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TOURISM IN THE FAROE ISLANDS

- Understanding the complexity of tourism impacts and seasonality -

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INTRODUCTION

Tourism is the one of the fastest growing industries and economic sectors in the world and modern tourism has become one of the strongest and most remarkable phenomena of the time.

On a world basis, the number of international tourist arrivals in 2017 grew by a stunning 7%, compared to 2016. As stated by the UNWTO World Tourism Barometer per 15th of January 2018, the total number of international arrivals in 2017 were 1,322 millions on a global basis and the strong momentum is expected to continue in 2018 at a rate of four to five per cent (UNWTO, 2018a). Furthermore, the World Tourism Organization (UNWTO) states that tourism is one of the main income sources in many developing countries (UNWTO, 2018b).

Travelling was previously seen as a prestigious activity, something that mainly wealthier people were able to attend. But the characteristics of travelling have changed over the years. Towner (1995) states that traveling has filtered down the social ladder and has become a regular activity in many households, due to the ever-increasing numbers of people, who hold the necessary resources for traveling. The immense competition within the field of tourism also impacts the possibilities of travelling, as the price war in the industry results in better affordability to travel.

Miller and Auyong (1991) as well as Judd (1995) proclaim that the growth within the tourism industry has changed the environments and societies in many specific places, due to the big increase in the number of tourists.

Hall (2008) states that tourism is significant because the tourism industry is the world's largest industry in regards to the number of people travelling, the increase in employment and destination income as well as the immense impact on people's lives and the places where they live.

The global growth within the field of tourism has influenced the demand of tourism in the Faroe Islands, where the tourism activity has increased significantly. In the wake of this increase, the complications of tourism impacts and tourism seasonality are now more evident than ever.

PROBLEM AREA

In correlation with the growing global awareness of the Faroe Islands as a unique, as well as an exciting travel destination, the tourism industry in the Faroe Islands has really blossomed in the recent years. As a result, there has been a substantial growth in the number of travellers to the Faroe Islands, where a new record in numbers of arrivals and departures in the Faroe Islands has been set every subsequent year since 2014 (appendix 8).

Since 2012, which marks the year that the tourism industry in the Faroe Islands started to increase again after a notable downfall from 2008 to 2011, the numbers of arrivals and departures in the Faroe Islands has grown from **250.127 in 2011** to **387.047 in 2017**, which is an impressive growth of 54,74% over a 6-year span (appendix 8). However, the mentioned data has to be analysed and with great caution, as the numbers include both arrivals **and** departures of **all** passengers travelling to and from the Faroe Islands (i.e. incoming tourists, outgoing travellers, Faroese students studying abroad, etc.). It is also worth noticing that tourists arriving by cruise ships are **not** included in these numbers. Nevertheless, the data give a comprehensible picture of the intensified activity in the tourism industry in the Faroe Islands over the past few years.

It is unfortunately not possible to provide numbers for arrivals and departures in 2018, as the official numbers are by given reasons not published yet. The final numbers of arrivals and departures in 2018 cannot be officially published before the year has ended, and are expectedly published in May 2019 (Hagstova Føroya, 2018a). However, there are other indicators that show that the tourism growth is expected to continue in the same fashion in 2018. There is an increase of 8% in overnight stays in the Faroe Islands in the first quarter in 2018 compared to the same period last year (Hagstova Føroya, 2018b).

In the context of the growth within the tourism sector, the Faroe Islands have been impacted in various ways, not only within the tourism industry, but also as a nation. It is therefore relevant to investigate and identify the impacts caused by the increased tourism, and how these different impacts affect the Faroe Islands, both from an industrial perspective as well as from an economical, socio-cultural and environmental point of view.

Not unlike most travel destination world wide, the tourism industry in the Faroe Islands is very season-based. The accommodation possibilities in the Faroe Islands (i.e. hotels, guesthouses, bed and breakfast, hostels as well as Airbnb and other options within the sharing economy) are all fully booked in the high season months ahead, where the demand exceeds the supply by large margins. In the off-season, the situation is the complete opposite, where the supply exceeds the demand, resulting in many nearly empty hotels and so forth. This research seeks to examine and understand the situation in regards to the seasonality in the tourism industry in the Faroe Islands and subsequently analyse the possible options in terms of extending the tourism season in the Faroe Islands.

MOTIVATION

The main motivation behind the selection of the thesis topic occurs from my personal first hand experience within the tourism industry in the Faroe Islands. The main interest for the thesis topic was especially gained at my internship practice at Smyril Line¹ in the Faroe Islands from the 01st of September to the 01st of December 2017. During my internship period, I was able to experience the activity within the travel industry during this specific time of the season and thus gain some practical knowledge within the field. In addition to this insight, I was employed at GreenGate Incoming from September 2008 to September 2011, which is a Faroese travel agency that to a great degree only focuses on the incoming sector of the Faroese tourism industry. During my time at the GreenGate Incoming, I experienced a great difference of the activity during the seasons. Although the numbers of travellers within the Faroese tourism industry have increased drastically since then, the proportional difference in the activity in relation to the tourism seasons remains unchanged. The impacts related to the increased tourism in the Faroe Islands, are to a large degree visible in the Faroe Islands. This is something that I have noticed, both as a resident as well as professionally.

¹ *Smyril Line is the only maritime passenger transport company that operates on the route to/from the Faroe Islands.*

In order to support my argumentation on this matter, I have talked to relevant actors within the Faroese tourism industry, who all to a very large extent agree in my argumentation concerning the issue of tourism impacts and seasonality.

Additionally, the obtainable statistical data and the actual debate on tourism in the Faroe Islands further emphasize the cause to examine this topic.

PROBLEM FORMULATION

In accordance with the arguments mentioned in the previous section, this thesis aims to examine and understand the challenges of tourism impacts and seasonality in the Faroe Islands. The objectives are therefore to detect how the radical growth in tourism have impacted the Faroe Islands in different ways, as well as to encounter the entanglements of tourism seasonality. The research will further discuss what can be done in the order to minimize the impacts of seasonality.

The research question is therefore as follows:

- *What are the complications of the intensified tourism in the Faroe Islands?*

In the attempt to distribute a deeper and more thorough analysis of the selected topic, the thesis will include these sub statements to support the problem statement listed above.

- *Understanding the tourism impacts in the Faroe Islands*
- *Unfolding the complexity of tourism seasonality in the Faroe Islands*
- *Elaborating on the possibilities of extending the tourism*

PROJECT DESIGN

This section will quickly describe how the project is outlined and structured in order to create an overview of the content in the study. Each component is subsequently briefly described to illustrate how the process of the study is transmitted in regards to discussing and resolving the incorporated data and information of the research.

The project is assembled and outlined by the following headlines:

1. INTRODUCTION
2. RESEARCH FIELD
3. METHODOLOGY
4. THEORETICAL FRAMEWORK
5. ANALYSIS
6. DISCUSSION
7. CONCLUSION
8. PERSPECTIVATION

The introduction to the research project elaborated on the problem area and the motivation behind the selection of the thesis topic, as well as it emphasized on providing the reader with deeper knowledge of the field of interest.

The research field of the project will hereafter be presented and described in relevance to create a fundamental understanding of the area in which this research strives to explore and examine.

The methodology section introduces which scientific methods are included in the project. This section furthermore presents the approaches that are used in the process of collecting the data featured in the project. Following from this is an introduction of the theoretical framework of the study, which includes the selected relevant theories used in the analysis.

The analysis, which is the heart of project, is subsequently presented. The analysis examines the research field in relation to the problem formulation of the project. The analysis is generated by the information and evidence obtained from the collected data, as well as based on the methods and theories that are incorporated in the project.

Following the analysis is a discussion section, where the findings in the analysis are discussed.

The last components of the project are the conclusion and the perspectivation. The conclusion will reflect on the outcome of the analysis and discussion. The perspectivation section will elaborate on how the research study can be supplemented by further research.

RESEARCH FIELD

This section encompasses a brief description of the research field that this project is based on. This section therefore includes a short representation of the Faroe Islands and a description of the tourism industry in the Faroe Islands. The description of the tourism industry is further divided into sections in order to provide a more profound insight into the activities within the different sectors of the tourism industry in the Faroe Islands.

THE FAROE ISLANDS

The Faroe Islands are a self-governing nation under the external sovereignty of the Kingdom of Denmark and are geographically positioned half way between Scotland and Iceland in the Northeast Atlantic (*see figure 1*), and is included as a part of the Nordic Region together with Denmark, Finland, Iceland, Norway, Sweden, Greenland and Åland (Faroe Islands, 2018a; Faroe Islands, 2018b; Nordic Co-operation, 2018).

The Faroe Islands are an archipelago consistent of 18 islands with a total land area of 1.399 square kilometres. The maritime economic zone covers 274.000 square kilometres (Faroe Islands, 2018a; Faroe Islands 2018b). The national language in the Faroe Islands is Faroese, and so to say all the local Faroese people are fluent in Danish as well as in English, as it is taught in school from an early age (Faroe Islands, 2018a; Faroe Islands 2018b).

For the first time in history, the population in the Faroe Islands has exceeded 51.000 inhabitants, and there are per the 01st of July 2018 living 51.043 people in the Faroe Islands. This is a result of good economic times in the Faroe Islands, where especially

the construction industry and to some extent the tourism industry are the biggest factors relating to the population increase (Hagstova Føroya, 2018e).

Seventeen of the eighteen islands are inhabited, whereas six of them are connected by bridges and under sea tunnels, which cover for 90 per cent of the population. The rest of the islands are connected to the mainland by ferry and/or helicopter. Approximately 40 percent of the total population in the Faroe Islands lives in the capital of Tórshavn (Faroe Islands, 2017a; Faroe Islands, 2017c).



Figure 1: Geographical location of the Faroe Islands

TOURISM IN THE FAROE ISLANDS

The tourism industry in the Faroe Islands has expanded swiftly over the recent years in terms of the numbers of passengers as emphasized earlier (appendix 8). However, as these numbers include all passengers to/from the Faroe Islands, including Faroese passengers, the best indicator of the growth is stated by the growth within the accommodation sector, in terms of the numbers of overnight stays and check-ins at hotels and guesthouses (Dupeyras, and. MacCallum, 2013).

OVERNIGHT STAYS (2013 - 2018)						
	2013	2014	2015	2016	2017	2018
1st quarter	13.187	14.638	15.983	16.528	18.607	20.466
2nd quarter	30.079	31.233	36.629	40.438	45.916	45.156
3rd quarter	41.188	44.233	48.252	52.195	56.747	N/A
4th quarter	15.719	15.364	17.437	18.320	21.487	N/A
TOTAL	100.173	105.468	118.301	127.481	142.757	65.622

Table 1: Overnight stays at hotels and guesthouses in the Faroe Islands, 2013-2018.

Adapted from appendix 9

CHECK-INS (2013 - 2018)						
	2013	2014	2015	2016	2017	2018
1st quarter	7.093	7.091	7.163	7.993	9.060	9.582
2nd quarter	14.188	12.465	15.214	16.744	19.502	17.888
3rd quarter	18.291	15.729	20.018	20.880	22.995	N/A
4th quarter	8.277	7.314	8.204	8.859	10.360	N/A
TOTAL	47.849	42.599	50.599	54.476	61.917	27.470

Table 2: Check-ins in at hotels and guesthouses the Faroe Islands, 2013-2018.

Adapted from appendix 10

The tables are included in the project to provide and quantitative overview of the growth in the Faroe Islands. However, the tables only include accommodation at hotels and guesthouses, and not other forms of accommodation, such as camping, summerhouses, bed and breakfast, hostels and especially Airbnb. This will be further elaborated on in the analysis.

An important factor for both the growth in the Faroe Islands and the growing awareness of the country as a destination has to be credited to Visit Fare Islands and their marketing campaigns. Visit Faroe Islands, in close collaboration with other

tourism actors, branded the Faroe Islands under a new brand in 2013, and have later won international prizes for their campaigns. Most prominent campaigns the recent years are Sheep View from 2016 and Faroe Islands Translate from 2017 (Visit Faroe Islands, 2008b, pp. 24-25).

The tourism industry in the Faroe Islands is relatively small and thus counting relatively few actors. However, due to this fact, the industry has some very dominant actors, which operate in multiple sectors of the industry. This makes it somewhat hard for new actors to penetrate the market, as the dominant actors hold a very large share of industry.

VISIT FAROE ISLANDS

Visit Faroe Islands is the governmental organisation of the tourism industry, and the organisation works on the behalf of the entire tourism industry in the Faroe Islands. The aim and objectives of Visit Faroe Islands are to gather, coordinate and promote the Faroe Islands as an attractive travel destination on a global basis and, further, to establish the tourism industry as a new basis industry for the national economy. Visit Faroe Islands moreover strives to ensure sustainability within the field of tourism (Visit Faroe Islands, 2018b). In a more tourism-oriented term, one can state that Visit Faroe Islands is the national Destination Marketing Organisation (DMO) in the Faroe Islands.

PASSENGER TRANSPORTATION

There are two gateways to the Faroe Islands, which are by air and sea, and there are Faroese companies operating in both sectors. Smyril Line is the company that connects the Faroe Islands by sea, and is operating between the Faroe Islands, Denmark and Iceland (Smyril Line, 2018). The Faroese airline company is called Atlantic Airways and is connecting the Faroe Islands directly to Copenhagen numerous times a day, and is operating to Billund, Aalborg, Reykjavik, Edinburgh, Bergen and Iceland on a weekly basis. In the summer period, Atlantic Airways furthermore operates directly to Barcelona and Mallorca.

In March 2017, Scandinavian Airlines (SAS) started operating on the route to/from the Faroe Islands from Copenhagen, which removed the monopoly in the airline sector in the Faroe Islands that Atlantic Airways has had since 2006 (Krog, 2016). The new competition has increased the activity on the airline market in the Faroe Islands and has extended the route network, which makes it more accessible for new demographic segments to emerge. The increased competition has decreased the prices on the market, which makes it remarkably cheaper to fly to the Faroe Islands.

