be compared to the chicken and egg dilemma (Baum & Hagen, 1999); there are no tourists outside the high season due to the lack of available attractions and services, or there are no available attractions and services due to the lack of tourists. The tourism industry in Húsavík consists mainly of small and medium-sized enterprises, which are sometimes overlooked in national tourism policies and campaigns. Therefore, a study like this is important for the destination development of Húsavík to analyse seasonality and the pros and cons of dealing with it. The author is originally from Húsavík and is familiar with the local tourism.

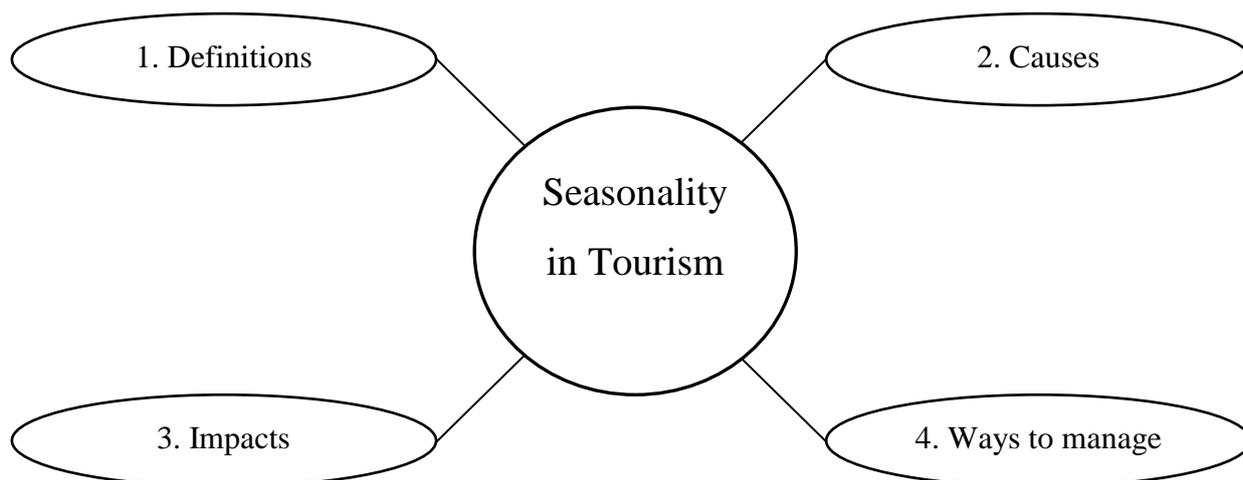
## **1.2. Outline of Thesis**

The thesis is divided into several chapters:

- Chapter 2 reviews the academic literature on seasonality. Important concepts related to the study are explored as well as other research on seasonality from the perspective of tourism managers.
- Chapter 3 provides a background of the research area.
- Chapter 4 explains the methodology and the process of primary data collection.
- Chapter 5 presents the results of the study and analyses the findings based on theory.
- Chapter 6 discusses and summarises the main points and gives recommendations both for further research and practice.

## 2. Literature Review

The literature review introduces the concept of seasonality in tourism with a focus on general knowledge in the field. Other relevant international studies on managers' perception of seasonality are integrated into the discussion. To gain a deeper insight into the phenomenon of seasonality, it is important to understand fundamental definitions, causes, impacts, as well as possible ways of managing seasonality as suggested in the academic literature. Figure 1 presents the structure of the literature review.



**Figure 1.** An overview of the literature review and concepts related to seasonality. Source: Author's own work.

### 2.1. Definitions of Seasonality

Seasonality is one of the most distinctive features of tourism on a global basis (Butler, 2001). Several definitions can be found in the tourism literature, although there is no generally accepted one (Koenig-Lewis & Bischoff, 2005). One of the most cited definition is by Butler (2001):

“Temporal imbalance in the phenomenon of tourism, which may be expressed in terms of dimensions of such elements as numbers of visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment and admissions to attractions” (Butler, 2001, p. 5).

Koenig-Lewis & Bischoff (2005, p. 202) describe seasonality as “some sort of pattern in the visits that reoccur every year”. Chung (2009) argues that seasonality is a global tourism phenomenon involving fluctuations of demand or supply caused by temporary movement of people. However, Koenig-Lewis & Bischoff (2005) point out that most seasonality definitions describe it only in general terms or related to the causes but lack quantifiable definitions.

The basic patterns of seasonality can be described as a single peak (e.g. summer or winter), two-peak (e.g. summer and winter), and non-peak (e.g. all year round) (Butler, 2001). Those patterns are dynamic and may not only differ in a year but also within a month, a week or a single day (Chung, 2009). The relevance for this study is on the single peak pattern and variations in demand within a year.

The volume of seasonal demand can be divided into high seasons (also called peak or main seasons), shoulder seasons, and low- or off-seasons (Baum & Hagen, 1999). Shields & Shelleman (2013) elaborate this further by identifying four phases of seasonality: shoulder up, busy, shoulder down, and slow, which in turn forms an approximately bell-shaped curve of seasonal demand.

Tourism seasonality in the academic literature has focused more on practice rather than basing on theoretical models (Koenig-Lewis & Bischoff, 2005). Several measures of seasonality have been suggested, but no widely accepted method exists (Koenig-Lewis & Bischoff, 2005). One of the problems in understanding seasonality is the “lack of in-depth and longitudinal research” (Baum & Lundtorp, 2001, p. 3). Seasonality in general, being such a prominent feature of tourism, has received fairly limited attention.

## **2.2. Causes of Seasonality**

Two major causes of seasonality have been identified: natural and institutionalised (Butler, 2001; Koenig-Lewis & Bischoff, 2005). Those causes can be interdependent and further divided into sub-categories.

Natural causes relate to regular temporal variations in nature, mostly connected to climate and weather conditions in different seasons of the year (Butler, 2001). Important factors include temperature, rainfall, snowfall, sunlight, and daylight. Destinations further away from the equator experience greater seasonal differences, especially in peripheral regions in the Northern and Southern Hemispheres, which can lead to higher seasonality in tourism demand (Baum & Lundtorp, 2001).

Institutionalised causes refer to human actions and policies which lead to seasonality (Butler, 2001). The main significant forms are public-, school-, and industrial holidays as high tourism demand tends to be around official holiday periods of the year such as summer or Christmas (Koenig-Lewis & Bischoff, 2005). Institutionalised causes are not as predictable as natural and can vary much more as Koenig-Lewis & Bischoff (2005) point out that official holiday dates may differ from year to year, thus affecting tourism demand differently.

Butler (2001) further describes other causes such as social (fashion, religion or culture), sporting (recreational activity, mega sports events), and inertia (routines of holiday patterns). Table 1 summarises the main causes of seasonality as discussed in the literature.

**Table 1.** Causes of seasonality in tourism demand.

<b>Cause of seasonality</b>	<b>Tourism examples</b>
Climate/weather	Summer vacations, snow skiing, autumn foliage tours, popularity of tropical destinations in the winter, cruise line departures, ocean resort demand, transport access.
Social customs/holidays	Christmas/New Year holidays, school breaks, industrial holidays or 'fortnights', travel to visit friends and relatives, fairs and festivals, religious observances, pilgrimages.
Business customs	Conventions and trade shows, government assemblies, political campaign tours, sports events.
Calendar effects	Number of days in the month; number of weekends in the month, quarter, season or year; date of Easter.
Supply side constraints	Availability of labour (school holidays, competition from other sectors, i.e. agriculture), alternative use of facilities (schools to hotels).

Source: Baum & Hagen (1999, p. 300).

Butler (2001) argues the importance of viewing the causes from two different perspectives: the generating area (demand) and the receiving area (supply). This can be explained further as the push and pull factors causing seasonality in a tourism destination. The push factors include: institutional (holidays), calendar (public holidays), inertia and tradition (reluctance to change holiday patterns), social pressure and fashion, access (transport costs, time), and climate in generating area. The pull factors consist of: climate in receiving area, sporting season, and events (Koenig-Lewis & Bischoff, 2005, p. 206).

From the supply perspective (the receiving areas/destinations), several researches have been done on the perceptions of tourism businesses towards the causes of seasonality. In a study in New Zealand, tourism managers identify the reasons behind low visits in the winter due to poor and dangerous road conditions (Duval, 2004). Another similar study on accommodation businesses in Wales determines weather, location, and timing of school holidays as the major causes (Koenig-Lewis & Bischoff, 2010). Shields & Shelleman (2013) conducted a survey on businesses in the United States and the reported causes are weather, vacationing customers, holiday weekends, and school year. These results fit into to the framework of causes as suggested in the literature.

It can be concluded from the previous discussion that seasonality stems from the interplay of natural and institutionalised elements. However, several factors are likely to affect the future

causes of seasonality. With increasing awareness on environmental issues, Amelung, Nicholls & Viner (2007) argue that climate change may influence the stability of the natural seasons. Destinations closer to the equator may face severe temperature increase, regions in higher latitudes are likely to experience an extension in the summer season, and winter destinations may encounter lack of snow (Amelung, Nicholls, & Viner, 2007). On the institutionalised level, the result of an ageing population and increased mixing of working and leisure time are likely to affect seasonality in tourism (Amelung, Nicholls, & Viner, 2007).

Academic research on tourism seasonality has focused more on the impacts than on the causes. Even though the major causes have been identified as already discussed, Butler (2001) argues that they have not yet been properly understood. Duval (2004) takes a similar stance and points out that the nature of seasonality is well established, or even overemphasised, but the causes are less clear. In order to manage seasonality efficiently it is important to realise why it exists (Koenig-Lewis & Bischoff, 2005).

### **2.3. Impacts of Seasonality**

Seasonality in tourism is generally considered a major issue, both in the academic literature and in practice (Butler, 2001; Getz & Nilsson, 2004). The impacts of seasonality can be viewed from an economic, environmental, and social perspective. The economic impacts have received most attention by researchers, emphasising the negative economic effects on tourism destinations and operations (Butler, 2001). Limited research has been done on the advantages of seasonality, although some scholars point out the positive effects on destinations, especially from an environmental and social viewpoint (Baum & Lundtorp, 2001; Butler, 2001; Amelung, Nicholls, & Viner, 2007).

The following discussion gives a brief overview from the literature of the negative and positive impacts of seasonality from an economic, environmental, and social perspective. Focus is mainly on the economic impacts due to relevance to the thesis. Thereafter, studies on tourism managers' perceptions of seasonality impacts are reviewed.

#### **2.3.1. Economic Impacts**

From an economic perspective, the literature recognises substantial negative seasonality impacts on tourism supply which can broadly be divided into several areas: human resource management, capacity utilisation, investment and capital, and income and expenses (Butler, 2001; Page & Connell, 2006). The problems facing these areas are briefly described below.

