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SUSTAINABLE TOURISM SERVICES AS AN EXCEPTIONAL PRODUCT FOR THE MICE DESTINATION. CASE STUDY REYKJAVIK¹

Summary

Sustainability in tourism is an important issue regarding tourism destination planning, but there is a wide range of social, economic, legal and technological factors, which greatly affects tourism destination policy. Reykjavik is consequently realize the aims defined in the “Tourism Strategy for the City of Reykjavík 2011–2020”, in which MICE was regarded as one of the most important opportunities for Reykjavik. Furthermore it is regularly stressed, that in order to succeed the MICE sector must be developed on a sustainable basis. Nowadays, the city profits from its popularity, but the authority are aware that there are not only advantages, but also disadvantages of the growing amount of visitors. Therefore the innovative thinking, planning, partnership between stakeholders and good communication with tourist is essential, to coordinate sustainable development and management of natural resources.

Key words: sustainable tourism services, MICE destination, green city, Reykjavik, Iceland.

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Introduction

The UN WTO defined sustainable tourism as a “*Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities*” (<http://www.sdt.unwto.org>). Long term perspective in protecting natural and cultural resources, minimizing the negative socioeconomic impacts of tourism and maximize the economic benefits for the host community in any development or activity within the tourism sector, stressed J. Swarbrooke (1999).

¹ Research Study at the Joseph Piłsudski Academy of Physical Education in Warsaw, Ds-268 (2017-2020): Conditions for the sustainable development of business tourism. Standards of “green & healthy meetings” in theory and in the practice of organizing meetings and events.

Sustainability in tourism is an important issue regarding tourism destination planning, but there is a wide range of social, economic, legal and technological factors, which greatly affects tourism destination policy (Goeldner and Ritche 2009; Page 2009; Jones 2014).

The sustainable tourism services should follow the rules, which: optimize use of environmental resources, respect the sociocultural authenticity of host communities and provide economic benefits to all stakeholders, what was embodied in the Brundland Report. As it is not easy to drive a sustainable tourism business or responsible city development, there are various tools helping to protect and sustain the natural and cultural resources. One of them are Destination Criteria (GSTC-D) or Hotel & Tour Operator Criteria (GSTC-H&TO), established by the Global Sustainable Tourism Council (GSTC). These are the guiding principles and minimum requirements essential to meet the sustainable standards in the tourism services and responsible city development (<http://www.gstccouncil.org/>).

Taking tourism destination management into account, there are two primary parameters, both essential and mutually supportive: competitiveness and sustainability. The competitiveness of the destination refers to its ability to compete effectively and profitably in the tourism marketplace. Sustainability means the ability to maintain the amount and quality of resources, which guarantee the competitiveness on the marketplace (Goeldner and Ritche 2009, Jones 2014). The concept of the destination marketing assumes the creation of the city competitive advantage *inter alia* through promotion of the image, culture, history, investment and tourism potential (Ostrowska-Tryzno 2015).

The character and structure of a territorial tourist product are spatially determined, and so they depend on the geographical environment, the characteristics of the city and its values (Kaczmarek, Stasiak, Włodarczyk 2005; Zmysłony, Leszczyński 2014), but also the dominant segments of tourists (Smith 1994) and the maturity of the tourist market (Middleton et al. 2009).

One of the key features inherent in tourism management is taking into consideration the tourist's search for something new – a new experience, a new place, a new activity (Page 2009). Likewise, in the MICE tourism, it is particularly essential to create the specialist approach to the business tourists, to prepare wide range of facilities and infrastructure and be ready for improving tourists' product, as an answer to new visitor's needs (Celuch 2015). The MICE tourism must be regarded from both demand and supply sides. A demand perspective requires determining who travels for events and why, to create the positive place marketing. On the supply side, destinations develop wide range of services, facilitate and promote itself and events to attract tourist, which serve as a catalyst for urban renewal and increasing infrastructure (Getz 2007).