There is only one airport in the Faroe Islands, and is located in Vágoy, approximately 40 minute drive away from the capital of Tórshavn (Vága Floghavn, 2018).

ACCOMMODATION

There are only 14 hotels and guesthouses in the Faroe Islands, whereby six of them are located in the capital of Tórshavn (Visit Faroe Islands, 2018e). The hotels differ very much in quality and price. In addition to the hotels and guesthouses, other forms of accommodation are available, such as camping, summerhouses, bed and breakfast, and hostels. The relatively new and emerging trend of peer-to-peer accommodation, which is an aspect of the sharing economy, is also available in the Faroe Islands. This is predominantly done through the popular rental site “Airbnb” (Airbnb, 2018). Similar to other destinations, this type of accommodation has become very popular in the Faroe Islands, and the amount of rental options within this sector is growing rapidly.

OTHER ACTORS

The tourism industry in the Faroe Islands furthermore consists of multiple travel agencies, tour operators and guides, car rental companies, regional and local DMO’s and so forth. It possible to book numerous daily excursions in the Faroe Islands, but these services are mainly only available during the summer period, due to weather conditions and safety regulations. The excursions are for the most part provided by local suppliers with deep knowledge within the field.

METHODOLOGY

This section presents the methodological framework that will be used addressing the aim and objectives of the thesis. Firstly, the scientific methods used in the project and why is described. The section particularly emphasizes on phronetic social science, which is used throughout the project. Following from this is a comprehensive description of data collection, including multiple aspects of the data collection process.

SCIENTIFIC METHODS

In the effort of fabricating a proficient assessment of the research topic, this part demonstrates the scientific procedures that are featured in the thesis and used to collect the enclosed data.

According to Kumar (1999, pp. 132-133) there are two major approaches in the process of gathering information about a situation, person, problem or phenomenon: the *qualitative* approach and the *quantitative* approach. The existing literature and material about the Faroese tourism industry as a whole is very limited, and therefore it is very difficult to use the available existing data as a relevant source as the basis for the project. On this account, the project will mainly be constructed with the use of the qualitative approach and the data gathered in connection with this project. The collected data from the interviews will thus be the primary source in the thesis. However, the obtainable quantitative data will also be used in order to substantiate and support the facts and arguments presented in the thesis.

The qualitative approach has some advantages compared to a quantitative approach. Firstly, the qualitative approach offers the interviewees more freedom when conducting their answers, which can contain and provide a broader scope of information. Therefore, by using the qualitative approach, it is possible to collect information from a more distinguished point of view in relation to the given questions. Mansfeld and Pizam (1999) support this argument stating, that it is possible to get deeper answers with a qualitative approach, in contrast to the quantitative approach, which is more hypothesis oriented. Secondly, the qualitative approach provides a more diverse sample of data, which reveals a deeper insight in the interviewee's attitude towards the topic. Compared with a data collection consisting

of quantitative data, the qualitative approach provides a more comprehensive interaction with the individual interviewees.

As mentioned earlier, the empirical data from other researches within the field is somewhat limited, which supports the selection of the qualitative approach.

The aim is to be transparent in the research, where I will strive to be included as an integrated part of the whole process rather than standing on the sideline and observe. According to Flyvbjerg (2004), *“Phronetic planning researchers will deliberately expose themselves to positive and negative reactions from their surroundings, and are likely to derive benefit from the learning effect and possibilities for improved validity, which are built into this strategy. In this way, the phronetic planning researcher becomes a part of the phenomenon studied, without necessarily ‘going native’ or the project becoming simple action research”*.

In relevance to Schram (2012), value is added to the research as the project includes dialogues with relevant actors, which can have an impact on the specific set of circumstances in which this research project aims to examine. Furthermore, Schram (2012) states that the use of the qualitative method produces relevant and useful knowledge, as it is possible for the interviewer to detect how the interviewees feel and act in relation to the specific question. Thus, it is possible for the interviewer to get a feeling of e.g. how strongly a given interviewee feels towards a given question and/or situation.

As described, this project will be build upon the phronetic social science approach as the selected philosophy of science. Flyvbjerg (2005/2006) proclaims that the point of departure for phronetic social science can be outlined in four value-rational questions. The four value-rational questions are as follows:

- (1) Where are we going?
- (2) Who gains and who loses, and by which mechanisms of power?
- (3) Is this development desirable?
- (4) What, if anything, should we do about it?

The primary objective of phronetic social science is to understand the values and interests of the research and how they relate to praxis (Flyvbjerg, 2005/2006).

According to Flyvbjerg (2005/2005), *“The four value-rational questions may be addressed, and research developed, using different methodologies. In other words, phronetic social science is problem-driven, not methodology-driven”*. Moreover, the four value-rational questions indicate that phronetic social science strives to construct researches that make a difference in the real world. These questions furthermore focus on what is required in the process of making a difference and to whom it can be beneficial to (Flyvbjerg, 2004). The author further states that the phronetic approach gives the problem driven project an understanding of factual activities and knowledge in everyday situations (Flyvbjerg, 2004).

Lastly, according to Flyvbjerg (2006, p. 242), the combination of qualitative and quantitative data generates a more qualified answer. By combining the two methods, a productive result will be created (Flyvbjerg, 2006, p. 242).

The phronetic approach and the associated four value-rational questions are a very useful addition and component to any research, as the questions can give inspiration on how a research should be outlined. These four value-rational questions were thus used as inspiration in the formulation of the problem formulation in this research.

This research study will furthermore make use of the exploratory research approach, as this approach succours to create a practical overview of the research field. Exploratory research, is, as defined by Stebbins (2008, p. 327) *“broad-ranging, intentional, systematic data collection designed to maximize discovery of generalizations based on description and direct understanding of an area of social or psychological life”*.

This approach is relevant in the research process, as a desired problem assigned to the research cannot be clearly defined. The components to reach the solution are therefore found through the research process.

Furthermore, Stebbins (2008, p. 327) argues that researches explore when they possess little or no scientific knowledge about the group, process, activity or situation they want to study, but have valid reasons to believe that the research contains elements worth discovering. However, to successfully explore a given phenomenon, the researcher must approach the phenomenon with two special orientations: flexibility in looking for data and open-mindedness about where to find them.

Lastly, in relation to the limited material on the Faroese tourism industry, this study will furthermore be based on the inductive interpretive approach in form of the hermeneutic and phenomenological research perspective (Gray, 2014, pp. 23-26).

The understanding of the thesis topic is quite complex, and therefore it is important to investigate the topic within the hermeneutic and phenomenological aspects. This is done through the qualitative interviews, where it is possible to collect a broad and valid understanding of the complex topic through individual human elements (Gray, 2014, pp. 23-26).

DATA COLLECTION

This section introduces the data collection that is featured in the study. Firstly, a brief introduction of the motives in correlation with the data collection is introduced. Afterwards, the interviewees that are presented in the study are revealed, as well as other relevant information concerning the actual interviews is stated.

Thereafter, the interview method, the conduction of the interviews and the transcription of the interviews is discussed, followed by a short presentation of the secondary data that is used in the process of the study.

The terms reliability and validity, and reflexivity are subsequently carefully examined and lastly are the criteria of trustworthiness elaborated.

As stated several times earlier in this paper, the empirical data from researches in the tourism industry in the Faroe Islands is exceedingly limited. On that account, the interviews are seen as an appropriate approach in the attempt to collect and obtain as much relevant data within the research field. According to Kvale and Birkham (2009), interviews serve the motive as a process to understand our fellow human beings and/or a research field. The empirical data gained from the interviews will therefore be the primary data in this study project, well supported by the secondary data that is available, such as statistics and so forth.

The purpose of the study is to understand the tourism impacts and seasonality in the tourism industry in the Faroe Islands. In the interest of attaining knowledge within the field, the project seeks to gain valuable insights through the interviews with individual actors, which all have relevant field knowledge and expertise on the specific topic,

which the whole research is based on. In spite of the fact that the interviews are about the same topic, each interview provides different answers, as the individual interviewees see the topic in different ways. This is especially convenient, since the researcher for valid reasons is not able to be present and experience and gain knowledge of the situation personally.

QUALITATIVE INTERVIEWS AND PRIMARY DATA

The primary data that is used in the thesis will be derived from the empirical data gained from the interviews. Kumar (1999) states that the qualitative interview method is a very common and frequently used tool when collecting data and gathering information from persons.

The interviewees in this study are selected due to their relevance for the research field as well as for their importance in the tourism industry in the Faroe Islands. The primary data is derived from several sources and actors in the attempt to get a broader perspective in the field, as well as to get different point of views, as different individuals conduct different answers. All interviews are qualitative, as this approach is considered to be most suitable for the study.

The list of the conducted interviews can be seen in the table below:

#	Date	Organisation	Representative
1.	02.08.2018	Visit Faroe Islands	Levi Hanssen, Content and Press Manager
2.	03.08.2018	Atlantic Airways	Árni Olsen, Sales and Marketing Manager
3.	06.08.2018	Smyril Line	Henny á Líknargøtu, Sales and Marketing Director
4.	06.08.2018	GreenGate Incoming	Fríðun Jacobsen, Director and Owner Rúna Erlandsdóttir, Sales Manager
5.	07.09.2018	Hotel Hafnia	Pætur Thomsen, Director

6.	07.08.2018	Hotel Føroyar (Gist & Vist)	Jóhanna Rasmussen, Booking Manager
7.	08.08.2018	Visit Tórshavn	Súsanna Sondum, Festival and Event Manager

INTERVIEW METHODS

There are many ways to perform an interview, as there are multiple different definitions and specific methods of how to conduct an interview. According to Kumar (1999) interviews can either be structured or unstructured. However, it is possible to use another option, the so-called semi-structured interview. This method is based on questions that intentionally guide and lead to an open debate, without being attached to a particular set of questions. This interview method therefore provides the interviewees with the opportunity to express their answers more freely and from a broader perspective, which can be an advantage in relation to the data that is gained from the interview (Jordan and Gibson, 2004).

In order to conduct a successful semi-structured interview, the interview requires guided questions that lead to an open discussion. It is therefore significant that the interviewer functions as a guide and leads the interview in the right direction, so all pre-hand intended topics are covered. Bryman (2008) indicates that using an interview guide during the interviews is beneficial to secure that all desired topics and issues are covered during the given interviews.

In the attempt to get an exhaustive data collection, the semi-structured interview method will be used when performing the interviews. The flexibility that transpires from the use of this method with open questions allows new useful information to emerge during the interviews, as the interviewees are not entirely bound to a specific set of questions, and thus have more freedom when conducting their answers. The fundamental aim is to gain a broad understanding of the tourism impacts and seasonality in the Faroe Islands, and the face-to-face approach in the interviews contributes to get valuable insights from the interviewees through their reactions and feelings towards the specific questions and topics, such as tone and body language and other nonverbal communications forms (Finn, 2000 and Henderson, 1991; cited in Jordan and Gibson, 2004).

Face-to-face interaction during the interviews has an advantage over other forms of interviews, as it is possible to personalize the whole process (Bryman, 2012, p. 492). Furthermore, the aim is to conduct in-depth interviews, as the root of such interviewing is an interest in understanding experiences of other people and the meaning of what they make of that experience (Seidman, 1991; cited in Jordan and Gibson, 2004, p. 211).

The reasoning behind the use of the semi-structured in-depth interview approach is, that this approach provides both freedom and flexibility to form the questions in relation to the designated field of interest. The collected data from the conducted interviews will therefore include answers from a broader perspective, which most likely will improve the quality of the data.

CONDUCTING THE INTERVIEWS

The empirical data that is featured in this thesis was gained from interviews with relevant actors within the tourism industry in the Faroe Islands. All interviewees were carefully handpicked, as these actors were regarded to accommodate and provide useful knowledge and information in accordance with the topic of this thesis.

The process in establishing the interviews was done via e-mail communication. I sent an unforced e-mail in form of a motivation letter to the representative interviewees, which included information about myself, my intentions with the interview and general information about the topic. The date and place of the actual interviews were settled via e-mail correspondence as well.

The interviews were either conducted face-to-face or via video telecommunication services, in this case Skype and FaceTime. The interviews were all conducted in the beginning of August 2018.

All interviews were recorded from the start to the ending. The “off the record” conversations after the interviews were recorded as well, where the interviewee and I just casually talked and freely reflected on the topic, without being bound to any guidelines and predetermined questions. Despite the fact that the conversations after the interviews were not an actual part of the interview, these conversations provided a lot of useful information on other aspects of the sector. The interviews were recorded with two separate recorders, in order to minimize the risk of losing valuable empirical information due to technical problems.

The interviews were all conducted in Faroese, which is my native language. Due to the fact that both the interviewer and all the interviewees are from the Faroe Islands, the use of the first language was the most logical and suitable solution for both parts. Furthermore, by using the native language, the interviews become more natural and casual, as well as the risk of miscommunication and misunderstanding are minimized. If the interviews were conducted in a non-native language, (e.g. English), there could occur a language barrier, which could exclude important information (Jobbins, 2004). Another common error that arises due to linguistic barriers is that sentences are often misinterpreted, as they can have different definitions in different languages – in this case Faroese and English (Smith, 1996; cited in Jobbins, 2004).

TRANSCRIPTION OF THE INTERVIEWS

“Transcription is the process of representing oral language with orthographic conventions” (Turell and Moyer, 2009).

The interviews that are conducted in relation to this research will all be transcribed in the attempt to extract as much information from the interviews as possible. Although the transcription process is very time consuming, I find transcription to be a very useful and convenient tool in the process of understanding, reflecting and comparing the empirical data. Furthermore, transcription makes it easier to find valuable information in the interviews, as well as it makes it possible to reference statements and answers from the respective interviewee.