Koenig-Lewis & Bischoff (2005) argue that one of the greatest problems due to seasonality is the difficulty for businesses to recruit and retain fulltime staff. The focus is primarily on short-term employment which in turn increases the annual cost of training seasonal staff (Getz & Nilsson, 2004; Chung, 2009). Seasonal employment often attracts low-educated people. Some scholars have also pointed out the problems of maintaining product and service quality due to high employee turnover (Baum & Lundtorp, 2001; Duval, 2004).

Capacity utilisation is a well emphasised issue. During the peak season, facilities may be crowded and overused, and at other times of the year they are underused. This creates inefficiency in the use of resources (Baum & Lundtorp, 2001). It is generally recognised that remote regions in peripheral areas and higher latitudes are more likely to be negatively affected by seasonality than destinations in urban areas (Butler, 2001).

Negative impacts on capital and investment have also been associated with seasonality. Difficulties for tourism operations to gain access to capital or attract investors have been identified as well as low annual returns on capital and investment (Baum & Lundtorp, 2001; Getz & Nilsson, 2004; Duval, 2004).

The limited business operating season and swing in sales forces tourism companies to attain a whole year's income from a short intense period. This creates cash flow problems with loss of revenues and profits during the off-season, and at the same time facing fixed costs throughout the year (Koenig-Lewis & Bischoff, 2005; Shields & Shelleman, 2013). For some smaller enterprises, it may prove difficult to make a living from only tourism and additional income sources are needed (Butler, 2001). Tourism products are mainly intangible services such as flight seats, hotel rooms, and attractions, and as recognised in services marketing, they cannot be stored if they are not consumed directly, resulting in loss of sales (Wilson, et al., 2008).

Few positive economic impacts have been discussed in the literature. Koenig-Lewis & Bischoff (2005) argue that seasonal employment may be beneficial for some groups of society such as students, housewives, and farmers as an additional source of income. Moreover, the off-season provides time for maintenance of facilities. Finally, Koenig-Lewis & Bischoff (2005) suggest that for some businesses, tourism is an extra activity or hobby, and therefore have no need or motivation to generate income from tourism outside the peak season.

### **2.3.2. Environmental Impacts**

The negative environmental impacts of seasonality are mainly related to the high concentration of visitors during the peak season. The intense strain on sometimes fragile

environments due to overcrowding and overuse is often cited as one of the main environmental issues of seasonality, also associated to the matter of carrying capacity (Koenig-Lewis & Bischoff, 2005). Environmental problems such as air pollution, heavy traffic, and sewage disposal put burden on physical resources of a destination (Chung, 2009). Sufficient infrastructure to cope with the large seasonal increase of people must be available, although this is not always the case, especially in smaller peripheral regions (Butler, 2001).

The positive environmental impacts are mostly concentrated to the off-season. It is generally seen as a resting time for the environment to recover after the heavy pressure and prepare for the next tourist season (Baum & Hagen, 1999; Amelung, Nicholls, & Viner, 2007). Chung (2009, p. 82) compares the off-season to “a state similar to turning off the switch for a while for preventing electronic machines from overheating”. Butler (2001) argues that in the long run, areas may be better off facing an intense pressure during a short period than spread more evenly around the year.

### **2.3.3. Social Impacts**

The negative social impacts are mostly associated with the host community during the peak season. The high number of visitors for a short intense period puts pressure on social resources and can lead to problems for locals such as traffic congestions, lack of parking, and higher prices for services (Koenig-Lewis & Bischoff, 2005). The traditional or cultural social activities can also be negatively affected, and in some cases residents are only able to make full use of local facilities during the off-season (Chung, 2009). As stated before, seasonality influences a region’s employment situation, resulting in seasonal unemployment outside the peak season (Getz & Nilsson, 2004; Shields & Shelleman, 2013). The academic literature focuses mainly on the local community but some scholars have acknowledged the negative social impacts on tourists coming in the low season with some facilities and services closed, and the effects on the visitors’ experience and the destination image (Getz & Nilsson, 2004; Koenig-Lewis & Bischoff, 2005).

The positive social impacts have been identified similarly to the positive environmental effects. The off-season offers a resting time for the host community to recover from the high season and prepare for the next one (Baum & Hagen, 1999; Amelung, Nicholls, & Viner, 2007). Butler (2001, p. 11) compares it to “the light at the end of the tunnel” and suggests that the off-season is the only time when locals can engage in their normal traditional, social, and cultural activities. Again, as has been mentioned, seasonal employment may be positive for some people and benefits society instead of unemployment.

#### **2.3.4. Managers' Perceptions of Seasonality Impacts**

In his study in Central Otago, New Zealand, Duval (2004) collected quantitative data from 150 tourism businesses to capture their perception of seasonality. The results suggest that the impacts of seasonality are perceived as problematic from the tourism managers' perspective. Companies face problems in employing staff and half of the respondents find it difficult to sustain their business during the off-season. Seven in ten operators would prefer a steady stream of visitors spread around the year rather than a peak season, while others are satisfied with a quiet time during the off-season to recover. Duval (2004) emphasises the need of taking into account the perception of tourism operations towards seasonality.

Koenig-Lewis & Bischoff (2010) examined the impact of seasonal demand variations on accommodation businesses in Wales, focusing on the owner/managers' point of view. A quantitative survey among 197 operations was undertaken. They suggest "the attitudes and perceptions of the business managers involved represent important pieces of the jigsaw puzzle which are often overlooked" (Koenig-Lewis & Bischoff, 2010, p. 395). The study shows that nine in ten operators state the need for additional business outside the peak season.

Getz & Nilsson (2004) investigated the responses to seasonality by family businesses on the island Bornholm in Denmark. In total, quantitative data from 84 enterprises involved in tourism were analysed. The results show that the businesses face difficulties with employment and are typically closed for four to seven months of the year. Moreover, seven in ten respondents perceive the impacts as "somewhat of a problem" (Getz & Nilsson, 2004, p. 25).

From the previous overview of research on managers' perceptions, it can be concluded that the impacts of seasonality are often seen as problematic for the tourism industry. However, it should be noted that the above studies all have in common the use of quantitative methods to capture the perceptions and attitudes. This can generate data from a large sample but may not always be the most suitable method to get the true feelings of respondents.

#### **2.4. Managing Seasonality**

As has been stated, seasonality is generally seen as a problem for the tourism industry which has to be managed in one way or another, although some destinations or businesses completely choose to operate on a seasonal basis and do not take actions against it. Managing seasonality can involve accepting it and adjusting the business accordingly, or actively try to reduce seasonality. The following discussion first addresses general approaches from the literature to mitigate seasonality, and then presents studies on managers' perceptions of responding to seasonality.

### 2.4.1. General Approaches to Reduce Seasonality

The public and private sectors in tourism have made many attempts to manage the problems related to seasonality (Baum & Lundtorp, 2001). Baum & Hagen (1999) argue that there is no clear or universal solution, although the literature identifies several possible ways which are presented below. Most research shows that destinations usually combine at least two or more of the strategies when dealing with seasonality (Baum & Hagen, 1999).

Two broader approaches have been identified to reduce seasonality: extending the main season or establishing additional seasons. Extending the existing high season involves trying to stimulate demand in the shoulder seasons using similar resources as in the main season (Baum & Hagen, 1999). This method is more common, especially in remote and peripheral regions (Baum & Lundtorp, 2001). Some destinations and businesses try to develop new tourism seasons during the low season, which Baum & Hagen (1999) point out are more likely to include short breaks and second holidays than become main holiday periods.

Events and festivals have been recognised as “by far the most common single strategy to combat seasonality” (Baum & Hagen, 1999, p. 305). This can include attractions such as conferences, celebrations, concerts, and sporting games, which can be developed with the goal of increasing tourism demand during off-peak seasons (Chung, 2009). Sometimes events are established in the main season while gaining popularity, and then moved to lower seasons (Baum & Hagen, 1999). In the case of Iceland, several international events have been developed in the capital Reykjavík outside the main season such as the New Year celebrations, the Iceland Airwaves music festival, and the Food and Fun culinary festival (Sæþórsdóttir & Karlsdóttir, 2009). Baum & Hagen (1999) furthermore stress the importance that events should only be developed if other necessary services are available such as transportation and accommodation.

Market and/or product diversification have been considered possible ways of tackling seasonality (Butler, 2001). Table 2 gives an overview of the diversification strategies (Kotler, et al., 2009). Market diversification seeks to attract new types of tourists using the existing resources and facilities. Product diversification involves changing or developing new products and services for current markets (Baum & Hagen, 1999).

**Table 2.** Product and market diversification.

	<b>Current products</b>	<b>New products</b>
<b>Current markets</b>	-	Product diversification
<b>New markets</b>	Market diversification	Market + product diversification

Source: Adapted from Kotler, et al. (2009, p. 92).

These approaches can prove successful to increase tourism demand outside the main season. Baum & Hagen (1999) argue that destinations and businesses often focus primarily on markets that the local tourism industry has grown up with. Therefore, other potential markets might be overseen; markets which may in turn be less sensitive to seasonal holiday patterns such as seniors or business people. The role of senior markets for tourism is likely to get more significant with an ageing population (Amelung, Nicholls, & Viner, 2007). Destinations focusing mainly on international markets may see potentials in attracting more domestic visitors in low seasons. Finally, it should be mentioned that tourists that visit a destination in the low season may have different reasons and motivations for their stay than tourists in the high season, and it is important for marketers to take that into consideration (Baum & Hagen, 1999). Product diversification can take several forms; either modifying the existing product or developing completely new ones, which to some extent can be based on similar resources and facilities (Koenig-Lewis & Bischoff, 2005). Successful examples include winter ski resorts offering golf, trekking or biking activities in the summer (Chung, 2009). Modified or new products or services can also attract different types of tourists, thus being a combined strategy of market- and product diversification.

Pricing strategies have widely been applied in the tourism industry to cope with seasonality (Butler, 2001). This involves promoting seasonal pricing incentives such as discounting or special offers during low seasons to increase the demand (Chung, 2009; Shields & Shelleman, 2013). These methods are in some cases successful, especially for tourists who are attracted to lower prices and are able to travel to a destination outside the main season. However, Baum & Hagen (1999) are doubtful of the benefits of aggressive pricing strategies and suggest that this may harm the overall destination image in the long term.

Finally, structural and environmental responses have been pointed out in the literature although not to the same extent as other approaches. Baum & Hagen (1999, pp. 309-310) explain this as “to look beyond market and product to consider wider structural and environmental matters”. This includes public sector incentives such as tax or marketing support for businesses, and changes in the labour market environment like adjusting school holidays to assist companies which rely mainly on student employees (Baum & Hagen, 1999).

