



UNIVERSIDAD DE SEVILLA

Faculty of Tourism and Finance

Interuniversity Doctorate in Tourism

Tourism Entrepreneurship

An analysis of the competitiveness factors

DOCTORAL THESIS
(by compendium of publications)

Doctoral student: Álvaro de Borba Cruz Lopes Dias

Director: Prof. Dra. M^a Rosario González Rodríguez

Sevilla, 2021

Álvaro de Borba Cruz Lopes Dias, D.N.I.: 09573055 as a PhD in Organization Sciences with specialization in International Marketing, MSc in Strategy and BA in Management presents this thesis by compendium of publications for the Doctor degree in Tourism, in the research line of *Turismo, Desarrollo y Cooperación*.

ACKNOWLEDGMENTS

First of all I want to thank and dedicate this thesis to my wife, Rute, and my three children, Joana, Diogo and Madalena, for their unconditional support and for the time I took from them to do it. To my father a very special message, for the example he gave me, which I want to transmit to my children. I know this step will make him happy.

Secondly, I thank my supervisor Professor Maria Rosario Gozalez Rodriguez for her invaluable support, counseling, encouragement and total availability to accompany the work developed and in all moments of doubt.

To my colleagues, for having contributed to this work, with special emphasis to Graça Silva and Mafalda Patuleia.

Finally, but not last, to the Universidad de Sevilla for the opportunity to grow that I was given.

Álvaro Dias

INFORMATION OF THE SCIENTIFIC PAPERS PUBLISHED

The present doctoral thesis, in accordance with the quality criteria for defense of doctoral thesis by compendium of publications, authorized by the Thesis Director and the Doctoral Program Commission, is presented as a compendium of four previously published scientific papers. The full references of the scientific papers that constitute the thesis are as follows:

- I. **Dias, Álvaro;** González-Rodríguez, M. Rosario & Patuleia, Mafalda (2020). Developing Poor Communities through Creative Tourism. *Journal of Tourism and Cultural Change*. 1-21 DOI: 10.1080/14766825.2020.1775623
- II. **Dias, Álvaro;** Silva, Graça; Patuleia, Mafalda & González-Rodríguez, M. Rosario (2020). Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship. *Journal of Sustainable Tourism*. 1-20. DOI: 10.1080/09669582.2020.1835931
- III. **Dias, Álvaro;** Silva, Graça; Patuleia, Mafalda & González-Rodríguez, M. Rosario (2021). Transforming local knowledge into entrepreneur's innovativeness. *Current Issues in Tourism*. 1-21. <https://doi.org/10.1080/13683500.2020.1865288> .
- IV. **Dias, Álvaro;** González-Rodríguez, M. Rosario & Patuleia, Mafalda (2021). Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness. *International Journal of Tourism Research*. 1-12. <https://doi.org/10.1002/jtr.2436>
- V. **Dias, Álvaro;** Silva, Rui; Patuleia, Mafalda; Estêvão, João & González-Rodríguez, M. Rosario (2021). Selecting lifestyle entrepreneurship recovery strategies. A response to COVID-19 pandemic. *Tourism and Hospitality Research*.

INFORMATION OF THE SCIENTIFIC RELEVANCE OF PUBLICATIONS OF THE THESIS BY COMPENDIUM

I. Developing Poor Communities through Creative Tourism

Journal: Journal of Tourism and Cultural Change (ISSN 1476-6825)

Title: Developing Poor Communities through Creative Tourism

Authors: Dias, Álvaro; González-Rodríguez, M. Rosario and Patuleia, Mafalda

Volume: [Published ahead of print]

Pages: 21

Year: 2020

Status: Published

Publisher: Taylor and Francis

DOI: 10.1080/14766825.2020.1775623

Number of citations: 1

Indexing quality: Scopus; Scimago Journal & Country Rank (SJR); Social Sciences Citation Index and Web of Science (Clarivate Analytics)

Impact factor JCR 2019 = 1.327

Scopus CiteScore Tracker 2019: 2.2

Quartile: Q1

Journal area: Cultural Studies/Tourism, Leisure and Hospitality Management/Geography, Planning and Development

II. Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship

Journal: Journal of Sustainable Tourism (ISSN 0966-9582, 1747-7646)

Title: Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship

Authors: Dias, Álvaro; Silva, Graça; Patuleia, Mafalda & González-Rodríguez, M. Rosario

Volume: [Published ahead of print]

Pages: 20

Year: 2020

Status: Published

Publisher: Taylor and Francis

DOI: 10.1080/09669582.2020.1835931

Number of citations: 0

Indexing quality: Scopus; Scimago Journal & Country Rank (SJR); Social Sciences Citation Index and Web of Science (Clarivate Analytics); AJG (Association of Business Schools)

Impact factor JCR 2019 = 3.986

Scopus CiteScore Tracker 2019: 6.4

Quartile: Q1

Journal area: Tourism, Leisure and Hospitality Management/Geography, Planning and Development

III. Transforming local knowledge into entrepreneur's innovativeness

Journal: Current Issues in Tourism (ISSN 1747-7603, 1368-3500)

Title: Transforming local knowledge into entrepreneur's innovativeness

Authors: Dias, Álvaro; Silva, Graça; Patuleia, Mafalda & González-Rodríguez, M. Rosario

Volume: [Published ahead of print]

Pages: 24

Year: 2021

Status: Published

Publisher: Taylor and Francis

DOI: 10.1080/13683500.2020.1865288 .

Number of citations: 0

Indexing quality: Scopus; Scimago Journal & Country Rank (SJR); Social Sciences Citation Index and Web of Science (Clarivate Analytics); AJG (Association of Business Schools)

Impact factor JCR 2019 = 4.147

Scopus CiteScore Tracker 2019: 7.5

Quartile: Q1

Journal area: Tourism, Leisure and Hospitality Management/Geography, Planning and Development

IV. Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness

Journal: International Journal of Tourism Research (ISSN 1099-2340, 1522-1970)

Title: Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness

Authors: Dias, Álvaro; Silva, Graça; Patuleia, Mafalda & González-Rodríguez, M. Rosario

Volume: [Published ahead of print]

Pages: 12

Year: 2021

Status: Published

Publisher: John Wiley and Sons Ltd

DOI: 10.1002/jtr.2436

Number of citations: 0

Indexing quality: Scopus; Scimago Journal & Country Rank (SJR); Social Sciences Citation Index and Web of Science (Clarivate Analytics); AJG (Association of Business Schools)

Impact factor JCR 2019 = 2.585

Scopus CiteScore Tracker 2019: 4.4

Quartile: Q1

Journal area: Tourism, Leisure and Hospitality Management/Geography, Planning and Development

V. Selecting lifestyle entrepreneurship recovery strategies A response to COVID-19 pandemic

Journal: Tourism and Hospitality Research (ISSN 1467-3584, 1742-9692)

Title: Selecting lifestyle entrepreneurship recovery strategies. A response to the COVID-19 pandemic

Authors: Dias, Álvaro; Silva, Rui; Patuleia, Mafalda; Estêvão, João & González-Rodríguez, M. Rosario

Volume: [Published ahead of print]

Pages: 12

Year: 2021

Status: Published

Publisher: SAGE

DOI: xxxxx

Number of citations: 0

Indexing quality: Scopus; Scimago Journal & Country Rank (SJR)

Scopus CiteScore Tracker 2019: 3.3

Quartile: Q1

Journal area: Tourism, Leisure and Hospitality Management/Geography, Planning and Development

Table of Contents

ACKNOWLEDGMENTS.....	3
Table of Contents	10
CHAPTER 1.....	12
Introduction and objectives	12
1. Justification of the research theme	13
2. COVID-19 effect on tourism (an additional note)	15
3. Objectives.....	16
4. Contribution to the UN SDG.....	16
5. Thesis structure	17
References	19
CHAPTER 2.....	22
Developing Poor Communities through Creative Tourism.....	22
CHAPTER 3.....	53
Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship.....	53
CHAPTER 4.....	92
Transforming local knowledge into lifestyle entrepreneur’s innovativeness: Exploring the linear and quadratic relationships.....	92
CHAPTER 5.....	125
Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness.....	125
CHAPTER 6.....	150
Selecting lifestyle entrepreneurship recovery strategies. A response to COVID-19 pandemic.....	150
CHAPTER 7.....	164
Conclusions, implications, limitations and future research.....	164

1. Results summary	164
2. General conclusions	168
3. Practical implications	171
4. Research limitations and future research.....	173
References	174

CHAPTER 1

Introduction and objectives

1. Justification of the research theme

This research is focused on entrepreneurship in the context of tourism, a field of growing scholar interest (Zhang, Lu & Sun, 2021) since its early days in the late 1970s (Hallak, Assaker & Lee, 2015). Research at the intersection of these two areas has been focused on the characteristics of the entrepreneur (e.g. Morrison, Carlsen & Webber, 2010; Thomas, Shaw & Page, 2011), with a vast unexplored field at the level of the entrepreneurial process (Fu, Okumus, Wu, & Koseoglu, 2019) and organizational capabilities of small and medium-sized tourism enterprises (Marchant & Mottiar, 2011).

The investigation of entrepreneurship in the tourism and hospitality sector from an early stage felt the need to adapt academic knowledge and existing theories to the specificities of small businesses and reducing the need to import business theory models as suggested by several researchers (e.g., Carlsen, Morrison & Weber, 2008; Fu et al., 2019; Marchant & Mottiar, 2011).. Thus, the challenge of studying both the company and the entrepreneur arises given that small tourism business is an extension of the owner (Lumpkin & Dess, 1996), resulting in ventures characterized by their smallness, informality and flexibility (Power, Di Domenico & Miller, 2017). Moreover, the type of entrepreneurial motivation has been a key dimension in tourism entrepreneurship research (Wang, Hung & Huang, 2019), since a large part of small tourism businesses are run by individuals with lifestyle objectives, such as motivation to live in a desired location, build social networks, and be part of a community, as opposed to the profit maximization that characterizes entrepreneurship in other sectors of activity (Getz and Carlsen 2000; Bosworth and Farrell, 2011). Accordingly, the entrepreneurs with the desire to follow a comfortable lifestyle can be classified as lifestyle oriented, while those who are focused on business success are classified as business oriented (Wang, et al., 2019).

Due to their economic condition and the nature of the tourism product, entrepreneurs in poor communities can be considered a particular kind of lifestyle oriented (Meyer, 2010). While business oriented can be analysed through the lenses of traditional entrepreneurial theories, lifestyle entrepreneurs need to be studied as a different from other entrepreneurs in distinct sectors (Bosworth and Farrell, 2011).

The study of small business is crucial due to their share in the total numbers of tourism firms (Getz & Carlsen, 2000; Thomas et al., 2011). Table 1 show the proportion of micro sized firms (less than 9 employees) in the total firms.

Table 1.1. Proportion of micro sized firms (less than 9 employees) in the total firms

	2009		2017		2018	
	Number	%	Number	%	Number	%
European Union - 27 countries			1656044	89,5%	1660694	89,1%
Spain	267390	94,2%	273545	91,8%	262899	91,5%
Portugal	85750	95,4%	99703	95,1%	107460	94,9%

Source: Eurostat (2020)

Despite their reduced dimension, small tourism businesses play an important economic and social role, since the majority is owned by local population, paying special care with local environment, employee and market (Getz & Carlsen, 2000; Morrison, 2006). Furthermore, they are considered as a useful agent for policy-making in the materialization of political and economic transformation processes aimed (Morrison, et al., 2010). Another important characteristic of small tourism businesses is their specificities in terms of weaknesses, namely weak business models (Zhang & Morrison, 2007) and informality (Bosworth & Farrell, 2011), which are the result of their ‘fragility of smallness’ (Morrison & Conway, 2007).

In the case of the poor communities, small businesses play an important role, contributing to reduce poverty and foster social inclusion, developing the competitiveness of local economy, protect the natural environment; and encourage young people to stay in the community (Vyakarnam, 2003). As such, the significance placed on studying small tourism businesses is transversal developed, developing and transition economies worldwide (Morrison et al., 2010).

Considering the lifestyle entrepreneurs, two main reasons can be considered to justify this research. First, because they have particular weaknesses that limit their capability to compete and innovate. These limitations are described in the third article but can be summarized as (i) lack of skills, business and managerial experience, formal training, and reduced resources (capital, staff, equipment) (Cooper, 2015; Ioannides and

Petersen, 2003; Marchant & Mottiar, 2011; Su & Xu, 2019). (ii) Limited entrepreneurial behaviour, such as risk aversion, passivity, low creativity and innovation (Cooper, 2015; Czernek, 2017; Hjalager, Kwiatkowski & Larsen, 2018; Yachin, 2019); (iii) Difficulty in turning knowledge into innovation. (Hoarau, 2014).

Second, because they play an important role on the destination sustainability (Shrivastava & Kennelly, 2013), innovation (Stamboulis & Skayannis, 2003), differentiation by delivering unique, genuine and creative experiences associated with the place (Kibler, Fink, Lang, & Muñoz, 2015), and preservation of the natural environment and the local culture and traditions (Sun et al., 2020).

2. COVID-19 effect on tourism (an additional note)

Given the global context of a pandemic, researchers in tourism cannot be unaware of this real catastrophe in the sector. Here is a brief note explaining the origin of the fourth article in this compendium.

The effect of the pandemic caused by OVID-19 has affected the world economy, with more harmful repercussions on tourism (Hall, 2010). Based on the latest data from UNTWO (2020) international tourist arrivals (overnight visitors) declined 70% in January-August 2020 in comparison with the same period of 2019. This is the result of a dramatic drop in international demand and global travel restrictions.

The consequence is the impressive fall of 700 million in international tourist arrivals, representing loss of US\$ 730 billion in export revenues from international tourism (UNTWO, 2020). Furthermore, other consequences are yet to come as revealed by UNESCO (2020) stating that the pandemic is “hurting communities who rely on cultural tourism for their livelihoods, leaving cultural and natural World Heritage sites vulnerable to looting and poaching, and weakening access to culture” (p. 1).

The studies presented in this thesis began to be elaborated in early 2019. However, when the strongest effects of the pandemic were felt in mid-March 2020, the author felt the need to contribute to the increase of knowledge about this phenomenon

and directed the latest research to the creation of an instrument to support decision makers in defining post-Pandemic recovery strategies.

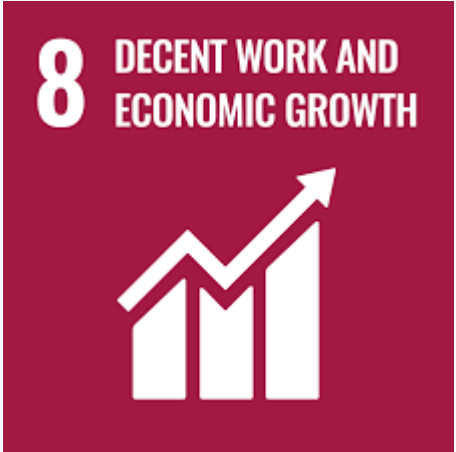
3. Objectives

According to the context described above, there are several reasons to study entrepreneurs in tourism, and there are diverse areas where further theoretical study and empirical testing are required. In a very concrete way, in the framework described above, this research work addresses:

- (i) To deepen the knowledge about entrepreneurship in tourism, especially the individual and organizational determinants of innovation and performance;
- (ii) Contribute to the continued development of destinations, supported by innovation and sustainability;
- (iii) Develop models to explain the competitive development of entrepreneurs across countries in various stages of development.
- (iv) Propose approaches to identify solutions for entrepreneurship revitalization in the post-pandemic context caused by COVID-19.

4. Contribution to the UN SDG

The themes addressed in the articles that compose them contemplate a direct and effective relationship with some of the commitments established by the unit nations. The first article works specifically on the theme of poverty reduction and the other three works on this topic indirectly. In addition, all of them address themes that are essential for other SDG, always associated with the development of territories with less geographical density, in poverty or not. In addition, the articles work very concretely on the themes of entrepreneurship, innovation and value creation. Thus, the following SDG are considered:



5. Thesis structure

The research work that constitutes this doctoral thesis by article compilation has been structured in six chapters, which include the four articles that make it up, after a first

introductory chapter that presents the framework that defines the scope of research and a final chapter of conclusions. The articles are presented in chronological order.

The second chapter, entitled “Developing Poor Communities through Creative Tourism”, published in *Journal of Tourism and Cultural Change* in 2020 (IF JCR 2019 = 1.327; CiteScore 2019 = 2.2), is focused on the role of creative tourism entrepreneurship in poverty reduction in Latin America. This article explores the role of third parties (local and central government, universities, NGOs) and cooperation within the community on the development of small creative initiatives that contributes to poverty reduction.

“Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship” is the title of the third chapter, which was published in *Journal of Sustainable Tourism* also in 2020 (IF JCR 2019 = 3.986; CiteScore 2019 = 6.4). Chapter 4 is entitled “Transforming local knowledge into lifestyle entrepreneur’s innovativeness: Exploring the linear and quadratic relationships” published in 2021 in *Current Issues in Tourism* (IF JCR 2019 = 4.147; CiteScore 2019 = 7.5). The two articles develop the innovation antecedents of a particular type of entrepreneurs – the lifestyle entrepreneurs. Both articles explore the influence on entrepreneurial innovation of several variables such as knowledge acquisition and assimilation, place attachment, communication, and community-centered strategies.

