"It's in our DNA"
SMETs' Resilience in Akureyri

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INTRODUCTION

According to the UNWTO, 2020 was the worst year in tourism history (UN Tourism, 2021). The advent of the COVID-19 pandemic brought international tourism to a halt and resulted in a global crisis in the sector. Nevertheless, some areas of the world were more affected than others: Arctic regions and islands fall under this category, being exposed to enhanced fragilities, notably "resource reliance, remote locations with tightly woven communities and people-reliant economies" (Cook & Jóhannsdóttir, 2021, p. 2). The Arctic transnational region, an "ocean surrounded by continents" (Hall & Saarinen, 2010, p. 10), had long been seen as a symbolic and mythological space (Hall & Saarinen, 2010). In the last decades, it has started to attract an increasing number of international visitors. The tourism sector has therefore started to gain a whole new dimension and, while presenting location-specific challenges, has offered growth opportunities, especially for arctic peripheries: new resources generated by tourism can sustain economic development, in areas where the scarcity of resources can lead to an elevated level of dependency on other countries (Hall & Saarinen, 2010). The fall of the sector in 2020 was drastic, and its consequences were particularly impactful in Iceland, due to geographic isolation, a limited population and the heavy reliance of the national economy on tourism (MFAT New Zealand, 2021). In the island, tourism had started growing exponentially by the final decades of the 20th century (Maher et al., 2021). Since then, growth had been rapid and had brought an increasingly high number of visitors to the island[1]. Tourism established itself as a significant part of the economy (Hall & Saarinen, 2010), and directly contributed to the 8.2% of the country's GDP between 2016 and 2019 (Statistic Iceland, n.d.-b). Due to the weight of the sector in the Icelandic economy, and to the fear of incurring in bankruptcy, national borders were never fully closed to foreign tourists (Cook & Jóhannsdóttir, 2021). Nevertheless, Iceland experienced a 76% decrement of foreign visitors in 2020 (Icelandic Tourism Board, n.d.-b). Although the downturn affected the whole sector, the main consequences were faced by SMEs (Dias et al, 2022), forming around 85% of global tourism businesses (OECD, 2022). SMEs were in fact confronted with specific challenges, mainly related to the limited access to financial and human resources and to the lack of

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[1] Iceland counted 502,000 international visitors in 2008, nearly 1.3 million in 2015 and over 2.3 million visitors in 2018 (Icelandic Tourism Board, n.d.-a).

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diversification of the offer (OECD, 2022; Pongtanalert & Assarut, 2022). This was particularly significant in the context of Arctic tourism, SMEs being "the backbone of Arctic tourism in Europe" (Vogler & Stoll, 2024, p. 34). The crisis was pervasive and sparked a new interest in the analysis of response and adaptation to shocks, that often revolved around the concept of resilience. This study explores the resilience of small-medium enterprises operating in tourism (SMETs) in the town of Akureyri, northern Iceland. It is built around two main research questions and related sub-questions, namely:

> 1: What strategies did SMETs implement during the pandemic to react to it?
>
> 1.1: What strategies remained after the end of the pandemic?
>
> 2: How did the pandemic impact the businesses' development?
>
> 2.1: What effects did it have on preparedness for future crises?

aimed at understanding what strategies businesses had implemented to react to the crisis, whether such strategies have been maintained today and if such strategies can support adaptation to future crises.

Adopting a qualitative approach, this study explores SMETs' reaction and adaptation to a prolonged period of uncertainty, and delves into the strategies, practices, and approaches they implemented in response to the crisis. Although a growing body of literature has addressed SMEs' resilience in tourism (Vogler & Stoll, 2024), most studies have focused on larger companies (Rastegar et al. 2023). Therefore, it is essential to enrich literature on resilient SMEs in tourism, that play the most important role in Arctic tourism (Vogler & Stoll, 2024). This report is structured as follows. First, the context of the study is presented, followed by an overview of the methods adopted. Subsequently, the main results are proposed, followed by a discussion and a reflection on further research development.

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THE STUDY

This chapter explores the context where the study was developed, Akureyri, describing the town's tourism sector and the main challenges it faces. Then, it offers an overview of the theoretical background on which the study builds, observing the main concepts addressed during the project: resilience, climate change and sustainability in the context of Arctic tourism.