Managing seasonality is not necessarily an easy task and scholars have acknowledged several issues which can occur. Butler (2001, p. 13) recognises the difficulties in overcoming seasonality and the “stubbornness of tourism in remaining seasonal despite intensive efforts of industry and governments suggests that the problem is more complex than generally thought”.

Strategies to mitigate seasonality sometimes have the opposite effects and increase demand in the peak season instead (Getz & Nilsson, 2004; Koenig-Lewis & Bischoff, 2005). Moreover, Koenig-Lewis & Bischoff (2005) point out that the destination image may be harmed if facilities and services are closed for tourists visiting during off-seasons. Butler (2001) argues that when destinations are experiencing rapid growth in tourism, often from aggressive marketing, it is likely that the focus is mostly on attracting tourists but little attention is given to attracting visitors at certain times of the year. To cope with this Baum & Hagen (1999) and Butler (2001) stress the importance of gaining a better understanding of the customers, why tourists come during peak or off-seasons and their needs and requirements. The difference between primary and additional holidays is important. Some people take a main holiday during the peak season (for example due to summer free) while others may be less sensitive to seasonal periods and go for additional holidays outside the peak season (Butler, 2001). Baum & Hagen (1999) are in the opinion that it is not a realistic objective for peripheral regions to move from a few months of peak season to all year round main season. Finally, as has been briefly mentioned, climate change is likely to create challenges and opportunities for tourism. Some regions, especially in higher latitudes, may experience an increase in attractiveness because of improvements in weather conditions, while other destinations, mostly closer to the equator, may face the vice versa (Amelung, Nicholls, & Viner, 2007).

Dealing with seasonality requires support from all the involved actors at the destination, both from the public- and private sectors to work together (Koenig-Lewis & Bischoff, 2005). In this case, collaboration is sometimes more beneficial than competition. However, before developing effective plans, it is important to consider whether the destination is in fact economically, environmentally, and socially prepared to reduce seasonality (Butler, 2001).

#### **2.4.2. Managers' Perceptions of Responding to Seasonality**

Several researchers have emphasised the importance of taking the perception of businesses into consideration. Table 3 gives a summary of a few central themes from studies on tourism managers' perceptions of managing seasonality in different parts of the world.

**Table 3.** Studies on managers' perceptions of responding to seasonality.

<b>New Zealand</b> (Duval, 2004)	<ul style="list-style-type: none"> <li>• Adjust employment, cost, and facilities to respond to seasonality.</li> <li>• Ignores the wider tourism environment.</li> <li>• Most respondents believe the DMO should do more.</li> <li>• Face problems in ensuring support from transport providers.</li> <li>• Small budgets for tourism businesses make it difficult to take actions against seasonality. Strong degree of co-operation vital.</li> </ul>
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<b>Denmark</b> (Getz & Nilsson, 2004)	<ul style="list-style-type: none"> <li>• Dismissal of staff. Supplement income to sustain. Try to expand the shoulder seasons.</li> <li>• Identify three strategies to respond to seasonality: coping (adapt), combating (attitude + action) and capitulating (closing).</li> <li>• A small proportion of growth and profit-orientated entrepreneurs successfully combat seasonality.</li> </ul>
<b>Wales</b> (Koenig-Lewis & Bischoff, 2010)	<ul style="list-style-type: none"> <li>• Special offers and discounts, increase advertising efforts, themed breaks, and packages to respond to seasonality.</li> <li>• Gap in desire and actions: majority of business owners would like to see more business outside the peak season but more than half of respondents do not take any action.</li> <li>• Not enough knowledge or tools by managers to deal with seasonality.</li> </ul>
<b>United States</b> (Shields & Shelleman, 2013)	<ul style="list-style-type: none"> <li>• Limited actions on mitigating seasonality; preparing for busy phase.</li> <li>• Focus on retaining employees.</li> <li>• Most respondents remain open during slow phase though do not try significantly to boost sales.</li> <li>• The study focuses on small businesses which in turn may not have the resources to deal with seasonality on their own.</li> </ul>

Source: Duval (2004); Getz & Nilsson (2004); Koenig-Lewis & Bischoff (2010); Shields & Shelleman (2013).

To add to the knowledge from a more local level, a quantitative survey conducted by the Icelandic Tourist Board (2011) on the perceptions of seasonality by tourism managers in Iceland revealed that most businesses respond by reducing staff or closing temporarily. During low seasons managers mainly do maintenance, marketing or product development. Furthermore, Margaryan & Zherdev (2011) state that in some rural regions of Iceland, market segmentation, destination promotion, and image development are common management responses to try to reduce seasonality.

It can be concluded from those studies that managers' perceptions of responding to seasonality corresponds with the theory. However, it should be stressed that each and every destination and individual business perceives seasonality from their own point of view and therefore generalisations should be avoided. Baum & Lundtorp (2001, p. 4) introduce the concept "Lesson-Drawing" in the context of managing seasonality, implying that destinations and businesses can learn from other similar cases, though adjusting to local conditions. A similar research to the above ones but with a modified approach is what this thesis attempts to do in the context of Húsavík, Iceland.

### **3. Background of Research Area**

This section introduces the research area in focus. Before looking specifically at the destination Húsavík, an overview of the broader environment is presented; tourism in Iceland with special emphasis on seasonality.

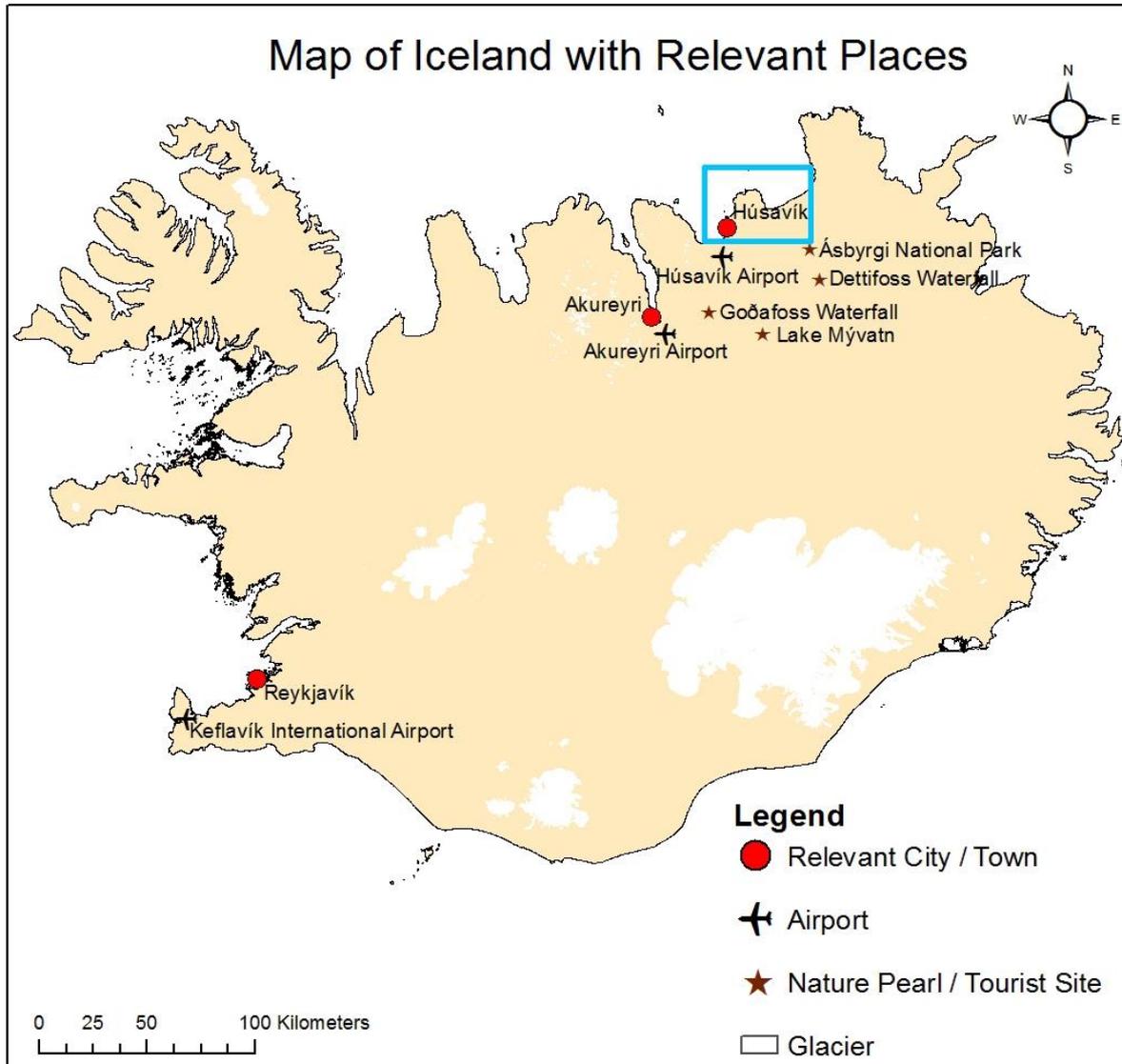
#### **3.1. Tourism in Iceland**

Iceland, sometimes referred to as the ‘land of fire and ice’, is an island of 103,000 km<sup>2</sup> in the North Atlantic Ocean, located close beneath the Arctic Circle. The population of roughly 325,000 is mainly spread along the coast, with the highest concentration around the capital area by Reykjavík in the southwest of the country (Statistics Iceland, 2014b). The fishing industry has for centuries played a vital part for Icelanders, though in the last 20-30 years, the country has gained popularity as a destination for international tourists and the role of tourism has increased significantly (Huijbens & Jóhannesson, 2013). In 2013, around 780,000 tourists arrived through the main international airport in Keflavík, compared to 310,000 ten years before (Icelandic Tourist Board, 2014). However, as is often the case with peripheral regions and islands, Icelandic tourism faces two major challenges: seasonality and high concentration of tourists in few areas (Jóhannesson, Huijbens, & Sharpley, 2010).

