

Innovation and Entrepreneurship

Strategies and Processes
for Success in Tourism

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Preface

The idea for this published collection of cases of innovative entrepreneurship came from two of the editing authors of this volume who attended the 10th Enter conference in Helsinki (Technology on the Move).

As usual with conferences of this kind the emphasis of this conference had been on introducing, employing or distributing new technology in tourism dealing in the main with technical-analytical issues. But what about the most important motivating force behind the third industrial revolution now also embracing tourism e.g. the innovative entrepreneur? The latter though extremely important for innovation had been missing in the discussion. And thus the idea was born to investigate and report on the most innovative firms and/or entrepreneurs in tourism to be found across a number of European and non European countries. The central idea was to pick only those innovative entrepreneurs in tourism who had changed business practices in the industry in an almost revolutionary fashion; in short we wanted to find true “Schumpeterian” entrepreneurs across 13 countries where we had the possibility of accessing firms. To avoid biases in the selection of the innovators a two stage selection process involving both industry associations, public tourism boards and academics was chosen yielding an industry and academic consensus as to who in those jurisdiction was the leading innovator in the field of tourism broadly defined. The case histories, it was hoped, should help identify similarities and/or differences in the underlying determinants and currents of innovation and innovation processes in the tourism industry.

When looking below at the success stories of innovation in tourism in 13 different jurisdictions we find in line also with some of the general interpretations of entrepreneurship and innovation in tourism provided by K. Weiermair and F. Go in this book a dominance of the following 5 success factors:

1. Existence of appropriate entrepreneurs and entrepreneurship
2. A vision for needed paradigmatic shifts or changed business concepts
3. Translating the vision into appropriate management and organisation development processes creating “intrapreneurship” and continuous learning and growth
4. The choice for the right place and time to introduce new products or processes in tourism
5. Supportive governmental or public policies and/or programmes

Entrepreneurship played a crucial role in all 13 cases reported although it did so in different ways. Whilst in the Austrian, Canadian, Finnish, French, German and Italian case an individual entrepreneur had been at the center as the prime motivation force showing vision assuming risks and shaping institutional and market arrangements, “Strategic Partnerships or Collective Entrepreneurship” was more responsible to create effective business plans, strategic vision and/or new products commensurate with innovations in the case of the Brazilian, Dutch, Polish, Scottish, Swiss and U.S. case.

Every innovative entrepreneur or group of entrepreneurs needs a vision about a new product, a new process, a new form of marketing, new markets or new forms of organisation.

A vision of course does not always imply or lead to revolutionizing the nature of tourism business practices, in some cases innovation may simply involve product line or market extensions or involve creative imitation of business practices in other firms or markets (see the Brazilian, German and Polish case studies). In all of the other cases we can observe rather large changes of business concepts based on visions of anticipated changes in tourism demand creating in the main a new type of experience in tourism. E.g. the very successful introduction of cultural goods & services (Swarovski, Austria) new adventure experiences (G.A.P, Canada and Touring Cars, Finland) health products and services (RP Care in Holland and the Salt mine Bochnia in Poland) novel food experiences (Ayrshire Food Network, Scotland) and medieval destination/hotel experience (Sextantio Albergo Diffuso, Italy). Alternatively three entrepreneurs have created entirely new ways to organize tourism with respect to financing tourism (Swiss Travel Bank managing tourism destinations, Transmontagne in France) and marketing tourism (Carlson Destination Marketing, USA). All cases attest to the strong customer and market driven aspect of innovation as the key to success.

Although not as transparent and articulated in all cases was the third innovation success element of translating vision into appropriate management programmes and policies. In the main it involved such aspects as putting in place continuous learning, quality improvement and/or R & D programmes (Swarovski, Austria; Transmontagne, France; Joska Kristall, Germany and the Green Card Balearic Islands, Spain) or the management of alliances and/or partnership which was of importance as success factors in all of the other cases.

As is also explained subsequently in the next chapter, time and place play a key role in determining the likely success of innovations in tourism. Thus most of the innovations reported in the 13 case studies take either place at the

beginning or towards the consolidation phase of the destination life cycle and all are positioned close to important sourcing markets.

Finally the last factor which in our case studies has helped contribute to the success of innovation are benign or supportive governmental programmes and/or policies towards firms innovative efforts. In one extreme case the government itself was the innovator (the Green Card programme in Spain) whilst in the remaining other 12 case studies governments supported innovation either through outright private public partnership (the Polish case) or through different forms of funding or financial aids available at different levels of government. Given the shifting interests of today's governments away from subsidizing ailing firms and industries towards supporting innovative firms and future industries tourism firms in some European jurisdictions have thus been able to reduce the high risk and cost of innovation thus facilitating major product or process innovations.

The present volume documents these 13 case studies of innovative entrepreneurship alluded to above and at the same time provision is made at the beginning and at the end of these reported cases to provide some additional insights with respect to the external setting of innovations in tourism (e.g. at the beginning with K. Weiermair Tourism development and Entrepreneurship) and at the end with the firm's internal innovation process and its managerial implications (F. Go: An Interpretation of Case Studies on Entrepreneurship and Innovation in Tourism).

While it was probably impossible to account for all types, determinants and success factors of innovation in tourism across all jurisdictions and across time it is hoped that this volume will nevertheless provide both theoretical but above all practical insights into successful innovative entrepreneurship in tourism.

Klaus Weiermair

Innsbruck, Januar 2010

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