Iceland – an exceptional tourism destination

Iceland, the second largest island in Europe, is called “the Land of Fire and Ice”. It is famous of gorgeous nature and unforgettable landscape: there are the largest glaciers in Europe, active volcanoes, deep fjords, geothermal pools, geysers, black lava fields. It has population of 332,529 and an area of 103,000 km². Iceland is in 80% uninhabited and is still changing. The landmass of the island is still growing (approximately 5 cm per year). Iceland has the world's newest island, Surtsey, formed in a volcanic eruption in 1963.

It is one of the highest ranked countries in the world in terms of health care, education and internet availability. Iceland wins the numerous ranking for quality of life, democracy or gender equality. It is also the country with the highest life expectancies in the world. The reason of such long life is a clean environment and a healthy lifestyle with diet, with is rich in raw materials, produced in an unpolluted environment. The quality of water is also high, due to the fresh water rivers from the mountains and glaciers. There are no pollution from power stations or factories. Most of the electricity needs are covered with the renewable energy sources. Geothermal energy, one of the cheapest and cleanest form of energy, is used to heat more than ninety percent of Iceland's buildings. There are also many natural hot springs an geothermal lagoons with high levels of silicates and other minerals.

Recently Iceland is regarded as a one of the most attractive and trendy destination for leisure and business travels. It is curiously located: near the arctic circle, in the middle between North America and Europe. It takes approximately five hours to fly from New York to Reykjavík, and three hours from London. There are two modes of transport to reach Iceland: by air and by waterway. Choosing air transport, there are four airports, which have international traffic for disposal: Keflavík, Reykjavík, Akureyri, Egilsstaðir. The biggest airport is in Keflavik and there were 6,25 million passengers to fly through Keflavik Airport in 2016. By waterway, there are the Smyril line ferry in Seyðisfjörður and cruise (<http://www.rafhladan.is>).

The growing demand for travels to the island is strictly connected not only with great advantages of this destination, but also with the trends in tourism industry sector. Iceland is seen as a new, undiscovered, wild destination, with a long unknown history and great nature, which offers unusual and unique attractions, adventures and entertainments. Nowadays tourists are looking for such places, which offer them unforgettable experiences, and give them chances to check own possibilities and cross own limits.

Iceland is treated as a secure country, both as a destination and in terms of safe, predictable services. Crime rate is very low and medical care is on high level. The 2017 Global Peace Index, published by the Institute for Economics and Peace, was recently released and Iceland was on the top of the list fort the

tenth year in a row. Iceland scored low on homicides, terror acts and number of people in jail. The Global Peace Index also takes into account number of police or security personnel, presence of nuclear weapons and political instability when creating its annual list (www.icelandnaturally.com).

Tourism become more and more profitable sector of the Icelandic economy. According to Icelandic Tourist Board Report, tourism's share of foreign exchange earnings grew from 23.7% in 2012 to 39.2% in 2016 on the export of goods and services. Pursuant to the Icelandic Tourism Administration Act, travel agencies and tour-operators are licensed by Icelandic Tourist Board. In January 2014 there were 200 travel agencies and 649 tour operators. Additionally, there were 156 booking service and/or information center (Icelandic Tourist Board).

In 2016, the total number of foreign overnight visitors to Iceland was around 1.8 million. It was a 40.1% increase from 2015, when foreign visitors numbered around 1.3 million. They were choosing mainly summer and winter seasons