Over 70% of international tourists visit Iceland during the high and shoulder seasons from April to September (The Icelandic Tourist Industry Association, 2011). The seasonality is considered a problem by the Icelandic tourism industry with negative economic impacts on businesses. Iceland has been compared to similar peripheral destinations in the Nordic countries such as northern Finland, which have succeeded in increasing tourism demand in lower seasons. A report by The Boston Consulting Group (2013) argues that Iceland has the potential to do the same. Official actions have been undertaken by the Icelandic Tourist Board, the Icelandic Tourist Industry Association, Promote Iceland, and some larger individual companies to attract more tourists outside the high season. The most recent and on-going marketing campaign, ‘Ísland – allt árið’ (‘Iceland – all year round’), is an extension of the ‘Inspired by Iceland’ campaign, which was launched after the Eyjafjallajökull volcanic eruption in 2010 (Huijbens & Jóhannesson, 2013). The aim of the campaign is to even out the seasonality in tourist arrivals and promote Iceland as an all year round destination (Promote Iceland, 2011). However, the effectiveness of the campaign has been criticised; both due to lack of accessibility and resources in the off-season, and the focus is perceived to be mainly on the capital area around Reykjavík, but overlook tourism development in rural regions of Iceland such as Húsavík (mbl.is, 2014).

### 3.2. Tourism in Húsavík

Húsavík is a town on the northern coast of Iceland with a population of 2,207 (Statistics Iceland, 2014c). Figure 2 shows a map of Iceland with all the relevant places mentioned in the thesis such as Húsavík, attractive tourist sites in its vicinity, the nearby city Akureyri, the capital city Reykjavík, and Keflavík international airport.



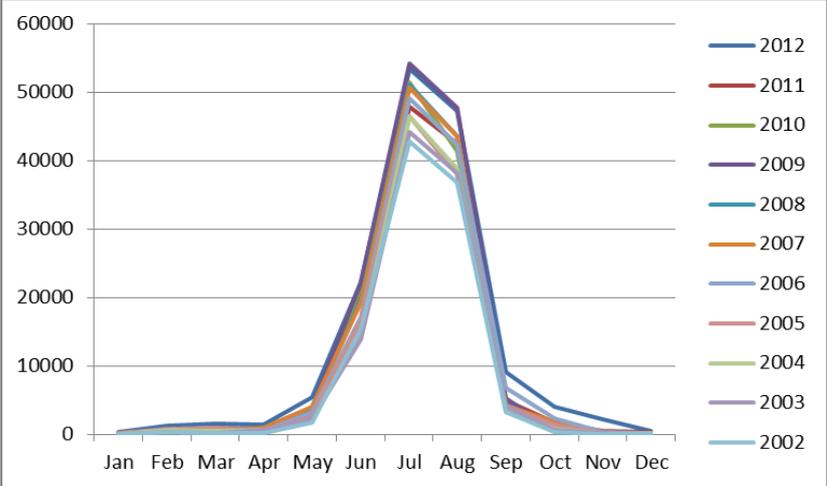
**Figure 2.** A map of Iceland with relevant places for the thesis. Source: Author's own work.

The local inhabitants of Húsavík have traditionally based their living on fisheries, but in the last 20 years, tourism has rapidly increased in Húsavík, growing hand in hand with the development of whale watching (Guðmundsdóttir & Ívarsson, 2008). In the early 1990s, the first whale watching tours were organised from Húsavík. This proved to be a successful activity and it has become one of the main tourist attractions in Iceland, focusing on sustainable marine wildlife tourism. Cunningham, Huijbens, & Wearing (2012, p. 151) recognise that “Húsavík has played a leading role in the development of whale watching,

rejuvenating the local economy and promoting itself as the whale watching capital of Europe”. Three operators currently offer tours from Húsavík and it is estimated that over 70,000 passengers went whale watching in 2013 (Grétarsdóttir, 2013). The whale watching season runs from April to October, with the high season in June to August.

A study on the economic impacts on tourism in Húsavík revealed that whale watching contributes largely to the local economy with direct, indirect, and induced effects, reaching over one billion ISK in total tourist expenditure in 2008 (Guðmundsdóttir & Ívarsson, 2008). New accommodations, restaurants, attractions, and other tourism related businesses are being established in the peak season with the increasing numbers of whale watchers.

Like tourism in Iceland in general, Húsavík faces extreme seasonality in demand. Figure 3 illustrates the scope of seasonality in the county Þingeyjarsýsla (with Húsavík as the main settlement) measured in foreign bed nights in all types of accommodations from 2002 to 2012. According to figure 3, it can be stated that May and September are the shoulder seasons; June, July and August the peak season; and October to April the off-season. With the trend of an annual rise in tourist numbers between those 10 years, both in high- and shoulder seasons, seasonality increases consequently as the gap between high- and off-season expands.



**Figure 3.** Total guest nights in Þingeyjarsýsla county 2002-2012. Source: Adapted from Rögnvaldsdóttir & Statistics Iceland (2013).

Jóhannesson, Huijbens & Sharpley (2010) argue that Húsavík and its neighbouring area Lake Mývatn experience the second highest visitor numbers after the southwest capital region, though only limited to the summer time. During the winter months, there are hardly any tourists in Húsavík and many tourism facilities and services remain idle. In a report on tourism in North Iceland, Margaryan & Zherdev (2011) point out that the extreme seasonality in the region can be related to a spatial sense based on remoteness; the further away from the main international airport in Keflavík and the capital area, higher seasonality in demand is

more likely to occur. They furthermore identify weather, transportation access, and holidays as factors causing seasonality in North Iceland (Margaryan & Zherdev, 2011). A tourism policy for the Northeast region from 2009-2014 evaluates the strengths and weaknesses of the area (John S. Hull Associates, et al., 2008). Nature and whale watching are considered the key strengths, whereas the major weaknesses are lack of access and short operating seasons.

One of the objectives of this thesis is to explore ways to increase tourism demand in Húsavík outside the high season. Before doing so, it is important to understand the current available resources in Húsavík during the high seasons and off-seasons. Buhalis (2000, p. 98) suggests the “six As framework” for analysing destinations, using the core components which make up a destination. This framework in table 4 is applied in the context of Húsavík to provide an overview of the current facilities and services. This is based on the author’s local knowledge and experience from the tourism in Húsavík. From table 4, it can be concluded that some basic services and necessary facilities are available all year round, though some components are lacking in the off-season, which are further discussed in the results and analysis section.

**Table 4.** An overview of current resources in Húsavík tourism.

	<b>High season (summer)</b>	<b>Off-season (winter)</b>
<b>Attractions</b>	Whale watching and other boat tours are offered. Nature attractions are within close vicinity (waterfalls, natural parks, lakes, geothermal areas). Museums are open.	No whale watching tours are in the winter. To access nature attractions can be difficult due to poor accessibility (waterfalls, natural parks, lakes, geothermal areas). Museums are open.
<b>Accessibility</b>	Major roads and highland routes are easily accessible. Direct flights are daily from Reykjavík. Several daily bus services connect to other towns.	Road conditions can be poor due to weather and snow, highland routes are mostly closed. Direct flights are daily from Reykjavík. Several daily bus services connect to other towns.
<b>Amenities</b>	Many accommodations are open. Additional summer restaurants and shops are available. The tourist information centre is open.	Major accommodations are open all year. Several restaurants and shops are open. The tourist information centre is closed.
<b>Available packages</b>	Multi-day packages including return flights from Reykjavík, accommodation in Húsavík, whale watching tours, and sightseeing to nearby attractions are offered.	Multi-day packages including return flights from Reykjavík, accommodation in Húsavík, Northern Lights tours, and sightseeing to nearby attractions are being offered to a limited extent.
<b>Activities</b>	Whale watching, horse riding, sea angling, bird watching, hiking, and visiting nature pearls.	No whale watching or boat tours are offered in the winter. Horse riding and Northern Lights tours are available.
<b>Ancillary services</b>	Supermarkets, banks, hospital, post office, and car garages are available.	Supermarkets, banks, hospital, post office, and car garages are available.

Source: Author’s own work and experience.

## **4. Methodology**

This section describes the methodology of the research in detail. The general research approach is first discussed, followed by an overview of the sampling techniques, the interviewing process, and data analysis. Finally, the limitations of the study are emphasised.

### **4.1. Research Approach**

The above studies on seasonality and managers' perceptions rely mainly on quantitative methods with surveys on businesses (Duval, 2004; Getz & Nilsson, 2004; Koenig-Lewis & Bischoff, 2010; Icelandic Tourist Board, 2011; Shields & Shelleman, 2013). This approach is suitable when the population is large and the aim is to generalise from a sample (Veal, 2011). However, it can be questioned to what extent quantitative methods are fully able to capture the perceptions and attitudes of individual business managers. For this study, a qualitative approach is applied with semi-structured in-depth interviews with tourism managers in Húsavík. The reason for this selection is threefold:

- **Sample:** The tourism industry in Húsavík (population) is relatively small and therefore it is not considered that a quantitative survey based on statistical analysis would provide significant results.
- **Interviews:** To encourage managers to express themselves freely; their thoughts, attitudes, and views, it is believed that qualitative methods are best suited and offer more flexibility.
- **Results:** It is generally acknowledged that qualitative results are more understandable to people without deeper statistical knowledge. It is hoped that this research can contribute to the tourism development in Húsavík, therefore aiming at having the results accessible both for other researchers but also practice.

### **4.2. Data Collection and Analysis**

The research took place from March to May 2014. In order to gain a good overview of seasonality, academic journal articles and books were reviewed as well as reports and websites about tourism and seasonality in Húsavík and Iceland in general. This provided a framework for the study before collecting the primary data.

It has been mentioned that the tourism industry in Húsavík is mainly based on a limited number of small and medium-sized enterprises. To choose a sample for this study, a list from the official Tourist Board including all tourism related businesses in Húsavík was used (Visit Iceland, 2014). Based on this list, companies were divided after their main business activity

with relevance to Húsavík (accommodations, transports, restaurants, whale watching operators, horse rentals, and museums). One key company from each of the six categories was chosen to represent that business activity, thus relying on a convenience sampling technique. They were chosen based on factors such as company size and years of operation. Moreover, it was chosen to include only locally based businesses but not businesses which are part of large national chains as they may not have the same authority over their operation.

Managers of the selected companies were contacted through e-mail to offer participation in the research, which everyone accepted. It should be mentioned that some managers are involved in more than one activity, but the emphasis was on their main business activity. This study focuses on the economic perspective of seasonality and therefore managers of tourism businesses are believed to be in the best position to provide knowledge and experience to fulfil the aim of the study. Some of the managers base their living mainly on tourism and are in close interactions with tourists, the local-, and broader tourism industry.

One of the most common methods of qualitative studies is interviews. For this research, the semi-structured in-depth interviews were chosen; striking a balance between structured and unstructured, to encourage participants' own narrative (Tracy, 2013). An interview guide was developed with help from the literature (see appendices). Question formats were open-ended and conversational with relevant topics discussed. It is believed that each subject has an own story which is equally important for the research.

The six interviews were conducted separately in April 2014 in Húsavík, in a suitable location. Before the interview started, permission was asked to record it, and after the interview whether the interviewees' and or businesses' names could be published in the paper. All respondents agreed on both points. It should be stressed that the interviews did not collect confidential business data, but focused more on a holistic level regarding seasonality in the tourism industry in Húsavík. The duration of the interviews was between 30-60 minutes. The interviews were held in the native language Icelandic.