Chapter 5 article is entitled “Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness” published in 2021 in *International Journal of Tourism Research* (IF JCR 2019 = 2.585; CiteScore 2019 = 4.4). This article follows the two previous ones, by analyzing the retention of lifestyle entrepreneurs, which is an important topic for destination development and competitiveness. After studying the factors influencing innovation, it is important to understand how to retain those entrepreneurs at the destination.

The sixth chapter “Selecting lifestyle entrepreneurship recovery strategies A response to COVID-19 pandemic”, was published in *Tourism and Hospitality Research* in 2021 (CiteScore 2019 = 3.3), and proposed a ranking of indicators that destinations and policy-makers can use to select the best strategies to reactive the tissue of small business.

Finally, chapter 7 presents the research conclusions as well the limitations, pointing avenues for further research.

References

- Carlsen, J., Morrison, A., & Weber, P. (2008). Lifestyle oriented small tourism firms. *Tourism Recreation Research*, 33(3), 255-263. DOI: 10.1080/02508281.2008.11081549
- Cooper, C. (2015). Managing tourism knowledge. *Tourism Recreation Research*, 40(1), 107-119. <https://doi.org/10.1080/02508281.2015.1006418>
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220. <https://doi.org/10.1080/13683500.2014.944107>
- Eurostat (2020). Annual enterprise statistics by size class for special aggregates of activities (NACE Rev. 2). Eurostat. Available at https://ec.europa.eu/eurostat/databrowser/view/sbs_sc_sca_r2/default/table?lang=en
- Fu, H., Okumus, F., Wu, K., & Köseoglu, M. (2019). The entrepreneurship research in hospitality and tourism. *International Journal of Hospitality Management*, 78, 1-12. <https://doi.org/10.1016/j.ijhm.2018.10.005>
- GEM (2020). Economy Profile - Entrepreneurial Behaviour and Attitudes. Global Entrepreneurship Monitor. Available at <https://www.gemconsortium.org/economy-profiles/portugal-2> on December 8, 2020
- Getz, D., & Carlsen, J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management*, 21(6), 547-560. [https://doi.org/10.1016/S0261-5177\(00\)00004-2](https://doi.org/10.1016/S0261-5177(00)00004-2)
- Hall, C. M. (2010). Crisis events in tourism: subjects of crisis in tourism. *Current issues in Tourism*, 13(5), 401-417. <https://doi.org/10.1080/13683500.2010.491900>
- Hallak, R., Assaker, G., & Lee, C. (2015). Tourism entrepreneurship performance: The effects of place identity, self-efficacy, and gender. *Journal of Travel Research*, 54(1), 36-51. <https://doi.org/10.1177/0047287513513170>
- Hjalager, A.M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17. <https://doi.org/10.1080/15022250.2017.1287002>
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. <https://doi.org/10.1080/15022250.2014.887609>

- Ioannides, D., & Petersen, T. (2003). Tourism 'non-entrepreneurship' in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435. <https://doi.org/10.1080/1461668032000129146>
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. <https://doi.org/10.1016/j.jbvi.2015.04.001>
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of management Review*, 21(1), 135-172. <https://doi.org/10.2307/258632>
- Marchant, B., & Mottiar, Z. (2011). Understanding lifestyle entrepreneurs and digging beneath the issue of profits: Profiling surf tourism lifestyle entrepreneurs in Ireland. *Tourism Planning & Development*, 8(2), 171-183. <https://doi.org/10.1080/21568316.2011.573917>
- Meyer, D. (2010). Pro-poor tourism: Can tourism contribute to poverty reduction in less economically developed countries. *Tourism and inequality: Problems and prospects*, 164, 182.
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192-209. <https://doi.org/10.1108/13552550610679159>
- Morrison, A., Carlsen, J., & Weber, P. (2010). Small tourism business research change and evolution. *International Journal of Tourism Research*, 12(6), 739-749. <https://doi.org/10.1002/jtr.789>
- Morrison, A., & Conway, F. (2007). The status of the small hotel firm. *The service industries journal*, 27(1), 47-58. <https://doi.org/10.1080/02642060601038643>
- Power, S., Di Domenico, M., & Miller, G. (2017). The nature of ethical entrepreneurship in tourism. *Annals of Tourism Research*, 65, 36-48. <https://doi.org/10.1016/j.annals.2017.05.001>
- Shrivastava, P., & Kennelly, J.J. (2013). Sustainability and place-based enterprise. *Organization & Environment*, 26(1), 83-101. <https://doi.org/10.1177/1086026612475068>
- Stamboulis, Y., & Skayannis, P. (2003). Innovation strategies and technology for experience-based tourism. *Tourism Management*, 24(1), 35-43. DOI:10.1016/S0261-5177(02)00047-X

- Sun, X., & Xu, H. (2019). Role Shifting Between Entrepreneur and Tourist: A Case Study on Dali and Lijiang, China. *Journal of Travel & Tourism Marketing*, 1-15. <https://doi.org/10.1080/10548408.2019.1598535>
- Sun, X., Xu, H., Köseoglu, M.A., & Okumus, F. (2020). How do lifestyle hospitality and tourism entrepreneurs manage their work-life balance?. *International Journal of Hospitality Management*, 85, 102359 . DOI:10.1016/j.ijhm.2019.102359
- Thomas, R., Shaw, G., & Page, S. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32(5), 963-976. <https://doi.org/10.1016/j.tourman.2011.02.003>
- UNESCO (2020). The UN warns of the pandemic's lasting impacts on tourism. UNESCO. Available at <https://en.unesco.org/news/warns-pandemics-lasting-impacts-tourism>. on December 13th, 2020.
- UNTWO (2020). Impact assessment of the covid-19 outbreak on international tourism. United Nations World Tourism Organization. Available at <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism> on December 13th, 2020.
- Vyakarnam, S. (2003). Entrepreneurial Intensity: Searching for the hero inside. In *Institute of Small Business Affairs Conference, University of Surrey*.
- Wang, S., Hung, K., & Huang, W. J. (2019). Motivations for entrepreneurship in the tourism and hospitality sector: A social cognitive theory perspective. *International Journal of Hospitality Management*, 78, 78-88. <https://doi.org/10.1016/j.ijhm.2018.11.018>
- Yachin, J. M. (2019). The entrepreneur–opportunity nexus: Discovering the forces that promote product innovations in rural micro-tourism firms. *Scandinavian Journal of Hospitality and Tourism*, 19(1), 47-65. <https://doi.org/10.1080/15022250.2017.1383936>
- Zhang, H., Lu, L., & Sun, F. (2021). Changing role of lifestyle in tourism entrepreneurship: Case study of Naked Retreats Enterprise. *Tourism Management*, 84, 104259. <https://doi.org/10.1016/j.tourman.2020.104259>
- Zhang, H. Q., & Morrison, A. (2007). How can the small to medium sized travel agents stay competitive in China's travel service sector?. *International Journal of Contemporary Hospitality Management*. 19(4), 275-285. <https://doi.org/10.1108/09596110710747616>

CHAPTER 2

Developing Poor Communities through Creative Tourism

Abstract:

The research on creative tourism is mainly focused on developed western economies. Studies about developing countries with a significant percentage of the population living in poverty are still scarce. As such, this study is based on extensive field research and in-depth interviews of four poor communities in two countries (Brazil and Peru). The main goal is to identify a group of factors and their inter-relation as they contribute to the development of poor communities using creative tourism approaches.

The results point to a positive response, i.e., it is possible for poor communities to offer interactive experiences. But not directly. Instead, there are a number of requirements that contribute to this accomplishment. First, local development depends on the involvement of external entities. Their role includes not only the achievement of consensus but also the allocation of capital, skills and resources. Second, initial results develop entrepreneurial initiatives with a direct impact on further investments, especially in tourism.

Third, tourism-related processes result from other non-tourism activities. However, tourism activities benefit from (1) the gains in popularity of the region and/or its products, traditions and culture; (2) increase in entrepreneurial activity.

Keywords: Creative Tourism; Creativity; Poverty Reduction; Entrepreneurship; Rural Tourism; Pro-poor tourism.

JEL: Z32; R58; M39

1. Introduction

Creative tourism is increasingly sought because it meets the need to develop more active and enduring experiences (Chang, Backman & Huang, 2014). Creative tourism can be defined as the “tourism which offers visitors the opportunity to develop their creative potential through active participation in courses and learning experiences which are characteristic of the holiday destination where they are undertaken” (Richards & Raymond, 2000, p. 18). The growth of creative tourism has been associated with reactions to cultural tourism, in which tourists seek more interactive experiences, making them active stakeholders (Tan, Kung & Luh, 2013), but also with a destination strategy to avoid turning cultural heritage into commoditized experience modules, such as museums, festivals or city tours (Binkhorst & Den Dekker, 2009).

An essential issue is the conceptualization of creativity in the tourism context. For example, Tan, Kung and Luh (2013) specify a set of creative situations, for instance, a farm that provides gastronomic experiences (degustation), ecological exploits (feeding a cow) or the production of crafts by the tourists themselves as an example of creativity in tourism. The central idea is to establish closer relationships between producers and consumers (Holloway et al., 2007). In tourism, the core of the concept considers that traditional cultural tourism must re-invent itself to align with the demands of modern tourists for more meaningful experiences (Tan et al., 2013).

Despite its considerable advantages, the research attention on creative tourism has been focused on European economies (Skokic & Morrison, 2011) especially because the destination development model of these economies was based on cultural tourism massification strategies (Remoaldo & Cadima-Ribeiro, 2019). Furthermore, research on creative tourism in developing countries has been underexplored (Skokic & Morrison, 2011), particularly in the context of rural and poor communities, which represent 59 million people or 48.6 percent of the population in Latin America and the Caribbean (FAO, 2018). According to the UN (2010) classification, extreme poverty refers to those who live on less than the equivalent of one US dollar per day.

When compared to other sectors, tourism has a greater potential for alleviating poverty (Spenceley & Meyer, 2012). In particular, Mottiar (2016) suggests that rural communities face increasing difficulty in sustaining themselves due to the decline in traditional agricultural production. To overcome this challenge, “rural tourism has been identified as an opportunity for many” (p. 203). As such, tourism is considered more

suitable for poor rural communities with few other growth options (Medina-Muñoz, Medina-Muñoz & Gutiérrez-Pérez, 2016). The introduction of tourism practices within the community also contributes to highlight local traditions by enabling the visitors to become aware of and learn about local communities and ways of life (Giampiccoli & Mtapuri, 2017), which is an important premise in creative tourism. However, tourism is also associated with negative impacts on rural communities. This dual perspective is expressed by Gascón and Milano (2017): “tourism as an engine of development versus a mechanism that increases vulnerability and dependence on a capitalist market that the local population does not control” (p. 5). Further discussion is presented below.

The point is that tourism is usually considered a driver of economic development, with poverty reduction being a by-product and not a priority (Zhao & Ritchie, 2007). On the other hand, there has been an effort to promote initiatives directly aimed at poverty reduction, for example ecotourism, responsible tourism or community-based tourism, (CBT) (Medina-Muñoz, et al., 2016). We argue that creative tourism should also be included in this list. In fact, small-scale businesses engaged in creative tourism present several opportunities for tourism development (Dawson, Fountain & Cohen, 2011).

The link between poverty reduction and tourism is still underexplored (Biddulph, 2015). For these communities, there are other challenges to overcome since it is increasingly difficult to sustain their income on a declining agricultural production, and they don't possess the abilities or the resources to embrace tourism opportunities (Mottiar, 2016). Recent research has found that poor communities can benefit from this type of tourism by providing interactive daily experiences for visitors (Dias, Patuleia & Dutschke, 2018). However, the main problem is that these communities lack the requirements to be competitive: clear strategy, shared vision, resources and skills (Blapp & Mitas, 2017). Moreover, the lack of unity within the community could be a barrier (Mottiar, 2016) to the existence of a unifying project that involves several local actors (with possibly divergent perspectives) towards offering a unique set of interactive experience to visitors. As such, the development of creative tourism projects will have to combine overcoming barriers (scarcity of resources and skills and lack of articulation between the various community actors) with taking advantage of the limited endogenous resources through creative activities associated with the local lifestyle. This framework conceptualizes lifestyle entrepreneurship where the prerequisites for small-

scale business formation are low (Hjalager, Kwiatkowski & Larsen, 2018). Usually these small-scale tourism businesses follow attractive opportunities made possible by low entry barriers, such as the low investment or the inexistence of formal training prerequisites (Ioannides & Petersen, 2003). Lifestyle entrepreneurs represent key actors for creative tourism activities (Richards, 2011). Accordingly, the following research questions are considered: can poor communities embrace creative tourism projects? What impact does creative tourism have on poverty alleviation? How is the transition to creative tourism taking place? By addressing these questions, our research contributes to existing literature by extending the knowledge on the dynamics of poor communities to improve their condition through creative tourism. It explores how tourism can contribute to the development and sustainability of communities, understanding the barriers they face and how they are overcome by providing skills, fostering entrepreneurship and using creative tourism as a way to exploit the endogenous resources of these communities. As such, the main goal of this research is to investigate the dynamics of local communities embracing creative tourism activities in order to analyze their capabilities to structure an attractive offer to the market. Specifically, our research aims to identify: (i) the barriers poor communities overcome to develop creative tourism activities through the exploration of endogenous traditions and way of life; (ii) the underlying entrepreneurial processes leading to the development of creative tourism, and (iii) the integration of the overall process in a model for the development of poor communities through creative tourism. Moreover, by addressing the issue of poverty, this research seeks to contribute to the sustainable development goals (SDG) established by the UN, in particular: SDG1 - No poverty; and SDG11 - Sustainable cities and communities (UN, 2019).

The article is structured as follows. The next section is dedicated to the literature review, discussing and linking key topics such as creative tourism, entrepreneurship, barriers and cooperation. The following section presents the methodology and the four cases. Section 4 shows the results and discussion, finalizing with a model for the development of creative tourism projects in poor communities. Finally, conclusions and future research are debated.

2. Theoretical Framework

2.1. Creative Tourism

The concepts of creative tourism and cultural tourism are similar as they share culture as a basis for the offered activities (Tan, et al. 2016). However, the first concept considers that the tourist plays an important role in the cultural experiences themselves, acting proactively in their destinations' daily activities (Richards, 2011; Sofield, Guia & Specht, 2017), Furthermore, tourists seek authentic experiences pertaining to different cultures and histories. As such, authenticity becomes a central component for tourists who expect to experience other cultures when they travel (Park, Choi & Lee, 2019). This leads to another difference. Cultural tourism is recurrent in the interpretation of culture made to the tourists by someone (e.g. a guide), while in creative tourism tourists are actively involved in experiences (Tan et al., 2016). It is the realm of 'experience economy' (Pine & Gilmore, 1999).

In the full dimension of the creative tourism concept, the tourists' participation experience includes their personal development by learning and contacting different people and cultures. This allows the tourist to develop his/her creative potential (Richards, 2011; Ali, Ryu & Hussain, 2016; Jóhannesson & Lund, 2017). The locals, too, gain from these experiences. The interactions between hosts and guests also develop creative potential and new skills of the residents (Blapp & Mitas, 2017).

The involvement of the tourist in experiences is often associated with the concept of co-creation, since consumption occurs in social contexts, considering interactions and shared experiences with locals as a crucial part of the service experience (Rihova, Buhalis, Moita & Gouthro, 2015). Co-creation can be defined as "the joint, collaborative, concurrent, peer-like process of producing new value, both materially and symbolically (Galvano & Dalli, 2014: 644). The focus is the co-creation based on tourist participation and authentic experiences (Jóhannesson & Lund, 2017), adding value to tourists as defined by MacCannell (1973), namely someone who enjoys looking at other people's lives in places with 'staged' authenticity.

According to MacCannell (1973) tourist consumption occurs in two types of regions: (i) in touristic scenarios decorated to appear as non-touristic regions (or back regions); or back regions prepared to accommodate visitors. However, recent research

showed that a growing segment is demanding more authentic experiences (Park, Choi & Lee, 2019) calling for the active involvement of tourists who learn about their surroundings (Tan, et al., 2016). Tourist learning is important for the perception of authenticity by acting on her/his operant resources (skills or knowledge) through contact with local people and culture (Richards, 2011), which, in turn, influences the consumption experience of the operand resources (e.g. heritage or traditions) (Ross, Saxena, Correia & Deutz, 2017). As such, in the context of creative tourism, the presence of local people act as markers of authenticity (Maitland, 2010), and the participatory experiences play a pivotal role in the perception of authenticity (Park, Choi & Lee, 2019), especially when tourists are engaged in the real cultural life of the place (Remoaldo & Cadima-Ribeiro, 2019). As authenticity is recognized for generating revenue and its preservation is considered important by the tourist (Chhabra, Healy & Sills, 2003), the combination of authentic experiences and active involvement poses new challenges for the present decade (Remoaldo & Cadima-Ribeiro, 2019).