The context: Akureyri

The context of the study is the town of Akureyri, the second largest city area in Iceland outside the capital area (Akureyrarbær, n.d.-a), situated along Eyjafjörður, one of the longest Icelandic fjords. The municipality of Akureyri includes Grímsey and Hrísey islands and counts 19800 inhabitants (Statistics Iceland, n.d.-a). Akureyri's tourism sector mainly consists of small and medium businesses and family-run companies are common. Although the town hosts the country's most important ski area, Hlíðarfjall, tourism has not yet fully established itself as a year-round activity (Santana et al., 2024). The exceptional growth of cruise tourism (Fridriksson et al., 2020) plays a role in the seasonal imbalance. However, this tendency has slowly begun to change. The establishment of direct international flights, especially during the winter (Akureyrarbær, n.d.-b), has supported the development of tourism in the season. This was favored by the recently completed expansion of Akureyri Airport (AEY)[2]. Nevertheless, overcoming seasonality seems to involve more factors than the sole air infrastructure development (Santana et al., 2024). In this context, the study explores resilience and the resilient practices five SMETs implemented. The reason behind the choice to focus on the topic is double: on one hand, the pandemic left the most significant consequences in the Arctic tourism sector (Jóhannesson et al., 2022); on the other hand, resilience is critical in sustaining the adaptation needed to deal with future climate change crises, particularly impelling in the Arctic (Hall & Saarinen, 2010; Vogler & Stoll, 2024).

Theoretical background

Resilience was first defined in the field of ecology (Holling, 1973) and has then been addressed in many disciplinary areas, such as the social sciences, psychology and engineering (Bec et al,

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[2] The following link offers more information on the airport expansion: Akureyri International Airport expanded | Visit North Iceland

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2016). Despite its popularity, the concept does not have a univocal definition (Hall et al., 2018; Prayag, 2020). The common element in all definitions of resilience is that it deals with the ways in which systems respond to change (Bec et al, 2015). What is not included in the general conceptualization is *how* this reaction happens and what kind of post-crisis scenario it entails. In this contribution, the focus is on the innovative element (Espiner et al. 2017; Aquino & Burns, 2021) of resilience and on the learning process associated with it. This aspect is often highlighted, especially in studies on socio-ecological systems (De Kraker, 2017). In this understanding, resilience should not strive to return to a "pre-existing state" (Maguire & Cartwright, 2008, cited in Kokorsh, 2017, p. 60) nor neutrally adapt to change. This idea is common in research on tourism SMEs' resilience during the pandemic crisis, as it unveiled the risks related to tourism development. The aim many shared was not to return to a *pre-pandemic* state but to evolve, developing a better tourism through a Schumpeterian process of *Creative Destruction* (Langroodi, 2021).

Resilience in tourism

In tourism, the concept of resilience started affirming in the 2000s (Hall et al., 2018) and has often been considered under three main dimensions: individual resilience (that includes both tourists and people in destinations), organizational resilience and destination resilience (Hall et al., 2018). During the COVID-19 crisis, that renewed the interest in the study of resilience (Hu & Xu, 2022; Lamhour et al. 2023), it was commonly referred to as the strategies adopted to recover from disasters and hardships in the tourism sector (Badoc-Gonzales et al., 2022) and although research mostly revolved around the macro dimension of tourism (Rastegar et al. 2023), an interest on the specific challenges SMETs faced started developing. Such challenges were related to the limited access to finance and other resources SMEs had (Pongtanalert & Assarut, 2022). As Asthana (2022) recalls, COVID-19 sparked an academic interest in collecting strategies and practices that could support SMETs' post-pandemic resilience and that could be applied to future crisis scenarios. The main strategies and actions that help tourism businesses transition towards a more resilient asset were defined by OECD (2022), and the same practices often reoccur in literature. Among the others, digitalization, and diversification (Pocinho et al, 2022; Hu & Xu 2022; OECD, 2022; Perera et al., 2023; Rastegar et al., 2023), investment on sustainability, reinforcement of networks, social capital and community (Baraero-Era & Del Rosario, 2020; Lin & Wen, 2021, OECD, 2022), social inclusion and favorable working conditions (OECD, 2022; World Economic Forum, 2022) seemed to be the most effective ones. Other studies also listed risk-taking attitudes,

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maintaining good relationships with professional networks (Dias et al., 2022), and a future-oriented approach (Rastegar et al., 2023) as resilient practices. Particularly, social capital, here intended as the networks and resources individuals have (Pongtanalert & Assarut, 2022), has been identified as a key actor of resilience. In the case of SMEs, not only does it help obtain "information, opportunities and resources" but it also supports businesses adaptability to suddenly changing scenarios (Pongtanalert & Assarut, 2022, p. 4). The sudden and drastic change of scenarios is typical in the context of climate change.

