DESTINATION DEVELOPMENT: THE FAROE ISLANDS

The study is concerned with threats of the past destination development which has been recognized by key stakeholders from the supply side of tourism in the Faroe Islands and with operations, initiatives and system of governance which would lead according.

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School: Aalborg University, campus Copenhagen
Number of characters: 130 116
Supervisor: Dianne Dredge

Michaela Šrámková and Stefania Dudova
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Introduction

Eighteen volcanic islands located about halfway between Norway and Iceland at the North Atlantic Ocean are called the Faroe Islands. The name of the islands is derived from the significant number of sheep living at the islands (old Norse word for sheep is faer; authors’ note). The autonomous country within the Kingdom of Denmark with estimate 50.000 of inhabitants is not however well known just because of the sheep. The Faroe Islands are one of the less discovered destinations in Europe, however with a lot of attractions to offer. It is like a Europe’s kept secret. The Faroe Islands is a place of idyllic landscape specific for the imposing basalt cliffs, stunning mountains, waterfalls and picturesque villages. Moreover, the islands have a long history proliferating into the present through mythical stories as well as through traditions and handicrafts of the local community. Because of the unique islands’ features consisting of specific natural and cultural assets it is possible to create very attractive tourism products. An uncommon feature of mountain – sea contrast enables the destination to create original tourism experience.

Nevertheless, the Faroe Islands as a destination face several threats which are also common to other small islands tourism economies. Because of these specific conditions of the island destination, there is a need to focus on the creation of strategies for sustainable development. Very concrete example of a destination overwhelmed by negative impacts of tourism is Iceland, nearly 700 km distant neighbour of the Faroe Islands.

There were many studies conducted dealing with problems of small islands tourism economies. This premise supports the fact of adoption of the acronym SITE referring to this specific type of territories. These studies are focused on a wide sample of issues ranging from the community-based tourism, sustainable development, ‘host’- ‘guest’ interaction to ecotourism. Although lots of research took part at islands regions of Pacific, the Caribbean and the Mediterranean according to Ribeiro, Oom do Valle and Silva (2013, 655), island states in the Atlantic Ocean seem to be overlooked as well as the island destinations whose main touristic product is not the sun, sand and sea. Specifically, there is nearly not any study concentrating solely on tourism on the Faroe Islands. This gap in research was one of the main reasons why we decided to engage in this topic. Therefore, we believe that our study can initiate some further research which could, for example, focus more on stakeholders such as tourists or residents. Furthermore, our study is aiming to not only provide the theoretical significance in terms of overcoming the gap in research but also to be used in praxis as a source of information for the suppliers as well as other tourism stakeholders on the Faroe Islands.

The aim of our study could be represented by the research question: **What kind of threats of the past destination development has been recognized by key stakeholders from the supply side of tourism at the Faroe Islands and what operations, initiatives and system of governance would lead according to them to the desired future development?** Therefore,
our main aim is to capture features of the overall development of the destination. On the other hand, our aim is not to propose specific steps which should be undertaken to ensure the most desirable development of the destination. But we go one step back and try to recognize the ideas behind the desired development by a collection of opinions of main stakeholders from the supply side of the tourism industry.

Between individual objectives could be mentioned the recognition of stage of destination development on the basis of Butler’s Tourism Area Life Cycle, analysis of the level of cooperation between the main stakeholders and their awareness of the destination development planning and strategies. Another objective is to recognize processes undertaken by the stakeholders of the supply side of tourism and their role in destination governance. Moreover, our objective is to recognize threats to the destination and suggest how to overcome them.

The development of tourism on the Faroe Islands until nowadays will be analysed as a predisposition to recognize stage of destination development. For this analysis, Butler’s Tourism Area Life Cycle concept (TALC) is used. The research is also linked to theories of tourism governance and small islands tourism economies which should provide numerous comparison relevant to the Faroe Islands. Qualitative techniques of data collection were recognized as a research design appropriate to solve the proposed research question.
Theoretical framework

Development of tourism destination – Tourism Area Life Cycle

The main purpose of the Butler’s TALC model is to take a look at the development, evolution or growth of tourism area. Since the tourism industry is constantly changing, Butler’s model is an answer to evaluate how tourism destinations are changing over time due to changing demands of the tourism industry. In this case, the Butler’s TALC model is dividing analysis of destination development into six stages such as Exploration, Involvement, Development, Consolidation, Stagnation, and Rejuvenation or Decline stage (Stephen Williams 2015).

Figure 1. – Butler’s Tourist Area Life Cycle

The first stage is dealing with the exploration and discovery of the destination, which is discovered by a small number of tourists based on primary tourist attractions, which can be either natural or cultural. These tourists are mostly those, who plan and organize their trips by themselves. However, there is no secondary tourism attraction offered. At the end, tourism has no economic or social importance to local people, therefore the impact on local inhabitants and the local economy is minimal.

The second stage is called Involvement. Since the destination is already “explored” and “discovered” by tourists, local residents are starting to participate in the tourism industry since they can see new economic opportunities in it. More tourism facilities providers can offer more accommodation and food service options for tourists which will lead to an extension of the high season. By building the accommodation for tourists and visitors, there is also a pressure to develop sophisticated infrastructure within the country.

The stage of Development is a next stage mentioned by Butler in his model and it begins when tourism is one of the main sources of income. A good promotion of the destination can lead to the well-defined tourist market, as well as natural and cultural attractions would be more
developed. However, there is a threat that a high number of tourists would exceed the population of the destination during peak seasons, as well as local involvement and control over tourism, would rapidly decline. There is also potential threat of external organizations as a provider of secondary tourist attractions. Another factor which is present during the development stage is a situation when local people experience changes in the area with which they do not have to agree.

The Consolidation stage is saying that the number of tourists may continue to increase and exceed the number of local residents during peak season, however tourism growth will slow down. At this stage, tourism is a significant part of the local economy. Moreover, the promotion activity intends to help to maintain the position in a competitive market. (Stephen Williams 2015). In this stage, tourism can cause resistance, opposition, and dissatisfaction from some local residents.

The next stage is called Stagnation. Demand is not growing anymore since the visitor numbers have achieved their peak. At this point, it is important to focus on repeat visitation of tourists so the prosperity can continue. However, tourism can cause environmental, social or even economic problems. By giving a space to external organizations to provide secondary tourism attractions, so artificial tourism attractions can affect the original primary attractions. Lastly, even the destination is well presented and has well-established image, it is no longer fashionable (Nerd 2017).

Before reaching the final stages of TALC model - stages of rejuvenation or decline, there are five different options or scenarios. The first is proposing the successful redevelopment and renewed expansion, the second one is about small improvements to capacity levels which lead to modest growth in tourism. The third one says that tourism is stabilized by cutting capacity levels. Fourth captures situation when lack of investment and repeated use of resources leads to decline. The last scenario is caused by war, disease or any other catastrophe, which can cause collapse of the tourism within destination (Nerd 2017).

The last phase of the cycle is either Rejuvenation or Decline scenario. Rejuvenation scenario states that tourism destination requires offering something completely else than was offered previously not discovered resources need to be discovered. It requires a well-prepared programme of activities to attract tourists to this area. Decline scenario is a stage where old tourist attraction within a destination is having difficulties to compete with the newer attractions. Moreover, visitors and tourists who came to the destination for more days will be replaced by less profitable tourists coming for a weekend or one-day trips, which can cause dropping of the prices to attract more people. Hotels will no longer be occupied by tourists but would be used for local residents or for example as retirement homes.
The concept of governance defines a way how private and public sector in coordination and interdependence with society manage their common affairs. It could be furthermore divided according to the specific disciplines, such as political, regional, destination or corporate governance (Pechlaner, Volgger and Herntrei 2012, 152). Governance could be described also as a system of formal and informal rules, such as values, customs, procedures, norms, laws, etc. (de Bruyn and Alonso 2015, 222). De Bruyn and Alonso (2015, 221) add to the definition of governance set of values which can describe it: some of them are innovation, dialogue, openness, participation, coordination, strong leadership and effectiveness. To understand the concept of governance authors, pay attention to the differentiation between management and governance. While governance deals with a setting up of organizational boundaries and issues across these boundaries, management is concerned with issues within the organizational boundaries; therefore, management is part of the governance of the organization (Pechlaner, Volgger and Herntrei 2012, 152).

Governance means furthermore an implementation of strategies – so to speak developing of a set of policies and regulatory framework. Moreover, in case of internal organization, it is about setting principles which enable the organization to perform better (de Bruyn and Alonso 2015, 223). Implementation is restrained by barriers such as different interests, roles, aims, competences, and power of stakeholders within destination (Lucia and Martini 2015, 268).

Destination governance is according to Pechlaner, Volgger and Herntrei (2012, 151) in general sense cooperation between different actors involved in production and distribution of services at the destination. Its role is to provide communication and coordination between different interests at a destination (p. 153). They furthermore pinpoint that it is important for the destination development to pay attention to the linkage between destination governance and corporate governance. Corporate governance is concerned with the professionalization of destination management organizations (Pechlaner, Volgger and Herntrei 2012, 151). Destination governance could be looked upon from several different angles: e. g. from the vertical (local–global) and horizontal (local–local) scale (Lucia and Martini 2015, 268). Another stance is the system of “embedded governance” which is introducing two tourism governance approaches: a top-down approach is led by institutions and legislation and a bottom-up approach is led by the local community and entrepreneurs (Lucia and Martini 2015, 269).

De Bruyn and Alonso (2015, 225) state that an aim of the destination governance is to improve destination’s competitiveness and lead it towards sustainable development. To ensure sustainable development Cizel, Ajanovic and Cakar (2016, 155) recommend in their study to look closely at the process of stakeholder’s participation; the concrete steps of such a process are: “(1) defining the interests and goals of the stakeholders, (2) understanding the value of sustainable tourism, (3) developing a shared tourism understanding, (4) shaping a shared
vision, (5) specifying roles and responsibilities, and (6) establishing a governance structure (Cizel, Ajanovic and Cakar 2016, 155)”. Dealing with sustainable development as a balancing of economic, sociocultural and environmental assets is important for both mass and as well for niche destination in the long run (Lucia & Martini, p. 265).

**Destination management organization**

The World Trade Organization describe destination management organization (DMO) as an organization which is in charge of marketing activities and management of the destination. Presenza states in his study (2018, 3) that DMO has five functions. The first function is so-called an “economic driver” where the focus is on the generation of new income and employment. The second one is called “community marketer” which stands for communication of the destination image, facilities, and attraction on the market. The next one is an “industry coordinator” which aims to consolidate the industry in order to increase benefits of tourism. A “quasi-public representative” is paying attention to legitimize the industry and also to protect individuals as well as visitors. The last main function is called “builder of community pride” which helps to improve quality of life for locals and visitors (Presenza 2018, 3).