The transcriptions of the interviews include the whole conversations, word by word. I found this method most reliable since it includes all the information in the interviews. However, it is not possible to detect body language and other nonverbal observation in the transcription, but this was detected and noted during the interviews.

The interviews will be transcribed in the same language as they were conducted, which is Faroese. However, all quotation and statements that are posted in the analysis will be translated to English in order for the reader to understand it.

QUANTITATIVE AND SECONDARY DATA

In addition to the primary qualitative data in the study, the data consists of other relevant secondary data that is available for the public. In the search for factual and trustworthy information about the topic, I have used reliable data channels, such as Faroese media news channels, homepages of relevant actors and other informative websites. The statistical numbers in the study are mainly gained from Hagstova Føroya (*Statistics Faroe Islands*), which is the national statistical authority of the Faroe Islands (Hagstova Føroya, 2018c).

The study will, moreover, comprise other secondary data in form of work and researches conducted by well-known and recognized authors within the field of tourism, which provides useful insights and meaningful knowledge within the complex field of tourism.

RELIABILITY AND VALIDITY

In the endeavour to examine and evaluate the quality of the study in the project, the reliability and validity will be scrutinized. According to Golafshani (2003, pp. 603-604), the quality of a research is connected to the generalizability of the results and the testing, which increases the validity or trustworthiness of a research.

In relevance to validity, Flyvbjerg (2005/2006) states that phronetic social science, like any other social science, is based on interpretations and is therefore open to testing in relation to other interpretations and research within the field. Phronetic social scientists also oppose the fact that any given interpretation lacks value because it is “only” an interpretation (Flyvbjerg (2005/2006, p. 42).

Therefore, as determined by Flyvbjerg (2005/2006), it can be agreed that this study does not lack value, due to the fact that the study emphasizes on the interpretations made by the conductor of the study. In this sense, there are therefore no right and wrong answers, but an interpretation established from the perspective of the conductor.

According to Creswell and Miller (2000, pp. 124-125), validity is affected by the perception of validity in the study and the choice of perspective. It is therefore not possible to completely avoid the use of generalization in the study – an argument that is supported by Kvale (1997, p. 205).

The intended objective of this study is not to conduct a theoretical solution of the thesis topic, but rather create a clear understanding of the research field, which can be taken into consideration and used as input to dialogue and praxis.

As mentioned, the data featured in this study will predominantly consist of primary qualitative data collected in connection with the project. The primary data will however, to some extent be supported by accessible secondary data as well as other pertinent data, which is gathered from relevant and trustworthy sources, such as academic works, articles, statistical material and so forth. According to Patton (2001; cited in Golafshani 2003, p. 603), *“triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches”*. Thus can it be stated that the reliability of the study is strengthened by the use of multiple sources.

The data from the various interviews featured in the project add validity and veracity to the study. Nevertheless, it is worth to be conscious of the fact that the findings to a certain degree may not be completely appropriate, as the project in some ways uses estimations and arguments (Andersen, 2013, p. 84).

Corbin and Straus (2004, p. 28) argue that the methodological implications of assumptions can be encapsulated as follows, *“The world is a complex place. There are no simple explanations that can be given for why events occur. Rather, events are the result of multiple factors coming together and interacting in complex and often unanticipated ways. The actions and interactions that follow are often unpredictable, subject to change, and faced on the meanings given to those events. Since persons are varied in their responses, it is important to obtain multiple perspectives on events and to build variation into analytic schemes”*. The goal of this study is therefore to collect as much information of the complexity as possible, well aware of the fact that it is beyond the bounds of possibility to capture everything. As emphasized by Corbin and Straus (2004, p. 28), individuals conduct individual answers and perspectives, and it is therefore my responsibility to analyse the research from a broader perspective by comparing the available data. Thus, by examining the landscape from a broad perspective, the reliability of the study is empowered.

Acknowledging these arguments, the reliability of the study relies on how the outcome of the project is dependable and accurate.

It is important to bear in mind that the data and information included in the study are based on the present time and the current situation in the Faroe Islands in relation to the project topic. As a consequence, the data, information and assumptions are subject to change in the future.

REFLEXIVITY

This section draws attention to the reflexivity of the study. Reflexivity is an integral part of ensuring transparency and quality of qualitative research.

Reflexivity is, as defined by Malterud (2001, p. 484), “*an attitude of attending systematically to the context of knowledge construction, especially to the effect of the researcher, at every step of the research process*”. Reflexivity embraces how the researcher’s background and position affects the selection of topic, the angle of examination, the methods evaluated to be most convenient for the study, the findings considered most adequate, and the framing and communication of conclusions (Malterud, 2011, pp. 483-484). In this sense, the position of the individual researcher shapes the conducted research.

Pillow (2003) argues that reflexivity is a commonly used tool in qualitative research and has been postulated and accepted as a method, in which qualitative researchers can use to legitimize, validate, and question research practices and representations.

In his article, Berger (2013) addresses the prospective effects on reflexivity of researcher’s social position (e.g. gender, age, race, immigration status, sexual orientation etc.), personal experiences, and political and professional beliefs, which can influence the outcome of the study. Reflexivity is a major strategy for quality control in quality research. It is therefore of paramount importance to understand how a study can be hugely influenced by the researcher’s personal characteristics and experiences (Berger, 2013).

The research relationship can also have an impact on the data collection. According to Korstjens and Moser (2018), the relationship between the researcher and the respondent can affect the respondent’s answers, as the interviewee may be influenced by the personal relationship with the researcher and thus conduct more personalized orientated answers.

Darawsheh, W. (2014), on the other hand, states that even though that literature recognizes reflexivity as a valuable and rigorous strategy, very few studies untangle

the practical employment of reflexivity as a strategy for verifying rigour and quality in qualitative research.

This thesis elaborates on the tourism industry in the Faroe Islands. As the researcher of this study, I am well aware of the fact that being Faroese and having lived the majority of my life in the Faroe Islands can impact the outcome of the study. The aim is therefore to be as objective as possible and not let my personal characteristics, experiences and preconceptions affect the analysis of the data. Being native, however, also provides a great deal of advantages regarding the study, as I have personal knowledge about the tourism industry in the Faroe Islands from past experiences as well as accessibility to valuable contacts through my network. Furthermore, the possibility to communicate and understand the Faroese language has to be listed as a great advantage in regards to the language in the interviews and the possibility to understand the domestic news and the actual progressive debate about tourism.

TRUSTWORTHINESS

Qualitative approaches are frequently criticised by positivists due to the lack of objectivity and generalizability that is associated with them. However, it is not the usefulness of the qualitative data that is being criticised, but rather the criteria by which the trustworthiness of the qualitative study can be adjudicated (Decrop, 2004). It is therefore of significant importance to address the trustworthiness issue in the attempt to make qualitative and interpretive tourism studies more rigorous (Decrop, 2004). Decrop (2004) further argues that the relevance of the issue of trustworthiness is dependent on the paradigmatic perspective of the qualitative researcher.

There are many existing theories and articles about trustworthiness in qualitative research paradigms, but according to Decrop (2004, p. 159), Lincoln and Guba's (1985) typology is most frequently used. The typology consists of four basic criteria of trustworthiness, which are credibility, transferability, dependability and conformability (Lincoln and Guba, 1985). These four basic criteria of trustworthiness parallel positivists' reliability and validity constructs (Decrop, 2004).

These criteria will briefly be examined in the forthcoming section in relation to the trustworthiness of the data collection that is featured in this research.

CREDIBILITY

Credibility is understood by how subjective the collected data is, and how much confidence can be placed in the truth of the research findings. Credibility demonstrates whether the findings in the research represent reasonable information cumulated from the interviewee's original data and if it is a correct interpretation of the interviewees' original views (Korstjens and Moser, 2018; Decrop, 2004). It is therefore very important to be subjective in the analysis of the collected data, and is a factor that is highly prioritized in the conduction of this research.

TRANSFERABILITY

Transferability - *or generalization* – is how the researcher adjusts to the usually small and non-representative sample that is featured in the qualitative research, and to what extent the results of the qualitative research can be transferred to other contexts or settings with other respondents (Korstjens and Moser, 2018; Decrop, 2004).

In this specific case, the actual sample size can be defined as very small due to the number of interviewees. Nevertheless, due to the fact that there are relatively few operating actors in the tourism sector in the Faroe Islands and many of the most dominant actors are included in the sample, it is fair to state that the data sample encompasses a considerable sized share of the population within the tourism industry in the Faroe Islands. This project will, however, refrain from using generalizations and conclusions in the analysis, as the data sample does not represent the whole population of the Faroese tourism industry.

DEPENDABILITY

Dependability refers to the stability of the findings over time. Empirical data is always represented by a certain time, context, culture and value, and the dependability is shaped of how you adapt to this fact (Korstjens and Moser, 2018; Decrop, 2004).

This research examines the field of interest at the current time and state. The data that is featured in the study is therefore represented in relation to the actual landscape and situation of the field. Since the empirical research data is proportionally fresh, the analysis is to a large degree not affected by the period of time between the collection of the data and project submission date. However, if new information is gained and changes occur, the analysis of the data will be altered in relation to this fact.

CONFIRMABILITY

Confirmability is the degree to which the findings of the research study can be acknowledged by other researchers within the field. Confirmability is further defined by whether the data and interpretations of the findings are genuine in accordance to the field of interest, and not made up by the researcher (Korstjens and Moser, 2018; Decrop, 2004). According to Lincoln and Guba (1985) confirmability is how objectivity is addressed to the research. The authors further state that it is impossible for a researcher to be totally objective (Lincoln and Guba, 1985).

This research therefore aims to be as objective as possible and seek to find a broad variation of examples and explanations about the field of interest, in the attempt to construct a high quality research.

TRIANGULATION

In order to enhance the trustworthiness of the research, the research will include triangulation. Decrop (2004) states, *“More than any other technique, triangulation offers a comprehensive means by which to apply the trustworthiness criteria. Triangulation consists in looking at the same phenomenon or research question from more than one source of evidence”*. Interpreting the research field from different sources and perspectives will enhance the trustworthiness of the findings.

LIMITATIONS

The objectives of this research are to analyse the impacts of tourism and seasonality in the Faroe Islands. The research therefore includes interviews with some of the most dominant actors within the tourism industry in the Faroe Islands. The research is, however, limited to seven interviewees, well aware of the fact that the tourism industry in the Faroe Islands encompasses numerous of other actors, as well as other sectors. However, due to the comparatively small settings in the Faroe Islands, the tourism industry is to a certain degree well represented by the interviewees.

Furthermore, the research is limited to only include actors of the tourism industry in the Faroe Islands, and thus are other perspectives from e.g. local residents not included in the research. However, both Visit Faroe Islands and Visit Tórshavn are to

some extend representing the local residents, as they are the governmental tourism bodies of respectively the Faroe Islands and Tórshavn.

The reasoning behind these limitations are that this study seeks to examine the whole tourism sector in the Faroe Islands, rather than specific areas in the Faroe Islands. The research will though include examples from specific areas in order to provide an actual understanding of the complications in relation to the impacts of tourism and seasonality.

THEORETICAL FRAMEWORK

The theoretical framework section will introduce and examine the relevant theories and theoretical perspectives that are included in the project.

The first part of the section includes theories on tourism impacts and how tourism affects a destination in various ways. Subsequently are the theories on seasonality and the complex nature of seasonality presented.

The push and pull factors are hereafter introduced, in order to understand which elements are represented in people's decision to travel and selection of travel destination. Thereafter are the theories on tourism innovation and how innovation can be useful in tourism development presented.

IMPACTS OF TOURISM

Tourism impacts and influences a nation in various ways. For the whole of the recorded history, tourism has in some way impacted everything and everyone that it has touched (Theobald, 2005). In a perfect world, these impacts would be regarded as positive, both in terms of the benefits to the destination area and their local residents (Theobald, 2005). These positive impacts should, according to Theobald (2005), include reverberations such as improvements in the local economy, social and cultural understanding and protected environmental resources, and in theory should the benefits of tourism impacts produce benefits far in excess of their costs (Theobald, 2005). Mason (2003) argues that tourism impacts can be divided into three headings, which are *economic*, *socio-cultural* and *environmental*. Although that tourism impacts tend to be multi-faceted, it is very conventional to subdivide them into the mentioned

headings (Mason, 2003). In addition, it is very relevant to address the impacts of tourism as either positive or negative (Mason, 2003).

According to Ryan (2003, pp. 148-150), the impacts of tourism, as seen from an economic perspective, can both be positive and negative. The flow of tourists generates economic benefits by the increase in employment opportunities and thereby directly contributes to the country's standard of living. However, the economic aspects can include negative impacts, in terms of increase in the price level in the community, unstable employment opportunities (if dependent on seasonal tourism) and competing with other high value destinations (Kreage, 2001, pp. 6-7).

However, tourism is not exclusively an economic phenomenon. It also involves social, cultural, political and environmental aspects. Therefore it is important to understand that the evaluation of tourism impacts goes beyond the tangible economic effects, and includes non-economic impacts such as social and cultural impacts (Pizam and Milman, 1986). Social and cultural impacts of tourism are, according to Pizam and Milman (1986), the ways the tourism is contributing to the changes in the value system, individual behaviour, family relationships, collective life styles, moral conduct, creative expressions, traditional ceremonies and community organisation.

In other words, the social and cultural impacts are the effects on the local residents and their direct and indirect associations with tourists (Pizam and Milman, 1986). Furthermore, Pizam and Milman (1986) state that it is very problematic to measure the socio-cultural impacts of tourism, and are to a large extent indirect, or even unknown. Furthermore, socio-cultural impacts of tourism are to a substantial degree only affecting the local residents of the host communities and not the tourists (Pizam and Milman, 1986). If there is a large contrast and differences between the culture of the receiving society, or host population, and the origin culture of the tourists, then it is very likely that the socio-cultural impacts will be greatest (Burns and Holden, 1995). Zhang, Inbakaran and Jackson (2006) state that successful development is when the relationship balance between the local people, the places, the organisations and the visitors provide a reasonable tourism experience for the tourists.

