

Cluster development and innovation in equestrian tourism in North West of Iceland

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The presentation

- The research
 - Purpose and aims
 - Research methods
 - Theoretical background
- The study area – North West of Iceland
 - The geographical area
 - The image - horses and equestrianism
- Cluster development
 - The development of equestrianism
 - The horse industry in NW Iceland – cluster mapping
 - Operators view and experience: *business development, competition vs. collaboration, resource utilization, flow of knowledge, specialisation and innovation*
- Conclusion

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The study

- **The purpose**

- To analyze regional cluster development in relation to horse based businesses in North West of Iceland
 - An emphasis on innovation in equestrian tourism

- **Research questions**

- Can a growing horse related activity in North West of Iceland be seen as a manifestation of an emerging cluster in the equestrian field in the area?
- If so, how is the competition and cooperation within the cluster affecting resource utilization, knowledge transfer and innovation?

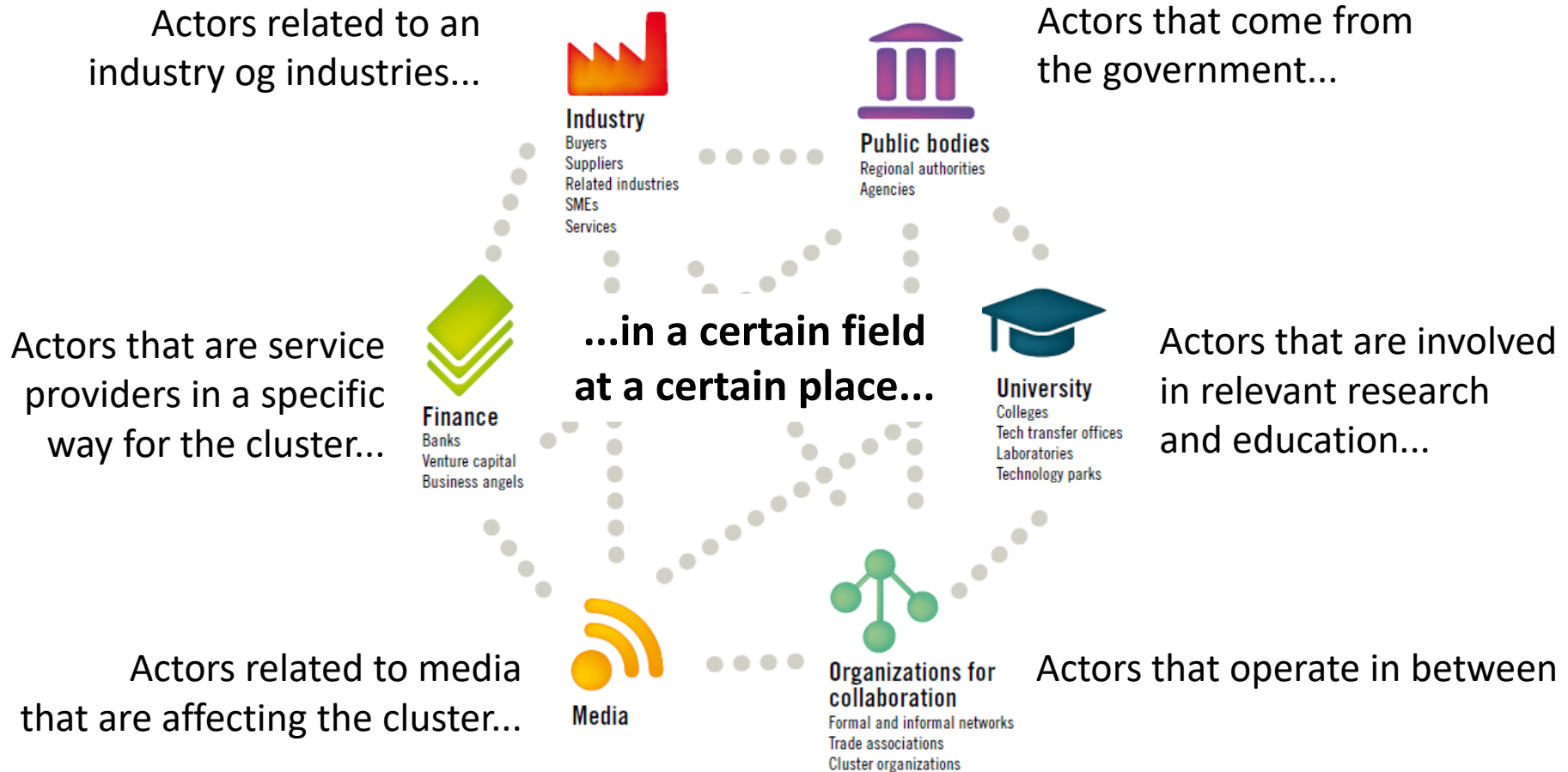


Methods

- Analysis of secondary data on:
 - The development of equestrianism in the NW area
 - The distribution of horse based businesses and support system in terms of; co-location, development of relations etc.
 - The characteristic of the horse industry in the area and it's competitive environment; number and profile of businesses, size, growth, exports, rivalry, cooperation etc.
- Open ended interviews
 - With horse based business operators

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What is a cluster?