Destination management organization plays the key role in destination’s governance. More specifically DMO is governing the destination affairs by its capability of networking between destination’s stakeholders. The innovation in destination development comes with an exchange of information and synergies and coordination of action among stakeholders (Volgger and Pechlaner 2014, 64). According to findings of Velgger and Pechalaner (2014, 64, 72) networking capacity of DMO is crucial above all other attributes because it confirms its authority and increases its power and acceptance.

**Small island tourist economies**

Small island tourist economies (SITE) are a specific type of territory referred to by many authors (Hampton and Jeyacheya 2014, 482). They are separate land entities linked by some common characteristics which are making their functioning and development depended on the higher level of protection. That is primarily because small islands are often comprised of extraordinary natural and cultural assets – vulnerable integrated set of natural, geographical and socio-cultural conditions. These numerous touristic resources require specific management and governance. In other words, these specific conditions demand to focus on planning and creation of strategies for future development to ensure a balance between environmental protection and economic development.

UNESCO characterizes small islands as an area equal to or less than 10.000 km2 and 500.000 residents or less (Fonseca, et al. 2014, 462). Human settlements tend to stay at smaller islands along the coast as a result of past dependence on communication on a sea. Furthermore, they
tend to stay because of the climate in lower elevation. The attractions are very diverse at the islands, having often beaches and mountains at the same time. They are frequently consisting of protected areas – e.g. the Canary Islands with 42% of its area being part of the protected areas are one of the most extensively protected territories in Europe (Garín-Muñoz 2006, 281).

One of the great common challenges of islands is isolation which is influencing other characteristics such as closed system, close-knit community, high transport cost and dependence on external markets. Isolation and distance from the mainland cause that the islanders are often very flexible and prepared to solve their social and ecological problems by themselves (Razović and Tomljenović 2015, 22). However, thanks to the fast mode of transport and innovation in communication technologies these conditions are changing and nowadays islands are very easily connected to events happening on the mainland. Moreover, the small spatial coverage of such a territory brings challenges as a limited physical space, limited natural resources, small population, and small economies. Beside potential overexploitation of natural resources, the small islands are vulnerable to threats such as the proliferation of invasive exotic species or natural catastrophes (Fonseca, et al. 2014, 461). Endemism and terrestrial/marine ecosystems linkages are another common challenge for SITE.

Islands are furthermore specific by the creation of unique aura and image around them which enables suppliers to position them very well in minds of visitors. It is the antithesis of urbanized life (Carlson and Butler 2011, 1). In this matter, islands have great psychological power. Islands have a common image of escape, place of adventure and paradise with exotic life and unknown traditions and rich and diverse culture. It creates an idea of distance and isolation and peaceful life which ´stopped in the past´ (Razović and Tomljenović 2015, 22).

Tourism entails some advantages for small islands which are particularly important for island states which are often depending on export. These are job creation, increased value of local products and tax revenues (Fonseca, et al. 2014, 461). Other positive economic impacts include more investment, rise in residents´ living standards and increased infrastructure and tourism facilities. According to Razović and Tomljenović (2015, 22) in many cases, islands´ economy is in the close tie with tourism. They mention study which analysed 25 island states showing that some of them rely almost exclusively on tourism, e. g. The British Virgin Islands. Hampton and Jeyacheya (2014, 481) claim that tourism helps to get away from the reliance on the primary sector of industry and is the key part of the diversification strategies of many small islands states´ governments. This fact applies predominantly on developing islands states in the Indian Ocean, Asia-Pacific region, and the Caribbean. Razović and Tomljenović (2015, 23) support this idea pointing out that tourism can be potentially a major economic alternative to primary sectors activities such as fishing and agriculture. Moreover, it is proclaimed that small islands are flexible actors who can react fast to the changing economic circumstances (Hampton and Jeyacheya 2014, 482). From the socio-cultural perspective,
positive impact of tourism is a promotion of cultural heritage by a revitalization of local traditions (Ribeiro, Oom do Valle and Silva 2013, 658).

On the other hand, tourism sector can face certain difficulties, especially in an initial stage of tourism development. Among these common problems could be mention insufficient quality of tourism services provided, lack of tourism promotion or ineffective allocation of resources. Another economic challenge is low-paid, low-skilled and seasonal employment (Carlsen and Butler 2011, 2). Some of the negative economic impacts of tourism on small islands proposed by Ribeiro, Oom do Valle and Silva (2013, 658) are increasing prize of goods and services, the seasonality of production, increase in inflation rates, the rise in land values, and the overdependence on tourism. Tourism on the islands is mostly of vacation purpose - that carries within the sensitivity to price and income variations, contrary to business tourism which is less sensitive to these variations (Garín-Muñoz 2006, 290). Because of the specific geography, island tourism development is often influenced by global tour operators, airlines, and the hotel industry (Razović and Tomljenović 2015, 21).

Host-community could be negatively influenced by tourism, for example in form of cultural commercialization or increase in crime and gambling. Moyle, Croy and Weiler (2010, 96) are stressing out the negative social impacts of tourism - the clash between tourists and island culture or traditional community values. Other common threats are foreign management, high consumption of water and energy and high level of constructions (Razović and Tomljenović 2015, 23). There also has to be pointed out the contribution of long-haul travel to islands on increase of greenhouse gases (GHGs) and terrestrial and marine pollution (Carlsen and Butler 2011, 3).
Methodology

Research design

This research project is based on a qualitative research. It is a systematic subjective approach used to describe life experiences and give them meaning. By conducting semi-structural interviews with well-qualified interviewees, the project aims to gain insight into tourism operation at the destination and uncover different opinions of stakeholders about threats to the successful development of the destination. We believe that data aimed to be answering our research question could be most appropriately collected by qualitative techniques – semi-structural interviews, personal observation and desk research.

Data collection

Data collection helps us to clarify the research question and the sub-questions by collecting relevant facts and information. Both secondary and primary data were collected to allow us to resolve the research problem.

Primary data

Primary data are raw data and structures, which are gained from primary experience. We collected primary data by us during our trip to the Faroe Islands. Beside personal observation and semi-structural interviews with different stakeholders from the supply side of tourism, we also encountered several local people and tourists with whom we conducted short informal interviews. Semi-structural interviews took in average 60 minutes. The field work in terms of personal observation, as well as conduction of interviews, took place during four days in the last week of November, so in the off-season. Moreover, during our research in the Faroe Islands we had the opportunity to be accompanied by photographer Matus Duda who helped us to coordinate the field trip, drove us around the islands, he conducted a photo documentation of this project and also involved within the research and interviews for a purpose of his own project.

Secondary data

Secondary data are data structures of variables previously collected and assembled for some research problem other than the current one. Secondary data were collected for this project by desk research. The used sources were books, articles, and online sources.

Sample

We chose to make interviews with various stakeholders from the supply side of tourism in the Faroe Islands, concretely they were employees of destination management organizations and
private companies such as hotels and a cruise company. We selected these stakeholders on a basis of their qualification and level of involvement in tourism, as well because of their awareness of the current situation in destination development of the Faroe Islands.

**Interviewees**

Visit Northern Islands – Elsa Olsen, manager

- Visit Northern Islands is a DMO for 6 islands, Fugloy, Svínoy, Vidoy, Kalsoy, Kunoy, Bordoy that are located in the north of the archipelago

Hotel Tórshavn – Thora Augustinussen, marketing and sales representative

- Hotel Tórshavn is a three-star hotel in the capital of the Faroe Islands, which was built in 1923

Hotel Føroyar - Jóhanna Rasmussen, sales director

- Hotel Føroyar is one of the two four-star hotels. As hotel, the building operates since 1983 with 216 rooms

Visit Tórshavn - Sonja Johannesen, business and tourism manager

- Visit Tórshavn is Tourist Information Centre of Tórshavn as well as society to represent interests of local authorities, shops, hotels, bus companies, museums, etc., locally and wider

House of Industry - Henny á Líknargøtu, sales and marketing director of Smyril Line

- Smyril Line is member of the House of Industry which is the community of business associations in the Faroe Islands and is managed by the Faroese Employers Association, the focus of the House of Industry is to ensure that Faroese industry has the best possibilities to compete, produce and develop

**Access to data**

To access all data needed for this research project, we communicated with all the interviewees by e-mail, through which we agreed on time and date when to conduct the interviews. During our travels at the Faroe Islands, we moreover encountered several people and conducted short informal interviews with eleven locals and one tourist of different socio-demographic characteristics.
Scenarios

Before arriving at the destination of our research we had prepared three scenarios proposing a different kind of destination development. These scenarios served as a discussion tool which was supposed to make the interviewees think about issues relevant to destination development. We introduced them mostly at the beginning of the interview, in some case later on depending on the progress of the interview. We asked interviewees what is their desired scenario, or which attributes from each of the scenarios they would like to see happening in the future of the Faroe Islands.
Scenario 1

OBJECTIVES:

- Improvement of Profitability
- Growth in the Number of International Arrivals
- Increase in Sold Bed-Nights
- Increase of Salaries in Tourism Sector
- Growth of Importance of the Tourism Sector in the National Economy

KEY OPERATIONS:

- Destination Marketing: Promotion of the Key Attractions / "hot spots"
- Investment in Destination Competitiveness

(destination image, differentiation from the competitors, increase in capacity of accommodation, improvement of infrastructure)

Figure 2. - The first scenario is focused on the profitability and attraction of new tourists. The emphasis is on marketing and promotions as the key operations.
Scenario 2

OBJECTIVES:

- Regulation of Tourism
- Attracting less Tourists, but High Income Earners
- Improvement of Product Quality
- Equal Geographical Representation of Tourism at the Islands
- Efficient Use of Resources

KEY OPERATIONS:

- Top-Down Management, Strong Administrative Control
- Close Cooperation Between Private and Public Sector, Coordination of Action, Synergies among Stakeholders
- Segmentation – High Income Earners
- Allocation of Resources, Land Use Planning – Managing of Natural and Man-Made Resources Efficiency
- Regulations (zoning ordinances, building codes)

Figure 3. - The second scenario is focused on regulation of tourism, how to use the resources, how to spread tourism within more remote locations of the destination or regulate the number of tourists by targeting high-income earners
Scenario 3

OBJECTIVES:

- Ecotourism and Community Based Tourism
- Minimizing of Tourism Impacts
- Protection of Resources
- Carbon Neutral Tourism and Sustainable Development

KEY OPERATIONS:

- Involvement of Local Community in Tourism - Bottom-Up Approach
- Sustainable Initiatives throughout all Tourism Sectors (accommodation, transport)
- List of Sites with Special Protection Needs – Nagging Tourists into Certain Areas
- Segmentation: Less Tourists who Stay Longer

Figure 4. - The third, last scenario is focused on ecotourism, protection of resources and natural areas, and involvement of local community in tourism
Validity and reliability

Reliability

Refers to the stability and consistency of the results derived from the research. The stakeholders we interviewed have a good insight into tourism activities at the destination. Our data collection is based on the valid first-hand information.

