

**Learning Journey -
Sense of Place Iceland's Culinary Experience (SPICE)
2 – 8 June 2019**

Study Group 3

Product Development v Authenticity

Introduction

The group was tasked with considering the balance between innovation and development as a driver of economic growth. The study area focussed on the 'Golden Circle' destination within south Iceland, an area that has seen rapid growth over the past decade and which strings together the major attractions of Gullfoss and Geyser with a number of developmental projects on the routes between them and Reykjavik. Some members of the study group had visited the area six years earlier and could make comparisons about change that had taken place over that period.

Approach

Given the varied backgrounds of the study group, which included destination managers, chefs and business owners working in the restaurant sector, it was decided to review each attraction in turn and then to draw some conclusions about how the individual businesses could manage the challenge of authenticity and how the regional destination management organisations and Icelandic Tourist Board could exert controls to reduce the potential conflicts.

National and regional perspective

Iceland operates a national tourist board which is a government funded body and it has a public/private partnership to promote the country. There are 72 municipalities in Iceland which seems a lot for such a sparsely populated country and especially as most inhabitants live in just one settlement, the capital but it also reflects the sheer scale of the country. Altogether, in the region we were visiting, South Iceland, there are just 25,000 inhabitants.

Planning, in the sense that we know it in the UK, is a more recent phenomena as a tool of government policy. Regional development plans have now been developed and five year action plans which focus on the shorter-term. Even within regions, further sub-divisions are made and this is reflected in marketing and promotional materials.

The regional perspective was outlined at the University Centre of South Iceland to give context to the study tour.

Iceland's USP

Iceland has one unique product that has been captured by their promotional agencies and used across various media from TV adverts to pop videos- pure natural water. For a country that is developing its tourism product through a range of food and beverage-based attractions from micro-breweries to mushroom farms, the quality of the clear, unadulterated 'tap' water is highlighted time after time. (It is ironic that bottled water is still sold in supermarkets as it is completely superfluous.) Pure water in abundance is a great resource for any country, especially when it is something that is diminishing through climate change and over-population throughout the rest of the world. There is

a second factor though which also makes Iceland unique and for which the majority of international visitors would associate with the country- and that is the geothermal nature of the landscape. The combination of available water supply and a natural heat resource that can be 'harvested' has led to energy and heating that can support industries and agricultural practices which would be uneconomic in any other place. The combination of ice, water and the features created through the positioning of the continental tectonic plates- the geysers, volcanos and waterfalls- all come together to provide an outstanding visitor experience

Evidence of the Icelandic Government's tapping into geothermal power is seen throughout the developed areas with pylons and water pipes abounding, especially in the margins of the 'Golden Circle'.



The landscape of South Iceland- flat lava fields covered with moss, volcanic mountains and geothermal water pipes

Group discussion themes, perhaps playing homage to authentic.

Experience: all tourism is essentially an experience – when we visit places we want to get a feel for the area and learn more about the food and culture. The most effective ones are those that project a sense of place that is communicated by the people who run these businesses – those that can illustrate that this is what they do and have been doing for years. It is their unique selling point. However Iceland also takes a lot of care to deliver a customer experience that is universally accepted as being required – well stocked shops with souvenirs from the area, cafes, European style food, good signage and written information are all done to an exceptionally high standard in Iceland.

Authenticity: this was discussed at length as to what it really means but there was no clear answer and the group members experienced different perceptions from different experiences. Authenticity

is a word that is used extensively in the tourism promotions sector- perhaps over-used now. It is probably more accurate to understand authenticity as a continuum with degrees of authenticity ranging from completely authentic (and by definition, non-tourism) to only vaguely authentic and closer to artificial. Thus, a hot river, experienced exclusively by native Icelanders as somewhere to gather might be classified as completely authentic but as soon as visitors start to share that experience it becomes slightly less authentic. A five-star hotel that duplicates very other five-star hotel and employs foreign staff but which perhaps plays homage to Iceland by providing hot tubs is at the other end of the spectrum. Most attractions and facilities fall somewhere in between.