Considering all these dimensions and the essence of the concept, creative tourism considers a wide range of tourism experiences (Jóhannesson & Lund, 2017), ranging from very “active creative involvement to the passive viewing of the creativity of others, or even just buying ‘creative’ products” (Richards, 2014, p. 129). These includes “activities connected to the destination in fields such as music, visual arts, drama, sports, gastronomy, spiritual activities, languages, art-workshops, or writing” (Blapp & Mitas, 2017, p. 6). This is the result of reinventing traditional cultural tourism, by being more market oriented in order to fulfill the needs of contemporary tourists (Brouder, 2012; Tan, et al. 2016). Ali et al. (2016) operationalized the concept of creative-tourism experience and identified five primary dimensions: escape and recognition, peace of mind, unique involvement, interactivity, and learning.

2.2. Creative tourism for poor community development

As indicated in the previous section, creative tourism can be considered an evolution from traditional cultural tourism (Richards, & Wilson, 2006; Ali, et al., 2016). The role of the tourist changed from passive observer to active consumer of immersive local experiences. Creative tourism can also be understood as relational tourism, since

visitors are involved in communities' daily life (Richards, 2014). Although other forms of tourism also entail tourists' involvement, the distinctive features of creative tourism are associated with "creativity, local culture, co-creation with local people, active consumption of places and active participation, authentic experiences, hence, the promotion of local and regional development is envisaged" (Remoaldo & Cadima-Ribeiro, 2019, p. 87). From this point of view, poor communities can benefit from creative tourism by generating and expanding value perception of their tourism offer. Furthermore, as creative tourism is associated with lifestyle entrepreneurship, poor communities are more likely to adopt these small-scale businesses since they are less demanding in resources and skill than other economic activities (Ioannides & Petersen, 2003).

Creative experiences also allow for close interaction with the visitors (Shaw & Williams, 2009), a valuable source of tacit knowledge (Hoarau, 2014), and a base to develop competitive advantage by adding value to the experience of both residents and visitors (George et al., 2007). Furthermore, these differentiated experiences contribute to increase local economic benefits, environment protection, while, simultaneously, providing high-quality experiences (Mathew & Sreejesh, 2017). The long-term effects should also be mentioned, mainly the contribution to the development of local institutions, infrastructures and destination management (Ashley & Mitchell, 2009).

However, tourism also generates negative impacts in local communities. Tourism does not guarantee economic benefits for these communities (Biddulph, 2015). For example, Gascón, Milano and de Consum Solidari (2017) reported situations where tourism development resulted in uncontrolled growth, reducing the participation of the local populations in decision-making and replacing traditional activities with new foreign practices, eroding their cultural identity (Blapp & Mitas, 2017). Moreover, the wear of identity combined with the lack of control of the process by the community generates a tendency to imitate other, more successful, destinations, leading to lower attractiveness of the tourist destination (Richards, 2014). As such, the participation of the community in the decision-making process seems to be a key issue in destination governance. Without community involvement, conflicts of interest and social exclusion are probable consequences (Blackstok, 2005; Lindström & Larson, 2016). However, promoting community participation is not an easy task. Chok, Macbeth and Warren (2007) state that "tourism is too often regarded a panacea without an attendant

recognition that, like any other industrial activity, tourism is highly political” (p. 144). In this vein, several barriers to community participation can be identified in developing countries: (i) centralization of public administration; (ii) bureaucracy; (iii) lack of expertise and trained human resources; (iv) elite domination; (v) apathy and low level of awareness in the local community (Tosun, 2000).

To overcome these barriers, attention should be given not only to promoting the participation of the local community towards a common vision (Czernek, 2017), but also to ensuring that they are able to participate meaningfully (Chok, et al., 2007). As stated by Ashley, Boyd and Goodwin (2000), poor people must participate in the decision-making if their way of life is to be reflected in the way tourism is developed. In addition, tourism projects should ensure that the net benefits to the poor are positive, as defended in ‘pro-poor tourism’ (Ashley & Mitchell, 2009: 11).

Poor communities are characterized by lack of financial resources, and unequal power relations between hosts and guests (Blapp & Mitas, 2017). Tosun (2000) underline several barriers to community involvement in tourism development processes. These barriers can be divided into operational level (centralization of the destination management office; low coordination and lack of information), structural level (bureaucracy, lack of competences in the labor market, elite domination, access to funding); cultural level (capacity of locals to manage development effectively or apathy). In this context, these barriers limit their efforts to embrace tourism, falling in imitation traps and ‘fast policies’ decisions which end up turning their regions into unattractive destinations (Richards, 2014).

Instead of falling prey to easy solutions, these communities can benefit from the conservation of their local distinctiveness in order to boost the image of creative tourism (Ting, et al., 2015) and benefit from differentiation, supported not by tangible culture (e.g. museums, opera, historic sites, etc.) but by the “more intangible expressions of culture they have expanded to embrace exposure to and immersion in the every-day life of the destination” (Sofield et al., 2017: 5). Furthermore, the impact of tourism on local communities includes the long-term effect on local institutions and society, infrastructures and destination management development (Ashley & Mitchell, 2009). The diversification of tourism centers is another opportunity from which poor communities can benefit by attracting some tourists from central areas to the peripheral

regions (Gibson, 2009). As such, visitors can contact and learn about these local communities and their lifestyle (Giampiccoli & Mtapuri, 2017), adding value to the experience of residents and visitors (George et al., 2007). These ‘pro-poor tourism’ activities (Ashley and Mitchell, 2009) may improve the living conditions of the inhabitants by diversifying their sources of income and defending their natural and cultural heritage, factors which may serve as a basis for a more genuine experience for visitors (Mathew & Sreejesh, 2017; Kim et al., 2013).

In this vein, poor communities can explore the diversification of their activities through tourism (Mottiar, 2016), especially by incorporating more participative and authentic experiences through contact with local people and their culture (Richards, 2011; Ali et al., 2016). It is important to define a clear proposal for tourists which highlights the community’s distinct traditions and craftsmanship, by translating local features into creative products and services in a way (Ting, et al., 2015).

Regarding this kind of projects, local communities often lack previous consensus to develop themselves as a creative destination (Timothy, 1998). Several reasons can be considered: fear of losing competitive advantage (Czernek, 2017), low confidence (Mottiar, 2016), lack of time (Wäsche, 2015), insufficient organizational capabilities (Blapp & Mitas, 2017), and limited market orientation (Lundy, et al., 2002; Coles, et al., 2011). There is a constellation of local actors that must be articulated (Swanson, 2017) around a unifying proposal about the future path as a destination, capable of integrating the potential contained in the community (Trousdale, 2005; Ackermann & Russo, 2011). Additionally, that path must also contribute to economic development (Coles, et al., 2011; Mottiar, 2016), to solve communities’ challenges (Sofield, et al., 2017), and to open an opportunity for dialogue, learning and building stronger relationships among the various stakeholders (Ackermann and Russo, 2011).

As a consequence of achieving cooperation agreements, the community can explore their set of potentialities arising from the sum of the competencies of local stakeholders (Anderson, 2015; Brouder, 2012), and offer more engaging experiences for tourists’ personal development (Richards, 2014). As such, tourism can be understood as a desirable diversifier (Brouder, 2012).

2.3. Creative tourism experiences as a strategic resource

Poor communities can benefit from creative tourism by engaging in innovative local development which has significant positive local social impacts (Brouder, 2012). As a result, several forms of creativity can be delivered, such as creative places, creative events, creative tourism, diffusion of creative concepts and creative experiences (Richards, 2014). In many cases, poor communities are associated with rural contexts. As such, agricultural production and related cultural and tourism products can provide a viable base for tourism initiatives that can be offered by those communities (Lee, et al., 2015).

Those communities probably can't compete with more developed destinations, but they have authenticity and preserved culture (Ting, et al., 2015), which may not be particularly creative as a product but the participation in locals' daily life activities permits to offer more interactive experiences to tourists (Brouder, 2012). To obtain these gains it is important to establish cooperation and shared vision (Baggio, 2011; Sarrasin, 2013; Wäsche, 2015), which enables poor communities to embrace creative tourism attractions and a consistent supply of experiences.

Without higher qualifications, local inhabitants can become 'small-scale life-style entrepreneurs', who can compete with larger companies and other destinations providing authentic experiences (Jóhannesson & Lund, 2017). For example, Lee, Wall and Kovacs (2015) studied creative food clusters, understood as destinations that offer culinary tourism opportunities: food tours, farm visits and art-related experiences. The local environment can also contribute to creative tourism experiences, namely to escape and recognition, peace of mind, unique involvement, interactivity, and learning (Ali, et al., 2016).

Initial steps towards creative tourism are decisive for success in future initiatives. The impact on the local economy, at the early stages, induces changes in the local society and in local institutions and industry (Brouder, 2012). Tourism can capitalize from previous gains due to the increased reputation and improvement of the previously disadvantaged region (Lee, et al, 2015). Even more, local entrepreneurs can be increasingly stimulated since they are also motivated by their local success, besides financial reasons (Mottiar, 2016).

3. Methodology

Qualitative research in tourism has been stimulated (Pernecky & Jamal, 2010). As the purpose of this study is to increase our understanding about the development of poor communities embracing creative tourism activities in order to analyze their capabilities to structure a capable offer to the market, a qualitative approach was chosen as research methodology. As such, a comparative analysis of four cases from two countries was conducted to analyze the development projects of each community. As such, data for this study resulted from in-depth interviews with project directors or representatives of the municipality or regional authorities, since they were in the best position to describe the whole process, as well as the decisions taken. The empirical data were collected in two phases. The first was carried out in those study sites during 2017. In total, seven spokespersons (four from Peru and three from Brazil) were interviewed in person or via email or phone using a semi-structured, in-depth interview approach. In each project, the project director or coordinator was interviewed: two from Peru and one from Brazil, who was responsible for both projects. The rest of the participants were representatives of the municipality or regional authorities.

The second part of the study was carried out in 2020 using the same approach aiming to collect longitudinal information related to the impact and performance of creative tourism. This additional data collection also sought to increase saturation by increasing the number of respondents in each case. As laid out by Saunders et al. (2018), and taking into account that this is an exploratory study, it was understood that there was no specific number of interviews over which it was understood no additional information was brought. Rather, saturation “can only be a matter of the analyst’s decision - saturation is an ongoing, cumulative judgment that one makes, and perhaps never completes” (p. 1902). As such, another set of in-depth interviews was conducted in each case. A municipal or regional representative was interviewed for each case. To add the community’s ‘voice’, two members of the local community were also contacted to ascertain their point of view. To assure diversity of perspectives, for each case, the team contacted a local entrepreneur and an inhabitant with no entrepreneurial activity. In both sets of interviews, a total of 15 interviews were conducted.

3.1. Case selection

Table 1 presents the selected cases, their countries of origin, a brief description of the creative tourism activities, and product(s) or service(s) considered. For comparative research purposes, four cases from two Latin America countries were selected. Case selection was based on the basis of projects where the activities undertaken by the local entrepreneurs corresponded to the definition of creative tourism previously presented. Additionally, other characteristics were taken into consideration to promote case diversity, such as:

- Initial economic stage (poverty). The UN classification of poor people was adopted. As such, the projects should address those who live on less than 2 USD per day;
- Development of creative tourism solutions. Selection reflected projects that stand out as examples of creative tourism in their respective countries;
- Degree and dimension of entrepreneurial activities.

Based on these assumptions, the last column of Table 1 comments the suitability of the cases for this research.

Table 1. Case brief description

	Case	Country	Descriptive of Creative Tourism Activities That Benefited From the Project	Comments on suitability
1	Rio Preguiças /Maranhão	Brazil	The community modified its agricultural practices, adopting new production techniques, and diversified revenue sources. Increased income opened new business opportunities, such as river excursions, scuba diving, community tourism, gastronomy with tourist participation.	Poor community; Embracing creative tourism activities; High entrepreneurial activity.
2	Lagoas/Maranhão	Brazil	The project implemented modern production techniques, such as mechanized preparation of the soil, use of irrigation, selection of seeds and improved seedlings, adequate management techniques, selection and packaging practices to meet market requirements. The development brought new opportunities for tourism: ecotourism, crafts and craft making.	Poor community; Embracing creative tourism activities; High entrepreneurial activity.
3	Poverty Reduction and Alleviation Project (PRAP)/ Proyecto de Reducción y Alivio de la Pobreza	Peru	The objective was to contribute to reduce poverty by generating employment and the productive inclusion of small producers, increasing family income. 2,400 small producers were trained in issues of creativity, environmental protection and biodiversity conservation.	Poor community; Embracing creative tourism activities; High entrepreneurial activity.
4	Haku Wiñay/ Noa Jayatai	Peru	Project intended to develop productive capacities and rural enterprises to achieve food security and increase and diversify the economic income of rural households. It included the promotion of small business initiatives that encourage the development of market-oriented production activities. It had a strong impact on small business of experiential hosting and tourism: for example: highland rural hosting, chocolate making, etc.	Poor communities; Embracing creative tourism activities; Moderate entrepreneurial activity.

3.2. Data acquisition

Data was acquired through document analysis and interviews. The latter were previously structured by conducting a documental analysis. The secondary data sources included unpublished reports, web-based sources and other documents. An semi-structured interview script was then prepared to obtain data. Table 2 presents the questions, the rationale and the theoretical support for the script.

Table 2. *Interview questions/topics and rationale*

Question/Topic	Rationale	Authors
What are the creative tourism activities developed by the communities?	Active participation in courses and learning experiences. Creative practices linking production, consumption and place Involving tourists who actively learn about the surroundings	Richards and Wilson (2006) De Bruin and Jelinčić (2016) Tan et al., (2016)
What was the impact of creative tourism in the communities?	Changes in the communities' main economic activities. Influence on local entrepreneurship.	Mottiar (2016) Ryan, Mottiar and Quinn (2012)
What were the barriers to community participation in tourism-related decision-making?	Funding Knowledge Market orientation Entrepreneurial spirit Personal	Blapp and Mitas (2017)
Which were the pre- and post-project conditions related to the entrepreneurial spirit?	To understand the initial and final situation related with entrepreneurial behavior and risk-taking propensity. Definition: "The desire to capitalize on opportunities by undertaking wealth-creating and value-adding activities" (Ang & Hong, 2000, p. 285)	Aldrich and Cliff (2003) Ang and Hong (2000) Kirkwood (2007).

Those responsible for implementing or managing the projects were contacted in order to set up the interviews. In cases where it was not possible to schedule a face-to-face or Skype meeting, respondent consent was obtained by emailing the questions. In the next paragraphs we characterize the social and economic background of the communities.

The *Rio Preguiça* community occupies a settlement area integrated in a program of agrarian reform in the 1990s. In a state of abandonment, the community was unable to solve its problems and improve its members' quality of life. Inhabitants survived by exploring subsistence agriculture, with negative impacts on the environment: aggressive environmental practices, irregular wood extraction, deforestation and the use of fires for the preparation of farm land. Before the intervention, these people lived from cassava plantation, extractive activities, fishing and other pursuits for the subsistence of the families. The average monthly income was less than 28 USD, which did not allow them to live a dignified life. They lived in houses made of mud and covered with straw, had no access to electricity and water, and faced enormous difficulties in terms of travel and access to credit. These practices compromised the conservation of the river basin. With the help of Maranhão state authorities and a bank, an improvement project was implemented. As a result, the community adopted new production techniques, modified its agricultural practices and diversified income sources. Entrepreneurship soared and the tourism sector thrived. Several new businesses in the area of creative tourism emerged, focused on nature experiences, such as river excursions, scuba diving, community tourism, gastronomy with tourist participation.

The *Lagoas* community emerged in 1915. In the early years of the 2000s, they didn't have electricity, schools, access roads, treated water or basic sanitation. In 1994, the community had created an association of producers and begun the process of regularization of the area, but they had faced difficulties in obtaining support because the majority of the inhabitants didn't even have identification documents. In 2008, the association became a cooperative and received financial support from the National Bank for Economic and Social Development - BNDES to produce vegetables, fruit and poultry. The offer of these products by the inhabitants of the Lagoas community came to enjoy increasing demand derived from the tourism development in the Lençóis Maranhenses Park. Since 2003 the region has become a tourist destination as the result of an extensive marketing campaign.

In the rural areas of inland Peru, the project *Haku Wiñay* ("we are going to grow" in Quechua) aimed to develop the productive capabilities of poor populations and rural enterprises to achieve food security as well as increase and diversify the economic income of rural households. The first intervention was centered on the coverage, and the quality of the basic services of rural households has improved. Among the conditions to participate in the project one can find: (i) the communities should have at least 40 households located in rural districts and in extreme poverty (Poverty Quintile 1); (ii) the communities must show interest and commitment to adopt and incorporate the productive technologies and other components of the projects. It then focuses on promoting access to business activities, improving skills and access to economic services. As a result, the population diversified their income sources, investing in small tourism businesses such as experiential hosting and other tourism activities.

The *Poverty Reduction and Alleviation Project (PRAP)*, established under USAID / Peru, aimed to contribute to poverty reduction by generating qualified employment, increasing soft skills and the productive inclusion of small producers, increasing their family income. Similarly to the Haku Wiñay programme, it targeted the poorest communities in the country, in regions with low economic growth. The project addressed several dimensions of development, including tourism, and the fight against poverty in the areas of the highlands and jungle of Peru, connecting them with regional, national or international markets. The interventions involved consultation, validation and implementation with the community (USAID, 2018).