Validity

Measuring the validation of the research method is to examine to what extent the research method can be used to identify areas where the destination needs improvement. Suggestions are feasible and applicable as well to different small islands tourism economies with similar characteristics to the Faroe Islands.

Limitation

Due to the busy schedule of stakeholders that we were in contact with, we did not have the chance to make all the interviews as planned. Therefore, the project does not include big sample of interviews. We decided to include the short informal interviews we conducted with local people and a tourist in the project even though the sample size is small and not representative in terms of socio-demographic characteristics. We believe that in the same destination there could be very dissimilar attitudes towards tourism among different segments so to have a bigger sample size for further research is a necessity. The limitation is as well the small geographical representation, as we conducted interviews with DMOs from certain areas of the islands (the Northern Islands, Torshavn) and we did not pay so much attention to the other regions. Another limitation is that not all of the statistics available on the Internet, were either up to date or were covering the same period as we wanted to deal with in our research.
Characteristics of the Faroe Islands

The Faroe Islands consist of 18 atypical small rugged volcanic islands. One of them, called “Litla Dimun” is inhabited. They arised 55 million years ago in early Paleogene times when Greenland and Europe started to separate (F. Islands, Geology in the Faroe Islands 2017). The islands are situated in between Norwegian Sea and the North Atlantic Ocean, surrounded by Norway from the east, Scotland from the south and Iceland from the north. Archaeological excavations revealed that the islands have been inhabited by people in year 300, but unfortunately, they did not reveal who these people were. First more specific indication of settlement in the Faroe Islands shows that the land was occupied by Irish monks in the 6th century. The Faroe Islands have been under Danish/Norwegian supremacy since 1388 (T. F. Islands, History of the Faroe Islands - Timeline 2017). At the present time, the Faroe Islands are self-governing territory under Danish sovereignty with population of 50,322 people, which is the highest in the history so far (Hagstova 2017). There are more sheep than people in the Faroe Islands - their number is around 70,000 (O'Shea 2017). Even though it is a fairly new destination for many tourist islands have already few top sightseeing spots, which are mostly visited by tourists in the period from the beginning of the May until the end of September. The most well-known spots are for example lake Sørvágsvatn, an island called Mykines, waterfall in Gásadálar or waterfall Fossa, old town in Tórshavn and many more. The entire islands are surrounded by stunning nature and ocean, which creates almost no pollution in this area (Numbeo 2017). Faroese people also do not have to be ashamed for their gastronomy, by serving high-quality fresh seafood such as delicious salmons, quite a rare whale meat or blubber (T. F. Islands, Faroese food 2017).

Moreover, the fishing industry has been a major economic driver for decades, which employs approximately 15% of the labour force (F. Islands, Economy of the Faroe Islands 2017). In 2015 the Faroe Islands has been elected as a “2015 Best of the World destination by National Geographic. Magazine Business Destination elected the Faroe Islands as a TOP 10 destination for meetings and events (Denmark 2016). Nowadays it is also easier and cheaper to get to the Faroe Islands, thanks to an arising competition on the airline’s industry market to. Today, tourists can visit the islands besides with Atlantic Airways, which are operating regular flights since 2006, also with company SAS, which started their flights just in the March of 2017 (V. Floghavn 2016).
Destination development: the Faroe Islands

Destination life cycle of the Faroe Islands

Exploration stage (1900-1988)
As mentioned above, the Faroe Islands have been discovered in year 300 by people, who are not recognized until nowadays. It is difficult to state when the tourism has begun in the Faroe Islands, however, it all began with domestic tourism. People were curious and started to travel by walking from one side of the country to another to see where are and how the surrounding looks like. That led local people to track the routes from one village to another by leaving the rocks on the sides of the paths as a marking during Ancient times (V. T. Sonja Johannesen – Business and Tourism Manager 2017, min. 14:58). This technique of marking of hiking trails has been common in the Faroe Islands for many years. It is a certain form for local people how to get to another part of the islands safely. Moreover, locals have used row boats or even horses as a transport before year 1900 (Wikipedia, Transport in the Faroe Islands 2017).

The population of the Faroe Islands increased from 15.000 inhabitants in 1900 to 47.300 inhabitants in 1988 (Wikipedia, Demographic of the Faroe Islands 2017). This caused, for instance that locals due to lack of variety of schools started to leave the country for different education, which was not offered on the islands (Thora Augustinussen - Marketing and Sales Representative, min. 10:55 2017). That caused spreading of awareness about the Faroe Islands, so more visitors were attracted to come. In that case, international tourism can be shown on the examples of transportation to and from the islands in tables below, which can be by either by sea or by air. The first ferry which connected the Faroe Islands with other country was in the late 19th century. Firstly, these ferries have been operated by locals independently, however later on they became operated by the public sector (Wikipedia, Transport in the Faroe Islands 2017). Next option of the transport is an air travel. The airport in the Faroe Islands was built by Brits during World War II. The first plane landed there in 1942. After some time, there has been a discussion in the islands if not to establish an airline company, precisely in the 1980s, since the number of tourists started to increase. Then the idea became a reality and the Atlantic Airways were established in 1987 with their first flight in March 1988. That helped not only to connect the islands with rest of the world, but also to attract more tourists (Airways 2017). According to statistics provided by Statistics Faroe Islands (see Figure 5), it is evident how the transportation by ferry helped to increase the number of tourists in 1988. Even though the first statistics start from the year 1975, it is clearly stated the number of the people coming to and from the islands by air or by sea (Statbank 2017).
During this first stage of development of tourism on the islands there is no significant income from this industry, however thanks to increasing number of tourists coming to the country, the Faroe Islands are moving to the next stage.

**Involvement stage (1988-2010)**

Due to well-established ferries and scheduled flights to and from the Faroe Islands, locals started to see new opportunities provided by the tourism industry. However, after the introduction of the flights, there has been an economic crisis, which affected the islands immensely - the fishing industry was collapsing and also Sjónvinnubankin bank bankrupted (T. F. Islands, History of the Faroe Islands - Timeline 2017). That led to loss of interest in tourism for certain period. According to the statistics (see Figure 6) the number of tourists was dropping in thousands from 1989 until 1995 (Statbank 2017).
After the country’s struggle with upcoming tourists, the number started to increase again in 1995. In this stage, there is a space for providing facilities for tourists like accommodation and gastronomy. The oldest and biggest hotel - Hotel Føroyar was built in Tórshavnin 1933 (Thora Augustinussen - Marketing and Sales Representative, min. 4:14 2017).
By building accommodation and restaurants for tourists, local and international, there was also a need to build sophisticated infrastructure within the country. Since the Faroe Islands are made up of 18 small islands it was very important to connect together the most visited cities and villages. The first bridge was built between two largest islands from Nordskáli on Eysturoy and Nesvík on Streymoy in 1973, followed by construction of a tunnel between the two same islands in 1976. The two connected islands were named as “Meginlandið”, which means Mainland. During next years, similar constructions have been made. That caused that Tórshavn, has been granted a first-class connection to the northern parts of the Faroe Islands (Wikipedia, Transport in the Faroe Islands 2017). The country has undergone rapid development every year. The good infrastructure, for locals and for visitors, was really necessary in order to get to the various places quicker and safer. The next development of the infrastructure occurred in 2002, by building sub-sea tunnels. These tunnels were different from the others since the new technique had to be used in order to construct tunnels under the water. The Faroe Islands have two of these tunnels. One of them is connecting Streymoy (the largest and most populated island of the archipelago) and Vágar (an island where the airport is located) built in 2002, and the second one is between Eysturoy (second largest island of the Faroe Islands) and Borðoy (one of the Northern Islands), which was finished in 2006. These two tunnels are the only ones on the entire islands which are charged. The most recent tunnel construction is tunnel called “Hovstunnilin” which connects villages Hov and Øravík from the southern to the northern part of the island of Suðuroy (Suduroy 2017).

All tunnels and bridges in the Faroe Islands (see Figure 7.) have had a huge impact on the transportation during the winter season. Before their construction many times happened that snow and strong wind did not allow locals and tourists to get to various villages (Wikimedia 2016).

**Figure 7.** – Map of tunnels and bridges in the Faroe Islands

This improvement of a connection between islands helped to access more villages than before which were previously not reachable because of a difficult terrain. On the islands is very good network of bus routes, which is connecting Tórshavn (the capital city) with Klaksvík (the second biggest city) on regular basis. There is as well as another regular line, which connects
the rest of the islands (Wikipedia, Transport in the Faroe Islands 2017). Moreover, there occurred an increase in car purchases as well. The following statistics which captures increase and decline of registered vehicles between 1980 and 2010 (see Figure 8). In the last decade pictured in the statistics he increase in the number of vehicles and is visible (Statsbank 2017).

Moreover, according to statistics provided by Statbank (see Figure 9) that annual traffic per day on the roads on the islands was increasing every year from 1994 until 2010 (Statbank 2017).

Beside the road traffic Faroese people have built ports in various cities and villages. Since 2005 one of the ships connects Tórshavn and the southern island Suðuroy, however there are more connections, which operate as an addition to the bus lines in order to connect islands, which are not reachable by car. Since 1980s, line called “Smyril Line”, has operated to provide regular
connection for international passengers between the Faroe Islands and Iceland or Denmark (Wikipedia, Transport in the Faroe Islands 2017). On top of that it is worth to mention helicopter services, which are provided by Atlantic Airways, mainly for local people. This transportation improvement helped to increase local tourism. Thanks to that, even remote small islands are connected with the rest of the archipelago. The operations of these two helicopters is subsidised by Faroese government, what explains the cheapness of this type of transportation. However, it is not allowed to a book roundtrip and the helicopter service cannot be booked earlier than two months ahead (V. F. Islands, Helicopter rides on the Faroe Islands 2015).

Development stage (2011-2017)
By creating a well-developed infrastructure all over the islands and by building first hotels, the Faroe Islands started to develop in terms of tourism just during recent years. During an interview with Thora Augustinussen, who is working as a marketing and sales representative in hotel Tórshavn, interesting facts have been revealed, such as a fact that most hospitality facilities in Torshavn were opened very recently - from 2011 until today. Before that tourism was developing very slowly. In contrast, nowadays it is undertaking rapid growth. She also stated that their projects from 2007 has almost come to the end and are almost done - such as restaurants and hotels in Torshavn area (Thora Augustinussen - Marketing and Sales Representative, min. 57:15 2017).

According to Elsa Olsen, who is working as a manager for destination management organisation Visit Northern Islands, tourism has always been in the Faroe Islands, however the biggest changes started to occur from five years ago on (E. O.–M. Islands, min 30:10 2017).