The sites

Eight visitor attractions were reviewed by the group, seven of which were within the Golden Circle. The Blue Lagoon which is located close to Keflavik Airport was visited separately on the first day.

Blue Lagoon

The Blue Lagoon is an iconic attraction for Iceland which serves a purpose as the gateway to the country. A very polished tourist experience that is Icelandic in nature but not reflective of typical Icelandic life. There is clearly an economic need for an attraction of this kind as it does fulfil a demand but as an authentic experience, it falls short. However, the very fact that it is a geothermal pool that was created by accident, makes it more authentic than a manufactured purpose built spa facility for example. So, despite its mass market appeal, it can still be classed as 'authentic' to an extent.

On the other hand there is no pretence to authenticity for the nearby purpose-built hotel which was described by the host as something which has been built to cater for the international visitor and in particular satisfying the [5-star] demands of the Asian market.

On arrival the Lagoon appears to emerge from the volcanic landscape. Meandering through a pathway to the entrance, although this was an industrial site, the buildings were cleverly concealed initially from the visitor. On arrival the group were unobtrusively 'guided' to various changing facilities by courteous staff, which showed excellent management of product development.



The Blue Lagoon- often the first stop for international tourists

The Lagoon itself is a very pleasant environment, with lava rock outcrops separating the areas. Free silica mud masks are available and these could be purchased, along with other facial products as you left the building. Our entrance to the Lagoon included a free drink, which could be soft drinks, alcohol or various fruit smoothies. The smoothies possibly reflected the wellness properties of skyr – and of course the thermal springs themselves. The alcohol probably wasn't necessary or authentic, although as the site was first discovered by workers, it may have reflected their 'relaxation' techniques at the time.

The guide, Nicholas, offered detailed history of the experience, and although not a native Icelander (his partner was), he was passionate and able to explain clearly about the facility and this talk was followed by an excellent meal. Possibly not authentic Icelandic food, but it is hard to identify this, when consumed by the whole offering.

Overall we felt that they had not compromised the authenticity of the experience to develop the product. Despite being more commercial perhaps than other sites that were to follow on the tour it represents an iconic experience and that is perhaps where the authenticity lies.

Laugarvatn Fontana



A local tradition in the geothermal areas- home-baked bread cooked in the naturally hot gravel beside a steam vent

The second case study was the Spa, pool and visitor centre, including the geothermal baths at Laugarvatn Fontana. The group had previously experienced a visit to the Blue Lagoon so Laugarvatn made an interesting comparator in its approach and visitor experience. Laugarvatn only opened in 2010 which is comparable to many of the other attractions on the itinerary. The visit included a demonstration of the geothermal bakery which is open to group bookings and to the public twice a day. Visitors can see how the bread is cooked over 24 hours by being buried in hot gravel by the shores of the lake and taste the product accompanied by locally sourced smoked trout and butter. Like many attractions in this region, the Fontana employs multinational staff and the host was a native Czech. The second part of the visitor experience included a visit to the spa and pool area.



The finished product- hot bread ready to eat after a 24 hour 'bake'

There was also evidence that other local villagers had placed bread to be baked in the lava sand, so it was fully authentic from the perspective of being a local traditional practice.

Laugarvatn additionally comprises a small shop and visitor information point and a self-serve café also offering locally sourced food. The attraction is heavily promoted as part of Golden Circle Tour and is a convenient stopping off point for coaches from Reykjavik and self-drive hire cars. The style is quite typical of new build Icelandic tourist attractions with use of exposed concrete, traditional turf roofing and Scandinavian style furnishing. The spa had previously been used as a facility for local villagers and some parts of the building comprise the former 'non-tourist' type of buildings.