4. Results and Discussion

Initially, all the four communities were living in poverty condition (following UN [2010] classification), and all of them diversified their activities with the help of entities external to the community. Furthermore, the initiatives resulted from a community-led organic process (Sofield et al., 2017). Also, in all the cases, the initial intervention was related with living conditions (health and food safety) and rural production. As reported in the four cases, tourism was not a primary goal. As such, the initial assessment and community consultation conducted by the external entities was related with living conditions and rural activities. However, as discussed above, the interesting part of these projects was the diversification impact on creative tourism activities, at the point

of creating a destination attraction in regions previously without tourism tradition. For instance, the municipal representative from Rio Preguiça commented:

As a result of this project, the community not only changed its farming practices, by adopting modern means of production, but also diversified production and managed to reverse the state of poverty in which it found itself. (...) The region also received a large influx of tourists in search of craftsmanship artifacts and participation in the community's activities.

Before this discussion, it is important to analyze the dynamics of the emergence of creative tourism activities. First, we will consider the kind of problems those communities had, which limited their capacity to overcome their poverty conditions. Drawing on Blapp and Mitas' (2017) framework, the identified barriers are presented in Table 3.

Basically, three kinds of barriers are common in all four cases. First, financial barriers constitute a very difficult hurdle to overcome, given the poverty situation of these communities. Financial shortfalls are a clear impediment to development as they strongly limit access to other types of resources, such as technology, technical and managerial training, market connections, among others.

To overcome this barrier, external intervention was necessary. The participation of state or governmental funds or private investors allowed access to the initial capital, until then denied to these communities. On their own, these communities were unable to access funding sources, not only because of the lack of real guarantees, but also because of the lack of structured and credible projects capable of convincing those entities.

The second major barrier is knowledge. The essential issue to solve their poverty condition is to understand the main guidelines to be implemented and where to find the technical solutions, namely suppliers and technical assistance. The identified barriers confirm previous research participation in tourism developing processes (Blapp & Mitas, 2017; Tosun, 2000). In each case, knowledge needs may be higher or lower, but they all depend on the participation of external entities. The integration of these entities, mostly public, is an important step towards the involvement of a relatively high number of local actors (Wyss, et al., 2015).

In the case of Haku Wiñay, the technological solution was very basic, related to food security and sanitation, but in the two Brazilian cases the intervention was more profound in terms of sustainable agricultural techniques, with profound research projects associated to the best plantations and agricultural practices. In the PRAP case, 200 companies and more than 2,400 small farmers were instructed to respect the environment and preserve biodiversity. In the case of Rio Preguiças, the community modified their ancient agricultural practices and diversified their economic activities embracing mostly experiential tourism businesses.

One particular aspect of knowledge access is market orientation. The original rural production activities of these communities didn't comply with the standards required to supply modern markets. Moreover, the quantity produced was insufficient and they had strong intermediation. These three situations combined constitute a high barrier to accessing larger markets.

With the exception of the Haku Wiñay case, intervention also included training in the areas of management and marketing, with a particular emphasis on market orientation. The aim was to focus production on articles that were effectively valued by markets. For example, PRAP didn't work with products, sectors, clusters or industries, but with customers, who may be buyers, processors or distributors, or suppliers of goods or services. The immediate objective was to help the community to carry out specific sales transactions. In the Lagoas case, the local university gave technical assistance on production, marketing and management, and helped to develop and implement a marketing plan to promote the region as a tourist destination. The impact of operational training not only allows the development of the traditional economic activities, turning them into something more than subsistence, but also permits the diversification of income sources (Blapp & Mitas, 2017).

A third group of barriers is related to the lack of shared vision within the community. As suggested by Sarrasin (2013), one crucial challenge is how to convert the will to cooperate within the community into a common goal. Low qualifications, a subsistence economy, reduced access to markets outside the region are characteristics of these communities that gave little contribution to a consensus on how to solve community problems. Thus, in the four cases, as suggested by George et al. (2007), it was observed that one of the initial steps consubstantiated in establishing a shared

vision among the members of the community regarding which path to follow. The importance of community involvement was verified by the project coordinator of Haku Wiñay, who stated that:

The strategy of working with the whole family, and not only with the husband, also allows the woman to assume an important role in activities at home and within the work production system.

In Haku Wiñay, the participation of the family members contributed to a higher commitment to maintain the improvements. The community recognized that the project strengthened the family production systems, improved healthy housing, promoted rural businesses and encouraged the financial education of the low-income population participating in the project. Another mechanism to ensure community participation is called 'mesas de dialogo' (discussion tables), where decisions took place in public squares.

In the Rio Preguiças case, cooperation was achieved by working together with the population of small villages, providing equipment and agricultural techniques. In the PRAP case, involvement was achieved through the facilitation of market access by means of a better connection to the distribution channels, while the successful marketing of the products fostered the motivation and engagement of the small local farmers. PRAP also incorporated a gender equality approach to its activities.

In all these cases, external entities played a key role in the early stages of the projects, supplying capital and capabilities. Previous research showed the crucial role of public entities (Wyss et al., 2015) and other institutions (banks, investors and universities (Dias et al., 2018; Sarrasin, 2013) in sparking local entrepreneurial projects in impoverished communities. As suggested by Sørensen and Jensen (2015), contact with entities external to the community (public entities, universities, distributors, and other agents) enhances their potential for knowledge development and value creation through 'experience encounters'.

Table 3. *Main barriers to development through tourism*

Barriers	Rio Preguiças	Lagoas	PRAP	Haku Wiñay
Funding	•	•	•	•
Knowledge	•	•	•	•
Market orientation	•	•	•	
Entrepreneurial spirit	•	•	•	•
Shared Vision			•	•

Another particular aspect is entrepreneurial spirit (Table 4). The transition from subsistence agriculture to small-business economy oriented to larger markets isn't easy, and is certainly not immediate.

Previous research identified the importance of entrepreneurial tourism activities as potential triggers for change (Ryan, et al., 2012). This is particularly true because tourism activities have proved to generate more income than other activities previously undertaken, as proposed by Spenceley and Meyer (2012). In fact, it aroused the interest in entrepreneurial activities on the part of the population, resulting in more small-scale tourism business. As stated by Koh and Hatten (2002) tourism entrepreneurs are an antecedent of tourism development. Furthermore, entrepreneurial spirit towards tourism was higher than in other activities, which confirms Ioannides & Petersen's (2003) perspective where, compared to other economic activities, small-scale tourism businesses are more suitable for entrepreneurs with no financial resources and formal training.

Table 4. *Development of entrepreneurial spirit as a consequence of the project*

Entrepreneurial spirit	Rio Preguiças	Lagoas	PRAP	Haku Wiñay
In tourism activities	•	•	•	•
In other activities			•	•

The Rio Preguiças project benefited all the productive chains established along the river or dependent on it, such as tourism, fishing and agriculture. The previous exploration system was compromising the river ecology, as a result of the deforestation along the banks and the irregular exploration of the springs. By interrupting these irregular procedures, the river gained sustainability and opened a new wave of nature-related creative tourism activities involving more than 2,500 people which attracted close to 50,000 tourists (annually). Data related to the indirect effects is not available. However, the impact can be inferred since creative tourism activities are labor-intensive (Medina-Muñoz, et al., 2016). In this region, there was already tourism; what happened was democratization brought about by creative tourism. The initial tourism practices were developed by external companies (e.g. hotels, operators), with a marginal return for the local population. With the development of creative tourism many small local businesses emerged. As such, the post-project situation showed an important increase in tourism activity. Tourism is now the third activity in number of jobs (after the government and commerce). Before the project, tourism occupied the fifth position (IGBE, 2018).

In the case of Haku Wiñay, once the identified barriers to the communities' economic development were lowered, the consequence was the diversification to service activities (MIDIS, 2018). After the implementation of the project, sustainability concerns were raised. Diversification occurred at the level of various activities (food trade, communication cards commerce, fuels, etc.). Studies conducted to evaluate the project recognized that the results were not significant (MIDIS, 2018). However, it can be observed that the activities related to experiential tourism proved to be more

sustainable. Based on the interviews, about one eighth of new service businesses were related to this type of activities. The local entrepreneur reported that “today, experiential tourism businesses are flourishing and generating economic income”. The Haku Wiñay project resulted in several new family business offering immersive experiences, especially promoted by women. Two examples are the women in the highlands of Cotahuasi and “Las Puyas de Lauripampa” living accommodation business that integrates four entrepreneurs. The latter furnished a room with three beds in each of their homes to accommodate tourists who visit the Cotahuasi heights, to enjoy the beauty of landscapes, fauna and flora, geography, culture and local *cuisine*.

In the case of Lagoas, community tourism represented an important source of alternative income for small-scale producers. The activities are trails, inns and home accommodations that offer urban tourists typical food, the experience of living in the countryside, ecological walks, among other outdoor activities. Since this community is located in a national park, the access of tourists is controlled (by digital means, based on an electronic voucher that monitors their movements). Tourism has enabled local communities to provide services and experiences associated with local traditions and knowledge. In this way, the locals provide tourists with the possibility of making handicraft pieces or actively participating in local festivities, as well as acting as guides in the immensity of the landscape. This growth has proved to be sustainable as it has made it possible to preserve the traditional way of life while, at the same time, allowing the growth of family income. The place attractiveness also brought foreign tourists, leading to new requirements in terms of qualifications, such as language skills.

In PRAP the central concern was creating a business environment more favorable to business development, such as identification of market opportunities, the presence of reliable public infrastructures (roads, electricity, etc.), investment in human capital, and the existence of a social safety net aimed at the extremely poor. This allowed trust to be built among local entrepreneurs. In the words of one local entrepreneur:

PRAP supports and encourages the growth of entrepreneurship by helping local people to prepare business plans that explain how their limitations will be diminished.

In the PRAP case, the effects on tourism were more expressive when compared to Haku Wiñay. What changed? While the latter project was intended to help the sanitary conditions and agriculture of the families, PRAP was more related to creativity and sustainability. Of the 94 entrepreneurial initiatives, 38 were tourism-related, including three consortiums of artisanal producers. Furthermore, 93 professionals were certified as Management and Development Trainers in Inclusive Creative Industries in the four regions, and 60 professionals completed a Diploma in Creative Industries and Inclusive Business (USAID, 2018). In turn, this opened new markets and attracted imitator firms. The imitation and geographical agglomeration effect with important knowledge spillover in tourism firms was also reported by Zhang, Xiao, Gursoy and Rao (2015).

All cases showed the communities' ability to build on previous successes, gaining confidence to develop more value-added services, including creative tourism experiences, as suggested by Medina-Muñoz, et al. (2016). This flourishing entrepreneurial wave occurred in a particularly adverse setting of poor communities, where the opportunities for traditional cultural tourism are limited (Richards and Wilson, 2006). The cases showed that new business in tourism emerged from rural activities as a result of diversification strategies: rural tourism, nature experiences, craft making and radical sports. Furthermore, a virtuous cycle occurred when the resulting tourism activities fomented the economic development of the community, as stated by the Lagoas municipal representative:

The region became a tourist destination as a result of an extensive marketing campaign; many hotels, inns and restaurants were installed in Barreirinhas and these ventures demanded more products and services provided by the local community.

Based on the results of the analysis of the four cases, it is possible to propose a model for the development of poor communities through creative tourism (Figure 1). Considering Tosun's (2000) and Blapp and Mitas's (2017) community barriers, a continuum of social complexity can be formed. On the one hand, operational barriers can be overcome with basic technical, capital and managerial skills. Medina-Muñoz, et al. (2016) "emphasizes the relevance of education and training in any attempt to increase the contribution of tourism to poverty alleviation" (p. 25), and Potts,

Cunningham, Hartley and Ormerod (2008) propose the existence of a network of market-oriented agents. On the other hand, cultural barriers need a more profound approach related to community involvement and mindset to embrace change (Anderson, 2015).

The cases showed that the investment in basic capabilities and initial capital has a spark effect on subsistence activities, allowing local producers to reach new markets in a more sustainable way. The result is the promotion of local entrepreneurship and of ‘experience encounters’ through the contact with third parties, external to the community, acting as an eye-opener (Sørensen & Jensen, 2015). As such, new capabilities emerge, like entrepreneurship and commercial relations. At the same time, confidence grows within the community, triggering new ventures such as creative tourism experiences based on local knowledge and authenticity.

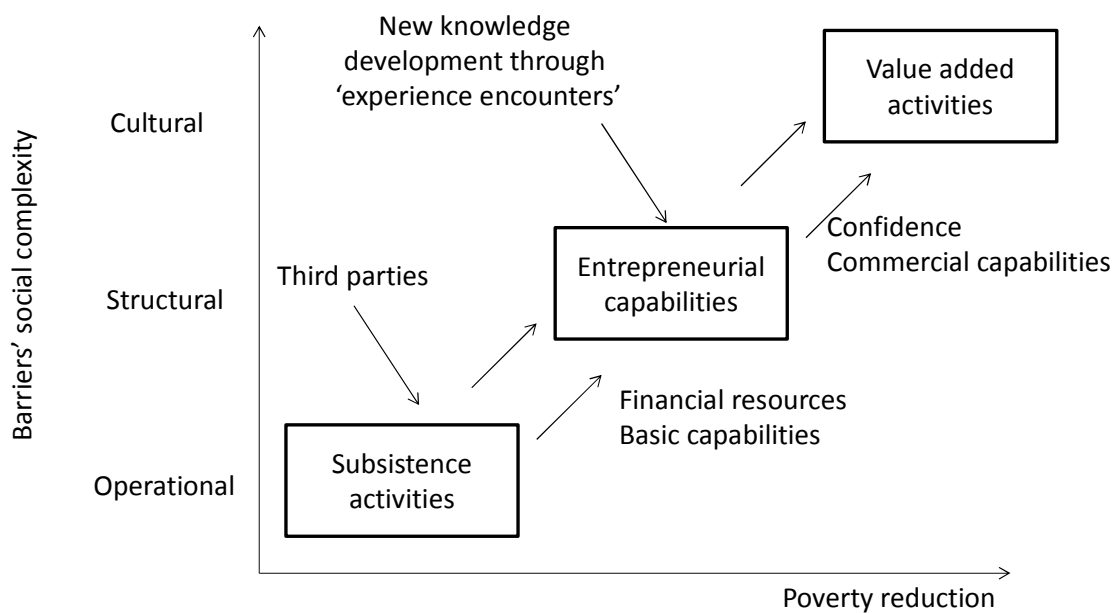


Figure 1. Overcoming the barriers to reduce poverty

5. Conclusions

The cases discussed in this investigation allow us to understand that it is possible for populations in a poverty situation to develop creative tourism activities. However, this

is not achieved in a direct way. There are several barriers that limit the ability of these communities to alleviate poverty, namely lack of capital, knowledge and market access as well as the inexistence of a shared vision.

The intervention of external entities allows them to overcome all or most of these barriers. However, it was possible to realize is that the initial intervention is centered on the area of rural production. Considering the research undertaken, it is not possible to quantify the impact that creative tourism has had on the economic development of these communities, but it is possible to perceive that it proved to be a sustainable path for this second wave of local entrepreneurship. The cases allow the underlying dynamics to be perceived. First, development allows, at least partially, to reduce poverty through agricultural incomes. Market access becomes possible as a result of increased product quality and introduction to distribution channels. Therefore, the population gains access to savings. Secondly, there is an increase in individual skills and businesses professionalism. Thirdly, the place itself, previously associated with situations of extreme poverty, now enjoys a reputation, gaining as tourist attraction, benefiting from preserved culture, heritage and nature.

When these conditions are fulfilled, a development of the entrepreneurial potential of the population is observed. In this second phase, tourism is one option chosen by the poor to diversify their activities. The results are small-scale lifestyle initiatives, which, nevertheless, offer genuine experiences that further enhance the region's reputation for tourism. Furthermore, they have proved to be more sustainable than other service activities, which seems to correspond to the findings of Bosworth and Farrell (2011). Sustainability is a result of creative tourism activities, contributing to preserve the natural environment, local traditions and cultural identity (Blapp & Mitas, 2017).

While the discussion of the implications of creative tourism on poverty alleviation can only be exploratory, this paper opens the way for further research. One path is to understand how the opportunities are pinpointed within the community. Based on this assumption, it will also be interesting to understand the mechanisms for opportunity identification and selection, in light of community consensus. The way this development occurs should have both positive and negative consequences. In this article, positive outcomes were discussed. However, some negative aspects should also be considered in future research, for example, the loss of authenticity, the degradation of

the cultural and environmental tissue or the neo-colonization of developing countries by rich tourists seeking picturesque experiences (Ashley & Roe, 2002; Thomas, Kapoor & Marshall, 2013).

Acknowledgements

The authors would like to express their gratitude to the anonymous reviewers for their constructive and insightful comments.

Disclosure statement

No potential conflict of interest was reported by the authors.