Following statistics show that there is an increase in amount of passenger travelling from and to the Faroe Islands, which is increasing every year more rapidly compared to previous years as it is stated at the beginning of this analysis in Involvement stage (see Figure 10).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (air and sea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>250,127</td>
</tr>
<tr>
<td>2012</td>
<td>270,409</td>
</tr>
<tr>
<td>2013</td>
<td>283,279</td>
</tr>
<tr>
<td>2014</td>
<td>296,156</td>
</tr>
<tr>
<td>2015</td>
<td>322,476</td>
</tr>
<tr>
<td>2016</td>
<td>340,910</td>
</tr>
</tbody>
</table>

**Figure 10.** – Statistics of number of passengers who are coming and leaving to and from the Faroe Islands by air and sea (2011–2016)

Looking at the statistics from 2016, number of arrivals and departures to the country exceeded the number of population. Most typical tourists of the Faroe Islands are with 22%
globetrotters, 14% nature lovers, 11% sightseers and 9% of cultural lovers (Issuu.com 2017). Hotels are fully booked during the summer season, there is even a lack of accommodation for visitors. Most of the hotels, restaurants, and activities for tourists are located in the area of the capital city, Torshavn. In the second biggest city called Klaksvik on the other side of the country is only one hotel, which is almost fully booked during the summer season. The rooms are usually occupied only for one night and then tourists go back to Torshavn and spend their money there in the restaurants and other facilities, so the other part of the Faroe Islands is not gaining so much profit from tourism (E. O.–M. Islands, min. 33:00 2017). By having fully occupied hotels during the summer season, tourism is becoming one of the main income for the local people. The first most profitable local industry is the fishing industry. However, in comparison to fisheries which are more influenced by the state of the market tourism is seen as an industry, which can stabilize economy in the country according to the politicians (E. O.–M. Islands, min. 34:00 2017).

In recent years the Faroe Islands are attracting a lot of tourists during the summer season, however, it is hard to attract more of them during the winter season due to unpleasant weather conditions during these months. Therefore, even because of bad weather, it is important to attract tourists to spend money in the hotels and restaurants during rest of the months as well. For that, it is really important well-developed marketing to promote and advertise the country. The most important destination management organization in the Faroe Islands is Visit Faroe Islands, which was established in 2012 (L. -V. Islands 2017). This tourism organisation is focusing mostly on promotion of the islands. They are in charge of social media websites such as Facebook (V. F. Islands, Islands - Home 2017) and Instagram (V. F. Islands 2017) with solid engagement from previous tourists or travelers who are planning to visit this destination. Visit Faroe Islands’ Instagram account has more than 151,000 followers. They are offering every week to take over of the account to different a tourist, who has already been in the country, to share his/her pictures expressing various experiences. That creates a very good engagement between the destination and tourists from the marketing perspective and it attracts more visitors thanks to the appealing and personal visual content showing the beauties of the Faroe Islands.

Another marketing strategy of the Faroe Islands is the recent implementation of Google Street View providing tourists with the opportunity to plan their trips already at home. Thanks to Google Street View tourists can have a better and more clear idea of what kind of destination they are going. Adding the Faroe Islands to Google Street View started with an idea of one of the employees of the Visit Faroe Islands, Durita Dahl Andreassen. Her first idea was to attach a solar-powered camera on sheep by using a specifically designed harness. That allowed her to capture the most beautiful views of the surrounding and then use them on the website of the Visit Faroe Islands. It worked for some time, however, it was not enough and it was a long procedure. Therefore, as a next step, she started to use a hashtag on the Instagram account, so more people were aware that this feature would help to develop tourism on the islands, called #wewantgooglestreetview. That created a buzz and after some time Durita and team
of Visit Faroe Islands were contacted by Google. They were able to provide Visit Faroe Islands with a car and cameras which ensured a better quality of the pictures and could track the roads even better. Nowadays tourists who are planning their trip to the Faroe Islands can easily see what to expect from the destination. Moreover, they can contribute and create more pictures themselves, by renting cameras from the Visit Faroe Islands (dialogue.net 2016).

At the end, it is also important to mention that attracting so many tourists to the islands caused some impact on the locals. Since there is lack of signs and information boards around the islands, tourists are allowed to go and explore the country by their own everywhere. That has an effect on the local people, who are not keen with this uncontrolled movement of tourists around the islands. Especially farmers who are complaining to destination management organizations. Their main problem is that tourists are scaring their sheep and local people do not have the same life as they used to have before according to Elsa Olsen (E. O.–M. Islands, min. 6:55 2017)

Sub conclusion

By applying Butler’s model on the Faroe Islands, we could see the development of the country from its very beginning. It started with an exploration stage by developing local tourism and slowly expanding to the international scale. International tourism has started with some regular ferries and scheduled international flights to and from the Faroe Islands. The most common motivation of tourists to come was the natural attractiveness of the islands. After the fulfilling of the first stage, the Faroe Islands have moved to the next stage called Involvement, where locals started to participate in tourism by building hotels and restaurants. Moreover, it was also necessary to build a proper infrastructure, not only for locals but also for people coming to the country. This part was taken very seriously and the country has nowadays a very good infrastructure among the islands by having sub-sea tunnels, normal tunnels, bridges, ferries and even helicopter services, which connect various places of the islands. The next and actually last stage of the Faroe Islands is Development stage, where tourism has become one of the main sources of income mostly in the area of the capital city. By implementing very good marketing approach, the Faroe Islands are attracting many tourists mostly during the summer season but they are also on a good way to attract even more tourists and expend the high-season. The promotion of the destination is very high-level thanks to Visit Faroe Islands, which take care of all of the marketing activities. However, attracting so many tourists to the country have some negative impact on the local people, who are dissatisfied because of the disruption of their lifestyle and also for example because tourists are scaring their sheep in the fields. Nevertheless, by applying this analysis we came to the solution that the Faroe Islands are in the third stage of Butler’s cycle. It is important to mention that capital, Torshavn, is in the last phase of this stage thanks to very good portfolio of facilities in the area, while the rest of the Faroe Islands is in the beginning of this stage,
since the tourism is not their main source of income and it is very hard for them to keep tourists in their area for more days.
Stakeholders from the supply side of tourism industry

The role of DMOs

The main mission of Visit Northern Islands is to take care of tourists and locals. Their agenda can be split into four segments according to Elsa from Visit Northern Islands. The first one is the development of tourism where the main focus is on small companies and individuals, who want to offer something to tourists but do not have any funding for marketing. Therefore, they are gathering these companies and individuals all around and help them to market (E. O.–M. Islands, min. 18:25 2017). The second segment is focusing on locals and tourists to keep them informed about the trails as well as protect the nature (E. O.–M. Islands, min. 19:08 17). The third segment is to organize different activities for the locals as Christmas market or environmental week in May, which focuses on how the Faroe Islands can be sustainable (E. O.–M. Islands, min. 19:35 2017). As the last segment, Visit Northern Islands are paying attention to tourism activities and services which are generating income for them (E. O.–M. Islands, min. 20:30 2017).

Another interviewed DMO is called Visit Torshavn. By interviewing business and tourism manager of this organization, we found out that their main mission is to inform tourists as well as locals regarding any questions concerning the capital city. Moreover, in order to be able to run the organization - so generate some income, they also have to sell tours and products in the store. (S. J.–B. Torshavn, min. 5:50 2017, min. 5:50). On top of that, they are in charge of making maps especially in the form of application on mobile phones – tours around Torshavn. The focus is therefore on digital innovation as well as on signs for direction since there is only a few of them in the whole islands (S. J.-B. Torshavn 2017, min. 19:48).

In case of DMO Visit Faroe Islands the main role was to attract tourist to the Faroe Islands, therefore the main focus was on marketing. Since January 2018 Visit Faroe Islands is expanding by hiring two new employees which will be part of development department (E. O.–M. Islands 2017, min. 3:25). This department will have its own office, and a separate funding and its main aim will be to manage the internal tourism industry and work closely with local authorities (Scandinavia, ttoscandinavia.com 2017).

The total budget of the new department was recommended by a governmental working group to be DKK 7 million (Scandinavia, ttoscandinavia.com 2017). This budget is supposed to cover projects as well (as subsidies in principle 1:1) which could be proposed by local municipalities or private companies (Scandinavia, ttoscandinavia.com 2017). These projects should be mainly focused on the development of local products – an improvement of infrastructure, new information signs, etc. (E. O.–M. Islands 2017, min. 3:25).
The role of private sector

From the private sector point of view, we have interviewed two hotels – Hotel Føroyar and Hotel Torshavn, and shipping company Smyril Line. The largest hotel in the Faroe Islands is hotel Føroyar which offers accommodation mostly in the summer period and is offering space for conferences during winter season (the hotel can hold conference up to 200 people) (Jóhanna Rasmussen - Sales Director 2017, min. 2:40). Their main market is Denmark, Germany, Norway, Sweden and UK (Jóhanna Rasmussen - Sales Director, min. 5:30 2017). The perfect tourist for them would be the one who is willing to pay for the most expensive hotel room and use as many services as possible provided by the hotel (Jóhanna Rasmussen - Sales Director, min. 14:18 2017). They are not interested in the backpacker since they do not want to sell the rooms too cheap. The renovation of the youth hostel into hotels rooms is a one step to avoid these tourists (Jóhanna Rasmussen - Sales Director, min. 15:40 2017).

In case of hotel Torshavn, the main focus is to offer different type of accommodation and restaurants to tourist and make the facilities cozy for locals at the same time (Thora Augustinussen - Marketing and Sales Representative 2017, min. 4:50). Since the hotel is almost fully booked during the summer season, there is a need to rebuild the hotel and add more than 100 rooms because of the high demand (Thora Augustinussen - Marketing and Sales Representative, min, 26:40; 9.40 2017). The hotel owns a Michelin-starred restaurant which won a lots of prizes (Thora Augustinussen - Marketing and Sales Representative, min. 6:10 2017). They believe that there is a high demand between tourists to experience food culture (Thora Augustinussen - Marketing and Sales Representative, min. 6:50 2017).

The last interviewee from the private sector was shipping company Smyril Line. Smyril Line is a ferry operator linking the Faroe Islands with Denmark and Iceland whose main services are focused on tourism. It also has a small number of cargo ships (S. a.-H. Líknargøtu, min. 1:00 2017). Their main customers are approximately 80% tourists traveling from Continental Europe to Iceland (S. a.-H. Líknargøtu, min. 0:30 2017). They also arrange transportation to and from the Faroe Islands, when the Faroe Islands are more often just stopover on the way to Iceland, not the final destination. They are promoting the Faroe Islands mostly just as an addition to the tour to Iceland, with exception of Denmark which has a better awareness of the Faroe Islands (S. a.-H. Líknargøtu, min. 3:50 2017). The company has one office in Germany, one in Denmark, two in Iceland, and one on the Faroe Islands (S. a.-H. Líknargøtu, min. 5:50 2017). The company provides travel packages – managing accommodation and excursions for the tourists during their trip. Their main segment is “great gold” (travellers of age 55+) (S. a.-H. Líknargøtu, min. 6:50 2017). During the summertime, the company does double sails for ten weeks. From the beginning of April until the end of October they are completely booked according to Henny ú Líknargøtu, sales and marketing director of Smyril Line (S. a.-H. Líknargøtu, min. 9:30 2017).
The role of government

According to interviewed stakeholders, Faroese government plays role in the tourism industry by making laws and regulations. On the other hand, strategies and their implementation handles destination management organization Visit Faroe Islands especially through the newly established development department (E. O.–M. Islands, min. 3:25 2017).