Any form of tourism development will, according to Cooper (2008, pp. 161-162), bring with it impacts upon the physical environment, in which it takes place.

A clean and healthy environment is essential to future tourism development. Without one, a destination will lose its capability to attract tourists (Edgell and Smith; cited in Ritchie and Goeldner, 1994).

However, Mason (2003) further states that it is very perplex to classify the impacts of a given tourism destination as the heading of either solely positive or negative, as the categorization depends upon the value position of the observer. Hall and Lew (2009, p. 229) support this fact, and argue that even though it might seem relatively evident to detect the positive (e.g. jobs for the unemployed and other economic impacts or the conservation of endangered cultural and natural environment sites, etc.) and the negative (soil erosion from overuse and rampant poverty adjacent to international luxury, etc.) impacts of tourism, it all depends on the eye of the beholder. Tourism is significant to a destination, as the tourism industry is the world's largest industry in relation to the increase in employment and destination income, and has a monumental impact on people's lives and place of residence (Hall, 2008).

The evaluation of most tourism impacts are therefore affected by the value judgments of individual persons; what is regarded as a positive impact by one individual, may be regarded as a negative impact by another individual (Hall and Lew, 2009, p. 229). The different ways of perceptions and understandings of the impacts of tourism are based on the distinctive attitude towards tourism and what tourism represents, situated on a set of different values (Hall, 2008).

The consequences and "issues" of tourism impact are as stated very much dependent on the perceptions of individuals. Therefore are factors such as knowledge, insight, interest and value very dominant in individual's perception of tourism impacts (Hall, 2008). The individual perceptions of tourism impacts are furthermore very much influenced by the individual's position in the tourism system - if the individual is working within - or in some way familiar to - the tourism industry or not. The individual's position in the tourism system therefore affects how the perceptions of tourism impacts are acknowledged (Singh et al.; cited in Hall, 2008, p. 36).

Furthermore, Mason (2003) states that people may tolerate the negative impacts of tourism in return for the positive and desired impacts. In other words, people compromise and strike a balance in relation to the negative and positive impacts.

Harrill (2004) argues that the relationship between community attachment and resident attitudes towards tourism impacts the individuals' perception of tourism. The

more attached a resident is to tourism, the more likely it is that he holds a negative perception towards the tourism development. This is usually the case in smaller rural areas, where the tourism directly interferes with the residents' life and as a consequence, can disrupt the residents' quality of life.

Archer, Cooper and Ruhanen (2005) state that international tourism is an invisible export in a destination country, as it creates a flow of foreign currency into the economy of a destination, which directly supplies the current account of balance of payments. Similar to other export industries, the inflow of revenue creates business turnover, household income, employment and government revenue (Archer, Cooper and Ruhanen, 2005, p. 82).

Hall and Lew (2009, p. 5) state that there are four interrelated concepts that make up the essentials of tourism - *tourism, tourist, tourism industry and tourism resources*. It is important to understand these concepts, as they are fundamental in the process of being able to understand tourism impacts and how to manage them (Hall and Lew, 2009, p. 5). If the researcher is not familiar with these concepts, he is unable to assess the impacts of tourism. This is supported by Krippendorf (1987), who states that in order to discover the true nature of tourism, one must understand how the various components are connected to each other, and what are the causes and effects, the conjectures and the realities. It is essential to understand the workings of the mechanism to be able to determine the means of controlling, changing and improving it. However, it is possible to detect the connections if one is bound to a narrow, sector-based view (Krippendorf, 1987).

Lastly, according to Hall (2008), tourism impacts are bilateral. Understood by the fact that the tourism influences the destination and vice versa – the destination influences the tourism. This results in an exchange process at all levels (Hall, 2008).

SEASONALITY IN TOURISM

It is no secret that seasonality is a great challenge for the tourism industry. Butler (1994), describes tourism seasonality as “*a temporal imbalance in the phenomenon of tourism, and may be expressed in terms of dimensions of such elements as number of*

visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment and admission to attractions”.

The seasonal mismatching of supply and demand and the affiliated over/under utilization of capacity are characteristic features of the tourism industry (Jeffrey and Barden, 2001). The demand of the tourists, in terms of numbers, types and timing can fluctuate widely in the course of the year. The supply of tourism facilities, on the other hand, is usually very fixed, which results in a range of problems in resource usage, utilization and management (Jeffrey and Barden, 2001).

In addition, Butler (1994) states “*seasonality in tourism has long been identified as one of the most distinctive features of tourism, and after the movement of people on a temporary basis, may be the most typical characteristic of tourism on a global basis*”.

Furthermore, Butler (1998) indicates that seasonality in tourism has traditionally been issued as a major problem in the sector which needs to be overcome, but comparatively little research has been conducted on the patterns or reasons of this phenomenon. Hinch and Jackson (2000) support this argument by stating that tourism seasonality is a crucial issue, but is often deficiently understood.

Connell, Page and Mayer (2014) argue that tourism seasonality is a prolonged and established problem within the field of tourism allocated to the uneven nature of demand and the relatively fixed nature of supply of capacity and resources, particularly in the attraction sector. The same authors articulate that managing the demand and supply at an individual business level is very complex and creates many challenges and obstacles for attraction infrastructure, which is fixed in time and space and has a limited capacity (Connell, Page and Mayer, 2014).

Furthermore, Connell, Page and Mayer (2014) state that the seasonal factors are widely divided between natural factors (*e.g. climate, location, sunlight hours and access related to weather*) and institutional factors (*e.g. calendar effects, leisure time, school holidays, social norms, available activities and trading patterns*).

The impact of the variation in seasonal demand is regarded as one of the dominant policy and operational concerns of tourism interests in both the public and private sector, as there are very few destinations where demand is not variable in accordance with clearly defined seasonal patterns (Baum and Lundtorp, 2001). As a concern, seasonality influences all aspects of the supply-side behaviour in tourism, such as marketing (packaging, distribution, pricing), the labour market (nature and quality of

employment, skills availability, sustainability of employment), business finance (cash flow, pricing, attracting investment), stakeholder management (suppliers, intermediaries), as well as all aspects of operations (Baum and Lundtorp, 2001).

According to Baum and Hagen (1999), the challenges of seasonality are especially customary in northern Europe and North America. The explanations for the seasonal tourism demands in these specific areas are related to the *climatic, demographic, lifestyle and structural or institutional factors* (Baum and Hagen, 1999).

Baum and Hagen's (1999) statement on seasonality especially being allocated to specific climatic areas is further elaborated on Baum and Lundtorp (2001), who argue that seasonality in tourism demand is one of the most consistently vexing policy issues, specifically in peripheral, cold-climatic environments. The tourism strategies from Iceland, Scotland and Norway therefore place substantial emphasis on extending the existing tourism season and developing new markets for the periods that traditionally are non-active in relation to tourism (Baum and Lundtorp, 2001).

A review of tourism development policies reveal that a key objective for most peripheral tourism destination regions in the British Isles, Scandinavia and Canada is "extending the season" or "reducing the impact of seasonality" (Baum and Hagen, 1999). However, the achievements of these objectives have very mixed results, and in areas, where these objectives have been possible, other structural factors within the economy or society (e.g. school vacation dates) have impeded the impact of response (Baum and Hagen, 1999).

In connection with that tourism has developed from a small element in global development to one of the major forces of economic and social development in the world, the desire to ensure a year-round tourism industry, rather than a small seasonal activity has become stronger (Butler, 2014). Butler (2014) furthermore states that, "*Seasonality is generally viewed as a problem that limits the economic returns that can be obtained from tourism and prevents the optimum economic benefits that might be gained if a destination were able to attract tourists year round*"

PUSH AND PULL FACTORS

People have a lot of things to consider in the process of selecting a travel destination, as there are an abundance of travel options and alternatives to choose from. Every destination has its own unique characteristics, which either can appeal to the tourists, or on the other hand stir them away from selecting this specific destination.

Dann (1977 and 1981) and Crompton (1979) state that the push/pull framework contributes as a useful approach in the attempt to understand individuals underlying motivation and needs for travelling. The framework consists of **push factors**, which call attention to the distinct forces that influence the individual's decision for travelling, and **pulls factors**, which apply to the forces that influence the individual's selection of destination (Kim, Lee and Klenosky, 2003).

Push factors are listed as an intrinsic motivation for travelling, which for example can be stated by an individual's aspiration to get away from the daily life, rest and relaxation, prestige, adventure, social interaction, etc. On the contrary, pull factors emerge due to the attractiveness of a destination and an individual's desire of the specific destination. This could be due to factors such as high temperature, beaches, recreation facilities, cultural attractions and so forth (Uysal and Jurowski, 1994). This argument is assisted by Crompton (1979), who states that push factors are traditionally regarded as essentials in initiating travel desire, while pull factors are considered more decisive in the justification of the destination of choice.

Furthermore, Gnoth (1997) indicates that push factors are elucidated as internal motives and forces that provoke travellers to seek ventures to reduce their needs. Pull factors are on the other hand defined as destination-generated forces and the traveller's knowledge about a particular destination.

It is therefore possible to state that travelling in general represent the fulfilment of an individual's basic needs, as well as travelling is seen as an alternative to the regular every day life.

TOURISM INNOVATION

Hall and Williams (2008) argue that *“Tourism is often described as an industry with high growth rates, and it is subject to radical change in how it is produced and consumed. However, there is still a relatively poor understanding of how such changes are brought about – that is, through innovation (Hall and Williams, 2008).*

Scumpeter (1934), already at this early stage, saw innovation as the core of competition and the dynamic efficiency of firms and industries (Cited in Hall and Williams, 2008). Schumpeter (1934) furthermore identified that innovation could take many forms, such as creating new products, development of new methods of production, opening new markets, capturing of new sources of supply as well as new organisational forms (Cited in Hall and Williams, 2008). This illuminates the fact that innovation processes are very important and that innovation developments are core competencies of competition.

Lofgren (1999), states that tourism has always been subject to changes in regards to shifts in tastes and preferences, technologies and politico-economic conditions (Cited in Hall and Williams, 2008). He further states that the history of tourism has been affected by landmark innovations such as the emergence of new centres of pilgrimage, the introduction of rail travel, and the popularization of credit cards (Löfgren 1999; Cited in Hall and Williams, 2008). This proves that innovation as a whole affects the tourism industry, e.g. has the popularization of credit cards made it a lot easier to purchase travels as well as to buy domestic products, as there is no need to exchange and carry physical cash. This invention was not specifically invented for tourism, but affected tourism to a significant extent (Hjalager, 2015).

However, Hall and Williams (2008) state *"One of the most frequently repeated observations about tourism concerns the rate of growth of activities, tourist flows, employment and economic impacts over recent decades. That is undeniable, but it should not be understood to imply that tourism was previously a largely unchanging form of activity that is now being revolutionized by new technologies (for example, internet bookings), new markets (especially in Asia), and new organizational forms (such as budget airlines)"*. This states tourism was innovational, even before technology emerged. Nonetheless, globalization trends have modified the stage on which innovations are played out, and the rhythm of change has intensified in recent years. As a result the world has become a smaller place, as innovation makes it easier to travel, book holidays, collect information and so forth (Hall and Williams, 2008).

Cooper (2006) and Coakes et al. (2002) argue that tourism is increasingly characterized by the changes in markets and consumer preferences, the drives for competitiveness, technology, and in the organisation of factors of production (especially in terms of new sources of workers and new forms of investment (Cited in Hall and Williams, 2008). In regards to these changes, the tourism industry is therefore constantly modifying the products and processes, as well as using innovation to implement new alternatives in the attempt to keep and expand the existing markets as well as to attract new potential markets.

Innovation is very broad and pervades all corners of the tourism industry, ranging from small changes within a company, service or product to large new innovations. It is therefore important to see innovation as systemic and integral part to the tourism system as a whole (Hall and Williams, 2008).

Hjalager (2010) outlined that innovation can be divided into five categories, which are product or service innovations, process innovations, managerial innovations, management innovations and institutional innovations. These five categories of innovation will hereby be defined very shortly.

Product or service innovations are changes, which are directly observed by the customer and are regarded as new, either as completely new, or new to a particular enterprise or destination. Products or service innovations are perceptible to tourists and can be an important factor in the purchase decision.

Process innovations are typically backstage innovations, which aim at improving the efficiency, productivity and flow in organisations, mainly based on technology.

Managerial innovations concern distributing new ways of organizing internal collaboration, directing and empowering staff as well as improving workplace satisfaction and nurturing internal knowledge and competence assets enterprises. Managerial innovations can furthermore include focus on building careers and compensating the employees by rewarding them with benefits.

A main challenge for many tourism enterprises is to develop methods to retain staff, maintain flexibility and control costs.

Management innovations occurs when e.g. tourist boards, DMO's or individual enterprises are innovative and aim to identify with a new a segment of customers or redirect existing messages and strengthen brands.

Institutional innovations refer to a new, embracing collaborative/organisational structure or legal framework, which efficiently redirects or enhances the business in certain fields of tourism.

Hjalager (2010), however, admits that there are issues in categorising innovation, as innovation often is focused. As a result, when an organisation is being innovative, other elements in the organisation automatically have to be renewed.

In relation to innovation, it is beneficial for e.g. tourist boards to include the stakeholders in the innovation process, as this can result in better understanding of which "issues" have to be dealt with (Roberts and Bradley, 1991).

Lastly, innovation is, according to Kanter (1993), "*...the process of bringing any new, problem solving idea into use. Ideas for reorganizing, cutting cost, putting in new budgetary systems, improving communication or assembling products in teams are also innovations. Innovation is the generation, acceptance and implementation of new ideas, processes, products or services. Acceptance and implementation is central to this definition; it involves the capacity to change and adapt*" (Cited from Hall & Williams, 2008).