After the data collection, all the interviews were transcribed into written formats. The answers of all respondents were divided after emergent themes based on the literature review. Those themes were analysed and discussed further and connected to the theory (Tracy, 2013). These themes were considered to indicate the perceptions of tourism managers in Húsavík towards seasonality. Based on this, possible ways of managing seasonality in Húsavík were established.

### 4.3. Interviewees

The respondents of the study are presented in table 5, chosen according to the described sampling methods. It should be emphasised that in the remaining of the paper, each respondent is addressed by their first name according to Icelandic naming traditions.

**Table 5.** A list of respondents.

Category	Name	Company	Position
Accommodation	<u>Örlygur</u> Hnefill Örlygsson	Húsavík Cape Hotel / Húsavík Guesthouse	Owner / managing director
Horse rental	<u>Elsa</u> Björk Skúladóttir	Saltvík Horse Rental	Owner / managing director
Museum	<u>Einar</u> Gíslason	Húsavík Whale Museum	Managing director
Restaurant	<u>Kristrún</u> Ýr Einarsdóttir	Gamli Baukur Restaurant	Assistant operational manager
Transport	<u>Gunnar</u> Jóhannesson	Fjallasýn Rúnars Óskarssonar	Marketing / product manager
Whale watching	<u>Stefán</u> Guðmundsson	Gentle Giants Whale Watching	Owner / managing director

Source: Data from interviews.

### 4.4. Limitations

There are several limitations of the study which deserve attention. In qualitative research, the researcher is the main instrument, which can involve pros and cons. The positive aspects may be that a close interaction is created between the researcher and subjects. However, the negative aspects relate to reflexivity, which describes the relationship between the researcher and the subjects, and the researcher's own impact on the subjects (Veal, 2011). This can create a researcher bias if not monitored correctly. It was carefully attempted to keep the interaction level between the researcher and the subjects similar in all the interviews. Moreover, the study is largely dependent on the skills and knowledge of the researcher.

People are unpredictable and when aware of a research being conducted, they may change their behaviour or narratives (Veal, 2011). In some cases, there may be a discrepancy between what people say that they do, and what they actually do. For this research, it is trusted that the interviewees stated their honest views and opinions. The results are not tested further for accuracy. In order to manage seasonality effectively, the views of the host population and environmental assessments of a destination should be taken into consideration. However, this is beyond the scope of the study and the focus is primarily on the economic perspective. Finally, it should be noted that time and resources set limitations that the research must be adapted to.

## **5. Results and Analysis**

The following section presents the results of the study and analyses the findings connecting to theoretical knowledge. The structure is based on the literature review to make the discussion as clear as possible: definitions, causes, impacts, and ways to manage seasonality in Húsavík. To get an overview of the respondents, table 5 on page 20 presents the interviewees' names and the companies participating in the study. For locations of the discussed places, readers are referred to the map in figure 2 on page 15.

### **5.1. Definitions of Seasonality in Húsavík**

To get an overview of seasonality in Húsavík, respondents are asked to define the tourism demand at their businesses over the year. The results indicate that the tourism season generally starts in the spring, peaks during the summer months, and slows down in the autumn, with limited or no demand during the winter months. It should be emphasised that the results are mainly related to international tourist arrivals to Húsavík.

Einar states that the season officially begins on 1<sup>st</sup> April parallel to when whale watching tours start from Húsavík. April and May can be specified as shoulder up seasons. Krístrún and Stefán point out that May has lately been increasing in tourist numbers. The results show that the high season in Húsavík is mostly around June, July, and August, though the respondents reveal different dates regarding when the high season exactly starts and ends.

The autumn months September and October can be characterised as the shoulder down season. Most respondents refer to September as having been quite busy in recent years. Örlygur suggests that the “autumn in many ways lasts longer than the spring as there are more flexible independent travellers”. The winter months are considered the low- or off-season among the respondents. Einar comments that “from 1<sup>st</sup> November to 15<sup>th</sup> March there is completely nothing going on here”. Krístrún refers to December, January, and February as the “worst months”. Gunnar suggests instead of defining special shoulders and off-seasons, rather view the spring, autumn, and winter as one low season altogether. Stefán however, underlines a difference between low season and “stop season”, the low season not being the same as the off-season.

The spread of tourism demand in Húsavík is as expected from the literature for such peripheral destinations in Northern Hemispheres (Baum & Lundtorp, 2001). The perceived demand follows a bell-shaped curve as suggested by Shields & Shelleman (2013). This is highlighted in the graph of total guest nights as shown in figure 3 on page 16.

## 5.2. Causes of Seasonality in Húsavík

Recognising the causes of seasonality is important in order to gain a deeper understanding of the seasonality phenomenon. The perceived causes behind high tourism demand in Húsavík in the summer are summarised in table 6. Those are further divided into natural and institutionalised causes as suggested widely in the academic literature (Butler, 2001).

**Table 6.** Reasons for high tourism demand in Húsavík during the summer.

<b>Natural causes</b>	<b>Institutionalised causes</b>
Whale watching season	Summer holidays
Good weather	Marketing
Transportation / accessibility	Transportation / accessibility

Source: Data from interviews.

Einar and Örlygur believe that the primary cause is due to summer holidays in June, July, and August. This is when people generally have time to travel. Elsa explains that families with children are common visitors in Húsavík, therefore they must adjust to school holidays and travel in the summer. This fits well into the framework of institutionalised causes, with public- and school holidays being the prominent forms (Koenig-Lewis & Bischoff, 2005).

Elsa, Gunnar, and Krístrún agree on that the high demand in the summer has to do with marketing. Marketing activities have for many years been focused on the summer and aiming at attracting visitors during that period. Gunnar goes further and explains “Húsavík has a known concept which is whale watching and is known as a whale watching destination”. The season runs from 1<sup>st</sup> April to 31<sup>st</sup> October and Krístrún points out that the whales are usually around for a certain period of the year, hence the relationship between tourism demand and the whale watching season.

Stefán and Krístrún bring up transportation as a possible cause. They acknowledge that it is easier for tourists to travel around the country during the summer, both due to a higher frequency of scheduled services and better road conditions. Transportation and accessibility can be viewed as a combination of natural and institutional causes as it is connected to both.

Finally, Elsa mentions the climate and “that people are looking for good weather, which is most likely to be during the summer months in Iceland”.

It has been emphasised in the literature to view the causes from the perspective of the origin of the tourists (push factors) and the destination itself (pull factors) (Koenig-Lewis & Bischoff, 2005). In the case of Húsavík, the stated push factors are that people have their

summer holidays and are able to travel. What draws visitors to Húsavík (pull factors) are all the other mentioned causes such as whale watching, marketing, accessibility, and weather.

When respondents are asked about the reasons why few or no tourists currently visit Húsavík in the winter, there are several themes which emerge. First of all, the geographical location of the town is underlined. Einar mentions that “we are very far away from the hubs that bring people into the country”, Elsa adds that “we suffer from being so far from the capital area ... we are a peripheral community here”, and finally Örlygur emphasises that “we are quite isolated ... when we have reached the fourth travel leg from the gate which receives 98% tourists into the country [Keflavík airport], then that is of course not good”. Those results support the theory suggested by Margaryan & Zherdev (2011) that seasonality in North Iceland can be related to a spatial sense. Respondents feel that the distance between Húsavík and Reykjavík/Keflavík has a negative effect on tourism demand.

In connection to this, Krístrún and Stefán suggest that the transportation network and lack of accessibility during the winter makes it more difficult for visitors to get to Húsavík. Einar believes “when people are taking winter holidays it is mostly long weekends, then you are only in Reykjavík”. Based on this, tourists do not visit Húsavík in the winter due to time constraints, which is confirmed by Baum & Hagen (1999) that shorter breaks are more common in the low season.

Gunnar and Krístrún bring up marketing again, referring to that the emphasis has mainly been on the summer. Gunnar explains that “Iceland has long been marketed in two ways, with a focus on advertising the country for its nature in the summers, and more city-things in the winters”. This excludes rural destinations like Húsavík in the winter and stimulates seasonality in demand in such areas.

Finally, Elsa states that tourism in Húsavík is “very weather dependent”. However, Krístrún and Stefán argue that despite sometimes tough weather conditions in Húsavík during the winter months, they do not believe that this is a major factor per se. Stefán is of the opinion that “the winter is not less exciting for people to visit the country than the summer”.

Summarising the reported causes of seasonality in tourism in Húsavík; holiday patterns, marketing activities, whale watching season, transportation and accessibility, peripheral geographical location, and weather conditions; those factors all contribute to the extreme seasonality in demand in Húsavík. The findings are similar to studies from other destinations facing seasonality in tourism as presented in the literature review.

### **5.3. Impacts of Seasonality in Húsavík**

The economic impacts of seasonality are well known both in the literature and especially for tourism businesses. With relevance to this thesis and the research questions, a brief overview is given of selected economic impacts as stated by the respondents. Thereafter, focus will be on the managers' overall perceptions of the seasonality impacts.

All the companies have in common that they primarily offer seasonal employment. The number of employees generally follows the seasonal demand curve; increases in the spring, reaches its peak during the summer, decreases in the autumn, and is least in the winter. The difference for some companies in the number of staff between the seasons is tremendous.

Most companies rely on students during their summer holidays to undertake seasonal work. Einar points out the benefits of this for the students that “in many cases they are able to return home to Húsavík for work during the summer ... although there are limited job opportunities here for young university graduates to return to”. Örlygur thinks that students fit well for seasonal employment as they are available during most of the high season but have other occupations during the winter. However, he touches on the drawbacks with this, that when schools start in August, which is often still the high season, then he loses many employees, and “the stress is not necessarily most during the peak season but maybe from 20<sup>th</sup> August to 10<sup>th</sup> September when there are few people taking care of many jobs”. Elsa and Krístrún support this and say that it is often difficult to find staff outside the high season. Gunnar and Elsa furthermore speak of teachers as seasonal employees for especially guiding jobs, using their summer holidays. Stefán brings up that some people do “other more routine work from autumn to spring, but then look for seasonal jobs in the summer to make a change”.

When respondents are asked about staff turnover, managers state that seasonality has some negative impact on retaining staff. Krístrún expresses difficulties in keeping experienced people as many students come for a few seasons and then leave for other jobs. This increases the cost and time of training new employees. Elsa and Gunnar mention that as they can seldom offer all year round employment, they have to find the right people among the ones that are available for seasonal work. Several managers discuss that they have experienced relatively low staff turnover and Gunnar and Stefán refer to the “core employees” who return for a longer period, which brings stability to the business.