To establish such a department was part of a strategy which was proposed by a working group with members from the tourism industry, government, and nature conservation organization (Scandinavia, ttoscandinavia.com 2017). According to Henny á Liknargøtu from Smyril Line who was part of this working group outcome of their meetings was a tourism development plan for destination´s sustainability and was including also implementation plan (S. a.-H. Liknargøtu, min. 29:00 2017). This working group was set up by an initiative of the government to whom it was proposing recommendations for future development of the destination (Scandinavia, ttoscandinavia.com 2017).

Stakeholders mentioned in the interviews that they have been informed about upcoming laws which will influence tourism industry - one concerning nature and other prizes of public transport. So far, these laws are according to them not entirely developed. Stakeholders are now waiting for concrete proposals and implementation plan (E. O.–M. Islands, min. 27:00 2017).

According to Jóhan Pauli Helgason, the adviser of Ministry of Foreign affairs the government of the Faroe Islands is already in the process of developing the new framework for a nature-protection law: “It will be one of the main tasks of the development department to support nature-protection initiatives and initiatives aiming at a sustainable tourism industry in the Faroe Islands (Scandinavia 2017).”

Another law should help to finance maintaining of the infrastructure by an increase in ticket prize of public transport for tourists. “The ticket prizes for tourists must increase because transport is very expensive. We are small islands with loads of roads and tunnels and there will be a need for repairs. Locals pay high taxes, but tourists don´t and use the roads anyway,” explains the reasoning for double prizing for public transport from Visit Northern Islands (E. O.–M. Islands, min. 27:00 2017).

Sub conclusion

Between stakeholders involved in the supply side in the tourism industry in the Faroe Islands, we can count destination management organizations, the private sector, and the government. Role of DMOs is mainly focusing on the provision of information. But they also cooperate with local entrepreneurs, gathering them together and helping them market. They moreover need to generate income so they are for example selling tours or souvenirs. Besides activities for
tourists, they also organize events for local residents. The special position between DMOs has Visit Faroe Islands which is responsible for marketing activities and development strategies concerning the whole destination.

The private industry is focusing on the provision of hospitality services, as accommodation and restaurants or on the other hand on transportation to, around or from the islands. Their main focus is to top up their capacity and attract tourists which spent as much as possible on their services. Ferry company Smyril Line, for example, provides the whole package for tourists – transportation, accommodation and tours around the islands.

Faroese government influence tourism industry by making laws and regulations. During 2017 it set up a working group which was responsible for the creation of a strategy for sustainable development of the destination. One of its outcomes was to hire two more people to Visit Faroe Islands who will be dealing with development issues of the destination from January 2018. The government is moreover preparing laws concerning nature and prize of the public transport.
Awareness of stakeholders of destination development issues

Interviewed stakeholders were mostly very well aware of current state of development at the destination and named and described several issues which according to their opinion are the biggest concern of the destination. Nevertheless, they didn’t see making of an overall strategy as a part of their job content as they are oriented on profitability (Thora Augustinussen - Marketing and Sales Representative 2017, min. 39:50), or were explaining the lack of governance of development of the destination from their own initiative because of not sufficient amount of resources and number of employees with the right education and specialisation (E. O.–M. Islands 2017, min. 23:40). Sonja Johannesen from Visit Torshavn explicitly said that there is not their place to make decisions about the overall development of the organisation but that she sees their role rather in forwarding of feedback from visitors to Visit Faroe Islands (S. J.–B. Torshavn 2017, min. 28:20). In terms of concern about environmental sustainability and mass tourism stakeholders are in agreement with that opinion that the Faroe Islands are not approaching ‘the case of Iceland´ yet and that there is still room for expanding of facilities and attractions (Thora Augustinussen - Marketing and Sales Representative 2017, min. 37:20; 42:45) (Líknargøtu 2017, min. 15:10). Even though stakeholders stated an opinion that the capacity of the destination in terms of visitors coming haven’t reached the peak yet there were proposing that some regulations concerning nature are needed. Even the private sector is a concern with the unspoiled nature, which is an important attribute of the destination which attracts tourists. “We cannot do business if nature would be spoiled. But I am not sure what should come first – tourists or regulations,” pondered Thora Augustinnessen, marketing and sales representative of hotel Torshavn. With similar opinion came also Henny á Líknargøtu from Smyril Line: “We have well-educated customers and they demand from us to think in a sustainable and green way” (S. a.-H. Líknargøtu 2017, min. 25:50). Private sector stakeholder we interviewed were aware that that the image of the destination is very much concerning image of their own companies (S. a.-H. Líknargøtu 2017, min. 27:00).

Common opinion among stakeholders is that there is not enough attention paid to the development of the destination in comparison to marketing activities. They are of that believe that development strategies should come out from the shielding DMO of the destination which is Visit Faroe Islands. “Visit Faroe Islands were very much focused on marketing activities during last years and was very good at it. But now we have to figure out lots of other things,” gave indirect notice about sustainable issues at the destination Sonja Johannesen from Visit Torshavn (S. J.–B. Torshavn 2017, min. 25:50). Jóhanna Rasmussen from hotel Føroyar emphasized that there should be more focus on thinking in long-term concerning the development (Jóhanna Rasmussen - Sales Director 2017, min. 13:00).

Interviewed stakeholders were not holding back their opinions and suggestions about resolutions for issues which are threatening the successful development of the destination.
They named between others lack of empowerment and abilities of local communities which would help them to succeed in tourism industry and keep the profit in the regions (S. J.–B. Torshavn 2017, min. 31:50), (S. a.-H. Liknargøtu 2017, min. 32:00). They also pinpointed unequal spread of tourism between regions and congestion of some attractions by tourists (the island of Mykines, the village of Saksun) (S. J.–B. Torshavn 2017, min. 32:10) (Direct 2017, min. 16:00). Between suggestions which would overcome these issues were stressed out importance of provision of information for tourists, support spread of positive information about tourism industry in local media, set up fees and focus on education of tourists (S. J.–B. Torshavn 2017, min. 32:10), (S. a.-H. Liknargøtu 2017, min. 36:10). Henny á Liknargøtu, sales and marketing director of Smyril Line, for example, sees a way how to help keep the nature and good relationships with locals to have well-educated guides who would oversee the trips for visitors (S. a.-H. Liknargøtu 2017, min. 13:30; 26:40).

Cooperation between stakeholders
According to Elsa Olsen, the six regional DMOs deal first with the strategies on the regional level, so their primary concern is not the strategy of the whole destination (E. O.–M. Islands, min. 21:10 2017). These six regional DMOs are holding a regular meeting every six weeks as an opportunity when distributing information between each other (E. O.–M. Islands, min. 24:30 2017) (S. J.–B. Torshavn, min. 12:00 2017). Visit Torshavn has a special position between these previously mentioned regional DMOs as it is has a stronger ground in terms of facilities and possibilities of attractions offered. “Torshavn is the capital, so it is a different story. Nevertheless, we have nature, we are upfront with strategies concerning a provision of information for tourists, and as we are as well bigger town we get more funding than the other Visits,” describes positives of a current state of affairs at Visit Northern Islands manager (E. O.–M. Islands, min. 22:50 2017).

Cooperation between DMOs and private sector according to Thora Augustinessen and Jóhanna Rasmussen from hotel Torshavn and Føroyar comes up mostly during marketing activities, especially during winter season, when Visit Faroe Islands has a special department dealing with MICE management. This DMO is trying to get agents coming to the destination and hold conferences with potential buyers (Thora Augustinussen - Marketing and Sales Representative, min. 29:40 2017) (Jóhanna Rasmussen - Sales Director, min. 6:00 2017). On the other hand, another private company Smyril Line which is providing ferry services finds it difficult to join Visit Faroe Islands in their marketing activities (S. a.-H. Liknargøtu, min. 12:50 2017). Private sector gathers at the board of private industry, which pronounces interest of the private sector to other stakeholders (Thora Augustinussen - Marketing and Sales Representative, min. 56:10 2017).

The local DMOs are aware of the importance to cooperate and take care of locals, not just of tourists. They are improving the environment in order to make easier for them to be involved
in the tourism industry. Visit Northern Islands has a relationship with locals as one of the main points of their agenda. They are specifically helping local entrepreneurs to be promoted, they gathered them and try to promote them (E. O.–M. Islands, min. 18:20 2017). “Part of our operations is as well organizing events specifically for locals as for example Christmas markets or environmental week in May,” says Elsa Olsen from Visit Faroe Islands (E. O.–M. Islands, min. 18:20 2017).

**Sub conclusion**

According to our findings, stakeholders from the supply side of the tourism industry in the Faroe Islands have a very good awareness about issues concerning the development of the destination. They named destination management organization Visit Faroe Islands as an actor who should be responsible for creating strategies and managing the development of the whole destination. They didn’t see it as a part of their responsibility because either they are solely concern with profitability (private sector) or rather see they role only in the provision of information to tourists or collectors of feedback from tourists. Lack of resources was as well one of the reasons named which prevent regional DMO from more involvement in the management of destination’s development.

Nevertheless, stakeholders are concerned with environmental sustainability, because it can affect the image of the destination and their companies. They proposed that Visit Faroe Islands should be more concerned with development issues than with marketing activities. Furthermore, they were themselves proposing several resolutions to environmental issues.

Stakeholders are cooperating together on several levels. Regional DMOs are holding regular meetings every six weeks where they exchange knowledge and information about the state of affairs of tourism in their region. Cooperation between DMOs and private sector is mostly concerning marketing activities, especially during the winter season where is a need to join forces and attract tourists to the destination. Private sector moreover gathers during meetings of the board of private industry and pronounces through this organization their interests to the other stakeholders. Regional DMOs are furthermore aware of the importance of cooperation with local residents and the support of local entrepreneurs.
Recognized issues

Based on the semi-structural interviews with the important stakeholders from the supply side of tourism, personal observation and short interviews with locals and tourists we recognized issues which are posing a threat to destination development in terms of sustainability as well as to the economic growth and improvement of destination attractiveness. This analysis is linked to the recognized stage of destination life cycle mentioned above and to the level of governance. It also aims to point out cases with lack or inappropriate governance. Examples from other small islands tourist economies are used to provide a comparison with cases from territories of similar conditions.