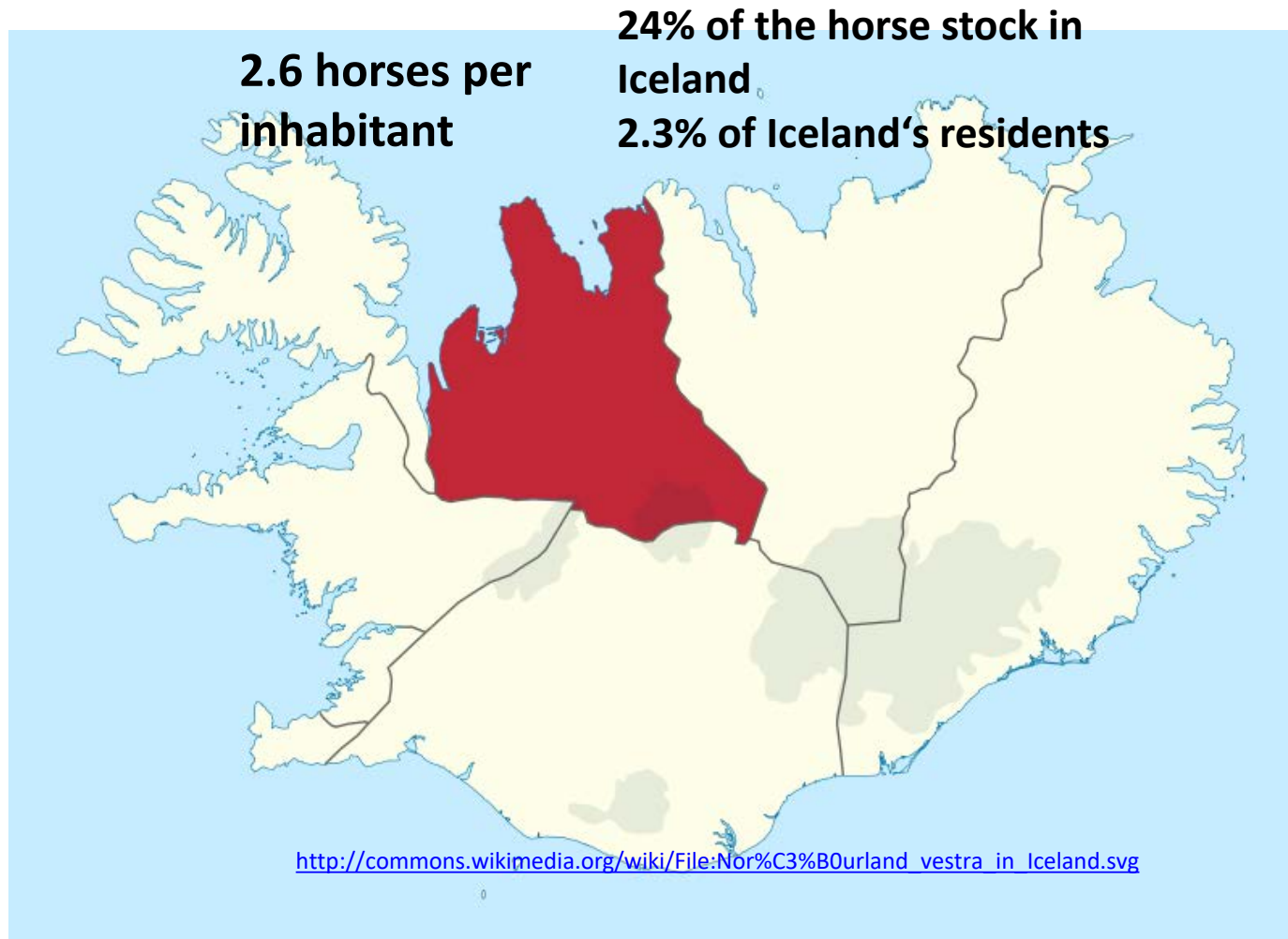


Source: Örjan Sölvell (2009)

Dynamic clusters contribute to...

- Clusters have an **impact on productivity and prosperity...**
 - Improve access to factors of production...
 - Make communication and trade easier...
 - Contribute to knowledge dissemination...
 - Help in benchmarking and positioning...
- Cluster **affect ways of thinking and innovation...**
 - Fosters interdependence and increase opportunities...
 - Furthers cooperation in knowledge sharing...
 - Enables joint efforts of experimentation...
 - Contributes to development and birth of new companies...