Arctic tourism and climate change

The relation between tourism and climate change was first explored in the 1960s and initially revolved around the acknowledgment of the importance of climate and weather in tourism (Njoroge, 2015). By the 1990s, the concept of *anthropogenic climate change* entered the discourse and led to a new wave of research on the topic (Njoroge, 2015). With the pandemic period, that clearly emphasized the intertwining between tourism and the climate crisis (Jóhannesson et al., 2022), the interest in the study of climate change and tourism was, again, renewed. Climate change is, in fact, putting new pressure on tourism (Filho, 2022), as climate change-related disasters are becoming increasingly frequent (IPCC, 2018; Cappelli et al., 2021). Not only tourism is being challenged by climate change, but it is also contributing to it, being responsible for around 10% of global carbon emissions (Cooper & Hall, 2024). The impact of climate change is particularly visible in the Arctic region, as it threatens the northern polar region more than the rest of the world (Chen et al., 2022). In the North, "surface air temperatures [...] have warmed at approximately twice the global rate" (Mc Bean et al., 2005, cited in Hall & Saarinen, 2010, p. 49). The discourse on climate change has become widespread in research on Arctic local businesses and SMEs (Vogler & Stoll, 2024) and many studies are now addressing it (Kähkönen, 2020; Cook & Jóhannsdóttir, 2021; Saunavaara et al., 2023). Among the others, Chen et al. (2022) propose a "Climate resilience model in Arctic tourism" that delineates the interplay between "climate impacts, driving forces and climate actions by the tourism businesses" in Norway, Denmark (specifically Greenland), Finland, and Iceland (Chen et al., 2022, p.8). Through a qualitative study, the authors recalled a general concern and awareness of climate change among tourism professionals.

Sustainability in Tourism: Post-Pandemic Adaptations and the New Normal

After the onset of COVID-19, the idea of a new normal started emerging. In tourism, this new scenario involved limitations to travel, new measures concerning hygiene, the explosion of

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domestic tourism and the decrease in the dimension of visitors' groups (Prayag, 2023). With the spreading uncertainty and failing of expectations regarding development and growth of tourism (Antonsen et al., 2022), post-covid redesigning was called to adopt a long-term perspective. As the crisis unfolded, it became clearer for many that restoring the previous conditions and settling back into a "business as usual scenario" (Perera et al., 2023, p. 244) would not only be unfeasible but also ineffective. COVID-19 seems to have played a pivotal part in raising awareness about the fragility and vulnerability of the sector: indeed, some scholars claimed the need for a pandemic turn in tourism research and practice, and for a paradigm able to guide the future of tourism and its development (Hall et al., 2021; Hu & Xu, 2022). In this context, sustainability was called to lead the way, notably having the pandemic been "a sustainability issue in itself" (Persson-Fischer & Liu, 2021, p. 2). The need to adapt to new scenarios and the urgency to do so in a better way underlines the bond between resilience and sustainability that can, indeed should, go hand in hand: as Antonsen et al. (2022) argue, a more resilient tourism can stem from the transition towards a more sustainable one. The correlation between resilience and sustainability is also addressed by the study of Gössling and Higham (2021), who, focusing on destination management, emphasize that the decarbonization imperative of tourism, to be achieved by 2050, should foster the construction of a "high-value, low-carbon and economically resilient destination model" (Gössling & Higham, 2021, p. 1168). Recognizing a significant delay and a general absence of common trajectories toward decarbonization to pursue, Gössling and Higham stress the importance of destination actors' agency in combining decarbonization, resilience and profitability.

The background knowledge presented in this section forms the theoretical basis on which the study builds. The topics addressed, notably resilience in tourism, sustainability, and climate change in the Arctic context, will be explored in the context of Akureyri, through the conduction of the semi-structured interviews.