Negative attitudes of residents towards tourism

Our research proposed in the previous chapter that the Faroe Islands are in the development stage of destination life cycle. Nevertheless, the way to the transition to the mature stage can happen very promptly and it is desirable to be acquainted with the residents’ attitudes which create valuable information for tourism planners. From the data collected we sense that negative attitude of resident towards tourism is one of the main problems of the Faroe Islands as a tourism destination.

Ribeiro claims (Ribeiro, Oom do Valle and Silva 2013, 657) that the tourism industry development depends on attitude and hospitality of the host community and that needs of the residents have to be taken into account. Hosts’ attitude has impact on visitors’ satisfaction and loyalty and the community support is the cornerstone of the sustainable tourism industry. It has to nevertheless be taken into account that the attitude does not have to be homogeneous among the residents but can vary between different segments, so to speak tourism can be perceived differently by groups of people with different characteristics. These statements were proven by research conducted at the Cape Verde islands which are part of the Macronesia region of the Atlantic Ocean (Ribeiro, Oom do Valle and Silva 2013, 654). One of the influencing types of characteristics could be the degree of involvement in tourism activities happening at the destination. Another research from the Croatian Islands showed that residents seek to be more involved in the decision-making process of the destination and want to be adequately informed about the current state of affairs (Razović and Tomljenović 2015, 32).

Interviewed stakeholders were often referring to the main attractions of the Faroe Islands as Mykines (an inland on the western part of the archipelago well known for the large number of bird species such as puffins and gannets living there; authors´ note), Gasadalur (a remote village of the island of Vágar with beautiful waterfall Múlafossur; authors´ note) and Saksun (a remote hillside village near the northwest coast of the Faroese island of Streymoy with the sandy shore of the lagoon nearby; authors´ note) as to areas where are occurring most of the problems of negative ‘host´ and ‘guest´ interaction and which are attracting most of the
interest of the local media and creating a negative image of tourism between residents. The spread of the negative focus on tourism were according to interviewees mostly send out by the radio and TV: “We were not so good in telling our positive stories. We have been sending out the number of visitors and the overnights, even though we don’t have any specific statistics instead of trying to downsize the growth. We should be better in sending out the real positive stories. That could maybe change some discussions,” observe in general the information negativism towards tourism in the Faroe Islands Henny á Líknargøtu, sales and marketing director of Smyril Line (S. a.-H. Líknargøtu 2017, min. 38:30).

Interviewed locals as well noticed the negative coverage in local radio, TV and in social media. According to Nikki (see appendix no. 1), manager of a restaurant in Runavík, one of the other reasons for this negative attitude is the situation on the housing market which is very difficult for the local residents at present. The society adopted the increase in Airbnb providers as one of the reasons for the current accommodation situation. Airbnb apparently has an impact on lack of housing options for locals. That is why Nikki is living within one-hour drive distance from her work. She cannot imagine living in the capital city, where the apartment prize would be unbearable for her. This premise is supported as well by Sonja Johannesen from Visit Torshavn. She points out that renters often prefer more profitable Airbnb to the long-term tenants, which is causing for locals impossible situation on the housing market (Johannesen 2017, min. 8:50).

On the other hand, some residents do not see tourism as a big problem. A local resident of Kalsoy (one of the northern islands with a population less than 150 people, authors´ note), expressed an opinion that tourists do not bother him because they stay in the same areas, go to see just the main attraction. Even though he does lots of hiking in the Kalsoy´s mountains he does not observe many tourists. With a similar observation came also Henny á Líknargøtu (S. a.-H. Líknargøtu, min. 38:30 2017), claiming that most of the hikers are actually locals because hiking is very popular activity right now on the islands. She furthermore states that the truth is often hidden behind the negative stories coming out of the media concerning small non-representable cases.
Destination management organization of Visit Northern Islands is taking locals into account as one of the major stakeholders in the destination. First of all, they gather individual local industries which are involved in tourism and market and promote them (Olsen, min. 18:40 2017). Apart from that a part of their agenda is an organization of events specifically targeted at locals such as Christmas market in the beginning of December and an environmental week in May (Olsen, min. 18:40 2017). The organizers, however, gave up on trying to attract tourists to these events where more ‘host’ and guest’ interaction could occur. According to Olivia, project coordinator of the Christmas markets is that mainly because of insufficient resources and the threat of bad weather during winter season which could cause cancelation of the events, when all the promotion of the event would be useless. There is also an insufficient capacity of accommodation in Klaksvik (second biggest city at the Faroe Islands and centre of the Northern Islands, authors’ note) so tourists would not be able to stay for more days. On the other hand, Olivia sees potential in the empowerment of locals: “It is important that people working within tourism industry somehow manage to give some empowerment to people living in the small places. People have been living in the small towns for their whole lives and have many skills interesting for tourists. But the question is how to market it, how to make it into the concept, how to make something unique. It seems to me that it is too much for them.” (see appendix no. 4) A concrete example mentioned by the interviewee is a story of a local resident of Gasadalur who was trying to sell sheepskin and found it very difficult, even though she was selling it at the place with one of the highest visitation in the Faroe Islands. The lack of success, in this case, can potentially be caused by a bad choice of merchandise but as well by a wrong governance and support from the local administration. Thora Augustinussen from Hotel Torshavn as well mentions Gasadalur and other small villages
and their negative attitude towards Torshavn as a city ‘which gets the profit’ while at the villages tourists do not spend anything. She sees behind this problem residents’ lack of business spirit (T. -M. Augustinusussen 2017, min. 42:45). She herself does not see a possibility to expand businesses of their company to other more remote islands. They want to have all businesses in reach that they can control them (Thora Augustinusussen - Marketing and Sales Representative, min. 45:40 2017).

From the personal observation, which included shorter interviews with locals during one week of time, we recognized local residents as receptive to other cultures and with pride to share the specifics of local culture and natural assets. As one of the examples is a lady which authors interviewed while hitch-hiking. She stopped by the lake where was a statue of nixie, a creature living in the lake resembling a horse and told with affection the whole story about it. On the other hand, we sensed a strong sense of protection towards the environment and even nationalistic feelings leading to conservation of their home country against external intruders. Evident was as well the dissatisfaction of residents with the current state of policy and regulation of tourism from the local government.

**Seasonality**

Another issue frequently mentioned by interviewed stakeholders is seasonality. Winter gap requires different strategies how to attract tourists and focus on different segments and services. The survey outcomes although suggest that the tourism season recently expanded - there are more tourists coming in early summer and late autumn.

The highest peak of the season is in the summer - it used to be during June, July and August, however for the last couple of years, Elsa Olsen, manager of Visit Northern Islands, experienced that tourists are coming already in May and leaving the country in September (Olsen, min. 18:40 2017). That is also supported by the charts in Figure 12 and Figure 13, which are allowing us to compare the numbers of tourist arrivals to the Faroe Islands during 2013, which is at the beginning of the tourists’ biggest expansion, and at the present time – the year 2017 (V. Floghavn 2017).
The peak season according to the data is in July. At the beginning of the tourists’ expansion in the year 2013 most tourists were coming to the islands from June until the end of August according to the chart. However, statistics of the year 2017 show that rapid increase in numbers of tourists was already in May and the numbers decreased in the end of September. According to the marketing director of Smyril Line, the cruise ships are completely full from April till the end of October, when even double sails are put into use; in February and March the weekends are full. They operate nine months per year and have small off-season gap which according to Henny á Líknargøtu does not cause them any problem (S. a.-H. Líknargøtu, min. 38:30 2017).

Even though the off-season is getting shorter, there is still a significant number of months where are just a few tourists coming. That means for the tourism suppliers to restructure the organization, limit operation and focus on different operations. For example, the off-season experience strongly the ferry transport providers: “During summer there is often much more cars than we can accommodate, everybody goes to see the seal-lady (main attraction on the island of Kalsoy; authors’ note), but during winter there is nearly nobody,” claims captain of ferry to Kalsoy (see appendix no. 1). Tourist arrivals change rapidly within the seasons and even the summer rush could be disagreeable. According to the locals it cools down in the winter season: “During season we have people coming in waves depending on the coming cruise ships, now in off-season the majority visiting is locals,” adds an employee (see appendix...
no. 2) of the Nordic House in Torshavn, a cultural institution which is organising between other concerts, book fairs and exhibitions.

It is necessary to look at the issue from the opposite side. Is there enough attraction for tourists when they come during the off-season? Quasid (see appendix no. 3), a tourist from the USA, enjoyed his stay in the Faroe Islands immensely according to his own words. He was although dissatisfied with some circumstances: “My biggest issue is that the advertising is slightly misleading. The visit Faroe Islands website encourages you to do certain things which may not be a great idea, like a visit in the winter, or go hiking in certain places. Here it would have made sense to set my expectations properly.”

Visit Northern Islands is trying to find a way how to overcome seasonality, but so far they are in a state when they limit the number of employees on three in comparison to summer when it could be up to six (Olsen, min 37:00 2017). “Most of the attractions around the Northern Islands are closed, but when visitors come and want to see some attraction, for example, the church, we have numbers and can just call somebody to let them look there, they mostly live just next door to the attraction. I think it will continue to be the way for some more years,” says Elsa Olsen (Olsen, min 35:30 2017). One of the differences in operations which Visit Northern Islands undertakes is targeting on MICE tourism (Meetings, Incentives, Conventions, and Events) – representing the segment of high-income earners coming to the destination for business reasons. Even though they are used to higher standards, they lower them to get the unique experience from the Northern Islands according to Olsen (Olsen, min 35:30 2017). Focusing on MICE type of tourism is also the strategy of Hotel Torshavn how to overcome the winter gap. “We have 300 people and are open 365 days per year, but 100% booking we get just in 4-5 months. We have to attract business people during the off-season and try things such as coupons,” adds Thora Augustinussen. (Thora Augustinussen - Marketing and Sales Representative, min. 34:30 2017)

Insufficient number of services, facilities, and attractions

Another significant issue we recognized and which further describes the stage of destination development is the insufficient development of tourism facilities. This problem shields subsequent issues which are linked to each other: one of them is poor regional distribution, so to speak an expansion of tourism to the areas which are not currently spots of tourists’ interest. Connected to this issue is lack of support for start-up businesses and local entrepreneurs which would enable to keep the profit from tourism in the local communities. Last subsequent issue is the focus on just one segment, there is a lack of facilities provided for the broader portfolio of segments.

Some examples from other small islands states provide a proof of the importance of how sufficient facilities can influence destination competitiveness. A study conducted by Garín-Muñoz (2006, 289) proved that high-quality services are crucial for attracting new and repeat
tourists to the Canary Islands. There is no tourism development without investment into tourism facilities and products. Dynamics of the development of new facilities and development of new tourism products (e.g. agro-tourism, ecotourism, cultural tourism) are necessary parts of island tourism development (Razović and Tomljenović 2015, 21). Evolvement of such facilities should in the ideal case reflect also the wishes of both local residents and tourists.