North West of Iceland - the study area





The three regions:

- West-Húnavatnssýsla
- East-Húnavatnssýsla
- Skagafjörður



<http://www.huni.is/index.php?pid=75&imgid=701>

<http://www.horse.is/index.php?pid=395>

The image - *findings from a pilot study*

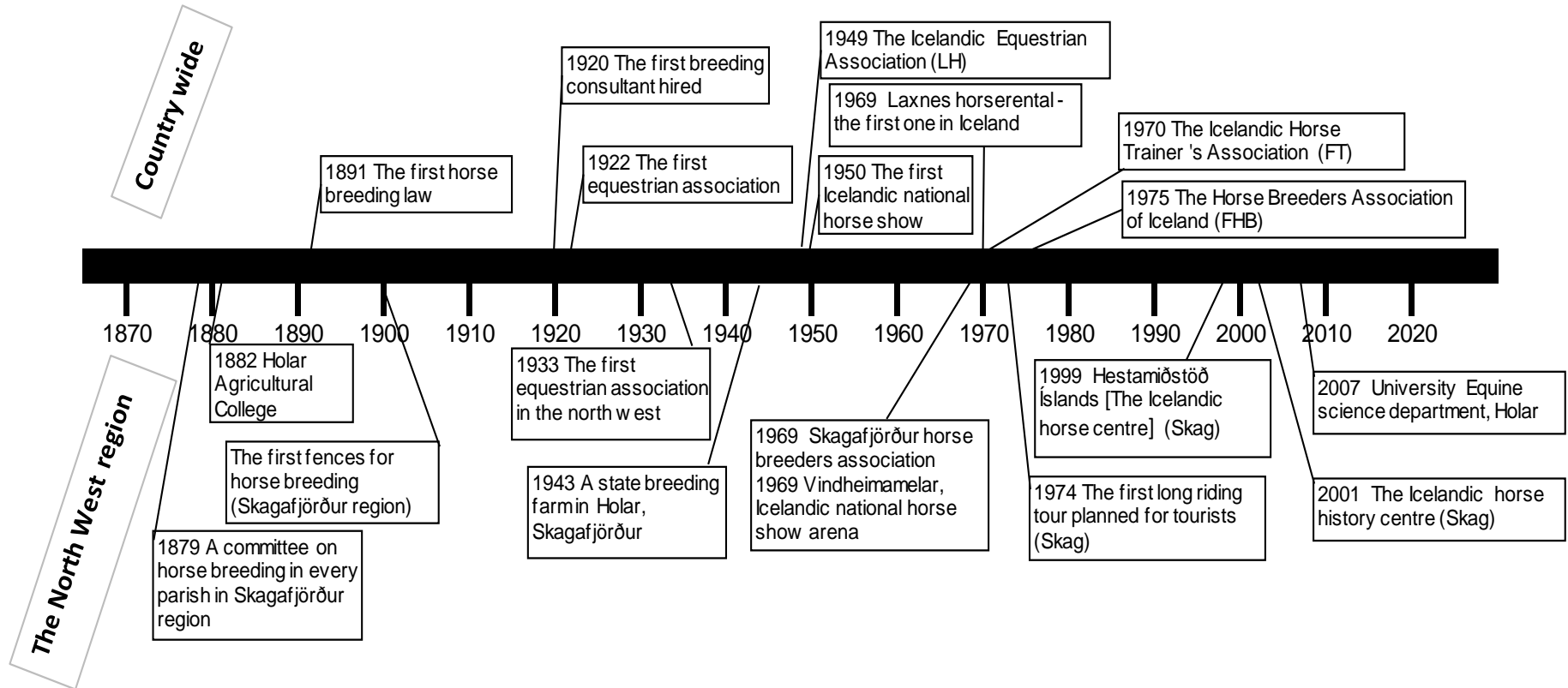
- Long history of breeding and horsemanship
- A huge number of horses
- Common participation in horsemanship
- Various horse related activities
- “The Mecca of the Icelandic horsemanship”
- Easy access to horse related education
- Beautiful nature
- Good riding trails
- Relaxed atmosphere
- Operator’s little emphasis on profit
- Horse round ups