ANALYSIS

The analysis section of this research project will strive to describe, discuss and assert the main characteristics of the collected information in the best way possible. In relevance to the field of interest, the analysis will reflect on the tourism industry in the Faroe Islands and examine the various components from an extensive point of view in the effort to embody multiple angles and perspectives within the sector.

The analysis covers numerous aspects of the tourism industry in the Faroe Islands, and is therefore divided into specific sections. This contributes to a better overview of the conducted research as well as it makes the analysis more approachable and understandable in relation to the given subjects in the analysis.

The objective of the analysis is to untangle and understand the information gained from the data collection in relation to the aim and objectives of the research formulated by the problem formulation and sub statements. The gained empirical information will be examined and demonstrated in compliance with the methodology and theoretical framework stated in the project.

The first section of the analysis strives to analyze how the impacts of the increased tourism in the Faroe Islands have affected the tourism industry in the Faroe Islands and its actors, and how the impacts of tourism have affected the economic, socio-cultural and environmental aspects of the Faroe Islands.

The second section will interpret the implications of tourism seasonality in the Faroe Islands and how this issue influences the industry and the individual actors. The section emphasizes on analyzing the seasonality from a broad perspective, where all seasons are included, i.e. high season, low season as well as the shoulder seasons.

TOURISM IMPACTS IN THE FAROE ISLANDS

This section will look into and evaluate the impacts of tourism in the Faroe Islands in the wake of the notable growth within the sector in the recent years. The section includes an evaluation of how the local actors are affected by the growth in the numbers of travellers and how the Faroe Islands are impacted in relation to the economic, socio-cultural and environmental sectors. The attempt is to assess the impacts from various angles, in order to get a broader insight of the impacts.

The argument on behalf of the decision to include the impacts of tourism in the Faroe Islands as a part of the analysis is derived from the fact that it is important to understand the impacts of tourism in order to access other issues, such as seasonality.

IMPACTS ON THE TOURISM INDUSTRY IN THE FAROE ISLANDS

Seen from an industrial perspective, the extensive growth within the tourism industry in the Faroe Islands can be described as positive. Mason (2003) elaborates on the fact that it can be somewhat difficult to address impacts as solely positive or negative, because the definition of impacts is complex and classified by the value position of the observer. However, based on the fact that the profit source of the tourism industry is tourists, it is fair to declare that the increased activity in the tourism sector in the Faroe Islands benefits the industry and the related actors. However, it is not possible to exclude the negative impacts of tourism, as it all depends on the values of the observer (Hall and Lew, 2009, p. 229; Hall, 2008; Mason, 2003).

Although, some people may have a negative attitude towards the impacts of tourism, people often balance the negative impacts with the positive impacts and thus tolerate the impacts caused by tourism (Mason, 2003).

The tourism industry in the Faroe Islands is relatively small, as elaborated on in the “*Research field*” section earlier in the project. Due to the small size of the industry, the most notable actors in the industry are very dominant and operate in various sectors of the industry. The increased number of travellers in the Faroe Islands has therefore affected the different actors in various positive ways, whereas the biggest actors have become even more dominant.

The growth of tourists in the Faroe Islands has had a huge impact on the tourism actors in the Faroe Islands in all dimension of the industry, i.e. transportation (air transport and marine transport), travel agencies, hospitality (accommodation, restaurants, cafés and bars), tour operators, car rental companies as well as the national DMO and regional DMO's.

Due to the current limited capacity in the accommodation sector, it is not possible to meet the demand in specific periods during the high season, which somewhat controls the growth during these times. Therefore, due to the limited accommodation capacity in the high season, the relatively new option for tourist accommodation in form of the shared economy (i.e. Airbnb) is a useful addition to the Faroese tourism industry, compared to other destinations (e.g. Copenhagen), where the shared economy is in direct competition with the local hotels and guesthouses (Nielsen, 2018). The Airbnb accommodation is helping to supply the exceeded demand during the high season, which makes it possible to accommodate more tourists during this period. However, the activity within the Airbnb sector is growing swiftly (i.e. more and more residents are renting out houses and apartments to tourists) and therefore is Airbnb slowly becoming a direct threat to the hotels (Levi Hanssen, appendix 1). This is especially the case outside the high season, where the supply exceeds the demand, resulting in that Airbnb is in direct competition with the hotels (Pætur Thomsen, appendix 5; Jóhanna Rasmussen, appendix 6). To put it all in perspective, there are currently almost as many Airbnb units as there are hotel rooms in the Faroe Islands (Pætur Thomsen, appendix 5).

The number of overnight stays for the second quarter in 2018 has had a deficit in relation to the year before (*see table 1 on page 11*), and this is the first time since 2013 that this has happened (Rana, 2018). As mentioned earlier, the public numbers of overnight stays in the Faroe Islands do not include Airbnb accommodation, as there for valid reasons is not possible to get these numbers, since Airbnb do not publish their statistics. Therefore do these number not provide the full picture, as there has been a growth in the numbers of tourists, but it is however a bit frightening that the Airbnb sector is becoming more and more dominant (Levi Hanssen, appendix 1). The numbers of check-ins has also had a significant deficit in the second quarter of 2018 compared to the same period in 2017 (*see table 2 on page 11*). This is also a

consequence of Airbnb, as the Airbnb houses and apartments often accommodate larger groups of people at the same time (Levi Hanssen, appendix 1).

Pætur Thomsen (appendix 5) and Jóhanna Rasmussen (appendix 6), state that it is fine that Airbnb has entered the market, but it is however a bit unfair that Airbnb are allowed to work under different terms. Therefore do they hope that there will come a legislation on Airbnb rental within the next year, similar to the one in Denmark (Nielsen, 2018).

Furthermore, there is a limited amount of rental cars in the Faroe Islands as well, where the demand for rental cars also exceeds the supply by large margins. If the tourists want to ensure a rental car during their stay in the Faroe Islands, they have to book well in advance (Mirjamdóttir, 2018).

The reason why the rental car companies are not expanding the quantities of car in relation to the increased demand, is because the rental cars have to be traded at some point, and the local demand for cars in the Faroe Islands is somewhat limited in terms of that there are only 51.043 residents in the Faroe Islands. As a result, the car companies have to reject the enquiries of many potential customers. Therefore are the rental car companies in the Faroe Islands in quite a dilemma if it is profitable to expand the assortment of cars, as they have no guarantee of selling the cars at a later stage (Mirjamsdóttir, 2018).

A very attractive segment to get to the Faroe Islands is the MICE (i.e. Meetings, Incentives, Conferances and Exhibitions) segment, and is a segment that Visit Faroe Islands deliberately distributes many of their marketing campaigns towards (Levi Hansen, appendix 1). However, it has proven to be very hard to attract this segment, due to the limited capacity. MICE participants usually want single rooms, which roughly reduces the capacity into half. This is of course only relevant for the bigger MICE requests (e.g. 200+), but the trend shows that Faroe Islands are sorted out due to the lack of capacity (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4). Furthermore, the MICE participants usually want to accommodate in the capital, which excludes the accommodation outside of Tórshavn. Both Hotel Føroyar and Hotel Hafnia have excellent MICE facilities, so it is a shame that it is not possible to meet the demand of the larger MICE requests (Pætur Thomsen, appendix 5; Jóhanna

Rasmussen, appendix 6). In relation to the smaller MICE groups (i.e. up to 200 participants), they also have to book well in advance to ensure accommodation during the high season. Therefore is Visit Faroe Islands especially trying to attract the MICE segment outside of the high season, both to ensure the capacity for accommodation, as well as to improve the activity outside the high season (Levi Hansen, appendix 1).

A new and emerging segment that has entered the Faroe Islands are the culinary tourists. The success of the extended addition in numbers of passenger has produced the basis for a more intensified restaurant business, especially in the capital of Tórshavn (Pætur Thomsen, appendix 5; Jóhanna Rasmussen, appendix 6). The main reason behind the new emerging segment is mainly due to the Michelin star, which Restaurant Koks earned in 2017 (Ecott, 2017). According to Jóhanna Rasmussen (appendix 6), *“The Michelin star has really put the Faroe Islands on the culinary map. It is not only a valuable asset for us as an organisation, but also a valuable asset for the whole tourism industry in the Faroe Islands as well as the Faroe Islands as a nation.* Due to the high demand of KOKS and low capacity (24 people per day), many of the culinary tourists are scheduling their vacation accordingly to their booking at KOKS (Jóhanna Rasmussen, appendix 6). Jóhanna Rasmussen (appendix 6) further states, *“This is a complete contrast of what we are used to. People usually book their vacation first and then the culinary experience – not the other way around”*. Crompton (1979) stated that push factors are essentials in initiating travel desire, while the pull factors are more decisive in the justification of the destination of choice. In this case, it can be argued that KOKS is representing both factors, as their culinary services triggers and pushes the tourist’ intrinsic desire to travel, as well as KOKS pulls them towards their restaurant as the destination of choice.

Another emerging and valuable segment, which has increased over the past years are the luxury travellers (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4). This segment is relatively new and small, but it is however increasing and very valuable. These travellers usually book a private and fully packed package, where everything is included, and some of them even arrive in their own private airplane. This segment is very valuable, especially to the travel agencies, as they leave an immense amount of money behind (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4).

The biggest factor in relation to the increase in the tourism in the Faroe Islands is probably the new competition on the airline market. The fierce competition has forced substantial lower prices, which makes it more affordable to travel to the Faroe Islands. However, the segment that has increased the most is the Faroese travellers (Árni Olsen, appendix 2). The main reasons for this development, according to Árni Olsen (appendix 2), is that the lower prices on airline tickets makes it affordable for e.g. Faroese students, who are studying abroad, to travel to the Faroe Islands outside the big holidays (i.e. summer and Christmas).

According to the numbers from 2017, Atlantic Airways transported roughly 2000 fewer passengers to and from the Faroe Islands compared to 2016. On the other hand, the total numbers of passengers in Vága Floghavn increased with 17% (Portal.fo, 2018; Djurhuus, 2018). These numbers state that SAS have gained a little part of the total share, however, Atlantic Airways is still remarkably dominant on the airline sector in the Faroe Islands, in spite of the shortage of 2000 passengers. According to Árni Olsen, appendix 2), the numbers furthermore show that about 65-70% per cent of the travellers that travel with Atlantic Airlines are Faroese, while the remaining 30-35% are allocated by tourists. The situation is the opposite at SAS, where the tourists cover roughly 70%, while Faroese passengers cover the remaining 30%.

The enhanced airline network in connection with the market entrance of SAS, as well as Atlantic Airways' expansion to new destinations, has introduced some new demographic segments, where especially the Asian market seems to increase (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4). SAS is an international acknowledged airline, which encompasses a large clientele. SAS offers the passengers the opportunity to fly from one destination to the Faroe Islands via Copenhagen, without checking in at the stopover. This is very convenient for the travellers, as the baggage is checked in all the way. Furthermore, by only using one operator for the whole travel, usually makes it substantially cheaper to combine flights as well as the passengers are protected in case of problems, such as delays due to weather conditions or technical issues (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4). However, Denmark is still the biggest tourist segment in the Faroe Islands, and encompasses 42% of the total foreign accommodations in the Faroe Islands in 2017 (Visit Faroe Islands, 2018a; Jóhanna Rasmussen, appendix 6). Besides Denmark, the

vast majority of the remaining tourists are from close markets, such as Norway, Germany, Great Britain, Sweden and Iceland (Visit Faroe Islands, 2018a).

IMPACTS ON THE FAROE ISLANDS

Mason (2003) argues, that even though tourism impacts tend to be multi-faceted, it is suitable to categorize the tourism impacts into three distinctive types of impacts. These are *economic impacts*, *socio-cultural impacts* and *environmental impacts*.

The following three sections will systematically investigate the economic, socio-cultural and environmental impacts that tourism has on the Faroe Islands.

ECONOMIC IMPACTS

The tourism industry generates substantial economic benefits to a destination, as international tourism is an invisible export that creates a flow of foreign currency into the local economy and thus directly contributes to the current account of the balance of payments. This inflow of revenue generates business turnover, household income, and employment and government revenue, just to mention a few (Archer, Cooper and Ruhanen, 2005). The economic impacts that have progressed in accordance with the significant boost in the tourism industry in the Faroe Islands are very recognizable. The increased activity has created the need to extend the workforce in many organisations, both within and outside the tourism sector. In correlation with the extension of the workforces, more jobs are created for the unemployed, which under all circumstances should have a positive effect on unemployment rate. And this is exactly the case in the Faroe Islands, where the unemployment rate has gone from 2,3% in June 2017 to 1,8% in June 2018 (Hagstova Føroya, 2018d). As a positive consequence of these facts, more money is being allocated in the local economy (Levi Hanssen, appendix 1). This can for instance be emphasized by the fact that two brand new hotels are under construction, and are expected to be ready to accommodate the first guests in May 2020 (Árni Olsen, appendix 2; Henny á Líknargøtu, appendix 3; Pætur Thomsen, appendix 5). Thus can it be stated that the expansion of the tourism industry has simultaneously increased and supplemented the activity in other non-related industries in the Faroe Islands. As a result of the excessive demand in the tourism industry, the economic aspects of the tourism impacts are beneficial to other industries, such as the food industry in relation to the intensified restaurant business,

and in this case, the construction industry. Tourism therefore generates employments directly through hotels, restaurants and so forth and indirectly through the supply of goods and services from tourism-related businesses.

On the other hand, it is not as straightforward to identify the negative economic impacts that are assigned to the growth in the tourism sector, as they are not as visible. However, it is of paramount importance to pinpoint the negative impacts in order to progress in the attempt to develop a sustainable tourism.