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METHODS

This study adopts a qualitative approach. Here, the reality produced through the research process is considered one of many (Braun & Clarke, 2013) and subjectivity is valued as an essential element that guides and motivates the researcher's action. In the study respondents' personal views and thoughts on their personal experience as tourism professionals are explored through semi-structured interviews, that aim at offering a framework in which interviewees can explore feelings and ideas (Corbetta, 2014). Specifically, semi-structured interviews offer both the interviewer and the interviewee a high degree of freedom and flexibility to explore the proposed topics. Differently than in the quantitative approach, through qualitative interviews, the researcher strives to access the interviewer's perspective and conception of reality, without pursuing objective data collection (Corbetta, 2014). This, of course, entails a limitation: the knowledge created through qualitative interviews is non-generalizable. In line with the chosen method, the sampling process did not strive for representativity, and was instead purposive (Patton, 1990). The companies were selected based on size, purpose, and location of the businesses, and only small-medium enterprises whose main headquarters, general or afferring to one independent company, are based in Akureyri and that are predominantly active in the area were included. The selection comprised privately-owned tour operators, sightseeing businesses, and travel agencies. This helped gain a better insight into a specific area of the local tourism sector and favoured the comparison between businesses. Then, the sample was restricted to SMETs established before 2020, to allow a discussion on their experience of the pandemic period and the solutions they found to face it and react to it. The five respondents[3] were the main decision-makers (either directors, CEOs and/or general managers) who held strategic roles during 2020 and until the present time. Only in one case, a respondent was not the main decision-maker but had a significant position in the company during the COVID-19 crisis. This choice was made to offer a perspective that could embed a certain degree of experience, continuity, and long-term planning. The semi-structured interviews were conducted both in-person and online in the months of March and April 2024, were based on an interview guide (see Appendix 2: Interview guide) that included 10 open questions and lasted between 30 and 45 minutes. All interviews

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[3] For anonymity purposes, other information on respondents is not disclosed: when direct quotations are reported (see "Results" chapter), they are attributed to numbered interviewees.

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were recorded, after obtaining explicit consent on the part of the interlocutors through an Informed Consent Form (see Appendix 1: Informed consent form), and transcribed. In addition to the interviews with SMETs' decision-makers, two informal discussions with stakeholders in Akureyri tourism planning and management were held. This helped gain a better understanding of the context and offer the public sector's perspective on SMETs' resilience in Akureyri. The data analysis process involved distinct phases and was inspired by Reflexive Thematic Analysis (RTA). RTA is aimed at interpreting the data through the identification of patterns and telling a story about it (Clarke & Braun, 2014) while reflecting on the researcher's role and practice. First, all interviews were integrally transcribed. While processing the data, some connections, and reoccurring topics, both explicit and latent, started to appear, and the first codes were elaborated. After finalizing the transcripts, and becoming more familiar with the dataset, the coding process was finalized, and the themes defined.

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RESULTS

In this section, the main results from the study are presented and are organized in the three main themes that emerged through the data analysis: response to the crisis, resilient strategies and preparedness for future crises. These themes emerged from the data analysis process and are functional to organize and describe the interviews' content. Hereafter a table (Table 1) shows the three themes and the sub-themes that will be addressed in the section:

Themes	Sub-themes
Response to the crisis	
Resilient strategies	Cooperation
	Diversification
	Quality management
	Economic support
Preparedness for future crises	

Table 1: Themes and sub-themes.

Response to the crisis

The response to the COVID-19 crisis varied between respondents. As one expressed, it was a "survival of the fittest" scenario, where only those who had access to sufficient resources, namely financial, were able to survive. SMEs having inherently less resources than larger firms, were particularly exposed to closures (Pongtanalert & Assarut, 2022). However, the crisis was not solely described in terms of financial hardships. Many respondents reported how the pandemic allowed them to have more time at their disposal. Tourism being a fast-paced industry, prior to 2020, many faced a lack of time to think about many aspects of the business aside from the most impelling tasks. Especially during peak seasons, companies faced the need to keep a high pace, and to align with the speed of the rest of the sector. An increased availability of time was seen as a positive aspect of the contingency. As respondents explained:

> *We were able to use that time to kind of go over what went wrong […] we were able to experiment a little bit and do kind of a slow growth (Interviewee 1).*
>
> *We went more on sustainable products, slower products […] we were always planning to do it but then we had time, so the team had time, that's the thing… so yeah, we slowed down, because in normal phases tourism is fast pace, so and we as a company were growing, and when you're growing […] you are a little bit*

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> *running faster, and this helped us, definitely […] that helped us to breathe a little*
> *bit (Interviewee 2).*

Generally, among the businesses that were able to survive, the crisis was perceived as an experience that could somehow enrich the company's background and was framed as an occasion for reflection. The ability to overcome difficulty was considered a resource that could foster more efficient and confident responses to future similar challenges.

> *I feel like we should take something out of it, it was a period of reflection and also*
> *preparation, I think like for instance now with the volcanic activity in the south, the*
> *Reykjanes peninsula, eh, it's something that helped dealing with that because*
> *companies that survived were able to get support to have staff on payroll and*
> *continue to work and when you have no plans the work could be going through*
> *the procedures and the security and the emergency planning (Interviewee 1).*

Resilient strategies

During the interviews, respondents described various strategies and actions put in place during 2020 and following years, some of which are now part of the companies' day-to-day management. The strategies collected cover four areas, which coincide with the sub-themes identified during the data analysis process: cooperation, diversification, quality management, and economic support.