The issues concerning human resource management and seasonality are well emphasised in the literature and is even one of the greatest problems according to Koenig-Lewis & Bischoff (2005). This can lead to both positive and negative social effects, stimulating unemployment

during the winters. The broader environment can also be affected such as available housing for seasonal staff. All this can be linked to seasonality in one way or another, which makes the scope of the phenomenon larger than is often recognised.

The tourism season in Húsavík lasts over a few months. From the business' point of view, this may place burdens on income and expenses, which all respondents are unanimous on. A relevant quote by Elsa summarises the main opinions as discussed by all the managers:

“It is complicated running such a business. We are getting 98% of our income during three-four months and have to divide it on 12 months. It is very complex taking in the income in such short time. ... It is not easy. But it is a task and quite exciting as well. It gives you some degree of flexibility. You need to be rational in distribution. For a short time you become extremely rich and then you become extremely poor”.

This applies well to the results of Shields & Shelleman (2013) who identified similar issues regarding swing in sales and high expenses throughout the year. The tourism companies in Húsavík mainly undertake maintenance work outside the high season, which can be very costly. All the managers in the study work fulltime the whole year at their business and do not seek for additional income sources. Örlygur claims that “tourism is a very enjoyable industry but for the operation it is a huge challenge to run a company because of the seasonality”. Stefán adds that currency fluctuations have a major role on the operation and since the devaluation of the Icelandic currency after the financial bank crisis in 2008, all supplies have increased in price. Seasonality in revenue therefore puts even more pressure on the company.

The results confirm that capacity utilisation moves to both extremes over the year; high use in the summer and limited or no use in the winter. Accommodations, vehicles, boats, horses, restaurants, and museums are mostly being used a few months of the year. Einar and Gunnar indicate that current investments are not being fully utilised as they are inactive for parts of the year. Örlygur confronts a dilemma in striking a balance between adding new accommodations for the summer, which at the same time can be sustained over the winter.

From other studies (Duval, 2004; Getz & Nilsson, 2004) it can be confirmed that the perceived impacts of seasonality in Húsavík are similar to other businesses and destinations which face seasonal demand. Those are some of the main challenges in tourism worldwide and well established both in academia and practice.

With the most common stated impacts discussed, it is worth exploring how the managers feel about them. It is believed that all the respondents have their own personal views which

deserve attention. Relevant quotes from each individual are therefore presented. The first part of the quotes relate to seasonality impacts as positive or negative from the perspective of the company. The second part deal with the managers' own personal opinion of the impacts.

“It is negative because all the things connected to it. Like for example it is difficult offering breakfast for one person and then maybe no guest comes for three, four, five or even ten nights. Best would be to have some use every day”. “I actually like having a more routine and always look forward to when the routine gets going” (Örlygur).

“It is unbelievable how short the season is. The swing is extreme. It would be easier and we could use the things better if there would be more even flow and probably everyone's dream to have it like that”. “The stress is enormous during this short period. I would like to have it more balanced” (Elsa).

“It is bad that we are not getting more guests here over the wintertime”. “It has been changing and I think the season seems to be getting longer, extending at the end rather than at the beginning” (Einar).

“I think the impacts are negative because we cannot keep full operation or offer steady work for people. The utilisation is very poor in the winter, it could be much more”. “It is sometimes good to get free in between, but in general I would like to have more stability over the year” (Kristrún).

“In its essence the impacts must be negative as the summer only becomes a certain season. It involves a high risk if something comes up in the high season”. “But it does not necessarily all have to be negative, you need the low season to do maintenance and breathe. Overall this must change and several signs that it will do so” (Gunnar).

“The impacts of seasonality are negative. I also think that companies in the rural areas could take much more traffic during the high season as well”. “I would absolutely want a longer tourism season. Even two-three months longer would positively encourage more innovation and product development” (Stefán).

The above quotes give an overall impression of how the managers in Húsavík perceive the impacts of tourism seasonality. It is generally viewed as negative, affecting the operations in various ways. All in all it can be concluded that seasonality is a phenomenon that impacts many actors both directly and indirectly; businesses in tourism and other related industries, tourism employees, local populations, public sectors, and tourists themselves.

## 5.4. Managing Seasonality in Húsavík

Managing seasonality can involve two approaches: either businesses put up with seasonality and adjust operations accordingly, or they also actively try to mitigate seasonality. In this chapter, the discussion will first focus briefly on what the companies in Húsavík are currently doing in the low seasons. Thereafter, suggested ways to reduce seasonality in Húsavík are presented as well as further relevant steps according to the respondents.

### 5.4.1. Current Activities during Low Seasons

Table 7 summarises the most common tasks tourism businesses in Húsavík do in the winters.

**Table 7.** Activities by tourism businesses in Húsavík in the low seasons.

<b>Prepare for high season</b>	<b>Remain open all year round</b>
Marketing	Offer packages
Product development	Connect to existing events
Staff preparations	Offer services for locals
Maintenance work	

Source: Data from interviews.

All the respondents have in common that during the low season they prepare fulltime for the next high season. This involves various kinds of marketing activities and product development, staff preparations, and maintenance work on facilities. Most managers state that their businesses remain open all year round. Elsa and Krístrún proudly announce that their companies are open for the first time all year round since last winter. Elsa focuses on connecting horse riding tours to existing events. Krístrún offers an affordable lunch buffet for locals. Einar claims that the Whale Museum is open during his office hours. Örlygur relies on winter packages including accommodation and various activities. All these results correspond with the theory and previous research on what other similar small and medium-sized tourism enterprises do during low seasons (Duval, 2004; Getz & Nilsson, 2004).

Most managers reveal that they have seen an increasing demand in shoulder seasons in recent years. When respondents are asked if they think that official actions are being undertaken to reduce seasonality, the results show that this is limited. Moreover, the general view towards the official marketing campaign ‘Iceland – all year round’ is that it is mainly focused on the southern area of Iceland. Gunnar refers to it as “Reykjavík – all year round”. All the managers are in consensus that it would be desirable and feasible to increase tourism in Húsavík outside the high season. However, as Stefán, Elsa, and Gunnar express, it is often a question of the chicken and egg dilemma in rural regions (Baum & Hagen, 1999).

### 5.4.2. Reducing Seasonality in Húsavík

All managers agree that they would like to see a longer tourism season in Húsavík. Respondents are asked to identify potential months of the year, apart from the summer, when to try to attract guests to Húsavík. Overall, managers estimate most opportunities to be in the shoulder seasons and the nearby months (March, April, May, September, October, and November). Stefán points out that the days are getting longer in the spring and more wildlife (birds and whales) start coming. Einar mentions that there are more activities available in the autumn such as sheep collection with farmers that can attract a special target group, and that the chances of witnessing Northern Lights are high. Some respondents feel that December, January, and February may be difficult, though Elsa believes “there are probably people that would like to come here over Christmas” and Krístrún implies that the darkest period could be attractive for Northern Lights and experiencing the nature in snow. Gunnar concludes that “the aim number one, two, three should not be that we have crazy business all year round, but rather try to pull up the low seasons and balance the swings”. This supports the theory of Baum & Hagen (1999) that it is not a realistic goal for peripheral regions to aim for a high season all year round, but rather extend the main season or add new ones.

One of the objectives of this thesis is to explore opportunities to increase tourism demand in Húsavík outside the high season. The respondents suggest many potential ways, and the main themes are summarised in table 8, which in turn are investigated further below.

**Table 8.** Possible ways to attract more tourists to Húsavík outside the high season.

<b>Basic services</b>	<ul style="list-style-type: none"> <li>• Keep accommodations, restaurants, and museums open.</li> </ul>
<b>Increase activities</b>	<ul style="list-style-type: none"> <li>• Develop more diverse activities than whale watching.</li> </ul>
<b>Improve accessibility</b>	<ul style="list-style-type: none"> <li>• Put more focus on advertising existing direct flights to Húsavík airport from Reykjavík.</li> <li>• Try to establish direct international flights to Akureyri airport (and/or Húsavík).</li> <li>• Finish road to Dettifoss waterfall – Diamond Circle.</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>• Focus marketing activities also on low season.</li> <li>• Emphasise the central location of Húsavík close to some of Iceland’s nature pearls (see map on page 15).</li> <li>• Work with Húsavík being a ‘whale watching capital’ in different ways than only whale watching.</li> <li>• Attract different target groups.</li> </ul>
<b>Increase co-operation</b>	<ul style="list-style-type: none"> <li>• More co-operation between companies and institutions.</li> </ul>
<b>Winter packages</b>	<ul style="list-style-type: none"> <li>• Offer attractive multi-day winter packages.</li> </ul>
<b>Events</b>	<ul style="list-style-type: none"> <li>• Establish events outside the high season.</li> </ul>
<b>More inhabitants</b>	<ul style="list-style-type: none"> <li>• Attract more families to settle down in Húsavík which will stimulate basic services all year round.</li> </ul>

Source: Data from interviews.

All respondents speak about basic services in one way or another and the importance of remaining open all year round to reduce seasonality. Einar, Elsa, Gunnar, and Stefán mention that restaurants have for many years been an obstacle, and only since autumn 2013 they have been open regularly during the winter. Results show that there are several accommodations available all year round. New hotels are being built, which Einar believes will open up possibilities in low seasons as well. Local museums remain open in the winter, though as Örlygur points out “the opening hours are irregular at weekends”. It can be concluded that it is vital for tackling seasonality that there are basic services available during other seasons as well (Baum & Hagen, 1999), even though it may not be profitable at all times as Elsa admits “you have to be ready to pay with some days so that it will be beneficial on the whole”.

In connection to this, the respondents underline that more activities and attractions need to be offered outside the high season; diverse activities apart from whale watching excursions. Suggestions are given such as Northern Lights tours, jeep-, snowmobile-, and quad tours, skiing, and hiking. Gunnar emphasises that “when we are talking about the winter, it is very important to always have a plan A and a plan B”, due to the unpredictable weather conditions. Einar brings up that there are future ideas of building a sea bathing lagoon in Húsavík, which could serve a similar purpose as other geothermal nature baths around Iceland. A destination must have certain pull factors that attract visitors (Koenig-Lewis & Bischoff, 2005), which seem to be lacking in Húsavík outside the high season. It is important for tourists to have a reason to visit a destination. The suggested activities seem realistic and could have potentials for the area.