On entering the building we enjoyed smoked trout and some of the local style bread (made with sugar) out of the pot (from the earth 'kiln'), before entering the various spa pools. These were small but offered different temperatures and style: lava rock-lined pools, tiled pools, plunge pools and also a lake. Each pool clearly identified the temperature within. There was a sauna and steam room also,

and unlike Blue Lagoon, there was no silica, so the water was clearer. The lake was completely natural with grass bed and algae.

The shop area prominently displays the 'Icelandic Pledge' - a request for responsible tourism behaviour that was created in response to uncontrolled visitor impacts including wild camping and trespass and problems such as littering and even defecating in countryside areas. The development of a guided route, such as the 'Golden Circle' enables some control of such behaviours but it can also increase access to areas that would otherwise remain as farmland or wilderness.

Laugarvatn displays a Trip Advisor Certificate of Excellence 4.5/5.

Whilst it attempts to promote an authentic experience through local food sourcing and connecting to its roots as a hot spa and steam rooms, Laugarvatn is now very much a visitor attraction.

The bread making at the geothermal spa would only happen here in a place like Iceland where the geothermal hot water is located, and where local populations here been able to use the natural resources to develop a way of life that is unique to them and can be shared to visitors in a very visual and practical way. We all watch the process, and are encouraged to taste the fruits of our labours.

Efsti-Dalur

Efsti-Dalur is likewise a popular stop off on the Golden Circle and promotes itself as an 'exemplar dairy farm'. It is run by one family which has been in ownership of the site since the eighteenth century. It comprises three main elements- an ice cream parlour on the lower level; a glazed display area which gives a view of the dairy herd; and on the upper floor, a full restaurant which also provides a view of the milking shed and livestock. The working farm element is not on view to the public.

With limitations as to the scale of the site, the owners have used interpretation as a key element of the experience together with the food product itself and in fact they have been able to fuse the two things. This is accomplished both through the use of interpretation boards and (in our personal experience) through story-telling by one of the owners.

The way that storytelling in this case was brought to life was through tasting experience and the story behind the food product. A whole 20 minute story was created from one simple product-in this case, skimmed milk and the various components that are by-products. Thus, a very simple and seemingly unremarkable item can be used with embellishment to fascinate an audience and kindle further interest in the attraction.

There was great storytelling about the history of the family since the 1700s and we were guided through this by Lynda, the youngest of four siblings, who told us:

"...I am the youngest but I am the oldest soul!"

The farm animals were isolated from the visitors for the animals' benefit as Icelandic livestock is not inoculated and could be vulnerable to infection through human contact.

Whilst virtually all of the food offer was produced on the site (meat, butter, ice cream, yoghurt) or from nearby suppliers (vegetables) there were still non-Icelandic elements such as the coffee.

The over-riding impression left on the study group was the passion and dedication of the storytelling by the proprietor. The working farm where the Skyr yoghurt and ice cream has been produced for decades is now something to share with visitors, and is more interesting and authentic for the very same reason – it is what they have always been doing and therefore has much more meaning to all who come to see and partake of the experience.



Curd- made from skimmed milk

The attraction hadn't physically expanded since the previous visit six years ago although the restaurant had been reconfigured.

Gull Foss

One of Iceland's most popular attractions, Gull Foss presents possibly the biggest challenge on the authenticity v development debate. Gull Foss is a free attraction and has seen major growth over the past decade. It's an obvious case for visitor management implementation with the potential scope for footpath erosion, trampling over sensitive flora landscapes, parking congestion and visitor safety issues. Since the earlier visit, the coach park has been moved further away from the entrance and the car park has been expanded. Footpaths have been widened and become more formalised although there are still 'low key' elements such as roped off walkways rather than fences or barriers.

The fashion for taking selfies has no doubt raised the health and safety risks and severe fines exist for people straying into dangerous areas. The restaurant at Gullfoss has been expanded to accommodate coach parties and the shop floor area has also been increased. There is a new paid for exhibition in one of the outbuildings.