Sustainability in tourism in Iceland

Iceland is well known as environmental friendly place, strictly tied with the nature, with sustainable development vision and various environmental protection programs. Due to increasing demand and interest of tourism, in 2005 was launched *The Tourism Administration Act*: “to promote the development of tourism as an economic sector and an important facet of Icelandic economic and societal activity. The guiding principles shall be economic efficiency, Icelandic culture, environmental protection, professionalism, and the safeguarding of consumer interests” (The Tourism Administration Act 2005). Environmental issues are the important factor regarded the development of tourism in Iceland. The most important reasons for such approach is the sensitivity of Iceland's environment and a large majority of tourists who points unique nature as the determining factor for the visit. The Icelandic Government is aware of the need for destination management and planning in the future sustainable development of tourism. The Icelandic Tourism Board puts great emphasis on the environmental issues in a various activities. These include the funding for the conservation, improvement and development of environmental issues at tourism sites; consultation, participation in planning and landscape development, as well as individual environmental projects. The Icelandic Tourist Board works in close co-operation with municipalities, government agencies, individuals, organizations and companies (<https://www.ferdamalastofa.is>).

In 2015 the Icelandic Tourist Board (ITB), along with the Tourism Task Force, launched the development of Destination Management Plans (DMPs).

Hospitality and tourism businesses are services, which require high levels of service quality to ensure long-term success through repeat business; therefore, continual service quality monitoring is crucial. The vision of Icelandic tourism is founded on such values as: *Environment, Quality, Professionalism, Cooperation, Integrity and Purity* (<http://www.ferdamalastofa.is>).

The steady growth of tourism industry has been the driving force behind infrastructure and destinations development. Since 1995, the Icelandic tourism industry has spent about 700 million ISK on grants and projects in over 300 locations around the island. In 2011 appeared the idea of creation of the Tourist Site Protection Fund. Such solution has led to substantial funding increases for facilities improvements in popular tourist attractions and national parks. The Tourist Site Protection Fund is being established in order to promote the development, maintenance and protection of tourist attractions anywhere in Iceland which are under public ownership or public supervision. The majority of funds has been aimed at protecting Icelandic nature and improving tourist safety. In addition, the Fund is intended to increase the number of alternative attractions for tourists in order to reduce the pressure on most popular tourist destinations (<http://www.ferdamalastofa.is>).

In order to strengthen the efforts in the field of sustainability and high quality of tourism services, there was introduced the Iceland tourism's official quality assurance organization, called Vakinn. The aim of Vakinn is to strengthen quality, safety and environmental awareness within Icelandic tourism by means of guidance and support and promote social responsibility of tourist service providers in the process. For its members, Vakinn is providing diverse materials, guidelines, data and check-lists that are useful in improving operating procedures. As a various survey results show, independent quality assurance is important for international tourists, who prefer companies with credible quality certification. Only tourism businesses that maintain the highest standards in all aspects of business practices and meet Vakinn's comprehensive assessment criteria have earned the right to carry Vakinn – Iceland tourism's official quality label (<http://www.ferdamalastofa.is>).

Vakinn is based on Qualmark- New Zealand Tourism Official Mark of Quality. This tool was adapted to Icelandic conditions, based on involving various stakeholders in tourism as well as specialists from diverse fields of expertise. For hotels, the Vakinn star criteria are similar to the European Hotelstars system, led by the Hotrec Association. Star rating criteria for other categories of accommodation are based on the Qualmark system. Vakinn is run by the Icelandic Tourist Board which leads the project in close cooperation with the Icelandic Travel Industry Association, Innovation Center Iceland and the Icelandic Tourism Association (<http://www.vakinn.is/en/about-vakinn>).

The Vakinn environmental grading is free of charge to companies participating in the Vakinn quality system. Based on their performance in

environmental and social matters, the participating companies are qualified for a bronze, silver or gold. Check list of the sustainable tourism services covers eight segments:

- Strategy formation and work procedures,
- Procurements and resources,
- Energy,
- Waste,
- Nature conservation,
- The community,
- Suppliers and market,
- Customer information.

To achieve a bronze label, the company should carry out 6 significant actions, for example to save energy, encourage environmentally friendly procurements, etc. From 2019, all companies participating in Vakinn quality system must qualify for a bronze environmental label at a minimum (<http://www.vakinn.is/en/quality-system/environmental-system>).