One negative characteristic is, that a lot of the profit that is generated from tourism is to some extent kept by the travel organisations, rather than going to the local economy. This can especially influence the smaller actors in the field, as it has negative impacts on the chances to compete against the larger organisations (Levi Hanssen, appendix 1).

The cruise ship segment can also be listed as a negative impact, as it generates relatively few resources to the local economy. The cruise ship travellers usually have everything included on board the ships (accommodation, food, excursions etc.). Furthermore, the cruise ships tend to arrive at unpleasant hours of the day and stay relatively short, which to a large degree affects the possibilities to profit from this segment (Fríðun Jacobsen and Rúna Erlandsdóttir, appendix 4; Súsanna Sondum, appendix 7).

The increased number of tourists can also impact the national infrastructure, as the tourism development requires maintenance of the infrastructure. This can have an economic impact on the local government and taxpayers, as it is costly to maintain the infrastructure. This can lead to that other areas are down prioritized, as the government reduces the investments in other important sectors, e.g. education and health. The debate about the infrastructure in relation to the domestic transport of tourists is very active in the Faroe Islands at the moment. The issue has culminated in the fact that it is too cheap for tourists to travel in the Faroe Islands, and it is therefore to some extent the local Faroese taxpayers, who pay for the domestic transportation of the tourists (Bertholdsen, 2017a; Bertholdsen, 2017b). The Faroe Islands has a notable deficit in the public intercommunication, mainly due to the transportation between the rural islands, where the Faroese government supports the intercommunication, which makes it possible and affordable for the rural residents to travel to the mainland (Bertholdsen, 2017a; Bertholdsen, 2017b). Especially, the

helicopter operation between the rural islands and the mainland is up for debate. The helicopters have a very limited capacity and the tickets are comparatively inexpensive. During the off-season, the helicopters are the only source of transportation between some of the rural islands and the mainland. Tourists book the helicopter tickets months ahead and occupy a lot of the capacity on the helicopters, and as a result, the local residents are not able to use the helicopters due to the occupied capacity (Berholdsen, 2018). According to Henrik Old, the Minister of Transport, Infrastructure and Labor, the solution to this problem is either to implement a composition, where the tourists are charged the double or trifold of the actual ticket price (Berholdsen, 2017a; Johannesen, 2017; Mikkelsen and Djurhuus, 2017) or to implement a tourist infrastructure fee of substantial amount, when the tourists arrive in the Faroe Islands and thus keep the actual prices (Mikkelsen and Djurhuus, 2017).

Levi Hanssen (appendix 1) acknowledges that it is a significant problem that has to be dealt with and is prioritized by Visit Faroe Islands. However, this has to be done with great caution, so it does not impact the tourism in the rural areas as well as in the rest of the Faroe Islands (Levi Hanssen, appendix 1). Seen from the other perspective, the changes in the infrastructure can have positive impacts as well, in relation to the improvements in the infrastructure network, but these positive impacts are difficult to detect in terms of the negative impacts being more visible. Mason (2003) and Hall and Lew (2009) expatiate on the fact that the perspectives of tourism impacts are evaluated by the individuals' position in relation to tourism. This is further examined in the next section, "Socio-cultural impacts".

The seasonal character of employments can also be regarded as a negative economic impact for the employees, due to the fact that seasonality provides job and income insecurity, as there is no guarantee of employment from one season to the next.

The increase in the tourism development in the Faroe Islands has a big influence on the local economy that any changes in the demand can result in vital economical consequences. A drastic change in the demand is likely to lead to an economic crisis, as the nation becomes over dependent on the revenue generated by tourism. Changes in the demand can be caused by unpredicted actions (*Black Swan*), e.g. terror attacks,

as seen in London, Paris, Berlin, Brussels and even Scandinavia during the recent years (Hindustrian Times, 2017).

Lastly, a very essential and actual impact of the tourism development in the Faroe Islands is the increase in the costs. The increased demand for basic services has caused price hikes, which has a negative impact on the residents in the Faroe Islands, as the household income does not increase proportionately with the higher costs. This can especially be seen in the real estate market demand, where the tourism development has had a significant impact on the increased demand, and therefore on the costs and land values. As a result, it makes it more difficult for the local residents to meet their basic daily needs, specifically within the estate sector, where the prices has gone through the roof. Furthermore, as more and more people are renting out via Airbnb, there is a shortage of accommodation rental in the capital of Tórshavn, resulting in that many people and families are not able to get rental apartments and therefore have to accommodate elsewhere, e.g. at family members, friends or rent outside of Tórshavn (Kringvarp Føroyar, 2018a; Kringvarp Føroya, 2018b).

SOCIO-CULTURAL IMPACTS

The term socio-cultural tourism impact is understood by the changes in residents' everyday experiences in relation to their values, way of life and life quality (Pizam and Milman, 1986). In relation to the increase in the tourism demand, the socio-cultural impacts of tourism are very visible in the Faroe Islands, especially in the smaller rural societies, as the tourism directly interferes with the local residents' every day life. Mason (2003) and Hall and Lew (2009) elaborate on the fact that the perspectives of tourism impacts are evaluated by the individuals' position in relation to tourism. It is therefore very likely that residents in the rural areas are more affected by the tourism development than e.g. residents in the mainland. Moreover, it is very likely that residents in rural areas hold a more negative attitude towards tourism, as the impacts of tourism is more comprehensive and the interactions with the tourists are more frequent (Harrill, 2004). Burns and Holden (1995) argued on the fact that if there is a large contrast between the culture of the receiving society and the origin culture of the tourists, it is very likely that the socio-cultural impacts will be greatest. Many of the main attractions in the Faroe Islands, such as Saksun, Tjørnuvík, Gjógv,

Kirkjubøur and Mykines as well as the old part of Tórshavn, are all small societies with very few inhabitants. The hundreds of tourists, that are visiting these attractions on a daily basis during the high season, are therefore to a very large extent interfering with the local society, leading to very obvious socio-cultural impacts on the host societies.

The interaction between the small societies and the overcrowding of tourists is an issue in the Faroe Islands, as the smaller societies do not know how to handle these drastic changes. People are especially very irritated by their lack of freedom, as the tourists directly are interrupting their quality of life. Visit Faroe Islands as well as the government acknowledges that this is a problem, and admits that something has to be done (Levi Hanssen, appendix 1; Súsanna Sondum, appendix 7). According to Levi Hanssen (appendix 1), *“The tourism in the Faroe Islands needs to be better coordinated and be better to include the rural societies. However, this is very complicated, as the smaller societies usually count older and narrow-sighted people, who generally have a negative attitude towards tourism, especially since it has grown remarkably bigger”*. Levi Hanssen (appendix 1) further states, *“The tourism industry is expected to grow even bigger within the next years due the increasing capacity. The rural societies have to accept and adapt to these changes, as tourism has become an important factor of the national economy in the Faroe Islands.*

The residents in *“Úti á Reyni”*, which is the old part of Tórshavn encompassing old houses and narrow streets and is one of the main attraction in Tórshavn, are very frustrated with the tourists, as the behaviour of some tourists offends the local residents, because they directly intervene in their private life, e.g. by looking through the windows in their private homes and so forth (Kringvarp Føroya, 2017). Some locals in Mykines are even comparing the tourism situation in the Faroe Islands to other prominent destinations such as and Barcelona, even though there is a large contrast in the margin of tourists (Sørensen, 2016; Diaz, 2017).

Súsanna Sondum (appendix 7) states that the residents in *“Úti á Reyni”* are handling the changes in a civilized way and are slowly accepting and adapting to the consequences of the increased tourism, although it is very frustrating. Visit Tórshavn is working towards an arrangement to coordinate the tourism in the area, in the attempt to preserve and protect the locals and ensure their privacy. This can for instance be done by implementing signs with information on how the tourist shall behave and respect the privacy of the locals (Súsanna Sondum, appendix 7). Súsanna

Sondum (appendix 7) furthermore hopes that the residents in the rural societies will follow the example of the residents in the old part of Tórshavn, as it is of greatest importance for the Faroese tourism industry to get the locals to accept the changes in the tourism development - or at least just tolerate it in a civilized manner.

Probably the best example of clashes between locals and tourism is found in the remote little village of Saksun, where many tourists are visiting every day. Saksun is a 50 km drive from Tórshavn, and there are only 8 inhabitants per 1st of January 2018 (Hagstova Føroya, 2018f). The many tourists are interrupting the locals and especially the local farmer, as the overcrowding of tourists directly interferes in his daily job, as they are taking pictures of him and disturbing the animals. The farmer has expressed his discontent on many occasions, and earlier this year he painted “This is not Disneyland – Tourists Go Home!” on a truck carriage in the village (Egholm, 2018).

As a consequence of the socio-cultural impacts created by the overcrowding of tourists, persistently more residents are evaluating if the increased tourism really is beneficial to the Faroe Islands. However, as discussed in numerous occasions, the individual’s perception of tourism is dependent on the individual’s position in relation to tourism and to what extent he is impacted by tourism (Pizam and Milman, 1986).

As elaborated on in the previous section, negative socio-cultural impacts can also be defined by the traffic congestion caused by the tourists, which can inconvenience the local people, both in relation to public transport as well as overcrowding in the smaller societies.

The demographics of the tourists in the Faroe Islands is gradually expanding, where especially Asians tourists are a new demographic segment in the Faroe Islands. One of the main reasons for the demographical expansion is the enhanced airline route network in correlation with SAS entering the Faroese market, as elaborated on earlier (Rúna Erlandsdóttir and Friðun Jacobsen, appendix 4). The Asian culture is very different from the Faroese culture, which defiantly can lead to socio-cultural clashes between the tourists and the locals, particularly in the rural areas (Levi Hanssen, appendix 1).

On the other hand, tourism can also have positive socio-cultural impacts. Tourism can for instance strengthen the local communities, as the locals collaborate in providing tourism products and so forth. Furthermore, tourism can lead to an increased interest in local traditions and cultures, as well as the facilities implemented in relation to tourism can be beneficial to the residents, e.g. public toilets.

According to Zhang, Inbakaran and Jackson (2006), a successful tourism development is when the relationship balance between the people, the places, the organisations and the tourists is in harmony. Although that this is not the actual case in the Faroe Islands, it is slowly getting better, as the locals gradually are adjusting to the new set of circumstances (Súsanna Sondum, appendix 7).

Hall (2008) elaborated on the fact that tourism impacts are bilateral, as tourism influences the destination and vice versa. Therefore, it is important that the residents at the destination are able to act in a civilized manner, so that the tourists get a positive tourism experience, as well as the tourists must behave themselves and not disrupt the residents' privacy and quality of life (Harrill, 2004).

ENVIROMENTAL IMPACTS

The natural environment is of paramount importance to the tourism in the Faroe Islands, as it is the main element that triggers and pulls the tourists towards the Faroe Islands (Kim, Lee and Klenosky, 2003; Uysal and Jurowski, 1994). A clean and healthy environment is essential to future tourism development, because if not, the destination will lose its capability to attract tourists (Edgell and Smith; cited in Ritchie and Goeldner, 1994). This is very relatable to the tourism in the Faroe Islands, which is very dependent on the environment and its natural attractions, as it is the main resource for tourism. However, any form of tourism development impacts the physical environment, in which it takes place (Cooper, 2008, pp. 161-162). Therefore, it is very consequential to preserve and protect the environment in the Faroe Islands from the damage in which the overcrowding of tourists can cause.

The relationship between tourism and the environment is however somewhat complex, as tourism benefits from being in a good quality environment, while the

environment should benefit from the measures aimed at protecting and maintaining its value. However, this is not always the case.

In relation to Mykines, which, as mentioned earlier, is one of the main attractions in the Faroe Islands, the environment is endangered due to the many tourists that visit the island on a daily basis during the high season. Mykines encompasses a beautiful landscape as well as a rich birdlife, where especially the “Atlantic puffin” and the “Northern gannet” are attracting many tourists. The many tourists are therefore interrupting the birdlife in the island, as they are being present in their habitat, and are furthermore trampling the natural hiking paths. The overcrowding and traffic congestion is happening, as the large volume of tourists exceeds the capacity of the environment (Cooper, 2008). In the attempt to preserve the environment in Mykines, the local government has implemented a nominal fee for every tourist, who goes beyond the village area. The collected money is earmarked for maintenance of the birdlife and nature on the island (Visit Faroe Islands, 2018c). This has proven to be successful, and other rural societies in the Faroe Islands are considering of implementing similar nominal entrance fees.

The environment is impacted by tourism in other ways as well, and tourism can roughly stated lead to the destruction of natural habitats. Air and water pollution in relation to airplanes and cruise ship is a well-known issue in global tourism. Solid waste and littering from tourists is also a problem, due to some tourists’ lack of respect for the local environment. This is especially the case in cities with a well-established nightlife with many intoxicated people. However, the local residents in the Faroe Islands are generally very respectful for the environment, and for instance are many local hikers always carrying a bag to collect litter while hiking.

A very useful service in Tórshavn, which many tourists use and benefit from, are the local busses. The busses in Tórshavn are all free of charge, in the attempt to get more locals to use public transport and hence reduce air pollution from cars (Tórshavnar Kommuna, 2018). However, the taxi companies in Tórshavn are very dissatisfied with the bus being free of charge, as many tourists are using the busses instead of taxi as their form of transportation. Some residents in Tórshavn are furthermore claiming that it is unfair that the tourist can use the buses for free, as it is the local taxpayers, who actually pay for the service (VP.fo, 2018). Thus can it be stated that this rather

innocent and convenient environmental service, is in fact causing negative socio-cultural impacts.

On the contrary, tourism can also have positive impacts on the environment, as it reinforces environmental conservation and preservation, as well as reservation of ancient monuments, sites and historic buildings. Furthermore, it can impact to maintain the existence of e.g. birdlife, and the visitor expenditures can be reinvested in research and better conservation programs, as in the case of Mykines, as elaborated on earlier.