Accessibility is a thoroughly discussed topic by all the managers. Kristrún highlights the significance of good transportation as a requirement for further destination development as is widely confirmed in the literature (Duval, 2007). Stefán again refers to the chicken and egg dilemma and argues that the transportation system in Iceland has had a negative tendency of prioritising demand before supply in rural regions rather than the other way around, and “it has been more focused on increasing tourist traffic in the southwest”. Einar believes that public bus services to Húsavík in the winter are very good, with several daily services to the nearest city Akureyri. The results reveal two prominent themes related to accessibility: direct flights to Húsavík/Akureyri and an improved road to Dettifoss waterfall.

Húsavík has a small airport located 10 km south of the town. In 2012, direct flight connections between Reykjavík and Húsavík began again after many years of no services. To date, there is one airline that offers regular scheduled flights from Reykjavík all year round.

Gunnar and Örlygur have been working closely with the development of the flights and believe that it has high potentials for tourism all year round. In the past two years, international tourists have been a limited share of the airline's passengers, though Gunnar underlines that it takes several years to firmly establish the route among major travel agencies. Örlygur and Stefán are both critical towards further expansions at Keflavík international airport. Örlygur comments that "I put a huge question mark regarding that 98% of tourists arrive to the country through one gate". Stefán agrees and believes it is very risky for the tourism industry being dependent only on Keflavík. They want to see more direct international flights to Akureyri airport, which has been offered to a very limited extent. There are official operations going on to try to attract airlines to Akureyri. Örlygur however, believes that Akureyri may not be a feasible airport for larger aircrafts and hopes that in the future, Húsavík may even be able to accommodate international flights. Being an isolated island, flight connections are very important for Iceland and rural regions outside the capital. The results suggest that a realistic short-term goal is to encourage more travel agencies and tourists to use the existing direct flights from Reykjavík all year round, and emphasise package deals as is discussed below.

The final theme regarding accessibility is raised by Einar and Örlygur; improving the road to Dettifoss waterfall. One of the main roads was for years through Húsavík, though recently a new road was built which does not go through Húsavík. Therefore, as Einar points out, it is important to finish the new road so Húsavík becomes a part of a circle. Tourism and transport have a complex relationship and both benefit each other as is well documented in the tourism literature (Duval, 2007). To summarise the accessibility improvements for Húsavík, a relevant quote from Örlygur is presented:

"If I may speak of a complete dream vision, then I would want to see the road between Ásbyrgi and Dettifoss finished because then you have the ring which we call the Diamond Circle. And I would like flights to Húsavík airport, which is well located here for the area. You have Húsavík, you have Lake Mývatn, and you have Dettifoss and Ásbyrgi. All these excellence within one circle and you could fly straight into it".

Marketing is discussed in depth by Gunnar, Stefán, and Elsa. It is suggested that the focus must shift to other seasons in addition to the high season. Gunnar thinks that Húsavík's central location close to major nature pearls could be emphasised more in marketing. In addition, he believes that the destination could work further with being the 'whale watching capital of Europe' such as through the Whale Museum or whale researches. Stefán claims that

Húsavík needs to attract a broader target group, which may be able to visit at other times than the summer. Elsa believes that various product developments will attract different types of tourists and states that “you maybe cannot always sell the same product to the same customers”. Moreover, she believes that the local element could be integrated more into it, attracting people who want to experience rural local life in Húsavík in the winter. According to Kotler, et al. (2009), market- and product diversification strategies are very useful. Through those ways, existing resources can be utilised for possible other uses and/or other people.

Most managers touch on that more co-operation is important for a small destination such as Húsavík to reduce seasonality. As Krístrún points out, this can both involve co-operation between various companies as well as between companies and institutions such as the destination marketing organisation (DMO) Visit Húsavík (Húsavíkurstofa) or North Iceland Marketing Office (Markaðsstofa Norðurlands). Respondents believe that it may prove difficult for individual companies themselves to mitigate seasonality, but with more co-operation rather than only competition, the chances of success increase. In connection to this, the respondents suggest the possibility of offering multi-day packages outside the high season. This could include a tourism product with return flights from Reykjavík, accommodations, meals, and activities. The sales packages could be a joint project among different companies and highly important according to some of the managers.

Einar, Gunnar, and Elsa mention events as a possibility to get people to Húsavík outside the high season. As Elsa has been doing the past winter, connecting horse riding to other events, Gunnar believes that such actions could be developed further and recalls that national sports events have been held in Húsavík that have brought benefits to the town. Even though Baum & Hagen (1999) identify events and festivals as one of the main strategy to combat seasonality, it is not discussed thoroughly by the tourism managers.

Finally, Krístrún mentions that it is worth exploring seasonality from a wider perspective. She thinks that Húsavík should try to attract more permanent inhabitants, which could benefit the town in various ways and help maintain a higher service level all year round. In this context, some managers refer to the future ideas of building a new large industrial factory close to Húsavík, which is beyond the scope of this discussion.

#### **5.4.3. Further Steps to Increase Tourism in Low Seasons**

The previous discussion has mainly focused on international visitors. Respondents have different views regarding Icelanders as potential tourists to Húsavík outside the high season. Einar, Örlygur, Gunnar, and Krístrún believe that there are opportunities within the domestic

market. Einar brings up events and Örlygur suggests interesting winter packages. They both underline that it is important that tourism development in Húsavík should take into consideration the needs and wants of Icelanders, otherwise risking losing authenticity. Stefán and Elsa are more sceptic towards the possibility of attracting Icelanders outside the summer. Stefán thinks “Icelanders who travel around the island are mainly families with children, who are dependent on school holidays”. Finally, Elsa and Örlygur describe their experience of Icelanders, generally not wanting to pay for services such as horse riding tours.

Mitigating seasonality in a destination usually requires several actors, both from the public- and private sectors (Koenig-Lewis & Bischoff, 2005). Managers are asked who they believe should do what in order to reduce seasonality in Húsavík. Most claim that the tourism businesses themselves play a major part; remaining open and focusing on product development and marketing for lower seasons. Co-operation between companies is vital as it creates a stronger unit. Several respondents, who some wish to remain confidential on this topic, criticise the municipality (Norðurþing), stating that it has shown the local tourism industry limited “interest and understanding”. More support and flexibility could come from the administration as tourism has changed Húsavík tremendously and plays such a major role with great direct and indirect economic impacts. The local DMO (Húsavíkurstofa) is to some extent funded by the municipality, and currently there is only one employee all year round. Another position could be added and the role of the DMO expanded further.

The views of the host population are important when dealing with seasonality (Butler, 2001). Some respondents briefly touch on that they believe that the inhabitants of Húsavík generally have a positive attitude towards tourism. However, all managers describe that there have been times that tourism has had a negative stamp within the town. Stefán and Gunnar refer to conflicts between the fishing industry and the tourism industry. Today though, most managers believe that locals have realised the benefits, for example with the increase of jobs, restaurants, cafés, shops, and other services due to tourism. The social carrying capacity would however have to be researched further as suggested by Koenig-Lewis & Bischoff (2005).

Finally, respondents are asked to share their future realistic vision on when Húsavík could be facing less seasonality. Managers estimate that such developments take time and in three to ten years the destination may see great changes and increased tourism demand outside the summer months. It is appropriate to conclude this discussion with Elsa’s words “I absolutely believe that we will succeed, I think we are just quite a bit behind at the moment”.

## 6. Discussions and Conclusions

Seasonality in tourism is a widely spread phenomenon. Not only does it impact tourism destinations and business all over the world, but a large proportion of society as well. People affect seasonality and seasonality affects people. From old traditions, the summer months are usually the time when people tend to get holidays and schools are closed, thus stimulating travels during the summers. Other holiday periods such as Christmas and Easter are also generally known as high tourism seasons. It has become firmly established in society to travel around those holiday seasons and the question is whether it is realistic to change this pattern. As has been stated, from the perspective of tourism supply, seasonality is mostly seen as a problem. However, several destinations and businesses have proven successful in reducing seasonality in tourism, which confirms that it is possible under the right conditions.

This study set out to understand the nature of seasonality in a peripheral destination with Húsavík as a case study, and discover potential ways to reduce seasonality in Húsavík tourism. Through qualitative semi-structured interviews with six tourism managers in Húsavík, the three stated research questions have been thoroughly answered. General theoretical knowledge of seasonality and other international studies of managers' perceptions have been reviewed and integrated into the discussion. Throughout the paper, a neutral stance has been taken towards seasonality and no assumptions taken for granted whether it is negative or positive for Húsavík, despite the literature placing great emphasis on negative aspects.

The results of this research correspond with existing knowledge and confirm that Húsavík faces many similar challenges and opportunities as other businesses and destinations in the same position. The nature of Húsavík seasonality is as expected for a peripheral destination, with most demand in the summer months. The reasons for this are complex and can be attributed to the interplay of natural (e.g. climate, accessibility) and institutional (e.g. holiday periods). The effects of seasonality in Húsavík on tourism businesses are similar to other peripheral destinations such as difficulties in staff, revenues and profits, and capacity utilisation. Finally, the managers present ways on how to reduce seasonality in Húsavík which are further discussed at the end of this section.

Even though the findings relate well to other studies, there are still some aspects which deserve further discussions. The study reveals some practical actions which are only applicable to Húsavík such as an improved road to Dettifoss. Moreover, tourism in Húsavík relies to a large extent on one tourist attraction, namely whale watching, which has

transformed the town from a small fishing village into a famous tourist destination. Finally, it should be mentioned that the respondents in no cases bring up seasonal pricing incentives or discounts in lower seasons to try to attract tourists to Húsavík. This is interesting as seasonal pricing is very common in the tourism industry around the world (Butler, 2001) and could be relevant for Húsavík.

This paper contributes to academia and practice in several ways. Firstly, it supports existing theories on general knowledge of seasonality in peripheral regions. Secondly, from the perspective of the international whale watching industry, the results of Húsavík as a case study is valuable as other whale watching destinations around the world may face similar seasonal demand as Húsavík, closely related to the whale watching seasons. Thirdly, tourism in Iceland is a fairly young industry and this research contributes to managing one of the main issues of Icelandic tourism, namely seasonality. Finally, this paper serves as the first academic research on seasonality in Húsavík and provides practical knowledge for the local tourism industry what could be done for further tourism development. However, the generalisability of the results is subject to certain limitations. The findings cannot be generalised for all companies in Húsavík, only the ones participating in the study. It is still believed that the research gives a good overview of the local tourism industry as the participants have been selected based on thorough criteria. Moreover, the results may not be transferable to other businesses or destinations, though as Baum & Lundtorp (2001) indicate, drawing lessons from previous studies is valuable. Other rural destinations in Iceland, and even in other countries, may therefore be able to benefit from this research and adjust it to local needs.

Overall, the results of this study are considered to be reliable and give a good indication of seasonality in Húsavík. The main findings are that managers perceive seasonality as a problem and all share the hope of reducing it in the future for smoother business operation. This could possibly be done by adopting some of the actions mentioned below.