There are also other tools which help to meet the sustainable services requirements. One of the most popular around the world are ISO standards. ISO provide solutions and achieve benefits for many different sectors of activity, inter alia tourism services. ISO 20121 was created to help organizing and managing sustainable events, by monitoring and measuring the use of resources and social, economic and environmental impact of the event. This tool offers benefits to all: event organizers, event owners, workforce, supply chain, participants, communities (Sustainable events with ISO 20121).

Case study – Reykjavik

As it was already mentioned before, Iceland has been recently very popular as a tourist destination. Increasing number of visitors in Iceland means growing number of tourists in Reykjavik. According to available results, more than 95% of foreign visitors to Iceland, visit also its capital.

Due to numerous advantages, Reykjavik is exceptional destination, both for leisure and business tourism. The city was awarded various prizes, for example it was named the Best MICE Destination in Europe 2017 by Business Destinations Magazine. Harpa Concert Hall and Conference Center won the award as the Best Meeting and Conference Centre in Europe 2016 and 2015 the Icelandic DutyFree store Fríhöfnin was pointed as the Best Airport Tax-free Shopping Service Providers (www.visitreykjavik.is).

Another very prestigious award was the third place for Reykjavik on the Global Destination Sustainability Index (GDS) in 2017. The Global Destination Sustainability Index measures, *inter alia*, the sustainability of infrastructure

related to conferencing and meetings, the city's environmental strategy and service policies, environmental certification, scope of recycling, knowledge sharing and social impact. Reykjavik was in the third place on the list with Copenhagen; on the top was Gothenburg. Since 2013, Reykjavik move up the list and now fulfilled 82% of the set targets for a sustainable conference city, as the global average is 59%. The score for each Benchmarking category for Reykjavik was as follows:

- Environmental performance: 85% (global average is 71%).
- Social performance: 86% (global average is 93%)
- Supplier performance: 68% (global average is 62%).
- CVB performance: 81% (global average is 42%)

The sustainable actions taken by the authorities of Reykjavik were appreciated by the experts and the city was awarded the Nordic Nature and Environment Prize 2014. It is also highly classified as the world's second most highly performing country in environmental issues, according to the 2016 Environmental Performance Index (EPI).

The experts are sure, that the Reykjavik's image of green city will strengthen its position on the MICE market. The city should emphasis on eco-friendly solution like: eco-friendly transport between Reykjavik and Keflavik, clear and user-friendly public transport services, better facilities for pedestrians and cyclists. Conference and event organizing agencies were encouraged to work in compliance with quality and environmental policies and to hold eco-friendly events. The collaboration was fostered in tourism product development in the city with the aim of increasing the supply of leisure activities that are particularly tailored to conference and incentive trip guests (Tourism Strategy for the City of Reykjavik 2011–2020).

The main conference venue in Reykjavik – Harpa Concert Hall and Conference Centre is regarded as a one of the most eco-friendly conference centre in the world. Restaurants and catering services use mainly local produce and follow strict recycling standards. The water used in Harpa is of the highest quality and comes from water reserves located on the outskirts of Reykjavik. The building is highly energy efficient, the glass facade allows to reduce the amount of lighting costs. All waste in Harpa is sorted and recycled. All detergents used in Harpa have the Swan label, a well-known ecolabelling used in the Nordic countries (<http://www.meetinreykjavik.is/green-meetings-reykjavik>).

Activity of Meet in Reykjavik

Just like other cities, Reykjavik is also supported by destination marketing unit. Meet in Reykjavik is the official convention bureau and its main goal is to promote city and surroundings as an international MICE destination. The

team support clients by providing professional information to meeting planners and connecting them with the Icelandic service providers. Meet in Reykjavik is very active in the promoting sustainable tourist services. On the website, there is a contact to dedicated sustainability manager. There are also available information about main DMC's and PCO's with certificates in sustainable policy and management strategy.² Also other tourist services, which meet the sustainable rules and values, are promoted. It refers to certificated hotels and conference centers, restaurants and transport services³ (<https://meetinreykjavik.is/green-meetings-reykjavik/>). The recommended hotels are certified with ISO 14001, Green Key, Vakinn or Nordic EcoLabel.