Cooperation

During the crisis, tourism professionals started cooperating more, and new forms of mutual support emerged. Networking among tourism businesses increased and led to new practices, some of which are still perpetrated today. Particularly, smaller tour operator companies started working together and sharing resources. As a practical example, many professionals began sharing buses with other colleagues. In days when single companies could not reach the needed quota of clients to run fully booked tours, they started contacting other tour operating companies to conduct joint tours. This practice helped optimize the resources and offer support to fellow colleagues, while avoiding waste and consuming less. Since the pandemic, it has become customary, especially during off-peak and shoulder seasons. As a respondent expressed:

> *I also think the companies after covid they are working more together, especially*
> *here in Akureyri. Before covid no one was working together, it changed a lot […] if*
> *I have only maybe four people, and the other company has the same, then we are*
> *trying to drive [the tour] together (Interviewee 4).*

The collaboration between tour operators and other tourism professional was supported by the creation of a Facebook page, dedicated to small tourism companies, that was founded in

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2020 by a tourism entrepreneur in Akureyri and is still active today. The page included about 950 people from Iceland, who belonged to three hundred tourism companies, located all over Iceland. Its main purpose was to advocate for changes in the national regulations regarding financial support for tourism businesses. The founder explained:

> *It was the same for everyone, they didn't get any help, so then we just made a list of all the companies, and we sent it out to the parliament and then they finally start listening to us and they changed the rules about the support […] A lot of companies survived covid because of this (Interviewee 4).*

As pointed out, at first, not all micro and small tourism enterprises were included in government funding. Through collaboration with the central government, the group was able to extend financial support to most of the excluded enterprises. Another factor that facilitated cooperation was the conduction of online meetings dedicated to tourism professionals. During the pandemic, tourism marketing offices in Akureyri and the Northern region organized online meetings for tourism workers and entrepreneurs. The main scope of the meetings was to offer support to tourism businesses and to create collaboration among them. These meetings were already happening before the COVID-19 crisis, but they were further implemented to support companies during a challenging time. As a respondent confirmed:

> *The marketing office and marketing… north Iceland office […] they're very good at keeping you together […] to talk about how you're doing things or like I had questions all the time like "how do you apply for this loan?" or "did you do that?" […] because it was just so hard to do some of these things and you had to have some talks together to get help in how to, how to make it easy for everyone (Interviewee 3).*

In addition to public meetings, private companies – one in particular – promoted numerous opportunities to share thoughts, ideas and improve collaboration in the industry. This practice, that was implemented during the pandemic time, supported the creation of other networks and relationships between companies working in tourism.

Diversification

In the context of the study, diversification was pursued by many respondents and entailed two main aspects: the enrichment of the company's offer in terms of products and services and the attraction of different categories of customers. The two aspects were often intertwined, and in most cases the design of new products was aimed at attracting new categories of clients. Many Icelandic tourism businesses, in pre-pandemic times, almost exclusively relied on foreign customers. This condition led the government to conduct a

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campaign - "Ísland – Komdu með!"[4] (MFAT New Zealand, 2021) - aimed at motivating Icelandic people to visit the country. This was true for Akureyri as well, and with the sudden decrease of international travel, the need to attract Icelandic customers became a priority. To pursue this objective, companies started developing new products that could be appealing to the local public. Respondents explained:

> *I think it was the summer 2020 or 21, […] we decided to design a new product, which would be a guided tours for Icelanders and we were running those tours for two summers, two years, and it was like a, it was appreciated and it was not to make money, it was just to keep things going, to get some use of our buses, let the drivers have some work and of course our tour guides as well (Interviewee 5).*

> *I think everybody learned a lot, maybe the first lesson was to be more careful, don't expect everything to run smoothly […] and also trying to run the business in different layers so if this part is falling out, to make sure something else is functioning (Interviewee 1).*

In one case, the new products coincided with an innovative approach to the business and the market. As a respondent confirmed, their company took the crisis as an occasion to develop new products that better reflected its core values. As a result, he started promoting slower and nature tourism products, that are still on the market.