Moreover, tourism creates awareness of the environment, which leads to a better understanding of environmental issues among the local residents.

However, there is always an economical aspect related to it. In the evaluation of the net worth of preservation and conservation activities, the opportunity costs, which are associated with such activities, must be taken into consideration. Thus has there to be a fine balance between the conservation and the tourist development, because in the end, the environment is and will always be the core product of the tourism industry.

SUB CONCLUSION

The significant growth within the tourism activity in the Faroe Islands has impacted all aspects of the industry as well as the local residents and environment.

The tourism industry has had a remarkable increase in all sectors, which allows the actors to develop in different aspects of their products and services. The enhanced route network has allowed new segments to emerge, which furthermore increases the activity within the field. However, the increased demand creates some distinct challenges, as the demand exceeds the actual supply. The demand has increased the activity of Airbnb, which most likely will become and direct competitor to the hotels in the forthcoming years.

The increased demand has had a very positive economic affect on the Faroe Islands, as continuously more and more people are able to benefit from the impacts of the increased tourism (e.g. the demand for employment has increased simultaneously with the increased tourism demand), and the tourism industry is slowly becoming an

important aspect for the national economy. However, the large volume of tourists is also causing some substantial issues within certain fields of the Faroe Islands. The increased tourism has affected the prices, whereas especially the cost within the real estate market has increased. Furthermore, many local residents, especially in the smaller and remote villages and islands, are largely affected by the sizeable increase of tourists, as the tourists are interfering with the local's private lives on a daily basis. As a result, many of these people hold a very negative attitude towards the tourism development in the Faroe Islands.

The environment in the Faroe Islands is also being tested by the large quantity of tourists, as the environmental capacity in some areas is not capable of accommodating the substantial amount of tourists. It is therefore of paramount importance to respect and pay attention to the environment in association with the tourism development.

TOURISM SEASONALITY IN THE FAROE ISLANDS

Seasonality is a major concern within the field of tourism, and is described as a temporal imbalance in terms of number of visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment and admission to attraction (Butler 1994). Seasonality influences all aspects of the supply side (Baum and Lundtorp, 2001), and is very common in northern Europe and North America due to the climatic, demographic, lifestyle and structural or institutional factors (Baum and Hagen, 1999). Tourism is seasonal due to a lot of factors. Connell, Page and Mayer (2014) argue that seasonal factors are broadly distinguished between natural factors, such as climate and location, and institutional factors, such as calendar effects, leisure time, school holidays and available activities and trading patterns.

In relation to the Faroe Islands, which are geographically located in the middle of the North Atlantic (see figure 1, p. 10), the seasonal patterns of tourism are very visible. Baum and Hagen (1999), as well as Baum and Lundtorp (2001) elaborated on the fact that seasonality is to a certain degree very apparent in peripheral, cold-climatic environments, such as the British Isles, Iceland, Norway, and Canada. Since the Faroe Islands are placed between, the British Isles, Iceland and Norway, the seasonal patterns in the Faroe Islands are to a large degree identical to the seasonal patterns of these nations. However, it is quite difficult to directly compare the tourism industry in

the Faroe Islands with these destinations, as the numbers in the Faroe Islands are of much smaller proportion.

The seasonality in the tourism sector in the Faroe Islands is a crucial distress, as it is very burdensome for the tourism industry as well as the national economy (Levi Hanssen, appendix 1), and it has been the greatest issue within the field of tourism in the Faroe Islands since the very start (Árni Olsen, appendix 2).

However, the statistics show a clear indication of an extension of tourism seasonality in the Faroe Islands, where especially the shoulder seasons slowly are increasing in terms of numbers of tourists (Árni Olsen, appendix 2). This contributes to a more levelled diagram in connection to the number of tourists over the yearly span. July is still the most dominant month, closely followed by June and August, but the increase in the shoulder seasons clearly demonstrate, that there are possibilities to extend the tourism seasonality in the Faroe Islands – or at least reduce the impact of seasonality (Árni Olsen, appendix 2; Henny á Líknargøtu, appendix 3). The dimension of shoulder seasons is a comparatively new aspect of in the Faroe Islands, according to Árni Olsen (appendix 2), who states, *“The drastic increase in tourists in the Faroe Islands has resulted in a magnification in the shoulder seasons, and the shoulder seasons are now regarded as an important factor in the tourism seasonality in the Faroe Islands. The seasonality in tourism was beforehand regularly divided into high season and off-season, due to the relatively inadequate activity in the shoulder seasons”*.

Baum and Hagen (1999) state that exactly these two facts, i.e. “extending the season” and “reducing the impact of seasonality”, are key objectives for peripheral tourism destinations, but statistics have shown that the outcome of these objectives have been very mixed. In areas, where it seemed possible to implement these objectives, other structural social and/or economical factors have hindered the process.

There are various reasons due to the increase in the shoulder seasons (Árni Olsen, appendix 2; Henny á Líknargøtu, appendix 3; Pætur Thomsen, appendix 5; Jóhanna Rasmussen, appendix 6). The limited capacity of accommodation in the Faroe Islands definitely plays a role in the increase in the shoulder season (Pætur Thomsen, appendix 5). Due to the fact that the majority of the summer is sold out months ahead and therefore no available capacity in the high season, some travellers adapt to this

matter and either advance or postpone their travel to the Faroe Islands to the shoulder season (Pætur Thomsen; appendix 5; Jóhanna Rasmussen, appendix 6). However, in terms of that many tourists are not able to change their period of travelling, due to their fixed vacation days, some decide to postpone their vacation to the Faroe Islands a year or two, which already has resulted in some bookings in 2019 and even 2020 (Jóhanna Rasmussen, appendix 6).

The biggest factor due to the increase in tourists outside the high season is probably the price differentiation. Tourists have the opportunity to travel to the Faroe Islands in the off-season for a distinctive lower price than the high season, and the price always plays an essential role in the decision-making process (Árni Olsen, appendix 2; Pætur Thomsen, appendix 5; Jóhanna Rasmussen, appendix 6). The price difference in the high season and the off-season is comparatively high, as the relationship between the supply and the demand is the complete opposite in relation to the seasons. Whereas the demand exceeds the supply in relation to the capacity of accommodation in the high season, the supply exceeds the demand in the shoulder seasons and especially the low season (Jóhanna Rasmussen, appendix 6). Connell, Page and Mayer (2014) theory on seasonality in tourism being an established problem allocated to the uneven nature of demand and the relatively fixed nature of supply of capacity and resources, is very accurate in relation to the current situation in the Faroe Islands. Connell, Page and Mayers (2014) furthermore theorized on that managing the demand and supply at an individual business level is very complex and creates many challenges and obstacles for the tourism infrastructure, which usually is fixed in time and space and has a limited capacity (Connell, Page and Mayer, 2014).

In the attempt to increase the demand outside the high season, the actors within the tourism industry (i.e. international transport companies (both air and sea), travel agencies and hotels) are working closely together and offer various offers with a substantial lower price in contrast to the high season (Árni Olsen, appendix 2; Jóhanna Rasmussen, appendix 6). The close collaboration within the industry is a necessity in the attempt to increase the demand outside the high season, as all tourism is beneficial to all the actors in the tourism industry in the Faroe Islands (Henny á Líknargøtu, appendix 3). Although it is in everyone's best interests to allocate the money within their own company, all tourists are beneficial to the industry in relation

to e.g. accommodation, tour operators, restaurants, bars, taxi transport etc. (Henny á Líknargøtu, appendix 3). As mentioned earlier, the tourism industry in the Faroe Islands has some very dominant actors, which operate in various sectors of the industry. Especially “*Gist & Vist*”, which besides operating two hotels (i.e. Hotel Føroyar and Hotel Tórshavn), also is operating many of the most prominent restaurants in the Faroe Islands, including Michelin-starred “KOKS”. *Gist & Vist* has furthermore legally monopolized all food and beverage sales at various events in the Faroe Islands in form of festivals and so forth (Jóhanna Rasmussen, appendix 6).

The hotels are therefore very much interested in providing relatively inexpensive accommodation in the off-season, as they have the potential to collect the money elsewhere (Pætur Thomsen, appendix 5; Jóhanna Rasmussen, appendix 6).

The same strategy is reflected in Smyril Line offers outside the high season. The lower prices attract the travellers to fill out the capacity on the ship, while the rest of the money have the possibility of being compensated through the sales of food and beverages and other activities on board the ship during the two e.g. 36-hour trips between the Faroe Islands and Denmark (Henny á Líknargøtu, appendix 3). The prices for on-board services and goods are fixed and do not decrease proportionately with the lower ticket fares. This strategy works, mainly due to the fact that people, who have paid a significant lower fare for the ticket, tend to allow themselves to use more money on board the ship (Henny á Líknargøtu, appendix 3).

Another quite notable factor in relation to the shoulder seasons, as well as the low season, is the length of the vacation days. The tourists’ vacation period is in general a little shorter in the shoulder seasons and low season compared to the high season (Árni Olsen, appendix 2). One of the reasons for this might be that many people travel more than once a year, and use these period for their second vacation (i.e. not the main preferred holiday) (Levi Hanssen, appendix 1; Súsanna Sondum, appendix 7). Another relevant factor in regards to the shorter vacation length in the off-season are the restricted possibilities of activities. Many tour-operators are only operating during the high season, as well as the options to visit rural islands is very limited due to the finite accessibility in terms of ferry and helicopter connections. For instance, the ferry to Mykines, which is one of the main attractions in the Faroe Islands, is only operating during the summer period, from 01st of May to 31st of August (Strandfaraskip Landsins, 2018). Due to the limited activities in the low season and

big part of the shoulder seasons, people may reconsider the Faroe Islands as their preferred destination of choice during these periods. Gnoth (1997) argued that pull factors are destination-generated forces, which draw tourists towards a destination. If the Faroe Islands want to extend the tourism season, it is important that the offers outside the high season are able to draw tourists to the Faroe Islands. However, due to the very unstable weather conditions in the Faroe Islands, safety regulations and other related restrictions prohibit the operation of particular activities in specific periods (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4; Súsanna Sondum, appendix 7).

The culinary segment is not attached to any specific season, as the main interest of this segment is the culinary experience. These experiences are available during the whole year. The new Nordic cousin concept uses Faroese and Nordic raw material as well as Faroese fish and sheep and to some extent whales, and these ingredients are arguably better during the off-season (KOKS, 2018; Visit Faroe Islands 2018h).

As elaborated on earlier, the majority of the culinary tourists book their trip to the Faroe Islands according to their table reservations. Since there is a limited capacity of maximum 24 people a day at KOKS, some of the travellers are forced to book outside the high season to get a reservation, which increases the activity in this period. However, there are other culinary options in the Faroe Islands besides KOKS. “*Gist & Vist*” also offer other prominent and popular restaurants such as *Ræst*, *Barbara Fish House* and *Áarstova* (Visit Faroe Islands 2018d). According to Jóhanna Rasmussen, it is KOKS who mainly draw the culinary tourists to the Faroe Islands, but these tourists usually dine at some of the other restaurants as well, as they seek to explore the Faroese cuisine from multiple angles (appendix 6). Furthermore, this segment usually counts wealthier people, who only stay a few days, or even just for a weekend, and they are therefore almost able to travel at any time during the year (Jóhanna Rasmussen, appendix 6).

The new and emerging trend of luxury travellers, also tend to travel outside of the high season, as most of them do not want to be disrupted by other tourists (Rúna Erlandsdóttir and Fríðun Jacobsen, appendix 4). Since this segment is comparatively small, it does not affect the numbers outside of the high season, but this segment is, however, a very valuable asset in relation to the economical aspects, as these travellers spare no expense.

The MICE segment is defiantly a valuable segment for the tourism seasonality in the Faroe Islands, as many conferences usually take place outside of the high season, predominantly in the shoulder seasons (Pætur Thomsen, appendix 5). GreenGate Incoming is one of the MICE operators in the Faroe Islands, and according to Rúna Erlandsdóttir and Fríðun Jacobsen, there is an increase in the inquiries of MICE products (appendix 4). This is predominantly due to the increased awareness about of the Faroe Islands in connection with the marketing work by Visit Faroe Islands (Rúna Erlandstdóttir og Fríðun Jacobsen, appendix 4). GreenGate Incoming is arranging five various conferences in 2018, where four of them are in May (GreenGate Incoming, 2018). Conferences usually count numerous participants, which have everything included (i.e. international and domestic transport, accommodation, excursion as well as restaurants), which is beneficial to all aspects of the industry outside of the high season (Rúna Erlandsdóttir og Fríðun Jacobsen, appendix 4). Therefore is the MICE segment a very profitable segment to focus on, and it is a segment with a lot of growth potential. Especially in the forthcoming years, as the addition of the two new hotels will make it possible to accommodate significant larger groups within the MICE segment (Rúna Erlandsdóttir og Fríðun Jacobsen, appendix 4).

The tourism seasonality in the Faroe Islands affects some distinctive areas more than others. Especially the hotels and guesthouses in the rural areas outside of Tórshavn are challenged by the seasonality due to the diminishing demand. Many of the hotels and guesthouses in these areas are therefore not operating outside the high season, as it simple is not profitable (Levi Hanssen, appendix 1; Súsanna Sondum, appendix 7). Furthermore, the emerging trend of Airbnb has impacted the demand in these areas as well (Levi Hanssen, appendix 1).

SUB CONCLUSION

Seasonality is widely regarded as one of the main characteristics and issues within the field of tourism, and rightly so, as it has a huge impact on the actors related to the field, as well as it influences other non-related industries.

Tourism in the Faroe Islands is, as in most other destinations, very season-based, as the activity during the summer period is remarkably higher than in the other seasons of the year. However, there are some clear indications that the tourism season is

slowly expanding. One of the most commanding factors due to the increase outside of the high season is the price difference. The prices fluctuate in relation to the seasons, and therefore it is possible to get significantly lower airline and maritime ticket fares and accommodation rates outside of the high season. The limited accommodation capacity during the high season has furthermore increased the activity outside the high season, as the tourists are altering their vacation accordingly to the capacity.