Conclusions

All prestigious awards are fully justified, because Reykjavik has a high-tech infrastructure, security, short and frequent access by air from European and North American cities. In the past Reykjavik received good opinions in terms of the sustainability commitment of the city government and performance of the infrastructure (climate change commitment, recycling availability and renewable energy supply). However, there was a need to strengthen the indicators relate to the sustainability commitment and performance of the local meetings industry. It has been binded with the cooperation of hotels, venues and convention bureau, destination marketing organizations. As an effect of this joint activities, nowadays there is a positive change in the number of certified hotels or existence of a sustainability policy and communication of responsible initiatives to support client planners (*Long-term strategy for the Icelandic tourism industry* 2013).

Reykjavik is consequently realize the aims defined in the “Tourism Strategy for the City of Reykjavik 2011–2020”, in which MICE was regarded as one of the most important opportunities for Reykjavik. The strategy was prepared to face the goal: “by 2020 Reykjavik shall be one of the most popular venue cities for conferences and events in Northern Europe”. Furthermore it is regularly stressed, that in order to succeed the MICE sector must be developed on a sustainable basis (*Tourism Strategy for the City of Reykjavik 2011–2020*).

² Sustainability Certified DMC's and PCO's with more than seven employees: Iceland Travel, Reykjavik Incentives, Grayline Incentives, Arctic Adventures, Icelandic Mountain, Mountaineers of Iceland, Nordic Visitor, DMC Incentive Travel, (<https://meetinreykjavik.is/green-meetings-reykjavik/>).

³ Certified Hotels/conference hotels: Icelandair Reykjavik Marina – ISO 14001; Icelandair Reykjavik Natura – ISO 14001; Hilton Reykjavik Nordica – ISO 14001; Best Western – Vakinn (Icelandic quality and environmental system); Fosshotel Reykjavikur – Vakinn and in the process of obtaining the Green Key; Grand Hotel – Nordic EcoLabel, Vakinn and free from electromagnetic; Hotel Reykjavik Centrum – Vakinn (Icelandic quality and environmental system); Radisson Blu 1919 – Green Key; Radisson Saga – Green key. (<https://meetinreykjavik.is/green-meetings-reykjavik/>).

Nowadays, the city profits from its popularity, but the authority are aware that there are not only advantages, but also disadvantages of the growing amount of visitors. Therefore the innovative thinking, planning, partnership between stakeholders and good communication with tourist is essential, to coordinate sustainable development and management of natural resources (Page 2009).

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Usługi zrównoważonej turystyki jako wyjątkowy produkt dla celów turystyki biznesowej. Studium przypadku Reykjaviku

Streszczenie

Zrównoważenie w turystyce to ważne zagadnienie w kontekście planowania celów turystyki, istnieje jednak wiele społecznych, ekonomicznych, prawnych i technologicznych czynników, które mają wielki wpływ na cele polityki turystycznej. Reykjavik konsekwentnie realizuje cele określone w *Strategii turystycznej dla miasta Reykjavik 2011-2020*, w której turystyka biznesowa postrzegana jest jako jedna z najważniejszych okazji do rozwoju miasta. Co więcej, regularnie podkreśla się, że sukces w tej kwestii jest ściśle związany ze zrównoważonym rozwojem sektora turystyki biznesowej. Obecnie miasto czerpie zyski ze swojej popularności, jednak władze są świadome, że może ucierpieć przez rosnącą liczbę turystów. Dlatego też innowacyjny sposób

myślenia, planowania, porozumienie udziałowców i dobra komunikacja z turystami są kluczowe, by skoordynować zrównoważony rozwój i zarządzanie zasobami naturalnymi.

Słowa kluczowe: zrównoważona turystyka, cele MICE, zielone miasto, Reykjavik, Islandia.

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