Quality management

Many actions respondents described could be considered quality management practices. A central aspect related to quality is the upskilling and reskilling of staff within the company and the training of newly hired staff. During the pandemic, SMETs often faced the need to limit staff to reduce active costs. This resulted in two main consequences: on the one hand, it led to an increased vulnerability of already vulnerable tourism workers (Sun et al., 2022); on the other hand, it implied the need to hire and maintain qualified personnel, a significant issue especially in post-pandemic times (OECD, 2022). This last aspect was touched upon by several respondents. Hiring and maintaining qualified personnel was, as some explained, not an effortless process. The availability of qualified staff was low, and made hiring challenging, especially during the summer period. As one respondent confirmed, prior to 2020, the company used to hire the same international summer workers every year, a practice that helped maintain a satisfactory level of knowledge within the company. The sudden change caused by the pandemic forced the company to adopt two main strategies. First, the company

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[4] "Iceland – Come join us!" (MFAT New Zealand, 2021)

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increased its investment in upskilling and reskilling the working staff and created a handbook about the knowledge and skills needed to work in the company. As the respondent explained:

> *We did spend more time in material for training, this is something we did take some time for, it's like you know, the training for the guides, how we just made a book about how to guide in our company, like what you're seeing, about all the whales and so on, and of course it does give you time to reflect on what kind of staff do you want to have, because you can basically start from scratch (Interviewee 3).*

Second, the decision-makers tried implementing a new hiring strategy. After observing the consequences of the pandemic on staff management, they reduced the number of seasonal workers, favouring continuity. This entailed a financial effort, as the high seasonality of tourism in Akureyri makes this practice hard to be economically sustained. As the respondent explained:

> *We kept a lot of people for winter now […] the summer is paying for the winter (Interviewee 3).*

However, in this case, the crisis was an occasion to focus on the general business organization, to reflect more on quality. In some cases, the reflection on quality management included a renewed attention to upkeeping in the company. As a respondent explained, the time available during the pandemic was used to conduct extraordinary maintenance on the company's vehicles. In fact:

> *Our employees […] were just working in cleaning, repairing, and so we were very well prepared when everything was back to normal because every vehicle had been repaired and checked and cleaned (Interviewee 5).*

This activity had a double scope: on the one hand, the increased level of maintenance ensured greater preparedness to face the next season of operation; on the other, it employed staff who would otherwise have been out of work.

Economic support

Economic support was deemed crucial for the survival of businesses during the crisis. Although not every respondent benefited from it, most of them consider it to be the main factor that helped them avoid closure. As one respondent explained:

> *We would most likely not have survived without economic support […] so yeah, that saved us and gave us a lifeline (Interviewee 2).*

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Preparedness for future crises

Most respondents mentioned the correlation between *natural* events preparedness and cultural traits of the Icelandic people, described as resourceful, flexible, adjustable to every situation. Preparedness to face crisis scenarios was therefore generally perceived as an inherent part of Icelandic DNA[5]. However, the COVID-19 crisis seems to have set a precedent and to have sparked a new awareness about potential future extreme events. This was due to its duration and intensity, that set it apart from the previous challenging times faced by companies. As respondents expressed:

> *We are resourceful, Icelanders are also a little bit resourceful […] we are resilient, so covid definitely made us more... […] with like volcano coming on many societies would be panicking […] we are just counting to ten, there will come a day after this (Interviewee 2).*

> *Of course you are very prepared there to be, you know, you are prepared to open anytime, you are prepared to close anytime, you're very like what will happen will happen, we need to work with it […] but it helps you, to have gone through that (Interviewee 3).*

As many explained, after the crisis, businesses started reflecting on their ability to handle crisis situations. In this context, they started planning new ways to survive longer periods of hardship. Some of the main actions they described included avoiding expanding the businesses too rapidly, maintaining wider emergency funds and improving crisis management skills. Generally, as one respondent expressed:

> *I think everybody is trying to get a little bit more ready if something happened. I think companies are trying to control it a little bit better now, so if something happened that they can have some plan (Interviewee 4).*

The crisis sustained an improvement in crisis management and supported a better preparedness towards future emergency scenarios.

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[5] As one respondent expressed: "*Icelandic people, they're very flexible I think, they are very adjustable to these things, they are very used to things being you know, not so easy*" (Interviewee 3)

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DISCUSSION

The data collected during the interview process showed that the actions and new approaches adopted referred to three main areas: response to the crisis, resilient strategies and preparedness for future crises. The main strategies described by respondents included cooperation, diversification, quality management and economic support. In practice, these principles entailed the implementation of new ways of working together, i.e. sharing buses between tour operator companies, the creation of new collaborative tools, i.e. a Facebook page including small Icelandic tourism companies, or the attention to training, that in one case led to the production of a training manual for staff. Although not every practice remained (i.e. meetings for tourism entrepreneurs organized by a private company), most of them survived the end of the crisis and continue to be implemented. In addition to resilient practices and approaches, other ideas emerged from the interview and the data analysis process and will be discussed hereafter.