References

- Ackermann, N., & Russo, F. (2011). La valorización de los productos tradicionales de origen. Guía para la creación de un consorcio de calidad. Organización de Las Naciones Unidas para el Desarrollo Industrial. Viena
- Aldrich, H.E. and Cliff, J.E. (2003), "The pervasive effects of family on entrepreneurship: toward a family embeddedness perspective", *Journal of Business Venturing*, 18(5), 573-396.
- Ali, F., Ryu, K., & Hussain, K. (2016). Influence of experiences on memories, satisfaction and behavioral intentions: A study of creative tourism. *Journal of Travel & Tourism Marketing*, 33(1), 85-100.
- Anderson, W. (2015). Cultural tourism and poverty alleviation in rural Kilimanjaro, Tanzania. *Journal of Tourism and Cultural Change*, 13(3), 208-224.
- Ang, S. H., & Hong, D. G. (2000). Entrepreneurial spirit among east Asian Chinese. *Thunderbird International Business Review*, 42(3), 285-309.
- Ashley, C., Boyd, C. and Goodwin, H. (2000) Pro-poor tourism: Putting poverty at the heart of the tourism agenda. *Natural Resource Perspectives*, No 51. On WWW at https://www.tandfonline.com/doi/pdf/10.2167/cit303?casa_token=unNEsm5IANKAAAAA:qU0sNYPZSD7b_Da67vEvRt0bbLZGOPdavrZ47lAmUSz5XC4HMX49m_pyeTaXw6mNW2iTl30h45a95sXI. Accessed 07.2.2020.
- Ashley, C., & Mitchell, J. (2009). *Tourism and poverty reduction: Pathways to prosperity*. Routledge.

- Ashley, C., & Roe, D. (2002). Making tourism work for the poor: strategies and challenges in southern Africa. *Development Southern Africa*, 19(1), 61-82.
- Baggio, R. (2011). Collaboration and cooperation in a tourism destination: a network science approach. *Current Issues in Tourism*, 14(2), 183-189.
- Binkhorst, E., & Den Dekker, T. (2009). Agenda for co-creation tourism experience research. *Journal of Hospitality Marketing & Management*, 18(2-3), 311-327.
- Blapp, M., & Mitas, O. (2017). Creative tourism in Balinese rural communities. *Current Issues in Tourism*, 1-27.
- Bosworth, G., & Farrell, H. (2011). Tourism entrepreneurs in Northumberland. *Annals of Tourism Research*, 38(4), 1474-1494.
- Brouder, P. (2012). Creative outposts: Tourism's place in rural innovation. *Tourism Planning & Development*, 9(4), 383-396.
- Chang, L. L., F. Backman, K., & Chih Huang, Y. (2014). Creative tourism: a preliminary examination of creative tourists' motivation, experience, perceived value and revisit intention. *International Journal of Culture, Tourism and Hospitality Research*, 8(4), 401-419.
- Chhabra, D., Healy, R., & Sills, E. (2003). Staged authenticity and heritage tourism. *Annals of tourism research*, 30(3), 702-719.
- Chok, S., Macbeth, J., & Warren, C. (2007). Tourism as a tool for poverty alleviation: A critical analysis of 'pro-poor tourism' and implications for sustainability. *Current issues in Tourism*, 10(2-3), 144-165.
- Coles, Jonathan, Owaygen & Shepherd (2011). Conclusion. In, Mitchell, J., & Coles, C. (Eds.). (2011). *Markets and rural poverty: Upgrading in value chains*. IDRC.
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220.
- Dawson, D., Fountain, J., & Cohen, D. A. (2011). Seasonality and the lifestyle "conundrum": An analysis of lifestyle entrepreneurship in wine tourism regions. *Asia Pacific Journal of Tourism Research*, 16(5), 551-572.
- De Bruin, A., & Jelinčić, D. A. (2016). Toward extending creative tourism: participatory experience tourism. *Tourism review*, 71(1), 57-66.
- Dias, Á., Patuleia, M., & Dutschke, G. (2018). Shared value creation, creative tourism and local communities development: The role of cooperation as an antecedent. *Portuguese Review of Regional Studies*, nº 51, 10-25
- FAO (2018). Latin America and the Caribbean suffers historic setback in fight against rural poverty. FAO Regional Office for Latin America and the Caribbean. On WWW at <http://www.fao.org/americas/noticias/ver/en/c/1170292/> Accessed 21.11.2019
- Galvagno, M., & Dalli, D. (2014). Theory of value co-creation: a systematic literature review. *Managing Service Quality*, 24(6), 643-683.
- Gascón, J., & Milano, C. (2017). Turismo. 5-22, in Jordi Gascón y Claudio Milano (coord.). *El turismo en el mundo rural. Ruina o consolidación de las sociedades campesinas e indígenas*. Tenerife y Barcelona: PASOS
- George, B. P., Nedelea, A. & Antony, M. (2007). The Business of Community Based Tourism: A Multi-Stakeholder Approach. *Tourism Issues*, 3, 1-19.

- Giampiccoli, A. & Mtapuri, O. (2017). Beyond community-based tourism. Towards a new tourism sector classification system. *Gazeta de Antropologia*, 33(1), 1-14.
- Gibson, C. (2009). Geographies of tourism: Critical research on capitalism and local livelihoods. *Progress in Human Geography*, 33(4), 527-534.
- Hjalager, A. M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17.
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151.
- Holloway, L., Kneafsey, M., Venn, L., Cox, R., Dowler, E., & Tuomainen, H. (2007). Possible food economies: a methodological framework for exploring food production–consumption relationships. *Sociologia Ruralis*, 47(1), 1-19.
- IGBE (2018). Produto Interno Bruto dos Municípios 2010-2016. Rio de Janeiro: IBGE, 2018. At WWW on <https://www.ibge.gov.br/estatisticas-novoportal/economicas/contas-nacionais/9088-produto-interno-bruto-dos-municipios.html?=&t=resultados> accessed on 02.02.2020.
- Ioannides, D., & Petersen, T. (2003). Tourism ‘non-entrepreneurship’ in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435.
- Jóhannesson, G. T., & Lund, K. A. (2017). Creative connections? Tourists, entrepreneurs and destination dynamics. *Scandinavian Journal of Hospitality and Tourism*, 1-15.
- Kim, K., Uysal, M. & Sirgy, M. J. (2013). How does tourism in a community impact the quality of life of community residents?. *Tourism Management*, 36, 527-540.
- Kirkwood, J. (2007). Igniting the entrepreneurial spirit: is the role parents play gendered?. *International Journal of Entrepreneurial Behavior & Research*. 13(1), 39-59
- Koh, K. Y., & Hatten, T. S. (2002). The tourism entrepreneur: The overlooked player in tourism development studies. *International Journal of Hospitality & Tourism Administration*, 3(1), 21-48.
- Lee, A. H., Wall, G., & Kovacs, J. F. (2015). Creative food clusters and rural development through place branding: Culinary tourism initiatives in Stratford and Muskoka, Ontario, Canada. *Journal of rural studies*, 39, 133-144.
- Lundy, M., Ostertag, C. F., & Best, R. (2002). Rural Agro-enterprises, Value Adding and Poverty Reduction: A Territorial Orientation for Rural Business Development (RBD). Rural Agro-enterprise Development Project, Centro Internacional de Agricultura Tropical (CIAT). Cali, Colombia, South America.
- MacCannell, D. (1973). Staged authenticity: Arrangements of social space in tourist settings. *American journal of Sociology*, 79(3), 589-603.
- Maitland, R. (2010). Everyday life as a creative experience in cities. *International Journal of Culture, Tourism and Hospitality Research*, 4(3), 176-185.
- Mathew, P. V. & Sreejesh, S. (2017). Impact of responsible tourism on destination sustainability and quality of life of community in tourism destinations. *Journal of Hospitality and Tourism Management*, 31, 83-89.

- Medina-Muñoz, Diego R., Medina-Muñoz, Rita D. & Francisco J. Gutiérrez-Pérez (2016). The impacts of tourism on poverty alleviation: an integrated research framework, *Journal of Sustainable Tourism*, 24:2, 270-298.
- MIDIS (2018). “Economía y desarrollo productivo en comunidades indígenas de la Amazonía Peruana. Implicancias para las políticas de superación de la pobreza”. Informe de evaluación. Elaborado por Alejandro Diez Hurtado, Norma Correa Aste, Lima, Perú.
- Mottiar, Z. (2016). The importance of local area as a motivation for cooperation among rural tourism entrepreneurs. *Tourism Planning & Development*, 13(2), 203-218.
- Park, E., Choi, B. K., & Lee, T. J. (2019). The role and dimensions of authenticity in heritage tourism. *Tourism Management*, 74, 99-109.
- Pernecky, T., & Jamal, T. (2010). (Hermeneutic) phenomenology in tourism studies. *Annals of Tourism Research*, 37(4), 1055-1075.
- Pine, B. J., & Gilmore, J. H. (1999). *The experience economy: work is theatre & every business a stage*. Harvard Business Press.
- Remoaldo, P., & Cadima-Ribeiro, J. (2019). Creative Tourism as a New Challenge to the Development of Destinations: The Portuguese Case Study. In *Cultural and Creative Industries* (pp. 81-99). Springer, Cham.
- Richards, G. (2011). Creativity and tourism: The state of the art. *Annals of tourism research*, 38(4), 1225-1253.
- Richards, G. (2014). Creativity and tourism in the city. *Current issues in Tourism*, 17(2), 119-144.
- Richards, G., & Raymond, C. (2000). Creative tourism. *ATLAS news*, 23(8), 16-20.
- Richards, G., & Wilson, J. (2006). Developing creativity in tourist experiences: A solution to the serial reproduction of culture?. *Tourism management*, 27(6), 1209-1223.
- Rihova, I., Buhalis, D., Moital, M., & Gouthro, M. B. (2015). Conceptualising customer-to-customer value co-creation in tourism. *International Journal of Tourism Research*, 17(4), 356-363.
- Ross, D., Saxena, G., Correia, F., & Deutz, P. (2017). Archaeological tourism: A creative approach. *Annals of Tourism Research*, 67, 37-47.
- Ryan, T., Mottiar, Z., & Quinn, B. (2012). The dynamic role of entrepreneurs in destination development. *Tourism Planning & Development*, 9(2), 119-131.
- Sarrasin, B. (2013). Ecotourism, poverty and resources management in Ranomafana, Madagascar. *Tourism Geographies*, 15(1), 324.
- Saunders, B., Sim, J., Kingstone, T., Baker, S., Waterfield, J., Bartlam, B., ... & Jinks, C. (2018). Saturation in qualitative research: exploring its conceptualization and operationalization. *Quality & quantity*, 52(4), 1893-1907.
- Shaw, G., & Williams, A. (2009). Knowledge transfer and management in tourism organisations: An emerging research agenda. *Tourism Management*, 30(3), 325-335.
- Skokic, V., & Morrison, A. (2011). Conceptions of tourism lifestyle entrepreneurship: Transition economy context. *Tourism Planning & Development*, 8(2), 157-169.

- Sofield, T., Guia, J., & Specht, J. (2017). Organic 'folkloric' community driven place-making and tourism. *Tourism Management*, 61, 1-22.
- Sørensen, F., & Jensen, J. F. (2015). Value creation and knowledge development in tourism experience encounters. *Tourism Management*, 46, 336-346.
- Spenceley, A., & Meyer, D. (2012). Tourism and poverty reduction: Theory and practice in less economically developed countries. *Journal of Sustainable Tourism*, 20(3), 297-317.
- Swanson, D. L. (2017). *CSR Discovery Leadership: Society, Science and Shared Value Consciousness*. Springer.
- Tan, S. K., Kung, S. F., & Luh, D. B. (2013). A model of 'creative experience' in creative tourism. *Annals of tourism research*, 41, 153-174.
- Timothy, D. J. (1998). Cooperative tourism planning in a developing destination. *Journal of Sustainable Tourism*, 6(1), 52-68.
- Ting, Y. S., Lin, Y. H., & Hsu, Y. L. (2015). Measuring tourist cognition and preferences in creative tourism area. *International Journal of Organizational Innovation*, 8(1), 103.
- Thomas, F., Kapoor, A., & Marshall, P. (2013). Tourism development and behavioural changes: evidences from Ratanakiri province, Kingdom of Cambodia. *Journal of Tourism and Cultural Change*, 11(3), 208-219.
- Tosun, C. (2000). Limits to community participation in the tourism development process in developing countries. *Tourism management*, 21(6), 613-633.
- Trousdale, W. (2005). Promoting local economic development through strategic planning. *The local economic development series*, 1(1), 1-24.
- UN (2010). *The World's Women*. United Nations. [Accessed at unstats.un.org, January 22nd 2019]
- UN (2019). *Sustainable Development Goals*. United Nations. [Accessed at <https://sustainabledevelopment.un.org/?menu=1300>, Mars 21st 2019]
- USAID (2018). *USAID's Role in Extreme Poverty Reduction: Lessons from Peru. USAID's Poverty Reduction and Alleviation*. On WWW at https://www.sdgfund.org/sites/default/files/case_study_-_peru_industrias_creativas_-_en.pdf. Accessed 08.02.2020
- Wäsche, H. (2015). Interorganizational cooperation in sport tourism: A social network analysis. *Sport Management Review*, 18(4), 542-554.
- Wyss, R., Luthe, T., & Abegg, B. (2015). Building resilience to climate change - the role of cooperation in alpine tourism networks. *Local Environment*, 20(8), 908-922.
- Zhang, C., Xiao, H., Gursoy, D., & Rao, Y. (2015). Tacit knowledge spillover and sustainability in destination development. *Journal of Sustainable Tourism*, 23(7), 1029-1048.
- Zhao, W., & Ritchie, J.R.B. (2007). Tourism and poverty alleviation: An integrative research framework. *Current Issues in Tourism*, 10(2/3), 119-143.

CHAPTER 3

Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship

Abstract

Tourism lifestyle entrepreneurs' (TLEs) businesses are associated with sustainable business models (SBMs) due to a link to the place. This link is a source of essential local knowledge that provides differentiation, competitiveness, and sustainability. Given the importance of local knowledge to SBMs, this article explores knowledge management by examining how TLEs acquire and integrate knowledge as well as its effects on innovativeness and self-efficacy. We use a sequential mixed-methods approach in which we first conducted a qualitative study with four in-depth semi-structured interviews with TLEs, followed by a quantitative study through a survey of 115 TLEs, and third we conducted another qualitative study based on four semi-structured interviews. The results indicate that entrepreneurial communication has a significantly positive and direct effect on both the innovativeness and self-efficacy of TLEs. A community-centered strategy has a positive influence on innovativeness and self-efficacy but via the indirect effect of entrepreneurial communication. Local knowledge assimilation plays a mediating role between the acquisition of local knowledge and innovativeness and self-efficacy. These findings provide a general understanding and framework about how TLEs link the elements of an SBM to greater innovativeness and self-efficacy.

Keywords: Lifestyle entrepreneurship; Innovativeness; Self-efficacy; Creative Tourism; Sustainability; Knowledge management; Mixed-methods research.

1. Introduction

A traditional business model outlines the architecture of a company's value creation, delivery, and capture mechanisms (Teece, 2010). In turn, sustainable business models (SBMs) “incorporate a triple bottom line approach and consider a wide range of stakeholder interests, including environment and society” (Bocken, Short, Rana, & Evans, 2014, p. 42). A SBM transcends the narrow perspective of for-profit models (Schaltegger, Hansen, & Lüdeke-Freund, 2016a) by extending the focus on organizational value creation to incorporate social and ecological values (Schaltegger, Lüdeke-Freund & Hansen, 2016b). Boons and Lüdeke-Freund (2013) state that a SBM incorporates these values as generic elements: value proposition, organizational infrastructure, customer interface, and financial model.

Tourism lifestyle entrepreneurs (TLEs) constitute an important group within the tourism business (Thomas, Shaw, & Page, 2011). The literature considers them different from entrepreneurs in other economic activities (Carlsen, Morrison, & Weber, 2008) because they are also governed by nonfinancial criteria (Ateljevic & Doorne, 2000; Wang, Li, & Xu, 2019), such as environmental and social goals, that are core features of a SBM (Stubbs, 2017). For them, business is a way of life in which the boundaries between personal life and work are blurred (Sun, Xu, Köseoglu, & Okumus, 2020). TLEs also tend to differentiate themselves with an “ideological concept of sustainability, derived from their intrinsic lifestyle motivation” (Wang et al., 2019, p. 1156). In opposition to large firms, they are more likely to adopt a sustainable behavior (Bosworth & Farrell, 2011; Morrison, 2006) that contributes to sustaining “the natural environment or adding value to local communities” (Morrison, 2006, p. 200).

TLEs’ place-based conception of sustainability (Shrivastava & Kennelly, 2013) reflects concerns with the preservation of the natural environment and the local culture and traditions (Sun et al., 2020) as well as purchasing from local suppliers, trading at the community level, and providing local employment (Jack & Anderson, 2002; Morrison, 2002). As argued in the SBM literature, “community spirit” is a distinctive characteristic in which social embeddedness

plays a key role (Neumeyer & Santos, 2018; Schaltegger et al., 2016b) by providing access to valuable local knowledge and to a network of local stakeholders (Yachin, 2019), as compared to traditional business models (Stubbs & Cocklin, 2008).