Gull Foss, like many natural attractions will be the victim of its own success and due to the nature of the narrow footpath to the upper falls, it has a capacity limit. The most obvious way to address this would be to consider further re-siting of the car and coach park to control visitor flows and lengthen the dwell time as people have to walk further to actually see the falls and the various viewpoints. So far, the operator has avoided the concept of a visitor [processing] centre and catchment that one might find at a UK 'honeypot' location such as Clovelly or Land's End.



Geyser

Geyser was undergoing major redevelopment whilst the group visited including new car park, footpath and hotel development. The store is one of the biggest gift shops in Iceland but the major expansion on the core site had been the introduction of new restaurants and increased parking. The old hotel has been demolished and replaced by a contemporary three storey building including luxury suites and new conference facilities. The site remains in family ownership and has not received government grants although the state has now taken over control of the public realm in the geysers area, including fencing off most of the nearby slopes and introducing guided walking routes adjacent to the site. Geyser remains a free attraction.

Whilst the retail and food and drink offers are clearly very commercial in nature, the atmosphere is fairly low key without any pressure selling and stock is of reasonably high quality.

The geysers were very natural and untouched to a certain degree; there was very low fencing- possibly only one foot high- indicating where you were permitted to walk. No-one seemed to abuse this although walking up to the top of the hill, the same fencing did not seem to discourage some people from climbing over the protected moss.

The new hotel complex has taken some time to develop and is compromised by its proximity to car parks, existing cabins and to service areas. An opportunity has been missed to locate it further away from the road and to attain better visual perspectives, especially given the premium pricing for suite rooms but the interior has been imaginatively designed and the entrance has incorporated the structure of the original wrestling school into the main lobby area. Variable decks give glimpses of other internal spaces throughout.

Hotels being purpose-built sometimes lack an authentic quality but in this case, the fact they had incorporated the previous school house/gymnastic centre into its design was very clever. This innovative approach helped to conserve a part of the local heritage. The area location (and in particular this site) was known for traditional Icelandic wrestling and to reflect this in the design of the hotel does make this a unique and authentic experience. Possibly, more work needs to be done to deliver this story but as a concept, it provides an interesting and unique theme for what will undoubtedly become one of the country's elite hotels.

The introduction of business tourism to Geyser, through conferencing, will be an interesting development for the Golden Circle, which is at present almost exclusively leisure tourism based and it should address seasonality issues which are created through Iceland's latitude.



Strokkur- the most active of the geysers which emits a 30m plume about every ten minutes or so

Fridheimar- Tomato Farm

Fridheimar is an unusual concept- part Icelandic horse showground/part tomato greenhouse and visitor restaurant. A lifestyle concept created by its current owner, Fridheimar has been incredibly successful since its inception with a remarkably consistent growth in annual visitor numbers. Whilst the showground is unchanged since the previous visit, the tomato greenhouse and restaurant has been reconfigured to increase capacity and to enable casual visitors who have not pre-booked to be able to purchase food and drink. Fridheimar is continually developing its tomato-based product and innovations such as tomato beer and tomato deserts have been recently introduced with more ideas being considered.