From the personal observation, we were able to experience how most of the islands are greatly accessible but on the other hand lack of basic facilities. For example, an island of Kalsoy is one of the isolated islands - with no bridge or undersea tunnel connecting it with the rest of the archipelago. The island on the other hand embraces two of greatly promoted tourist spots – statue of a seal-woman (a creature which is part of the local mythology) and a hiking route around lighthouse on the northern end of the island. On the island are located four villages. During our visit, we encounter one hospitality provider – a kiosk, which was closed probably due to the bad weather. With a very infrequent number of buses providing transport between the villages, there are poor conditions for visitors to make their way between attractions. Very similar situation occurred during the visit of island of Nolsoy which could be reached from the capital city of Torshavn by a ferry. There was a slightly higher number of facilities but all of them had irregular opening hours during the winter season, meaning that Sunday visitor would not find a single facility open, shelter himself from the unpredictable weather in the ferry waiting room. On the other hand, Thora Augustinussen (Thora Augustinussen - Marketing and Sales Representative, min. 48:50 2017) mentioned Nolsoy as an example of a place of growing business in tourism where local community took their own initiative - in spite of the fact that three years ago there was nothing happening at Nolsoy and locals had to start from the scratch. So, it seems that at Nolsoy the businesses are just not able to function all year round - during the off-season as well.

Figure 13. – Nolsoy, source: Michaela Šrámková’s archive
Klaksvík as a second biggest city on the archipelago has just one hotel where to accommodate visitors. That means that most visitors come to the Northern islands just for one day and come back to the capital city of Torshavn. Therefore, tourists do not spend much money there having the breakfast and dinner in Torshavn. Elsa Olsen (E. O.–M. Islands, min. 33:50 2017) from Visit Northern Islands is convinced that tourists have to come first - then the products and offers will come. She also sees potential in tourism and stresses out the stable character of this type of industry in comparison to the fishing industry (E. O.–M. Islands, min. 34:12 2017). Fishery industry on the other hand is still holding the position of the most important sector of the national economy and moreover it is one of the sectors locals are more acquainted with in comparison to tourism. Henny á Líknargøtu agrees with the point made by Olsen, according to her tourism is for example not so much influenced by a crisis. The cruise ship organization á Líknargøtu represent - Smyril Line supposedly recommend tourists who stay in the Faroe Islands for a week to spend just 1-2 days in the Northern islands and that is primarily because of the lack of accommodation. She sees it as an unused opportunity:
“In the Northern Islands and Eysturoy (second largest and the most populated of the Faroe Islands; authors’ note) is a huge industry so I believe they would have some business if they had some hotels. I actually think that both the Northern Islands and Eysturoy are very attractive and extremely accessible (S. a.-H. Líknargøtu 2017, min. 33:30).”

Torshavn as a capital city has most of the facilities, still, there are just four hotels, which are completely full during the high season. And there is definitely a demand for more, hotel Føroyar is being rebuilt to get extra 80 rooms to be able to host bigger conferences and other events. Big challenge for the hospitality industry is according to both Thora Augustinussen and Jóhanna Rasmussen, sales director of Hotel Føroyar, to get a qualified staff, especially because people still prefer to work in fisheries which provide higher salaries (Thora Augustinussen - Marketing and Sales Representative, min. 10:50 2017). And when local people come back after finishing their studies abroad they demand to be employed in better positions which are not these ones where is a need for employees (Thora Augustinussen - Marketing and Sales Representative, min. 17:20 2017). One of the solutions to such a situation is to employ foreigners and there are many of them coming. “We have employees from five different countries. And they don’t have to speak Faroese, English is here in common use,” says Augustinussen (Thora Augustinussen - Marketing and Sales Representative, min. 11:50 2017). Smyril Line is focused just on one segment – the gold segment of customers. This segment has sufficient time and finances to travel on the cruise ship and stay in the local hotels. As well Hotel Torshavn and Føroyar are focused predominantly on tourists who are high-income earners and are willing to spend money not just on the accommodation but also on the other services provided by the hotels (Jóhanna Rasmussen - Sales Director, min. 14:30 2017). Their very specific segment is visitors to the Michelin Star restaurant, which according to Thora Augustinussen (Thora Augustinussen - Marketing and Sales Representative, min 6:10 2017) first reserve the restaurant and then start to plan the trip, so visit the restaurant is their primary reason for visitation. On the other hand, there are not sufficient facilities for any other segments. They then very often use Airbnb instead: “In terms of personal convenience, having LTE coverage everywhere and having a single descent AirBnB that I could drive from made the vacation all the more relaxing. I was slightly bothered by how difficult it was to get food, especially later in the evening,” claimed some of the advantages and weaknesses of the current level of facilities Quasid (see appendix no. 3), a tourist in his thirties from California who came to the Faroe Islands for one-week long vacation.

If he would prefer youth hostel there would be no place to accommodate him around the whole Faroe Islands. The only hostel is now turning into hotel rooms. He could of then choose between 15 campsites open mostly only during the summer season. There is also lack of accommodation suitable for families: “We don’t have these summer house complexes, you would often see in Europe, so we cannot target families. Because if we would like to rent summer houses, we would have to do individual deals with owners. If there would be a company with 100 summer houses and you would have access to this one company to all of
the houses then it would be a concept. Now there is like hundred private owners and they are in charge and you cannot make deal with them,” points out Henny á Líknargøtu (S. a.-H. Líknargøtu 2017, min. 18:00).

Environmental sustainability
One of the desired aims of the Faroe Islands destination stakeholders is a nature-based tourism as a compromise between conservation and economic development. Tourism can be a very good solution for protected areas which restrict activities of a primary sector, therefore tourism can be a very important source of income which can cover the expenses of protected area management.

Tourism can furthermore contribute to the improvement of environmental resources. It can lead to improvement in public facilities and better preservation of a natural and cultural heritage. On the other hand, the negative impacts can be very significant. Some of them are more traffic, depletion of natural resources and water and noise pollution (Ribeiro, Oom do Valle and Silva 2013, 658).

Introduction of the scenarios during the interviews with suppliers lead mostly to a discussion about the environmental sustainability of the destination. Even though employers of the hotels and cruise company claimed that their general focus is on profitability they were aware how the nature-assets influence image of the destination and they agreed that it has to be protected which would mean to create long-term strategies. “Our customers are well-educated people and they demand that we think in a sustainable way,” says Henny á Líknargøtu (S. a.-H. Líknargøtu, min. 25:50 2017) and adds that to guarantee the protection of environment they employ very highly qualified guides, who contact farmers before they take visitors there. (Line 2017). Anyway, small scale issues are happening supporting negative attitude towards tourism between locals. All of the stakeholders were also aware of “the Iceland mass tourism situation” and believed that they can overcome such a development with an appropriate governance. Iceland was also frequently mentioned as a situation where ´we are not at all yet´ which supports our previously recognized stage of destination life cycle as well. Many of interviewees shared the opinion that the number of visitors cannot increase because it is determined by the capacity of accommodation and flights and cruise ships and it is right now just not sufficient enough to serve to more visitors.

According to the interviewed stakeholders the Faroe Islands just recently adopted a strategy which is moving the focus from the marketing activities towards destination management, proposing to employ up to two employees responsible for the development issues under Visit Faroe Islands. Henny á Líknargøtu was part of a group responsible for a creation of tourism development strategy including implementation plan which was during 2017 presented to the minister of foreign affairs. This strategy was developed in a team of four – consisting of Henny á Líknargøtu as a member of House of Industry and marketing director of Smyril Line, of two
employees of the ministry of foreign affairs and representative of the environmental agency (S. a.-H. Liknargøtu, min. 27:40 2017). “We cannot just attract tourists but do not take care of them, these things cannot be split in two, that’s why there were hired people to take care of that,” comments on account of the content of the strategy á Liknargøtu.

In terms of environmental sustainability hotel Føroyar is trying to do at least small steps – to reuse towels and focus on food waste which restaurants collect and let the farmers pick it up (Jóhanna Rasmussen - Sales Director, min. 8:40 2017).

Mykines were the most loudly pronounced problematic environmental issue between stakeholders. Mykines is an inland on the western part of the archipelago well known for a large number of bird species such as puffins and gannets living there. These birds, which were in the past shot for meat, are now decreasing in numbers and many voices say it is because of tourists. The policy implemented there recently makes obligatory to pay an entry fee and be accompanied by a guide during the travel there. According to an employee of Visit Vagár (see appendix no. 4), it is not a sufficient policy. She pronounces that the number of ships coming to Mykines should be limited to one per day. “There is just one path which is above the heads of birds, they are flying all the time because tourists are going around, predators took their food, they have to hunt again and they could be hunted by predators,” explains the problem employee of the Visit Vágar. According to Henny á Liknargøtu Mykines should be completely separated from the discussion, because there is a major issue which require special type of policy (S. a.-H. Liknargøtu, min. 16:00 2017). Thora Augustinussen (Thora Augustinussen - Marketing and Sales Representative, min. 43:50 2017) as well stressed out that tourists are not the only ones to blame. She thinks that it is a matter of policy and information provided. Another frequently pronounced issue is the disruption of sheep by tourists who are wandering around the islands without any regulation. Visit Northern Islands tries to avoid this situation by focusing on providing more information for the visitors. “Now we have two projects - to have information signs for each village and then more information online. On the information boards should be everything – from history to where to find toilets,” says Elsa Olsen (E. O.–M. Islands, min. 4:30 2017). However, that does not mean that they are working on marking of the hiking routes. This lack of marking can bring up cases such as trespassing private property, disturbing sheep, letting them run away through the open gate or injuries occurring out of the track with need of helicopter assistance. These cases then easily proliferate into media and create the negative image of tourism between residents. Sonja Johannesen states that there is common negative attitude among residents against marking hiking routes because it would go against Faroese tradition. The tradition is to mark routes with stones. Those stones, however, disappeared during the past centuries and it would be difficult to revitalize it in the same way. Nevertheless, many residents due to Johannesen insist on keeping it the ‘old way’ which is more authentic (v. T. Sonja Johannesen – Business and Tourism Manager 2017, min. 15:40).
Sub conclusion

The analysis of attitude of locals towards tourism shows that there is a tendency to stress the negative issues in local media, pointing out an un-representable number of individual cases, which leads to the overall negative image of tourism between locals. There is a lack of communication from suppliers towards locals which would emphasize the benefits tourism brings. Furthermore, even though there are some events organized by locals and supported by DMO (specific case of Christmas markets at Klaksvík) which would have a good effect on ‘host’ and ‘guest’ interaction, there is not enough effort to promote these events between tourists. As well local businesses and efforts of local entrepreneurs are not sufficiently supported by any government policy. Locals according to short time personal observation seem to share interest to show to tourists their culture and heritage which they are proud of and at the same time have a strong inclination to protect the environment.