Response to the crisis: from survival to growth

During the interviews, every respondent opened a window onto their individual views on the crisis, and on the way their company faced it. The increased availability of time due to the lack of work, and the challenging contingency, supported and almost forced a process of rethinking. This process covered a broad range of aspects and was mainly motivated by the economic driver, related to the businesses' survival and future development. The reduced availability of resources available for SMEs resulted in the need to rethink many aspects to ensure the survival of the business. As having a limited cash flow is one of the main vulnerabilities SMEs face (OECD, 2022), the need to find income streams was the factor that mostly pushed tourism entrepreneurs to react to the crisis and take an active part in developing resilient strategies. This result aligns with what Pongtanalert and Assarut (2022) affirmed, namely that SMEs were faced with specific challenges, and were therefore more vulnerable than bigger companies. It also confirms that SMEs were the hardest hit by the crisis (Dias et al, 2022). However, although economic support has undoubtedly been crucial, it does not seem to have had an impact on the businesses' sustainability in the long run. Respondents described the financial aid as a temporary support to survive the emergency but did not address its role in the evolution nor in the future development of the company. Considering resilience as a concept involving a learning process, economic support seems to be a contingency measure that could support the implementation of other resilient strategies. In

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addition, the pursuit of economic survival and growth entailed a relevant side effect: it helped increase the level of cooperation and networking in the sector. The aim to financially survive the pandemic, led to the strengthening of relationships and to the creations of new ones with other tourism entrepreneurs operating in the town of Akureyri and in other parts of Iceland. This expansion of networks was supported both by established and newly formed subjects, who held the roles of facilitators. The tourism marketing offices and a Facebook page including Icelandic tourism companies were described as influential. This increased cooperation strengthened the relationship between entrepreneurs and generated new social ties, that are now supporting new growth in the sector. Through cooperation, and as a direct effect of the crisis, new social capital was generated[6].

Sustainability and preparedness for future crises

As expressed above, the pursuit of financial sustainability was shared by all respondents, but it was not the only focus. In fact, two other factors were found to be relevant: environmental sustainability and preparedness for future crises. Environmental sustainability was pursued by companies through the adoption of practices and products that promoted slower and more conscious ways of travelling. The increased availability of time during the pandemic period, allowed, more evidently in one case, a realignment between the companies offer and philosophy. However, sustainability was mainly pursued by businesses that already considered it as one of the company's core values. The pandemic crisis does not, in fact, seem to have raised an awareness nor an interest in environmental sustainability in entrepreneurs that did not already consider it a core value. Related to sustainability, another crucial aspect explored in the study is the correlation between the COVID-19 crisis and potential future crises related to climate change. As mentioned in the first part of this report, climate change-related crises are becoming more frequent (IPCC, 2018; Cappelli et al., 2021), and will impact tourism, especially in the Arctic region (Hall & Saarinen, 2010). This premise does not completely reflect the shared narrative on climate change that emerged from the interviews. The topic of climate change, in fact, did not come up often during the conversations. When addressing the topic of future crises, many respondents mentioned the ongoing volcanic eruption in the southern part of the country, framing it as a natural, unpredictable, event. However, although climate

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[6] This result aligns with an established principle in disaster studies: crises can be occasions to generate new social capital (Dynes, 2002).

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change was not a central part of the crisis discourse, the pandemic seems to have increased companies' focus on crisis management and preparedness. The intensity and duration of the COVID-19 crisis made companies become more aware of the possibility of having to face events that lasted longer than they were used to. To this end, many started collecting resources to be better prepared for the future, and therefore pursuing preparedness for future crises. These elements allow for an answer to the second research question and sub-question (how did the pandemic impact the businesses' development? What effects did it have on preparedness for future crises?). The COVID-19 crisis does indeed seem to have influenced the future development of enterprises, having introduced new elements into daily practice and having raised a new awareness with respect to the sector's exposure to difficulties. This, however, does not seem to have resulted in a revision of the concept of development itself, which seems to be pursued in a similar way as before the crisis. Finally, while not directly including climate change issues in the framework, preparedness for possible future crises seems to have increased.

Limitations and challenges

What was observed in this study is limited to the sample of companies selected in the town of Akureyri. It may, however, offer a distinct perspective on the post-pandemic tourism sector. Although in many ways there has been a return to a back to business-as-usual scenario, especially in the case of bigger companies, some changes have taken place and have persisted.