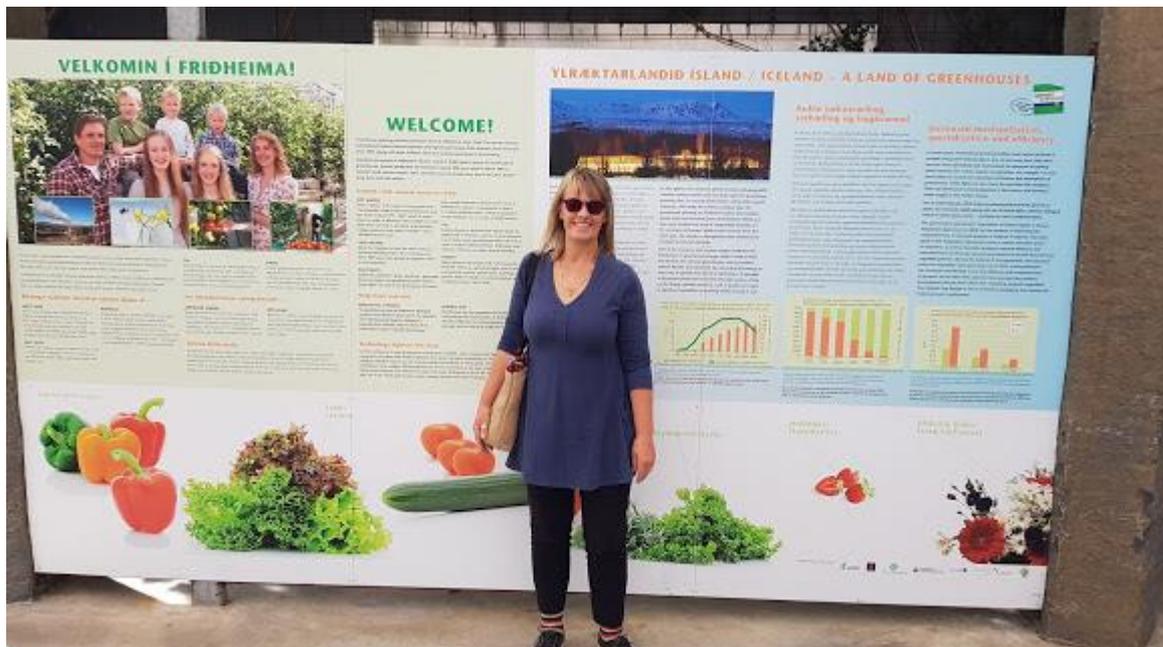
Not the most obvious tourism attraction- the tomato farm (which also includes the Icelandic Pony Centre) attracts over 170,000 visitors pa based on its restaurant and sale of a range of tomato-based products

Very much a family business, supported by Chef Jon Sigfusson, this attraction reflects the combined interests of its owners- horticulture and horses- and the family is involved in every stage of the business operations. The Tomato farm has the perfect story – a family business that has grown as a

result of the opportunity that the owners saw to capitalise on their raw material – tomatoes in Iceland! Peculiar but it totally works as it has grown organically and in that sense could be described as authentic.

Despite its phenomenal growth to 170,000+ visitors per annum, there seems to be a lack of cascading or delegating management and with such a large staff it is surprising that this is the case. Although the company has taken on a paternalistic approach, providing welfare for its staff (including free Icelandic courses and access to a gym and swimming pool) and it has created a very systematic training manual for staff development, there appeared to be some disconnection between the core values of the organisation with the delivery on the ground. The enthusiasm of the owners and senior staff and their positive 'can do' ways of working contrasted slightly with some shop sales staff and waiters who were less service-oriented at times. This leads one to question whether there is an issue about growth- rapid growth- and the ability to still be able to provide the personal touch- the family touch when one is dealing with hundreds of visitors at a time. One might also wonder whether Fridheimar's continuing drive for innovation and product development is at the cost of operational management for despite the obvious efficiencies of the visitor 'processing' it is only as strong as its weakest link in the service experienced by the visitor. If the visitor doesn't connect with the family itself, then perhaps the experience is less rewarding.

However, the main thing that many within the group took away from the tomato farm experience was that this was a family who truly believed in their offer, and had developed a product from the initial raw material that was their main income. They saw an opportunity to monetise their offer and move into the growing tourism business that Iceland had become. This is an entrepreneurial business that has reached a critical stage in its development. The owner currently is the business- he presents the product, he manages the team, he develops the offer, and with a team of 47 the time has clearly arrived for him to take stock.