According to the statistics the off-season is shortening in last couple of years since the big expansion of tourism in 2013. Some of the companies as for example cruise company Smyril Line do not mind the winter gap at all; but others have to limit their operations, for example, lower the number of employees or target on a different segment. Type of tourism on which the Visit Northern Islands and Hotel Torshavn are focused most during off-season is MICE, which brings a different segment of visitors requiring different standards. Besides, there was an opinion pronounced that the advertisement from Visit Faroe Islands could be misleading – attracting tourists during the winter season to places which are not possible to visit because of the conditions.

In spite of the great accessibility of most of the islands, most of the villages and towns besides the capital of Torshavn do not provide sufficient facilities, services, and attractions for visitors. During personal observation, we experienced that tourists can end up without shelter on the isolated islands, especially during the off-season. Stakeholders currently involved in tourism see potential in tourism and its benefits over fisheries, which is Faroe Islands’ most important industry. They see the unused opportunity in areas remote from the capital of Torshavn, claiming that there is enough industry, which though has not decided to invest in tourism yet. There was as well stressed out by suppliers that they can mostly target just one segment – gold segment which has enough time and finances. There are not enough facilities for families or backpackers for example. We recognized that there is a high level of awareness among the stakeholders of the environmental sustainability and its role in long-term impacts to nature. On the other hand, there were not any concrete policies undertaken to avoid disruptions as for example intervention into habitat of protected bird species in Mykines or series of problems occurring because of the lack of marking of the hiking routes. Visit Northern Islands carried out first steps in these matters, implementing project focusing on provision of more information.
Conclusion

The research which was conducted on the Faroe Islands in November 2017 was consisting of qualitative research techniques such as semi-structural interviews, informal interviews, and personal observation. The main focus was on the stakeholders from the supply side of tourism, nevertheless, we collected also some information from the residents and a tourist. In that case we are aware of the non-representable sample of the respondents but we decided that the data can add some value to the research by accompanying the main data from the semi-structural interviews.

![Nature of the Faroe Islands](image)

Figure 16. – Nature of the Faroe Islands, Photo by Matus Duda (own source)

We believe that the following analyses succeed to answer the research question and meet the aims and objectives set above. Among them is recognition of the stage of development of the destination, cooperation between stakeholders, their awareness of the destination development planning and of the threats to the destination.

First of all, we applied the Butler’s model on the Faroe Islands to see the development of the country from its very beginning. There were analysed concrete triggers which occurred and caused a move of the destination from the exploration stage to the involvement stage. Among them was an increase in regular ferries and international flights. This development was followed by construction of facilities and infrastructure. Especially the later one was undertaking very successfully - having sub-sea tunnels, normal tunnels, bridges, ferries and even helicopter services nowadays. The next one is the development stage, where tourism became one of the main sources of income, especially in the capital city. Marketing was recognized as a strong operation of the Faroe Islands, mainly thanks to the activities of Visit Faroe Islands. Analysis showed that the Faroe Islands are in the third stage of the cycle. It is important to mention that capital, Torshavn, is in the last phase of this stage in contrast to
remote parts of the Faroe Islands which are at the beginning of this stage because tourism is not the primary source of income there.

Another part of the analysis dealt with the level of governance on the Faroe Islands. Due to our observation, stakeholders are aware of the importance of cooperation of activities not only between suppliers but also together with the residents. To coordinate these activities new employees were hired as a part of a development team of Visit Faroe Islands. There was recognized a weakness in the past approach which suggested that marketing activities are separated from the issues of development. Stakeholders seem to recognize by now that both of these activities should be linked together.

In the matter of destination governance, we propose several recommendations. We suggest that the Faroe Islands’ government should spread the money equally to allow the smaller DMOs improve and increase the tourism in other areas than the capital city of Torshavn. Because as stated in many interviews, remote islands get some funding but it is not enough for them to develop more. The suggestion is that government can use the same amount of money for tourism but maybe give less to Visit Faroe Islands for marketing according to the high standard of it and let smaller DMOs use that money to grow.

In the third part of the analysis were recognised some issues which entails threat to the destination successful development towards improvement in destination competitiveness. First of them was the negative view of residents towards tourism. The negative image of tourism is spread mostly by media supporting news about an un-representable number of individual cases. There is a need to emphasize benefits of tourism by stakeholders to ensure involvement of the local community in tourism. Furthermore, we observed that there is not enough events supporting interaction between hosts and guests and not enough policy supporting efforts of local entrepreneurs to start up a business in tourism. In general, people are willing to promote the Faroe Islands as a destination they are very proud of.

Figure 17. – Building of Visit Faroe Islands, Photo by Matus Duda (own source)
The second recognized issue is seasonality. According to the statistics, the off-season is shortening, however, suppliers still need to deal with the winter gap. Some of the interviewed stakeholders suggested overcoming such a challenge by targeting on MICE management. There was also mentioned that DMOs should not provide misleading information and in contrary promote specific activities which are possible to do during the winter season.

The third recognized issue is an insufficient number of services, facilities, and attractions. We recognized that there are not enough facilities for tourists in the remote areas of the archipelago. Stakeholders suggest that local community should take a step in these matters and use the business opportunity. The research outcome is also that most of the facilities focus just on the gold segment, there are not enough facilities for families or backpackers for example.

Lastly, environmental sustainability was pointed out as another issue of the destination development. There is a high level of awareness between the stakeholders of the environmental sustainability and its role in long-term impacts. However, not appropriate policies were undertaken in the matter of the main problems – such as protection of the bird colonies at Mykines or marking of hiking routes. Visit Northern Islands is starting work on these issues by the creation of information signs.

We have several suggestions dealing with the recognized issues of the destination development. In the matter of the issue of negative view of residents towards tourism, we recommend conducting survey exploring the degree of satisfaction of residents towards tourism and their perception of tourism impacts. After recognition of stage of residents’ satisfaction, it is desirable to promote tourism benefits in case of negative attitude and try to clarify to what extent is tourism reason of environmental and social costs. This survey should
be regularly renewed to have the possibility to compare the results. An example can be taken from the study of Razović and Tomljenović (2015, 28) who was focusing on resident and visitor survey at Croatian islands seeking to find out preferred types of tourism development, types of tourism products and desired tourism development scenarios. To be able to conduct more research and be able to recognize challenges and find the solutions for them the destination governmental bodies has to have enough of qualified personnel. In that case, there should be a relevant investment into college education in tourism.

We recommend focussing on the evolution of policies which would include the local community active participation, including support of the local businesses and entrepreneurs. With the purpose to ensure that a significant part of the economic benefits stays in the country, it is important to support the development of the local hospitality industry and ensure improvement in leadership capabilities of local tourism stakeholders. One of the more concrete steps is to ensure that tourism guides come from the local residents so they can promote their own heritage and culture. Another way is to encourage organizing of more events, community clubs, and workshops which would facilitate the ‘host’ and ‘guest’ interaction. During them the locals could share their traditions, handicrafts, and gastronomy; this role can fulfil e.g. Christmas markets. Local residents can stand in a role of safeguards of the natural and cultural assets and protection of the resources of their own country.

Figure 19. — Sheep, Photo by Matus Duda (own source)
In the matter of seasonality, we recommend the development of activities which would attract tourists during the winter season and adjust the promotion as well to the winter conditions so that any misleading of tourists would be prevented. An individual organization should think more about specific strategies and targeting which would allow them to overcome the off-season gap and keep more people employed throughout the whole year.

To overcome lack of facilities, services and attractions and poor regional distribution there is a need for expansion of tourism to the areas which are not currently spots of tourist’ interest. Connected to this issue is lack of support for start-up businesses and local entrepreneurs which would ensure keeping the profit from tourism in the local communities. Last subsequent issue is the focus on just one segment. There is a lack of facilities provided for a broader portfolio of segments. One of the concrete recommendation is to build summer house complexes, which would have one owner and therefore would be easy for him to coordinate activities with other organizations and companies within the tourism industry.

In the matter of environmental sustainability, we would like to mention policies which were undertaken by other small islands tourism destination and which can suggest potential action for the Faroe Islands. The Azores Archipelago Tourism Strategy is dealing with the management and conservation of the protected areas by application of a fee system (Fonseca, et al. 2014, 461). Survey conducted at the Azores Archipelago during July 2011 in form of questionnaires spread between national and international tourists visiting one of the islands – Pico Island proved that tourists were travelling to that destination mainly because of the natural assets and 61.2% of the sample of 123 respondents would be willing to pay a fee to enter the protected areas (Fonseca, et al. 2014, 464). The fee system according to the survey could help finance the protection and minimize environmental impacts of tourism (Fonseca, et al. 2014, 465). It would be valuable for the Faroe Islands destination to undertake a similar survey to uncover how much would the fee affect tourist satisfaction and loyalty. An example can be taken from another small island tourist economy – the Canary Islands. According to Garín-Muñoz (2006, 282) the Canary Islands government has decided to take step in a
direction of limitation of construction of new accommodation units. This policy should of not only protect the environment but also keep the status of the destination between tourists highly satisfactory. And the satisfaction was proven to be right according to the survey conducted by Garín-Muñoz (2006, 282).

A study by Mejia and Brandt (2015, 2) at the Galapagos Islands propose that tourism policymakers should use price incentives to reduce the threat to the islands’ unique ecosystem. They claim that pricing strategies may encourage tourists to take longer tours without affecting total revenue. They are on the other hand opposing ‘limitation of capacity’ as a good tool for natural protection. The study describes how imposed limitation on the number of visitors in a cruise ship can cause an increase in sold tours and reduction of the average length of stay of visitors. This policy carried out by Galapagos Islands’ government didn’t have a good impact on the environment with the higher number of visitors coming for the shorter period of time. Mejia and Brandt (2015, 2) propose to oppose this policy and gain the previous state of the destination by using price incentives. The remaining demand after the price increase would be shifted to long tours. Long tours are preferable option because they have smaller impact on environment. During long tours there is as well better opportunity to inform visitors about specifics of the natural assets and guidelines for preservation.

In addition to examples from the other islands, we have a couple of more points of suggestion. In the destination has to be ensured an active involvement of stakeholders which would make the economic and cultural activities compatible with sustainable development. Advantages of such an approach are increase in sense of ownership and greater public involvement in decision making. Stakeholders should take step by step – identify problems and find their resolution and have in the same time in mind that in order to protect the environment some adjustments to the supply side of tourism would be most probably necessary. Another option is an increase of environmental tax. Last concrete recommendation is to increase the standard of naturalist guides and invest into the education of local residents who may be guides themselves and take a mandate in visitors’ education of the importance of areas ecosystem. By these recommendations, we believe that we supplement sufficient preview for the stakeholders involved in policymaking which they can use during destination governance of the Faroe Islands.
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