In addition to this limitation, a challenging aspect emerged and was related to the researcher's – my personal – background. Being a non-Icelandic and non-Icelandic-speaking person was, in fact, difficult at times. Using the English language introduced an element of mediation between the elaboration of questions and thoughts and their expression. In many cases, the interaction lost a degree of spontaneity, or some depth, in favour of a clearer communication, that was needed to "keep going" in the interview process. Sometimes, the loss of meaning "in translation" was more evident than others and entailed a certain degree of impoverishment of the conversation. The same happened on a cultural level: not only the language, but the lack of many similar life experiences sometimes constituted a challenging aspect. However, this challenge was again an occasion to create something new. Through dialogue, and the exchange of views coming from different backgrounds, it was not only possible to gain new insights, but also to understand different ways of observing and conceiving reality (or else, realities).

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CONCLUSION

COVID-19 has sparked a new attention to the topic of resilience in tourism research. Indeed, the pandemic underlined "the sensitivity of the tourism sector to various external shocks, such as natural disasters, armed wars, pandemics, political events, economic situations, and security problems" (Lamhour et al., 2023, p. 12). This research project explored SMET's reaction to the COVID-19 crisis and their resilience, focusing on the continuity between new strategies and approaches adopted during the pandemic and the ones implemented in the present time. As observed, some changes made by companies during the crisis are still visible today and although the crisis was described as a challenging moment, the responses collected during this study did not outline a scenario characterized by fear or panic, but more so by rethinking and observing. As respondents explained, they were able to experiment and innovate their businesses. The degree of flexibility SMEs had (Pongtanalert and Assarut, 2022) opened new opportunities for change. After observing and discussing the results from the study, it now seems important to evaluate what concept of resilience emerges from this study. First, following Asthana (2022), resilience can be found in practices. The positive actions implemented by companies entail the necessity and the desire to react to the crisis. Resilience did not often involve a critical read of the tourism sector, nor of other concepts such as growth, climate change or resilience itself. However, it did involve a learning process that was consolidated through the practices that, since the crisis, are still being implemented in the present. Moreover, social capital generated from the crisis constitutes another tangible element of resilience. After observing resilience in the pandemic and post-pandemic context, it seems important to focus on the current challenges tourism is facing. The current geopolitical conflicts, such as the Russian invasion in Ukraine or the crisis in Gaza, together with the climate change scenario that was here addressed, again spread the interest in investigating resilience in tourism (Cooper & Hall, 2024). This complex scenario, that might be posing some of the "greatest long-term challenges since the energy crisis of the early 1970s" (Cooper & Hall, 2024, p. 1), highlights the importance of addressing resilience, and to do so in a critical way. Promoting approaches that focus on evolving from crises and that support the construction of an increased awareness about tourism's impact and challenges, is therefore crucial.

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APPENDIX 1: INFORMED CONSENT FORM

Interview consent form – Research project on resilient tourism SMEs in Akureyri

Thank you for your availability! Here are a few acknowledgments before we start. My aim is not to reveal any sensitive information, if direct quotes are used, they will be shared and agreed upon beforehand.

Participation consent:

- I am willingly participating in this interview
- I am aware that I have been informed about the topics addressed by the research project, and that will be addressed during the interview, notably:
  limitations and restrictions tourism SMEs in Akureyri faced during covid, strategies implemented to respond to the crisis and strategies, approaches and/or insights derived from the pandemic that are still valid for the company today.
- I agree with the audio recording of this interview. The recording and following transcription of the interview will only be processed by Irene Carbone and other ITCR personnel involved in the project and will remain confidential.

  Yes ☐ No ☐
- I recognize that my company could possibly be identified through the information I share (year of establishment, type of activity)

By signing this consent form, I agree on the terms presented above and acknowledge that I can withdraw my participation at any time.

_____

Participant's signature   Date

_____

Irene Carbone   Date

APPENDIX 2: INTERVIEW GUIDE

Interview guide

General
1. How long have you been in the business?
2. What do you think is the best feature of the tourism sector in Akureyri?

Core
3. How did your business face the **pandemic** period?
4. How did it **adapt** to the changes/restrictions?
5. what kind of impact do you think Covid had on the sense of **community/network** between businesses operating in the sector?
6. What kind of **measures/strategies** did you have to implement?
7. How did you **incorporate** such strategies in your business **after** the pandemic ended?
8. Do you think **new extreme events** will happen again soon? How do you prepare for the possibility?

Conclusive
9. How do you see your business **evolving**?
10. How do you imagine the evolution of tourism SMEs in Akureyri? Do you feel like there is a **common direction**?

2024

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