In this study, we explore the link between the place as a source of local knowledge for TLEs and their SBMs to address three theoretical gaps. First, the research on SBMs has focused on their elements that misses a general understanding and a framework of the link between SBMs and how they contribute to innovation (Schaltegger et al., 2016b). Second, although there is a growing body of research on sustainable entrepreneurship, the role of the link to the place is still underexplored in the TLE context (Kibler, Fink, Lang, & Muñoz, 2015). Third, although both gaps can be addressed independently, the link between the elements of the SBM and the connection to the place is not separable in the context of knowledge management. Knowledge management represents an essential issue in the relations between the elements of a business model (Teece, 2010). Although business theory recognizes the existence of studies related to knowledge acquisition and assimilation (c.f. Liao, Fei, & Chen, 2007; Liao et al. 2010), the tourism research has made few contributions regarding the way TLEs manage knowledge (Hoarau, 2014). This is especially true for the specificities of this group of entrepreneurs that are not conducive to the existing traditional models in the business literature (Bosworth & Farrell, 2011). There are few studies that focus on the mechanisms that TLEs use to acquire and assimilate local knowledge that is in a state constant flux (García-Rosell, Haanpää & Janhunen, 2019). Specifically, as indicated by Hoarau (2014) and Yachin (2019), these entrepreneurs have reduced management and organizational capabilities; therefore, how they translate this knowledge into innovation is unclear (Marchant & Mottiar, 2011). Thus, considering the four elements of a SBM, the objectives of this study are (i) to understand the key role of the place as a source of local knowledge, (ii) to identify the link between the SBMs through which TLEs convert local knowledge into innovation and self-efficacy, and (iii) to propose a model to develop a SBM.

The contribution of this study is threefold. First, it addresses the local knowledge management of TLEs by providing a framework for how they link knowledge to the elements of a SBM. This is an underexplored topic despite the representativeness of TLEs in tourism and their importance to sustainability. Specifically, by addressing SBMs, we examine the processes by which TLEs acquire and assimilate local knowledge and the way local knowledge translates into innovation. Second, to the best of our knowledge, this is the first study to explore the relation between the assimilation and acquisition of local knowledge and a community-centered strategy and entrepreneurial communication as well as the mediating role of assimilation as an enabling factor in transforming knowledge into the innovativeness and self-efficacy of TLEs. Third, the sequential mixed-methods approach this study applies is a methodological contribution. We conduct a qualitative study that leads to a better understanding of the relevance of the variables and relations proposed in our conceptual model. After this study, we conduct a quantitative study through a survey to test the conceptual model. Finally, we conduct qualitative follow-up interviews with TLEs.

The study proceeds as follows: Section 2 presents the theoretical background and the conceptual model. In Section 3, we describe the research design and detail it in the next sections (4, 5 and 6). In Section 7, we discuss the empirical findings. Section 8 concludes by presenting theoretical, practical, and managerial implications; limitations; and future research.

2. Literature Review

2.1. Local Knowledge Management and TLEs

2.1.1. TLEs and sustainable business models

In the context of TLEs, the four elements of the SBM are associated with the place. The *value proposition* is the result of the TLEs' place embeddedness that allows tourists to participate in creative and genuine experiences that are associated with the place (Kibler et al., 2015). The quality of the local natural environment and social and cultural practices provide uniqueness

(Shrivastava & Kennelly, 2013; Thompson et al., 2018) and a source of competitiveness (Stamboulis & Skayannis, 2003).

The *supply chain infrastructure* is related to the development of the value networks in which community spirit (Stubbs & Cocklin, 2008) and social embeddedness constitute distinctive features of the SBM (Neumeyer & Santos, 2018). By being embedded in local communities, TLEs benefit from the network effect with local stakeholders (Bredvold & Skålén, 2016; Yachin, 2019). Furthermore, the community, heritage, and environmental preservation represent a central concern of the TLE activities that contribute to a more sustainable tourism (de la Barre, 2013) in which environmental training contributes to the employee in-role green performance (Pham et al., 2020).

As a part of the local community, TLEs are able to co-create unique and authentic experiences (Schilar & Keskitalo, 2018) and to target specific market niches (Ateljevic & Doorne, 2000). The TLEs also integrate local stakeholders and communities in the SBM going beyond the classic customer concept as the primary beneficiary (Bocken et al., 2014). These *customer interfaces* represent an unrivaled path to transfer the value proposition. Further, by pursuing economic and non-economic goals (Sun et al., 2020), the *financial model* is strongly related to the TLEs' environmental and social performance (Stubbs, 2017). All the components of the TLEs' SBMs are linked to the place that represents a source of valuable knowledge (Yachin, 2019). Local knowledge gives meaning to the services and experiences they offer to tourists (Anderson, 2012) and simultaneously is unique and difficult to imitate (Shrivastava & Kennelly, 2013). Thus, knowledge plays an important role in the value proposition.

2.2. TLEs' knowledge management as a unique field of research

Knowledge management in tourism has particularities inherent to the sector. When compared to other sectors, the context of tourism is very complex, uncertain, and relational (Hall, 2019). The knowledge management models in tourism envisage structured approaches (Cooper, 2015). However, the characteristics of small-scale tourism firms do not facilitate knowledge management in these circumstances for several reasons: small businesses are predominant and often consist of just the founder who may have little training and management experience; lack of trust between partners; knowledge is instrumental and is only relevant if the results for the business are evident and immediate; the tourist product may be fragmented by various agents; the business and staff may be seasonal; and the entrepreneur may be risk averse (Cooper, 2015; Czernek, 2017).

The reality of TLEs is even more distinctive. Most of them are not exclusively governed by economic and financial criteria (Ateljevic & Doorne, 2000; Wang et al., 2019). Furthermore, the option to enter tourism is more related to the detection of opportunities than to thoughtful business decisions (Hjalager, Kwiatkowski, & Larsen, 2018). Those opportunities can be low entry barriers like low investment or the inexistence of specific or formal training prerequisites (Ioannides & Petersen, 2003). As such, TLEs likely have little experience and few resources (Marchant & Mottiar, 2011).

2.3. TLEs' knowledge management

Knowledge can be divided into two groups: tacit and explicit. While tacit knowledge cannot be codified because it is associated with what people know, explicit knowledge is easily codified and transferable (Cooper, 2015). The superior strategic value of tacit knowledge is well recognized (Hoarau, 2014; Weidenfeld, Williams, & Butler, 2010) because it is difficult to replicate (Stamboulis & Skayannis, 2003). As TLEs are highly associated with the place, the strategic value of tacit local knowledge is even higher for the following reasons: this knowledge can only be accessed through interpersonal interaction in that place (Yachin, 2019); local

knowledge is difficult to access and imitate by competitors (Cooper, 2015); local knowledge increases the likelihood of sustainable value creation (Shrivastava & Kennelly, 2013); and it improves co-creation processes (García-Rosell et al., 2019).

Knowledge management can be divided into two phases: *potential* that integrates the steps of acquisition and assimilation of knowledge, and *realized* that consists of the transformation or exploitation of knowledge (Jansen, Van Den Bosch, & Volberda, 2005; Zahra & George, 2002). The latter means that knowledge cannot be applied without first having acquired it (Hoarau, 2014). As such, the starting point in knowledge management is the way external knowledge (tacit and explicit) is acquired and assimilated in the tourism business processes (Hoarau, 2014). To exploit external knowledge, firms should translate it into useful forms that are market oriented in order to build competitive advantage through innovation and more responsive processes (Zahra & George, 2002). However, TLEs use their own mechanisms to manage local knowledge. Table 1 summarizes these mechanisms.

=====

Insert Table 1 here

=====

2.3.1. Knowledge acquisition

Although the acquisition of tacit knowledge can be accomplished through socialization (Zhang, Xiao, Gursoy, & Rao 2015), TLEs have unique mechanisms to acquire local knowledge (Bosworth & Farrel, 2011; Ioannides & Petersen, 2003; Kibler et al., 2015). Two complementary approaches for knowledge acquisition arise from the literature, namely, local embeddedness and a community-centered strategy. The acquisition of local knowledge stems from the fact that the TLEs are embedded locally (Bredvold & Skålen, 2016). This

embeddedness provides access to local knowledge by merely living and spending time locally (Valtonen, 2009). Embeddedness is “the mechanism whereby an entrepreneur becomes part of the local structure” (Jack & Anderson, 2002, p. 467) that allows them to monitor the continuously evolving local knowledge through the sharing of experiences, stories, and tools (García-Rosell et al., 2019). Zhang et al. (2015) have found interactive relationships to be crucial to knowledge spillover. As such, place embeddedness allows the entrepreneur to align with the local cultural and social environment (Bredvold & Skålen, 2016).

Richards (2011) emphasizes the role of participating in conversations at cafes or in squares; and Valtonen (2009) also finds that observing, listening, and acting jointly with other stakeholders are mechanisms to acquire new knowledge. Furthermore, being close to customers is also a valuable source of tacit knowledge (Shaw & Williams, 2009). These mechanisms can be described as informal knowledge channels (Ioannides & Petersen, 2003; Marchant & Mottiar, 2011) with a distinctive practical nature (Valtonen, 2009). This approximation between learning and practice establishes a close relation between the processes of acquisition and the assimilation of knowledge (Cooper, 2015; Weidenfeld et al., 2010). As such, we hypothesize:

H1. Local knowledge acquisition positively relates to local knowledge assimilation.

The second approach to acquiring knowledge is to more actively promote or participate in community-centered activities. The access to tacit local knowledge is mostly practice-based (Hoarau, 2014) and exists in a multiplicity of knowledge sources that require the ability to read symbolic and non-verbal evidence (Hall, 2019). In this context, knowledge acquisition benefits from the involvement of stakeholders through partnerships (Czernek, 2017) and the realization of collaborative practices (García-Rosell et al., 2019). The implementation of cooperative strategies also overcomes any barriers to knowledge sharing such as distrust and high competition (Czernek, 2014). As such, “forming and utilizing links to external actors is a practice which owner-managers of micro-tourism firms can develop and should apply. After all, such links embed entrepreneurial opportunities” (Yachin, 2019, p. 61-62). In this sense, TLEs

benefit from acquiring local knowledge through actively cooperating with other local stakeholders, that is, community-centered strategies. These strategies transform new local knowledge into new stories and meaningful experiences and to “selling the place” that means TLEs not only acquire the knowledge but also share it with tourists (Schilar & Keskitalo, 2018). Formally, we propose the following hypothesis:

H2. Pursuing a community-centered strategy positively relates to entrepreneurial communication.

2.3.2. Knowledge assimilation and TLEs’ self-efficacy and innovativeness

The assimilation capacity refers to the firms’ ability to integrate external knowledge into the organizational knowledge stock (Hoarau, 2014). The assimilation of knowledge also requires specific skills and experience from the entrepreneur (and his/her staff). The assimilation is the result of the existing routines, life and market experiences, and “certain person-specific competencies” (Ioannides & Petersen, 2003). More precisely, it combines the “knowledge corridor (ability to imagine resources as products), personal traits (creative thinking) and social network (access to information and inspiration)” (Yachin, 2019, p. 59). Thus, two dimensions exist. First, the organizational dimension represents the processes and capabilities to assimilate knowledge. It is related to the routines that transform newly acquired knowledge and incorporate it in the organization knowledge stock (Weidenfeld et al., 2010). This stock is destination-specific and user-oriented and thus provides an intangible and difficult to replicate source of competitive advantage (Stamboulis & Skayannis, 2003). Second, the communicational dimension comprises the entrepreneurs’ user-oriented activities. Complementarily to the organizational capabilities, TLEs must be able to convert communication into client-oriented narratives (Yachin, 2019) by capitalizing on their connection with customers (Marchant & Mottiar, 2011) through a producer-oriented context (Richards, 2011). This connection demands that the TLE has important traits such as communication and interaction (Yachin, 2019). These

abilities develop knowledge assimilation by stimulating its diffusion within the organization through the free sharing of ideas (Hoarau, 2014).

Knowledge management can provide TLEs with significant benefits in terms of innovation and competitiveness (Cooper, 2015; Weidenfeld et al., 2010). However, in the TLE context, performance should be contextualized. TLEs assess performance based on criteria that are not necessarily economic (Wang et al., 2019). In addition to the maintenance of the quality of life (Thomas et al., 2011), they also use social (Morrison, 2006), ideological, environmental (Ateljevic & Doorne, 2000), and cultural (Bredvold & Skálén, 2016) indicators. This myriad of options indicates that the most appropriate ways to assess TLEs' performance are subjective measures of performance (Wang et al., 2019), such as TLE's perceived self-efficacy that is defined as the TLEs' beliefs in their capabilities to achieve the business goals (Hallak, Brown, & Lindsay, 2012) and their innovativeness (Hoarau, 2014).

Considering this definition of self-efficacy, the TLEs' performance is subjectively perceived through a combination of financial and nonfinancial indicators. The perceived self-efficacy depends on the ability to transform assimilated knowledge into enhanced performance (Marchant & Mottiar, 2011; Shaw & Williams, 2009). This transformation occurs through poorly structured activities (Cooper, 2015). Considering the contextual nature of local knowledge, the assimilation capacity depends on the interaction between the organization and the community and its stakeholders that is associated with life experience (Yachin, 2019). This valorization of knowledge as practice-based and context-specific contributes to overcoming TLEs' low qualification levels (Czernek, 2014; Hoarau, 2014). Additionally, these entrepreneurs usually follow an unstructured approach to knowledge management through a process of trial and error (Cooper, 2015). As such, previous experience plays an important role in the way knowledge is assimilated and transformed into increased performance (Martínez-Martínez, Navarro, García-Pérez, & Moreno-Ponce, 2019). As such, assimilated knowledge generates growing returns in which the more it is used, the greater the benefits it delivers (Cooper, 2015) that then increases TLEs' perceived self-efficacy. As such, we hypothesize:

H3a. Local knowledge assimilation positively relates to TLEs' perceived self-efficacy.

In addition to self-efficacy, knowledge assimilation also supports innovation which is the basis of organizations' competitiveness (Shaw & Williams, 2009). Innovation is a recognized outcome of the TLE activities with important effects on both the organization and the destination (Sun et al., 2020). To do so, they should bridge the gap between their activity and the market (Eikhof & Haunschild, 2006). However, in tourism, converting knowledge into innovation requires certain abilities, especially when it concerns tacit knowledge (Hoarau, 2014). Weidenfeld et al. (2010) argue that exchange practices between organizations are essential for small-scale businesses to assimilate knowledge. Conducting collective learning practices, peer-to-peer relationships (Cooper, 2015), and active participation in networks (Weidenfeld et al., 2010) foster knowledge transfers and increase trust and shared values. As such, by influencing local knowledge assimilation, social participation plays a key role in the innovation success of small-scale businesses (Hoarau, 2014). The involvement of the local stakeholders facilitates knowledge assimilation (Czernek, 2014), stimulates innovation spillovers and collaborative efforts to generate local innovation (Zhang, et al., 2015), and feeds TLEs with new local knowledge that is translated into innovative client-oriented narratives (Yachin, 2019). In this vein, knowledge assimilation supports innovation (Marchant & Mottiar, 2011; Shaw & Williams, 2009), even if it is the result of spontaneous and unstructured processes (Cooper, 2015). Thus:

H3b. Local knowledge assimilation positively relates to TLEs' innovativeness.

Communication and interaction skills with stakeholders, clients, and the community also contribute to the innovation process (Yachin, 2019) by facilitating the translation of acquired knowledge and its application to new experiences (Hoarau, 2014). TLEs are generally effective communicators who exploit their "resources far more inclusively and thoroughly" than other workers (Eikhof & Haunschild, 2006: p. 240). They provide tourists with experiences associated with host and place values by offering a glimpse of local life (Sun et al., 2020), where new

relevant interpretations of the place are implemented and validated through feedback from the tourists (Cooper, 2015). This process encourages innovation by adding value to the experiences delivered to the consumers (Eikhof & Haunschild, 2006). Community interaction also increases the sense of contribution and accomplishment of more sustainable practices (Morrison, 2006) that enables the TLEs to achieve their goals (Schilar & Keskitalo, 2018). By exchanging knowledge with other local stakeholders and customers, TLEs increase their ability to operate in highly segmented tourist markets with very demanding tourists that increases the likelihood of generating tailor-made innovations for niche markets (Ateljevic & Doorne, 2000). Thus, we formulated the following hypotheses:

H4a. Entrepreneurial communication positively relates to TLEs' perceived self-efficacy.

H4b. Entrepreneurial communication positively relates to TLEs' innovativeness.