The new segments of culinary tourist as well as luxury tourists are to a large extent able to travel at all times, and therefore are these segments typically not bound to any season, and are therefore often travelling outside of the high season.

The expanding interest from the MICE segment is a valuable asset of the tourism industry outside of the high season, as this segment provides a lot of tourists at the same time. If the Faroe Islands are successful in attracting larger MICE groups, it will have a significant impact on the tourist numbers in the off-season, as well as a sizable positive impact on the economy.

As a result of these facts, and probably many more, the activity in the field of tourism in the Faroe Islands is slowly expanding outside the summer period, resulting in a more even levelled graph over the spell of the year. However, the impacts of seasonality are most visible outside of Tórshavn, where many actors are not operating, as it simply is not profitable.

DISCUSSION

As elaborated on earlier, terms such as “*extending the season*” or “*reducing the impacts of seasonality*” are common objectives for peripheral tourism destinations, in the attempt to increase the activity outside the high season (Baum and Hagen, 1999). Butler (2014) stated that in connection with the global growth in tourism, many destinations aim to ensure a year-round tourism industry, rather than a small seasonal activity. In relation to the Faroe Islands, this is precisely what the tourism industry in the nation is hoping for and aiming at. However, this is easier said than done, as there are multiple factors that are instrumental to seasonality, such as the natural factors in

the Faroe Islands as well as the tourists' institutional factors (Connell, Page and Mayer, 2014).

First and foremost are the institutional factors a big complication in relation to seasonality, as most people have their vacations days from their jobs in the summer period as well as the school holidays are in this period, and therefore are people to a large extent only capable of travelling during this specific period of the year (Árni Olsen, appendix 2).

The domestic institutional factors are also affecting the seasonality, since activities such as excursions and transports to some rural islands only are operating during the high season. However, the excursions and the accessibility to some of the rural islands is not possible during the off-season due to natural factors (e.g. safety restrictions due to bad weather conditions), as emphasized on earlier. On the other hand, it is possible to conduct the vast majority of the excursions, but these are not operating during the off-season due to the, roughly stated, non-existing demand (Súsanna Sondum, appendix 7).

The natural factor in terms of the climate in the Faroe Islands is also considered to be a dominant factor during the off-season. Nonetheless, the difference in the average temperature in e.g. June 2017 (9,8°) and December 2017 (4,2°) was only 5,6 degrees (appendix 11). Rúna Erlandsdóttir and Fríðun Jacobsen (appendix 4) state, *“The climate in the Faroe Islands does not change as much as people think, and we need to be better to inform the potential off-season travellers about this fact”*.

There are however some travellers, who deliberately choose to travel during the off-season in order to experience the Faroe Islands during the windier times (Jóhanna Rasmussen, appendix 6).

If the Faroe Islands want to improve the numbers of tourists outside of the high season, it is important that all actors of the industry are working together, so it is possible to offer the tourists a good tourism experience in the off-season as well (Levi Hansen, appendix 1). It is therefore important to convince the local suppliers to operate outside of the high season, as there is a growing demand for activities in this period (Levi Hanssen, appendix 1).

The available activities during the off-season in the Faroe Islands are somewhat limited at the current state, but despite this fact, the numbers are increasing (*see table 1 on page 11*), where especially the 4th quarter is becoming more and more popular. According to Súsanna Sondum (appendix 7), the main reason for this is that Tórshavn has become a popular metropolis during the Christmas time. Visit Tórshavn has in close collaboration with the local government and the local residents in the city centre enhanced the Christmas decorations in the city, and it has attracted a lot of tourists (Visit Faroe Islands, 2018f; Frederiksen, 2018). Kanter (1993) stated, “*Innovation is the generation, acceptance and implementation of new ideas, processes, products or services* (Cited from Hall & Williams, 2008). This is a very simple, yet efficient form of innovation, which according to the numbers, has been very successful. This segment of Christmas shoppers is furthermore profitable to the hospitality sector in Tórshavn and especially the local shops.

These kinds of innovations are a necessity if the Faroe Islands wants to attract more tourists during the off-season, and key objectives in the process of extending the tourism season and reducing the impacts of seasonality.

Another example of innovation that has attracted a lot of tourists, both domestic and international, is found in the small rural village of Mikladalur in Kalsoy, where a statue of “the Seal Woman” was dedicated in August 2014. The legend of “the Seal Woman” is one of the best-known folktales in the Faroe Islands, and the statue is 2,6 metres high and is made of bronze and stainless steel and is located on the waterfront in Mikladalur (Visit Faroe Islands, 2018g).

Since the statue was unveiled, the number of travellers to Kalsoy has increased drastically, from 38,355 (5834 cars) in 2014 to 57,306 (7964 cars) in 2017 (Løve, 2018). Hjalager (2010) stated that product innovations are changes, which are directly observed by the customer and are regarded as new, either as completely new, or new to a particular enterprise or destination. “The Seal Woman” is a comparatively simple product innovation, which really has put Kalsoy on the tourist map in the Faroe Islands. This kind of product innovation can be compared to the famous “Little Mermaid” in Copenhagen, which also is based on a tale, and is arguably the biggest icon of Copenhagen and even Denmark together with Tivoli and Christiania (Engelschmidt, 2013).

However, the growth in the travellers to Kalsoy has generated some issues in the local infrastructure, similar to the helicopter situation as elaborated on previously. The ferry that operates to/from Kalsoy has a limited capacity, which can lead to that the locals are not able to get a ticket with the ferry at certain times, as the capacity is occupied by tourists (Løve, 2018). The locals are therefore highly frustrated on the increased tourism, which therefore has a negative socio-cultural impact on the local society.

It is therefore important that innovation in tourism contemplates on the tourism impacts it can create, and it is important to look beyond the economical aspects and examine the socio-cultural and environmental impacts as well. The impacts are to some extent linked together, as you can have one without affecting the other. Even the smallest changes can have a huge impact, especially in a small nation like the Faroe Islands. Kanter (1993) stated that acceptance and implementation is central to innovation, as it involves the capacity to change and adapt (Cited in Hall and Williams, 2008).

The innovation that undoubtedly affected the tourism industry in the Faroe Islands the most is the reestablishment of the tourist board in 2012. The Faroese government discerned the increased trend and demand within the field of tourism in the Faroe Islands and therefore reorganized the tourist board. The tourist board changed the name to “Visit Faroe Islands”, and set out a specific set of vision, mission, and objectives (Visit Faroe Islands, 2018b; Visit Faroe Islands, 2014). In accordance with the new and re-established tourist board, Visit Faroe Islands changed and strengthened the brand of the Faroe Islands, which has boosted the awareness of the Faroe Islands on a global basis. The brand, “The Faroe Islands – Unspoiled, Unexplored, Unbelievable” (Visit Faroe Islands, 2018i) and the marketing campaigns of Visit Faroe Islands have been very successful, which can be seen by the increased tourism demand in the Faroe Islands. Hjalager (2010) states that management innovations occur when e.g. tourist boards, DMO’s or individual enterprises are innovative and aim to identify with a new segment of customers or redirect existing messages and strengthen brands. Thus is this a prime example of the importance of management innovation, and the impact that alterations can have when trying to reach potential customers.

Visit Faroe Islands have furthermore been very innovative in other ways, where especially innovations as Sheep View² and Faroe Islands Translate³ have become very popular and have created global awareness of the Faroe Islands. The Faroe Islands were not included on Google Street View and Google Translate, and therefore was it necessary to provide these options in other innovative ways.

Furthermore, Visit Faroe Islands have many followers on social media in form Instagram⁴ (188.000 per 10th Sep. 2018) and Facebook⁵ (198.000 per 10th of Sep. 2018), which are popular and effective distribution channels in reaching potential travellers.

However, as the demand for travelling to the Faroe Islands increases on a yearly basis, the nation must be able to follow this trend and be better to coordinate the tourism. The negative socio-cultural and environmental impacts in which are evident in relation to the increased demand in the field, has to taken care of, before they grow even bigger. If the Faroe Islands truly wishes to stay “Unspoiled, Unexplored, Unbelievable”, it is of paramount importance to look into these aspects of the field.

In relation to the seasonality in the field of tourism in the Faroe Islands, it can be stated that the impacts of seasonality are slowly being reduced in correlation to the increased demand. There was an increase of 8% in overnight stays the first quarter in 2018 compared with the same period in 2017. This indicates that the tourism activity in the off-season in the Faroe Islands is progressing, which is beneficial in reaching the objectives of extending the season, and it is predicted that the rate will increase even further the next few years. However, due to a lot of factors, as examined throughout the project, seasonality will always be a crucial complication within tourism. It is therefore very important to allocate the resources within the most efficient segments, and not waste the resources on other non-profitable segments. Lastly, as Butler (2014) states that “*Acknowledging that some elements of seasonality may simply not be feasible to overcome or even to mitigate significantly in some*

² <https://visitfaroeislands.com/sheepview360/>

³ <https://www.faroeislandstranslate.com/#!/>

⁴ <https://www.instagram.com/visitfaroeislands/>

⁵ <https://www.facebook.com/VisitFaroeIslands/>

destinations is an unpleasant fact of life but a more intelligent step than wasting resources in fighting the inevitable”.

CONCLUSION

This thesis set out to gain a better understanding of the complexity of tourism impacts and seasonality in the Faroe Islands in the wake of the increased volume of tourists.

The notable increase of incoming tourists in the Faroe Islands has been very beneficial to the actors within the tourism industry, which have expanded their operations accordingly to the increased demand. The occupancy rate in the hotels and guesthouses has increased in all seasons, as well as the activity in the other sectors of the industry, such as tour-operators and car rental, has simultaneously increased. This is very positive, seen from an economical perspective. The increased tourism has furthermore benefited other related as well as non-related industries, as it distributes to increases in employments and so forth. As a result of the increased tourism and associated economical profits, the tourism industry is gradually becoming a more valuable asset for the national economy.

The ratio between the number of tourists and the actual hotel and guesthouse beds is not proportional, as the increased accommodation demand from the tourists exceeds the actual supply of accommodation in the Faroe Islands. This has allowed the popular shared economy accommodation option in form of Airbnb to emerge, which can have a sizable effect on the accommodation sector of the tourism industry in the future, as it directly competes with the local hotels and guesthouses. At the current state, Airbnb is very profitable for the tourism industry, as it supplies the exceeded accommodation demand, which enables more tourists to travel to the Faroe Islands. However, as the supply of accommodation will increase within the next years in form of two large new hotels, it is very likely that Airbnb will move towards a more competitor-orientated role.

The increased number of tourists in the Faroe Islands has had an influential impact on the Faroe Islands in other ways as well. Many residents in the smaller rural areas are to some extent very infuriated with the increased tourism, as the tourists are affecting

their way of life. This has caused some socio-cultural collisions between the locals and the tourists. Especially the local residents in the smaller islands, which are very dependant on public transportation in terms of ferry and helicopter, are dissatisfied with the tourists occupying the transportation capacity and causing traffic congestions. The locals are therefore not always able to get to and from the mainland, and have to plan ahead in order to do so.

The overcrowding of tourists has in some places directly interfered with the local's profession, where the dissatisfaction has been uttered in public. This has created a public debate on whether the growth in tourism truly is beneficial to the Faroe Islands.

Some environmental issues have become apparent in the wake of the enlargement of tourists in the Faroe Islands. Overcrowding of tourists, if not coordinated correctly, can lead to a negative environmental impact, as specific areas in the Faroe Islands are not competent to supply the increased activity caused by the many tourists. It is therefore important to protect the environment, as it is the most prominent resource and attraction in the Faroe Islands. This issue is becoming more and more evident in the Faroe Islands, and as a result, progressively more actions are being implemented in order to protect and preserve the environment.

There is a distinctive difference in the seasonal activity within the field of tourism in the Faroe Islands, as the activity in the high season is remarkably higher than in the off-season. The seasonality in the Faroe Islands is dependent on many different factors, such as institutional factors (vacation days and school holidays), natural factors (weather), price levels and available capacity.

However, as the numbers of total tourists in the Faroe Islands are continuously increasing and new segments are emerging, the differences between the seasons are gradually diminishing.

The current supply of accommodation in the Faroe Islands is relatively small, which leads to a limited capacity. However, since the demand in the off-season is constantly increasing, the impacts of seasonality are simultaneously reduced, as the supply of accommodation is fixed. The occupancy rates at the hotels in the Faroe Islands are therefore slowly getting more stabilized over the course of the year.

If the Faroe Islands truly want to reach the objectives of extending the season and simultaneously reduce the impacts of seasonality, it is essential that the domestic offers outside of the high season are able to attract tourists. It is therefore a necessity that all sectors of industry are being innovative and working towards a common goal in order to provide products and services that are attractive for the potential tourists. The increased demand outside the high season has made it possible to increase the activity in this period, and the Faroe Islands should be able to benefit from it.

PERSPECTIVATION

This study elaborated on the tourism industry in the Faroe Islands, and how the impacts of tourism and seasonality is affecting the Faroe Islands, both as a nation and tourism destination. The research that is conducted in connection with this project is outlined from the current set of conditions in the field of tourism in the Faroe Islands. It is therefore very relevant to follow how the different complications that were examined throughout the project will evolve within the next years and how these complications will impact the tourism development in the Faroe Islands in the future. It is furthermore relevant to follow which actions will be conducted in relation to the complex issues that were examined in the research, and how these actions will be implemented.

The study only included the most dominant actors of the incoming tourism in the Faroe Islands. A further research could include tourism actors in the more peripheral areas of the Faroe Islands, as well as local residents in the rural areas, which are impacted by the increased quantity of tourists on a daily basis.

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