(Sigurðardóttir, 2011a; Sigurðardóttir, 2011b)

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Development of equestrianism 1870-2014

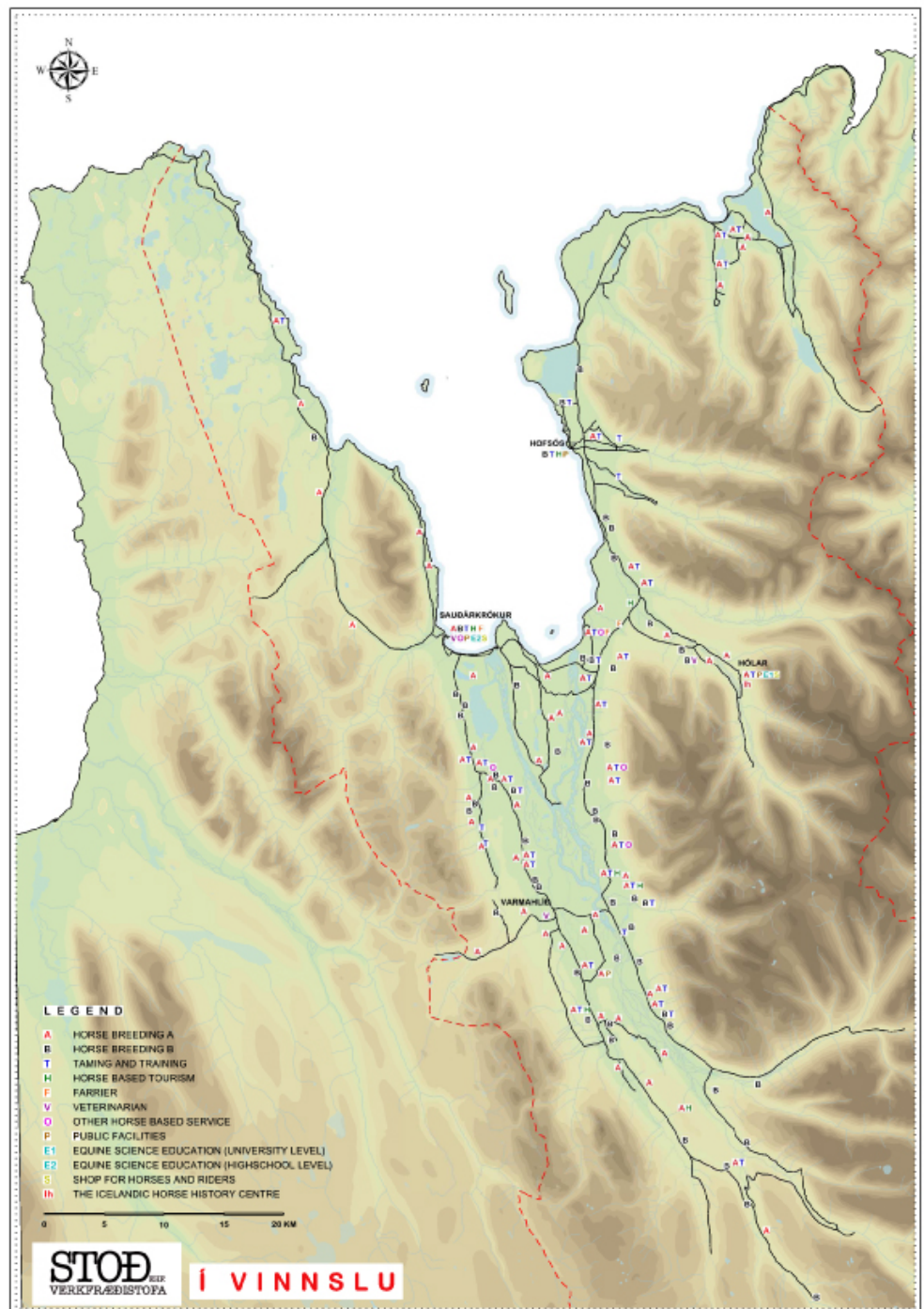
- a long standing development



Distribution of horse based businesses in Skagafjordur region



Ingibjörg Sigurðardóttir & Runólfur Smári Steinþórsson



The horse industry in NW Iceland

Number of businesses

- Breeding – 212
 - In the last 6 years – at least one horse from the farm has reached 7,5 in average as a breeding horse
- Training – 60
 - At least one man-year
- Horse tourism – 16
- Farriers – 4
- Veterinarians – 3

Other business operation

- Meet and blood production, tack repairing, riding instruction, goods for horses and riders, pasture and hay, transport.....