Moreover, the business literature finds that the process of knowledge assimilation has a mediating role between its acquisition and performance (c.f. Zahra & George, 2002). Czernek (2017) argues that the conversion of acquired knowledge into better innovation requires its adequate assimilation. By being part of the community, TLEs interact face-to-face to leverage the acquired knowledge from innovation (Hoarau, 2014). It indicates that the transformation of the acquired knowledge into enhanced performance requires an adequate assimilation of this new knowledge (Czernek, 2014). Hoarau (2014) argues that this ability to assimilate knowledge enables TLEs to innovate and improve their performance. The ability to assimilate local tacit knowledge and use it to differentiate themselves from their competitors enables TLEs to achieve a competitive advantage (Cooper, 2015). Thus, we propose the following mediating hypotheses:

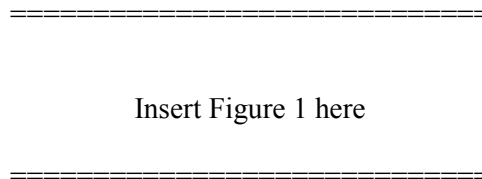
H5a. Entrepreneurial communication mediates the relation between a community-centered strategy and TLEs' perceived self-efficacy.

H5b. Entrepreneurial communication mediates the relation between a community-centered strategy and TLEs' innovativeness.

H6a. Local knowledge assimilation mediates the relation between local knowledge acquisition and TLEs' perceived self-efficacy.

H6b. Local knowledge assimilation mediates the relation between local knowledge acquisition and TLEs' innovativeness.

Figure 1 shows the conceptual model and hypotheses.



3. Method

We use a sequential mixed-methods approach that combines two qualitative studies with a quantitative study.

The target population of this study is Portuguese and Spanish TLEs. We selected the TLEs based on the following inclusion criteria: (i) had a tourism related business; (ii) independently ran business (not part of larger chains or franchising networks); (iii) committed to expressing the local character of the destination; and (iv) sustained the local environment, heritage, and traditions. These criteria come from Bosworth and Farrell (2011) and Morrison (2006). The participants were from the center region of Portugal and the Andalucía autonomous community (Spain).

To increase the confidence of the participants, confidentiality and anonymity were assured in all studies.

4. Qualitative Research I

4.1. Qualitative method

The first study is qualitative and seeks to gain insight into the variables and relations proposed in our conceptual model on TLEs and the SBM elements. The research team performed face-to-face in-depth interviews with four TLEs (1 hostel, 2 tour guides, and 1 cooking experience restaurant) that were selected using a purposive sampling technique. Although there was an interview script, a flexible approach was followed so that respondents could feel free to address the most important topics. Thus, in line with Bosworth and Farrell's (2011) approach, the interviewer fulfilled the role of facilitator, although probing questions were used to explore some topics more deeply. Each interview took, on average, two hours and was held at the entrepreneurs' facilities. Two of the researchers conducted the interviews while taking notes and recording.

4.2. Qualitative results

From the interviews we learned about the various elements of SBM and how they facilitated knowledge management. Sustainability practices were integrated in the elements of the SBM, namely at the level of value proposal (tradition, nature preservation), infrastructure (community relationship), and customer relationships (narratives, products) which benefited from the inclusion of local knowledge in the SBM. Knowledge acquisition strategies such as the involvement of people from the community were also verified. Some of the respondents' comments were:

"Twice a year we hold a local festival with tradition recreations [...] which allows us to publicize our activity".

"Our hostel is decorated with themes alluding to the past of this place [...]. It allows us to have a storytelling with our guests".

"Our customers value very much the traditional dishes made by old ladies of the neighborhood [...] and also our care with the recycling and reuse of materials".

The results of the interviews allowed us to verify the adequacy of the knowledge management variables used in the study. The acquisition of knowledge was essentially achieved informally through conversations with locals and customers. Community-centered strategies arose from cooperation with local stakeholders or from holding events and other festivities. The assimilation of knowledge was quite variable among respondents, but it was linked to transforming knowledge into new experiences and creating new stories and narratives (communication). Some examples taken from the interviews were as follows:

"We are constantly learning new things. We use several sources for that, but the conversations with people from the village are the most important."

"The old ladies who come to cook with us revealed to be a source of new knowledge and a way to improve our experiences, increasing authenticity at the same time."

"The festival we organize always brings new people, functioning as a magnet [...] in which we catch stories, photos, legends and other local traditions".

"As a result of talking with local people, we have a lot of new ideas, which allows us to quickly offer new tours".

"We feel that we are pioneers because we innovate within the tradition of this neighborhood."

These ideas show that a correspondence existed between what was observed in the field and the variables identified in the literature. They were: community-centered strategy (e.g., festivals, workshops, and cooking instruction), knowledge acquisition (talk with local people), communication (new stories and narratives, use of local people for marketing activities), and knowledge assimilation (offering new tours, pioneerism).

5. Quantitative Research

5.1. Quantitative method

5.1.1. Data collection and sample

The target population for the quantitative study was Portuguese and Spanish TLEs who met the inclusion criteria previously presented. As obtaining a sampling frame in this case was difficult, we used a non-probability sampling, or more specifically a convenience sampling. One of the researchers recruited TLEs during three tourism entrepreneurship meetings (i.e., Tourism-Up, Taste-Up, and Green-Up) and invited them to participate in the quantitative study. An internet based-questionnaire was used for data collection. The questionnaire was initially developed through a review of the literature and revised following a two-step approach. First, we consulted three tourism academics to assess the content validity of the scales. After that, the questionnaire was pilot tested by using face-to-face semi-structured interviews with five TLEs (1 hostel, 1 tour guide, 1 cooking experiences restaurant, 2 nature tourism) to validate the wording and the survey design. The final internet-based questionnaire was sent by email to the 115 TLEs. A total of 115 complete questionnaires were received. Data collection occurred between February 2019 and October 2019.

Of the respondents, 66% were male, and 62% were born in the place where they currently had their tourism business. Most of the respondents were from the center region of Portugal (85), and the remaining were from the Andalucía autonomous community of Spain. In terms of age, 7.5% were less than 30 years old, 12.5% were between 30 and 40 years old, 25.6% were between 40 and 50 years old, 44.4% were between 50 and 60 years old, and the remaining were older than 60. Regarding firm size, 68% of the TLEs stated that their firms had 10 or less employees, 16.6% stated they had between 11 and 20 employees, and the remaining stated that their firms had more than 20 employees. The average years in operation of a business was 7.26 with a standard deviation of 5.47 years (minimum: 1 year; maximum: 43 years).

5.1.2. Variables

This study adopted existing scales to measure all variables. The acquisition and assimilation of local knowledge were measured using four and two items, respectively, that were adapted from Jansen et al. (2005). The entrepreneurial orientation to communication and the TLEs' innovativeness were measured using a five- and a four-item scale adapted from Kropp, Lindsay, and Shoham (2006). The four items used to measure the TLEs' perceived self-efficacy were adapted from Zhao, Seibert, and Hills (2005). Community-centered strategy was measured through a six-item scale adapted from Besser and Miller (2001) and Hallak et al. (2012). The acquisition and assimilation of local knowledge, the entrepreneurial orientation to communication, and the innovativeness of TLEs were measured using seven-point Likert-type scales anchored by one (strongly disagree) and seven (strongly agree). The perceived self-efficacy of TLEs was measured by asking respondents to indicate the degree of confidence with a specific statement (e.g., creating new products, commercializing an idea, or new development) on a five-point Likert-type scale (one equals no confidence disagree to five equals complete confidence). A community-centered strategy was assessed by asking TLEs to evaluate on a five-point Likert-type scale (one equals not important to five equals extremely important) the importance of specific strategies.

5.1.3 Statistical analysis

To test our conceptual model we used structural equation modelling (SEM). More specifically, we used partial least squares (PLS), which is a variance-based structural equation modelling technique, by means of SmartPLS 3 software (Ringle, Wende, & Becker, 2015). The analyses and interpretation of the results followed a two-stage approach. We first evaluated the reliability and validity of the measurement model and then assessed the structural model.

To assess the quality of the measurement model, we examined the individual indicators of reliability, convergent validity, internal consistency reliability, and discriminant validity (Hair, Hult, Ringle, & Sarstedt, 2017). The results showed that the standardized factor loadings of all items were above 0.6 (with a minimum value of 0.62) and were all significant at $p < 0.001$, which provided evidence for the individual indicator reliability (Hair et al., 2017). Internal consistency reliability was confirmed because all the constructs' Cronbach alphas and composite reliability (CR) values surpassed the cut-off of 0.7 (See Table 2) (Hair et al., 2017).

Insert Table 2 here

Convergent validity was also confirmed for three key reasons. First, as noted before all items loaded positively and significantly on their respective constructs. Second, all constructs had CR values higher than 0.70. Third, as Table 2 shows, the average variance extracted (AVE) for all constructs exceeded the threshold of 0.50 (Bagozzi & Yi, 1988). The discriminant validity was assessed using two approaches. First, we used the Fornell and Larcker criterion. This criterion requires that a construct's square root of AVE (shown on the diagonal with bold values in Table 2) is larger than its biggest correlation with any construct (Fornell & Larcker, 1981). Table 2 shows that this criterion is satisfied for all constructs. Second, we used the heterotrait-monotrait ratio (HTMT) criterion (Hair et al., 2017; Henseler, Ringle, & Sarstedt, 2015). As Table 2 shows, all HTMT ratios are below the more conservative threshold value of 0.85 (Hair et al., 2017; Henseler et al., 2015). They provide additional evidence of discriminant validity.

The structural model was assessed using the sign, magnitude, and significance of the structural path coefficients; the magnitude of R^2 value for each endogenous variable as a measure of the model's predictive accuracy; and the Stone-Geisser's Q^2 values as a measure of the model's predictive relevance (Hair et al., 2017). However, we checked for collinearity before evaluating the structural model (Hair et al., 2017). The VIF values ranged from 1.00 to 1.15, which was below the indicative critical value of 5 (Hair et al., 2017). These values indicated no collinearity. The coefficient of the determination R^2 for the four endogenous

variables of entrepreneurial communication, local knowledge assimilation, and the TLEs' perceived self-efficacy and innovativeness were 15.2%, 36.9%, 36.4%, and 48.3%, respectively. These values surpassed the threshold value of 10% (Falk & Miller, 1992). The Q^2 values for all endogenous variables (0.08, 0.29, 0.20, and 0.35 respectively) were above zero that indicated the predictive relevance of the model. We used bootstrapping with 5,000 subsamples to evaluate the significance of the parameter estimates (Hair et al., 2017).

5.2. Quantitative results

The results in Table 3 show that acquiring local knowledge has a significantly positive effect on assimilating local knowledge ($\beta=0.607, p < 0.001$) and that a community-centered strategy has a significant effect on entrepreneurial communication ($\beta = 0.390, p < 0.001$). These results provide support for H1 and H2, respectively. Local knowledge assimilation has a significantly positive relation with the perceived self-efficacy ($\beta = 0.391, p < 0.001$) and innovativeness of TLEs ($\beta = 0.269, p < 0.001$), which supports H3a and H3b, respectively.

Insert Table 3 here

Entrepreneurial communication has a significantly positive relation with the perceived self-efficacy ($\beta = 0.340, p < 0.001$) and innovativeness ($\beta = 0.551, p < 0.001$) of TLEs. These results provide support for H4a and H4b, respectively.

To test the mediation hypotheses (H5a-H6b), we followed the recommendations of Hair et al. (2017; p. 232). Thus, we used a bootstrapping procedure to test the significance of the indirect effects via the mediator (Preacher & Hayes, 2008). Table 4 presents the results of the mediation effects.

Insert Table 4 here

The indirect effects of a community-centered strategy on TLEs' perceived self-efficacy and innovativeness via the mediator of entrepreneurial communication are significant with ($\beta = 0.133$; $p < 0.01$) and ($\beta = 0.215$; $p < 0.001$), respectively. These results provide support for the mediation hypotheses H5a and H5b, respectively. In the same vein, the indirect effects of local knowledge acquisition on TLEs' perceived self-efficacy and innovativeness via the mediator of local knowledge assimilation are significant with ($\beta = 0.237$; $p < 0.001$) and ($\beta = 0.164$; $p < 0.001$), respectively. Thus, H6a and H6b have support.

6. Qualitative Research II

6.1. Qualitative method

The second qualitative study was conducted to explore the results from the quantitative study in more detail. Thus, the researchers returned to the field to conduct additional face-to-face in-depth interviews. In order to not bias the interviews, four other TLEs (1 photographic tour guide, 1 hostel, and 2 handcraft workshop) were contacted who did not belong to the survey sample and did not participate in the first study. The aim of this study was to test whether the relationships found made sense. The same procedures for study 1 were used (open questions, anonymity, recording, note taking, transcript). Each interview took, on average, 1 hour and 13 minutes and was held at the entrepreneurs' facilities.

6.2. Qualitative results

The results of qualitative study II support the empirical results obtained in the quantitative study. Knowledge acquisition through informal means with locals and visitors was part of daily life, although it also turned out to be a deliberate approach to gather information and feedback on the activity. Cooperation with other local entrepreneurs represented a common practice with

an emphasis on implementing community-centered strategies. The assimilation of local knowledge that results in learning was addressed in two ways: either it was quickly operationalized through the development of new experiences or narratives in which their communication abilities were essential, or it was accumulated in potential ideas for future innovation. Respondents acknowledged a strong competition between them. In this sense, the agility with which they made this conversion was essential for competitiveness and tourist satisfaction. Some of the answers were transcribed below.

"The experience and the narrative associated with it (newly acquired knowledge) are adapted throughout the realization and delivery of unique experiences with a high degree of creativity".

"...the knowledge obtained through local events does not always translate into innovation, but that they are 'stored' to be materialized in the future, when time is available".

"The municipality's is focused on promoting surf, contributing to disfigure the local commerce and traditions of the locality [...]. In response to this, I and other local entrepreneurs have held several events and a documentary with the aim of identifying and collecting ancestral practices and showing visitors the local way of life".

We also examine how a community-centered strategy relates to innovativeness and self-efficacy. The realization of events or other forms of collaboration within the community are important to acquire new knowledge and to increase the proximity to the potential market. However, the ability to capitalize on these opportunities is dependent on communication with the market. If TLEs do not approach customers with interesting proposals and new narratives, they cannot make a profit. This ability means that learning contributes only indirectly to innovation and self-efficacy but clearly benefits from the entrepreneur's communication skills.

One interviewee (photographic tour) stated:

"Our great difficulty is communication with the market. The tourists are dispersed, being very difficult to reach them so that we can fill the necessary vacancies to carry out the experiments".

7. DISCUSSION

7.1. Entrepreneurial communication: creating new narratives and experiences

Our model considers TLEs' innovativeness and self-efficacy as outcomes. By considering the social goals for their businesses, TLEs incorporate a triple bottom line in their business model. The ability to communicate influences both outcomes and is an important TLE trait, as recognized by Yachin (2019). This ability is intrinsically linked to the producer-oriented form of experience (Richards, 2011). Indeed, these small-scale businesses provide close contact with tourists (Marchant & Mottiar, 2011), which is an important source of knowledge (Yachin, 2019). Furthermore, the indirect link between community-centered strategy and TLEs' innovativeness and self-efficacy reinforces the importance of the entrepreneurial communication. While there is a clear recognition that this area is essential, these businesses need to fill this gap at the same time.

The quantitative results show that there is a sequence in the SBM that goes from local knowledge acquisition to innovativeness and self-efficacy. The starting point is the local knowledge acquisition and the active participation in the community, that is, the community-centered strategy. However, the second qualitative study shows that it is not always easy to get community members involved. All those interviewed said that a lot of communication effort was necessary to generate trust in the local communities that traditionally were averse to change and the presence of strangers. This finding extends the knowledge on SBM by providing a better understanding of the knowledge links across it. Boons and Lüdeke-Freund (2013) and

Porter, Orams and Lück (2018) recognized the need to understand how these links were established and how they contributed to innovation.

7.2. Community-centered strategy: an active knowledge magnet

In line with the research (Binkhorst & Den Dekker, 2009), the results from the quantitative study show that knowledge acquisition and community-centered strategy are also typical mechanisms in the small-scale tourism business. This finding proves they are privileged channels for the TLEs to participate in the so-called “playgrounds of creativity” (Richards, 2011). The interviews conducted in the second qualitative study showed that organizing local events worked like a “magnet” to attract knowledge and visitors. In their words, the holding of events promoted the participation of members of the community to which they generally had no access to or contact with. They always brought new practices, theories, or traditions. Since TLEs are poorly structured and with few resources, these strategies for local knowledge acquisition represent the most common path (Cooper, 2014). Furthermore, the TLEs saw community-centered strategies as a way of preserving local traditions and identities, even when contradicting the official institutions that manage tourism locally. The studies from both the TLE and the SBM fields recommend more active strategies that involve stakeholders, communities, and visitors to promote trust and networking as ingredients for innovation in small-scale businesses (García-Rosell et al., 2019; Yachin, 2019). Furthermore, the community participation is a distinctive feature of SBM (Porter et al, 2018; Schaltegger et al., 2016). Our findings expand these relations by identifying a community-centered strategy as an important tool for knowledge acquisition that is appropriate for the limitations of these small-scale businesses.

7.3. Leveraging local knowledge outcomes

Our findings from the quantitative study show that local knowledge assimilation mediates the relation between local knowledge acquisition and TLEs’ self-efficacy and innovativeness. As such, local knowledge needs to be integrated and applied in tourist experiences and narratives.

As Hjalager et al. (2018) point out, innovation depends on the ability of TLEs to capitalize on opportunities.