A family business- a member of the study groups stand in front of an interpretation board highlighting visitor growth curves of the attraction



Tomato beer on tap- one of many unusual products that have been created by the farm

Fludir: The Secret Spa

This was a short walk from the group's hotel and seemed to many of us to emerge from nowhere. The Secret Spa did indeed feel like a 'secret discovery' despite the fact that there was obviously a tourism interest evidenced by package tour buses parked outside. Overall it had a very 'laid back' feel – rooted in the community and definitely as though it had been there forever.

The pool was a large lake with a volcanic gravel bottom. There was no explanation offered regarding the development – but around the pool there was a path to see some of the hot springs, and small geysers. There was also some strange attention to fairy houses around the pool – unfortunately again, no explanation though.

By now, as a group, we were possibly blasé about enjoying the experiences offered by the spas. Of the three visits we had, this seemed possibly most authentic in terms of local engagement, although as one of the group commented – it did seem a little like a holiday caravan park. Its almost amateurish presentation identified there had been little product development.

Outside of shower room etiquette there was a noticeable lack of rules and regulations. UK Health and Safety inspectors would have gone into overdrive on that front. There weren't just open beer cans in the pool which people could take in with them, there were also people drinking wine from glass receptacles. However it can be these national idiosyncrasies that contrast so much with the rest of Europe that were very appealing and part of the charm of the place.

This is evidence of a relatively underdeveloped tourist economy – things are still at the stage where the experience is genuinely authentic!



There is some reluctance from international visitors to get naked when showering but in Iceland it is frowned upon to take showers with swimming costumes on- posters explaining shower etiquette can be quite explicit including detailed diagrams of where to wash

The product development of the three spas was more contrived and possibly less authentic than that of the three farms that were visited. This may reflect the commercial element of their mass appeal to visitors. For example, whilst there were excellent changing facilities we were advised that these used to be communal and that naked bathing was encouraged in some places. This would not go down well with many international visitors, so facilities now offer separate changing, and in some cases cubicles.

Mushroom Farm

This was a low key, relaxed environment as a visitor attraction but well thought through. The proprietor who presented the farm to the group was lively, engaged and informative, if occasionally slightly hesitant to answer some searching questions on issues such as packaging and the use of plastics.

Yet again there was another restaurant which featured as the main venue. The food area was excellent-well laid out, simple and delicious. The food was also well presented on a self-serve basis and easy to learn about.

As a producer focussing on one main product the profit margin would have been high so they were able to be generous in their offer. This in turn added to the experience- as visitors the group felt that they were getting real value for money.



Iceland's only mushroom farm- opened in 2018 it serves as both a restaurant and visitor attraction- visitors can view where the mushrooms grow at a rate of 4% per hour before they are handpicked for market or cooking

The tour was simple and authentic – this worked well. Visitors can feel able to get a feel for the actual business, just within picking distance of mushrooms that would be in the supermarkets by the following day. It offered a simple but effective example of a great supply chain and positive image of the industry.

Final reflections

The experiences the group encountered in Iceland provided unique insights into both Icelandic traditions and contemporary life. Most of these experiences have been a diversification into tourism yet they have retained their originality and authenticity.

The danger moving forward, as the demand for more purpose built-products will inevitably increase, is that the country will fail to ensure that their unique brand, culture and traditions are permeated through the entire fabric of the tourism landscape.

As the industry evolves a more robust tourism planning and strategic framework will be essential if Iceland is to maintain its authenticity and protect its unique brand values that are currently exposed and evident to visitors at nearly every touch-point.

“Develop your product in an intelligent and planned way and it is possible to have a top notch product-so far into this journey I am getting the impression that Iceland are nailing it!”

Authenticity and its protection in Icelandic tourism is a huge asset, but one that requires careful management at both strategic and operation levels for the country to avoid the irreparable mistakes made by so many other destinations. Destination management is therefore the key to the success and sustainability of Icelandic tourism the foundations for which must be laid today to ensure its authentic qualities continue to provide exceptional visitor experiences in the future.



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