## **6.1. Recommendations for Further Research and Practice**

To develop effective plans on reducing seasonality, further research is recommended in the following areas:

- Focus groups: The views of tourism managers in Húsavík are the focal point of this study. However, it is recommended to conduct focus group studies with more actors involved in the tourism industry in Húsavík such as local authorities, the DMO, and other businesses directly and indirectly related to tourism. This could be done to capture more views and ideas on reducing seasonality.

- Market research: It is useful to do a market research on current tourists in Húsavík during high- and shoulder seasons to investigate why they come during certain periods and what push and pull factors could make them visit at other times of the year.
- Social carrying capacity: Although most managers in the study believe that the local population in Húsavík has a positive attitude towards tourism, it is important to do research on the perceptions of inhabitants towards further tourism development.
- Environmental carrying capacity: Assessments should be made on the physical environment in Húsavík if it is feasible to increase visitors outside the summer.

Finally, the author presents several recommendations on how to reduce tourism seasonality in Húsavík, based on the results and theoretical knowledge:

- Basic services: First of all, it is necessary for businesses to make sure that basic services and facilities in Húsavík are open outside the high season such as accommodations, restaurants, and museums. Even though it may not be profitable at all times, it is still better that the services exist before trying to attract more tourists to Húsavík outside the summer. The chicken and egg dilemma must be solved in such way that supply comes before demand if seasonality is to be reduced.
- Activities: Húsavík is very much dependent on whale watching and it is important to develop other attractions that are not directly related to it. The area around offers possibilities for businesses to develop various activities outside the high season such as Northern Lights tours (from sea or land), skiing, snowmobile tours, ice-climbing, hiking, jeep tours, geothermal bathing, and sightseeing at nearby attractions.
- Accessibility: It is recommended to put more focus on the existing all year round flights between Húsavík and Reykjavík and make it an attractive transport option for tourists. Projects on establishing international flights to Akureyri should be continued as this may bring major benefits for tourism in the area. Finally, the road to Dettifoss waterfall from Húsavík must be improved to increase the accessibility to the Diamond Circle all year round.
- Marketing: It is advised that businesses focus on marketing other seasons apart from the summer. Certain target groups can be identified which may be able to visit at all times of the year (e.g. seniors). More emphasis can be placed on attracting Icelandic tourists to Húsavík. Product development for other seasons of the year is necessary.
- Co-operation: The results show that more co-operation between tourism companies in Húsavík is important. With regard to this, after the data collection, it was announced

that the destination Húsavík has launched a joint marketing campaign between six tourism businesses, focusing on Húsavík being the “whale capital of Iceland” (mbl.is, 2014). This is done to highlight Húsavík’s uniqueness as a whale watching destination in Iceland. Four companies from this study participate in the campaign, which is very positive and a large step for future tourism development.

A further idea for co-operation when starting keeping services and facilities open all year round is that companies could establish a joint employee pool outside the high season. As it may not be viable for one company to offer fulltime work all year round, those employees could be multi-tasking and work for several companies. To describe this with an example: one person could guide a whale watching tour in the morning and in the evening guide a Northern Lights excursion.

- Winter packages: When all basic services and activities are available, it is recommended to offer winter packages with foreign and Icelandic travel agencies. This could include return flights from Reykjavík, accommodation in Húsavík, and several activities and sightseeing tours in the area. Package deals can also be developed further for Icelanders around special themes or events.
- Events: Establishing events in Húsavík outside the high season can give benefits to tourism companies. It would be possible to work further with whales and offer whale research conferences or international whale festivals, although whale watching tours are currently not operated all year round. Moreover, the existing sports events in the area could be developed further to attract foreign guests.
- DMO: The local DMO Húsavíkurstofa could be strengthened and attain more support from the municipality. Húsavíkurstofa could play a larger role in the destination development, and the number of fulltime positions all year round may be increased.

The above recommendations involve the interplay between the public sector and tourism businesses, and both must take part in financing actions to mitigate seasonality.

Reducing seasonality can be a difficult and long process, which sometimes succeeds and sometimes fails. With regard to this, Butler’s (2001, p. 13) words shall be borne in mind and therefore emphasised again: “the stubbornness of tourism in remaining seasonal despite intensive efforts of industry and governments suggests that the problem is more complex than generally thought”. It is therefore necessary to think of the whole picture and develop realistic strategies based on the conditions and resources available. A quote from Gunnar is appropriate to conclude this paper on managing tourism seasonality in Húsavík: “We need to believe that it is possible to do things, and just do them”.

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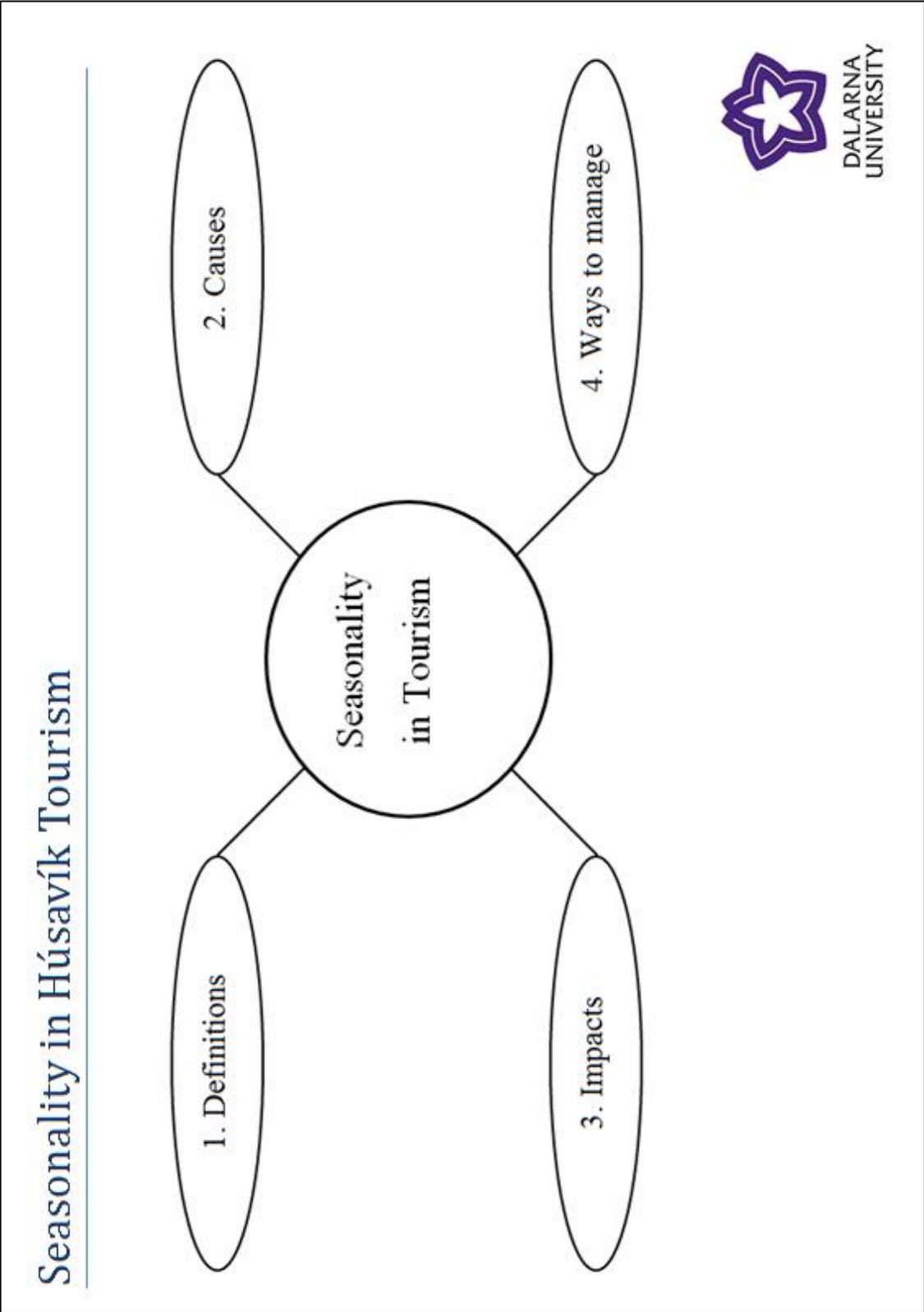
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# Appendices

## Appendix A – Interview Graph

The following graph (in Icelandic) was shown to respondents to help give an overview of the topics brought up during the interview.



## Appendix B – Interview Guide

The following interview guide is a translation from the original Icelandic version.

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Interviewee: \_\_\_\_\_ Date/time: \_\_\_\_\_ Place: \_\_\_\_\_

Brief introduction:

- Thanks for participating in the study!
- The research deals with the perceptions of tourism managers in Húsavík towards seasonality and if / how it would be possible to manage seasonality and increase tourism demand to Húsavík outside the high season.
- The aim is to explore seasonality in tourism in Húsavík on a broader level but not collect any confidential information from the business.
- The interview takes from 30 minutes and longer. You may of course take your time to think about the questions.
- If there is any question or topic that you do not want to discuss, that is no problem.
- May I record the interview for my own purpose                      Yes  No
- Do you have any questions before we begin?

### Introduction

- Introduction of interviewee – position within company / how many years / experience from tourism.

### 1. Definitions

- High season / low season / off season?

### 2. Causes

- Why tourists visit Húsavík mostly during summer time?
- Why hardly any tourists in Húsavík during winter time?

### 3. Impacts (economic)

- Number of employees during high season and low seasons.
- Staff during low or off seasons – what do they do.
- Seasonality impact on staff turnover.
- Seasonality impact on operation, revenue, short business season.
- Capacity utilisation during high and low season.
- Maintenance.
- Other economic impacts on the company due to seasonality.
- Overall seasonality impacts on business – positive / negative.
- Personal view on seasonality – positive / negative.
- Global warming and effects on seasonality in tourism for Húsavík.

### 4. Ways of managing seasonality

- Current business activities outside the tourism season.
- Feasibility of attracting more tourists to Húsavík outside main season.
- What months most suitable.
- What is needed in Húsavík to reduce seasonality?
- How could Húsavík attract more tourists outside main season?
- Potentials in Icelanders as tourists outside the main season?
- Iceland – all year round campaign – benefits for Húsavík?
- Currently being worked on reducing seasonality?
- The role of Norðurþing municipality in tourism development and reducing seasonality.
- Who should do what?
- The attitudes of Húsavík population towards increasing tourism demand outside high season.
- Realistic future goal.
- Anything to add / questions?

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Publish company name      Yes  No

Publish participant's name      Yes  No

Thank you very much for taking time to participate!