Associations

- Associations within LH/FEIF – 6
- Horse breeders associations – 3

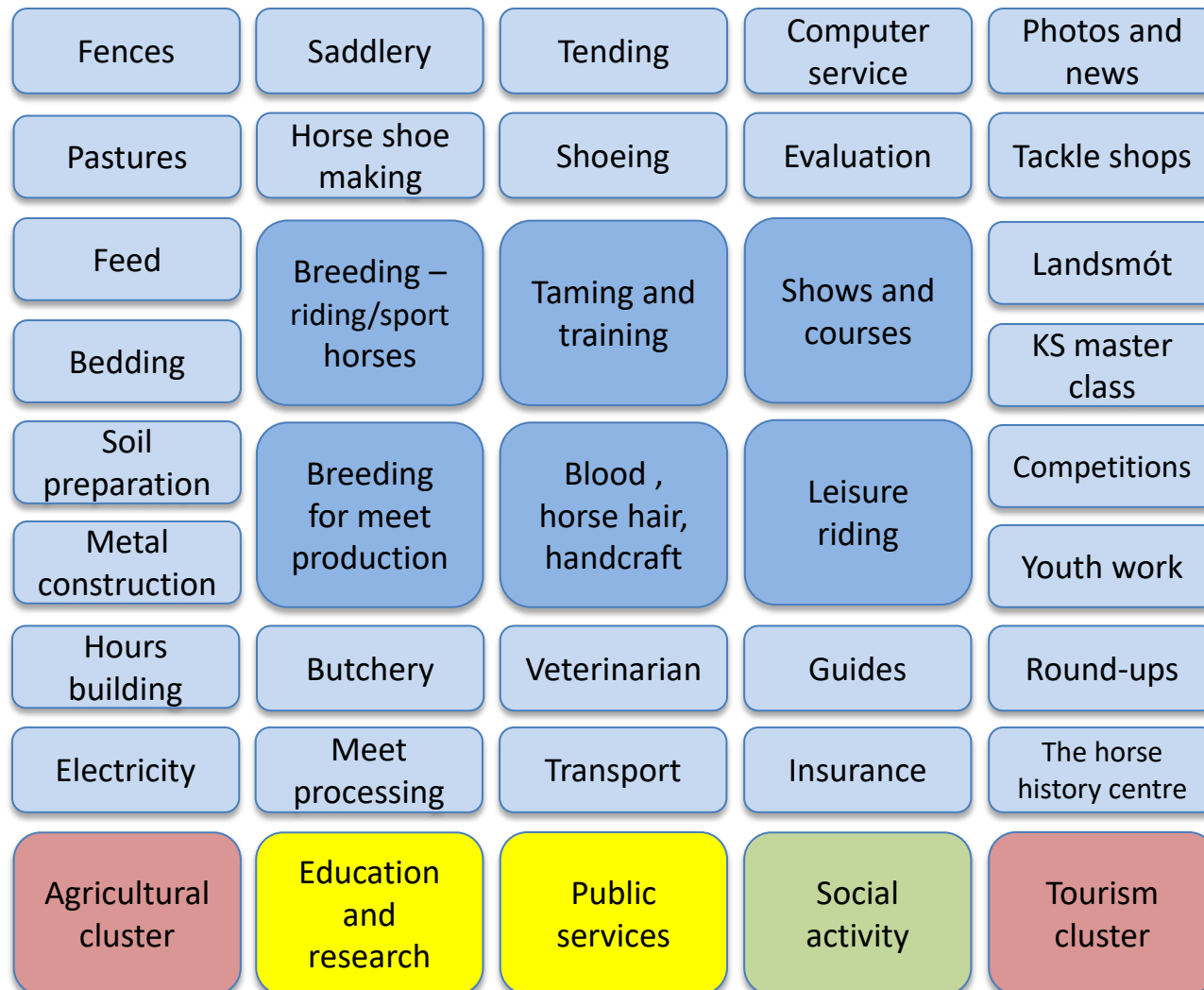
Education

- Holar University College
 - Equine science and rural tourism
- FNV – Secondary school
 - Equine program
- Independent riding instructors

Other

- The horse history centre - Hólar
- Events; Landsmót, breeding shows, KS Master class, „Hrossablót“
- Activities for kids

The cluster of equestrianism in the NW



Operators → competition vs. collaboration

- A considerable focus on collaboration within the industry
 - However some operators mention that more unity is needed
- Operators emphasize the importance of collaboration between farms/operators e.g. in breeding and tourism development
 - Tourism operators do e.g. borrow horses from horse farmers for the high tourism season in the summer → farmers get their horses shod and trained for the sheep gathering season in the fall...

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Operators → resource utilization

- The interviews indicate that it has been hard in the recent years to run a business solely focusing on horse breeding and selling
- Variable streams of income are needed
- Operators emphasize better utilization of horses, land, buildings, equipment and labor
 - Tourism is commonly seen as a solution for horse breeders to increase income and utilization of existing resources
- Interviewee 19, e.g. said:
 - *The greatest income is when you sell an expensive horse, but then the smaller factors also count, like selling a bit of tourism, riding instruction, horse caring and feeding and so on, it all matters as we get small amounts from different sources*

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Operators → flow of knowledge

- Operators seem aware of the importance of knowledge and skills in equestrianism for developing businesses and the industry
 - They did mention:
 - hiring graduates/students from Holar University
 - sending horses to Holar University for training
 - the importance of getting knowledge from local institutions
 - gaining working experience from abroad before starting own businesses

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Operators → specialisation and innovation

- Specialisation seem to be increasing
 - Operators claim they have started to get farriers to shoe their horses and expert trainers to show breeding horses instead of doing it all by them self
- Discussing competition, interviewee 1 said she has the dream that all operators in the industry have the same vision for the industry to increase collaboration, but she also claimed:
 - *I think there is space for everyone, each and everyone only needs to think about how to specialise*

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Conclusions

- A horse based business cluster exists in North West Iceland as there has been/is:
 - A long standing development of equestrianism in the area
 - A variable activity and businesses
 - Increasing competition
 - A favourable environment for equestrian cluster development
 - Horse based activity existing in all levels of the value chain



Conclusions

- The co-location of businesses within the equestrian industry seem to stimulate resource utilization, knowledge flow, specialization and innovation in the NW of Iceland
 - > Start up of new businesses
 - > Development of existing businesses
- Most companies are small lifestyle businesses
 - > *might affect their capability of innovation and product development*

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Thank you...

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