The learning that results from the community-centered strategy influences the ability of the TLEs to communicate new narratives to the market. Although the proximity of clients and the community allows them access to knowledge, the research has identified TLEs as having limited capabilities to use this knowledge (Yachin, 2019) that is evidence of an unstructured approach to innovation (Cooper, 2015). As such, they have difficulties in turning new knowledge into innovation (Hoarau, 2014; Morrison, 2006). Thus, the ability to acquire local knowledge is not all that matters, but also the ability to translate it into something meaningful for the business that is dependent on their ability to communicate with the market, as suggested by Yachin (2019). Thus, a community-centered strategy influences TLEs' innovativeness and self-efficacy indirectly through entrepreneurial communication. The interviews from the second qualitative study showed another possible complementary explanation. The accumulated knowledge not yet converted into innovation reflects the concept of "knowledge stock", as suggested by Weidenfeld et al. (2010).

This study contributes to the SBM literature by providing evidence of the importance of acquiring and assimilating local knowledge, community-centered strategy, and entrepreneurial communication for the innovativeness and self-efficacy of TLEs. Furthermore, by exploring the underlying relations between these elements, this study expands the knowledge on more competitive and integrative solutions for SBM development, as prompted in the recent research (c.f. Neumeyer & Santos, 2017; Schaltegger et al., 2016). Another important contribution for the TLE and SBM literature is the mediating roles of assimilating local knowledge and entrepreneurial communication. Although previous research has identified knowledge management as a mediator by creating the values, philosophy, and the necessary foundations for more sustainable businesses (Zaragoza-Sáez et al., 2020), this study expands existing knowledge by assessing the role of local knowledge assimilation and entrepreneurial communication in leveraging the effects of a community centered-strategy and local knowledge acquisition on TLEs' innovativeness and self-efficacy. Considering that local knowledge is the

basis for the TLE's differentiation, mechanisms for knowledge assimilation in the SBM can benefit competitiveness.

7.4. Developing more sustainable business models

Based on our findings, the following links in the SBM can be considered. The TLEs acquire knowledge through formal mechanisms and a community-centered strategy. They transform this knowledge through very specific mechanisms: the capability to assimilate knowledge and the capability to communicate entrepreneurial activities. The innovativeness and self-efficacy are important outcomes of the TLEs' SBM. Furthermore, there are two streams for knowledge management in the SBM. One stream is related to organizational informal processes (knowledge acquisition and assimilation). A second stream is linked to the TLEs' ability to cooperate and communicate with local stakeholders, the community, and tourists.

Thus, the strategies for acquiring this knowledge (local and market) can result from being close to clients and to the community and other stakeholders. But it can also arise from active participation in the community that favors the involvement of stakeholders both in obtaining new knowledge and in participating in the experiences they offer to tourists. In this sense, Figure 2 displays four scenarios.

Insert Figure 2 here

In a situation where the TLE poorly engages the community, the local knowledge acquisition requires greater local participation (*embed*). In this case, the development of charitable actions or the preservation of local traditions together with other stakeholders may be a route to explore. In this way, the access to the continuously evolving local knowledge and stakeholder participation increases because of sharing experiences and stories (García-Rosell et al., 2019). However, collaboration is not an easy path, especially for those from abroad due to socio-cultural distance (Czernek, 2017).

When community involvement is low, TLEs need to seek market knowledge. In this situation, the TLE needs to *integrate* the business into the value chain, as suggested by Yachin (2019), or to maximize the power of networks with agents, companies, and organizations (Binkhorst & Den Dekker, 2009).

When a community-centered strategy already exists, the acquisition of knowledge is more assured. In this case, TLEs need to capitalize on it and *innovate*. The experiences offered can be leveraged with the existing link to the community and local stakeholders, which can be an integral part of the strategy. This strategy can be a playground for co-creation and creative experiences (Richards, 2011).

The last quadrant refers to the acquisition of market-related knowledge in situations where TLEs promote active strategies in the community. Here the important step is to *develop* the experiences in line with what the market seeks. Indeed, tourists that seek involvement in the experiences are fragmented into niches that demand tailor-made experiences (Ateljevic & Doorne, 2000). Thus, local experiences need to be adapted and developed in line with these specific expectations.

8. CONCLUSION

In this research, we used a mixed-methods approach to achieve our objectives. The first objective concerns the comprehension of the key role of the place as a source of local knowledge. Our results show that local knowledge is the source of the TLEs' competitiveness (innovativeness and self-efficacy) by providing a distinctive value proposition that materializes the specificities of the place and the network developed by the entrepreneur. Local knowledge is also a key factor in the business model. TLEs are particularly interested in the preservation of the environment and local social traditions and way of life. Those were the reasons they were attracted to the place. As stated by Stubbs (2017), TLEs integrate sustainability goals into their business because economic success is linked to their environmental and social performance.

Furthermore, the networks of local stakeholders that add value to the experiences empower them. This valuable distinctiveness is operationalized through innovative narratives and new products and services that embody this new knowledge. This is the customer relation element of the SBM.

The question is how do they do it? The answer comes with the response to the second objective. This research identifies the links between the elements of the SBM that convert local knowledge into entrepreneurial innovativeness and self-efficacy. Specifically, the first element is local knowledge acquisition that consists of the collection of local knowledge through informal channels and a community-centered strategy. This element concerns the infrastructure of the SBM. Knowledge acquisition is not an end in of itself. It must be transformed both into the knowledge stocks of narratives and experiences. As such, local knowledge must be integrated into organizational routines and embedded in the tourist experiences and the communication strategies. Furthermore, these issues must align with the growing tourist exigencies, that is, market-focused experiences and communication. Knowledge acquisition is leveraged by knowledge assimilation, while a community-centered strategy is leveraged by entrepreneurial communication in relation to TLEs' innovativeness and self-efficacy.

Based on the results of the quantitative and the two qualitative studies, we proposed a model to develop an SBM, the third objective. The model proposes four situations according to the degree of the TLE's integration into the community and the source of local knowledge: place related or market related.

This study provides important practical and managerial implications. Local knowledge increases the probability of sustainable value creation from the destination (Shrivastava & Kennelly, 2013). Since TLEs are in the best position to promote sustainable practices (Bosworth & Farrell, 2011), destinations should create favorable conditions for the development of this type of business. By understanding the connections in the SBM managed by these entrepreneurs, some recommendations are possible. In order to improve the sustainability of small-scale businesses in the destination, it will be important to promote better knowledge

management. First, TLEs must improve the acquisition of knowledge and the spillover effect. Based on the results, this research shows the importance of informal meetings with stakeholders that prevents maximum diversity and origins. Encouraging festivals and other events that involve the community is another important strategy. But improving knowledge assimilation skills is also important, which can be achieved through training (e.g., new product development, interpersonal communication, and marketing). Also, by stimulating the formation of clusters, destinations can not only boost this development of skills but can also act as a trigger for innovation in tourism in the destination (Czernek, 2017).

This study contains limitations that indicate different avenues for future research. First, the cross-sectional nature of this study limits our ability to fully establish causality. Thus, future research should follow a longitudinal data approach. Second, this study uses a non-probabilistic convenience sampling procedure for the survey which may create representativeness problems for the population under study. Third, it limited the sample to Portuguese and Spanish TLEs and hence may not be generalizable to the TLEs in other countries. Thus, some caution should be taken in the generalization of the results. Consequently, in order to achieve better generalization, future research should test our conceptual model by using data from TLEs from other countries and by using a probability sampling procedure.

An important topic is the knowledge stocks. TLEs learn from the local context, but they do not transform all of this knowledge into innovation. This topic was also identified by other studies (c.f. Weidenfeld et al., 2010). However, it was not sufficiently developed, and key questions emerged for both small-scale businesses and destination competitiveness; such as, which factors increase the conversion rate of new knowledge into innovation?

Considering the links between the elements of the SBM, another important issue is the exploration of other dimensions or variables. Human resources influence TLEs' ability to compete that poses a challenge due to seasonality and low qualifications, as pointed out by Czernek (2014). The implications for the SBM elements are an important avenue for

researchers. This research also shows that the local knowledge flows along those elements until it is converted into TLEs' innovativeness and self-efficacy. However, other links need to be explored. Since TLEs follow a triple bottom line approach to their SBM, they seek to balance environmental and social goals with economic ones. However, as argued by Zhang et al. (2015) and Bredvold and Skålén (2016), these elements are not equally reflected in their ambitions. Is there a difference between a business orientation and a purely lifestyle orientation in relation to assimilation strategies and innovation? To answer this question researchers can explore the effectiveness of the Google keywords as suggested by Huynh (2019).

Disclosure statement

The authors report no potential conflict of interest.

REFERENCES

- Anderson, J. (2012). Relational places: The surfed wave as assemblage and convergence. *Environment and Planning D: Society and Space*, 30(4), 570-587. DOI: 10.1068/d17910
- Ateljevic, I., & Doorne, S. (2000). 'Staying within the fence': Lifestyle entrepreneurship in tourism. *Journal of Sustainable Tourism*, 8(5), 378-392. DOI:10.1080/09669580008667374
- Bagozzi, R.P., & Yi. Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94
- Besser, T.L., & Miller, N. (2001). Is the good corporation dead? The community social responsibility of small business operators. *The Journal of Socio-Economics*, 30(3), 221-241. DOI:10.1016/S1053-5357(01)00094-4
- Binkhorst, E., & Den Dekker, T. (2009). Agenda for co-creation tourism experience research. *Journal of Hospitality Marketing & Management*, 18(2-3), 311-327. DOI:10.1080/19368620802594193
- Bocken, N.M., Short, S.W., Rana, P., & Evans, S. (2014). A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*, 65, 42-56. DOI: 10.1016/j.jclepro.2013.11.0

- Boons, F., & Lüdeke-Freund, F. (2013). Business models for sustainable innovation: state-of-the-art and steps towards a research agenda. *Journal of Cleaner Production*, 45, 9-19. DOI:10.1016/j.jclepro.2012.07.007
- Bosworth, G., & Farrell, H. (2011). Tourism entrepreneurs in Northumberland. *Annals of Tourism Research*, 38(4), 1474-1494. DOI: 10.1016/j.annals.2011.03.015
- Bredvold, R., & Skålén, P. (2016). Lifestyle entrepreneurs and their identity construction: A study of the tourism industry. *Tourism Management*, 56, 96-105. DOI:10.1016/j.tourman.2016.03.023
- Carlsen, J., Morrison, A., & Weber, P. (2008). Lifestyle oriented small tourism firms. *Tourism Recreation Research*, 33(3), 255-263. DOI:10.1080/02508281.2008.11081549
- Cooper, C. (2015). Managing tourism knowledge. *Tourism Recreation Research*, 40(1), 107-119. DOI: 10.1080/02508281.2015.1006418
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220. DOI:10.1080/13683500.2014.944107
- de la Barre, S. (2013). Wilderness and cultural tour guides, place identity and sustainable tourism in remote areas. *Journal of Sustainable Tourism*, 21(6), 825-844. DOI: 10.1080/09669582.2012.737798
- Eikhof, D.R., & Haunschild, A. (2006). Lifestyle meets market: Bohemian entrepreneurs in creative industries. *Creativity and Innovation Management*, 15(3), 234-241. DOI:10.1111/j.1467-8691.2006.00392.x
- Falk, R. F., & Miller, N.B. (1992). *A primer for soft modelling*. Akron: University of Akron Press.
- Fornell, C., & Larcker, D.F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 29-50. DOI:10.2307/3151312.
- García-Rosell, J.C., Haanpää, M., & Janhunen, J. (2019). 'Dig where you stand': values-based co-creation through improvisation. *Tourism Recreation Research*, 44(3), 348-358. DOI:10.1080/02508281.2019.1591780
- Hall, C.M. (2019). Constructing sustainable tourism development: The 2030 agenda and the managerial ecology of sustainable tourism. *Journal of Sustainable Tourism*, 27(7), 1044-1060. DOI:10.1080/09669582.2018.1560456
- Hallak, R., Brown, G., & Lindsay, N. J. (2012). The Place Identity-Performance relationship among tourism entrepreneurs: A structural equation modelling analysis. *Tourism Management*, 33(1), 143-154. DOI:10.1016/j.tourman.2011.02.013.
- Hair Jr, J.F., Hult, G.M., Ringle, C., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.

- Henseler, J., Ringle, C.M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.
- Hjalager, A.M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17. DOI:10.1080/15022250.2017.1287002
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. DOI:10.1080/15022250.2014.887609
- Huynh, T.L.D. (2019). Which Google keywords influence entrepreneurs? Empirical evidence from Vietnam, *Asia Pacific Journal of Innovation and Entrepreneurship*, 13(2), 214-230. DOI:10.1108/APJIE-11-2018-0063
- Ioannides, D., & Petersen, T. (2003). Tourism ‘non-entrepreneurship’ in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435. DOI:10.1080/1461668032000129146
- Jack, S. L., & Anderson, A.R. (2002). The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5), 467-487. DOI:10.1016/S0883-9026(01)00076-3
- Jansen, J.J., Van Den Bosch, F.A., & Volberda, H.W. (2005). Managing potential and realized absorptive capacity: how do organizational antecedents matter?. *Academy of Management Journal*, 48(6), 999-1015. DOI:10.5465/amj.2005.19573106
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. DOI:10.1016/j.jbvi.2015.04.001
- Kropp, F., Lindsay, N.J., & Shoham, A. (2006). Entrepreneurial, market, and learning orientations and international entrepreneurial business venture performance in South African firms. *International Marketing Review*, 23(5), 504-523. DOI:10.1108/02651330610703427
- Liao, S. H., Fei, W.C., & Chen, C.C. (2007). Knowledge sharing, absorptive capacity, and innovation capability: an empirical study of Taiwan's knowledge-intensive industries. *Journal of information science*, 33(3), 340-359. DOI:10.1177/0165551506070739
- Liao, S. H., Wu, C.C., Hu, D. C., & Tsui, K.A. (2010). Relationships between knowledge acquisition, absorptive capacity and innovation capability: an empirical study on Taiwan's financial and manufacturing industries. *Journal of Information Science*, 36(1), 19-35. DOI:10.1177/0165551509340362

- Marchant, B., & Mottiar, Z. (2011). Understanding lifestyle entrepreneurs and digging beneath the issue of profits: Profiling surf tourism lifestyle entrepreneurs in Ireland. *Tourism Planning & Development*, 8(2), 171-183. DOI:10.1080/21568316.2011.573917
- Martínez-Martínez, A., Cegarra-Navarro, J.G., Garcia-Perez, A., & Wensley, A. (2019). Knowledge agents as drivers of environmental sustainability and business performance in the hospitality sector. *Tourism Management*, 70, 381-389. DOI:10.1016/j.tourman.2018.08.030
- Morrison, A. (2002). Small hospitality businesses: enduring or endangered?. *Journal of Hospitality and Tourism Management*, 9(1), 1-12.
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192-209. DOI:10.1108/13552550610679159
- Neumeyer, X., & Santos, S.C. (2018). Sustainable business models, venture typologies, and entrepreneurial ecosystems: A social network perspective. *Journal of Cleaner Production*, 172, 4565-4579. DOI: 10.1016/j.jclepro.2017.08.216
- Pham, N. T., Vo-Thanh, T., Shahbaz, M., Huynh, T.D., & Usman, M. (2020). Managing environmental challenges: Training as a solution to improve employee green performance. *Journal of Environmental Management*, 269, 110781. DOI: <https://doi.org/10.1016/j.jenvman.2020.110781>
- Porter, B.A., Orams, M.B., & Lück, M. (2018). Sustainable entrepreneurship tourism: An alternative development approach for remote coastal communities where awareness of tourism is low. *Tourism Planning & Development*, 15(2), 149-165. DOI: 10.1080/21568316.2017.1312507
- Preacher, K.J., & Hayes, A.F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879-891. DOI:10.3758/BRM.40.3.879.
- Richards, G. (2011). Creativity and tourism: The state of the art. *Annals of Tourism Research*, 38(4), 1225-1253. DOI:10.1016/j.annals.2011.07.008
- Ringle, C.M., Wende, S., & Will, A. (2015). SmartPLS3.0. Hamburg:www.smartpls.de.
- Schaltegger, S., Hansen, E.G., & Lüdeke-Freund, F. (2016a). Business Models for Sustainability: Origins, Present Research, and Future Avenues. *Organization & Environment*, 29(1), 3-10. DOI:10.1177/1086026615599806
- Schaltegger, S., Lüdeke-Freund, F., & Hansen, E.G. (2016b). Business models for sustainability: A co-evolutionary analysis of sustainable entrepreneurship, innovation, and transformation. *Organization & Environment*, 29(3), 264-289. DOI:10.1177/1086026616633272
- Schilar, H., & Keskitalo, E.H. (2018). Tourism activity as an expression of place attachment—place perceptions among tourism actors in the Jukkasjärvi area of northern Sweden.

- Scandinavian Journal of Hospitality and Tourism*, 18(sup1), 42-59. DOI: 10.1080/15022250.2017.1389123
- Shaw, G., & Williams, A. (2009). Knowledge transfer and management in tourism organisations: An emerging research agenda. *Tourism Management*, 30(3), 325-335. DOI: 10.1016/j.tourman.2008.02.023
- Shrivastava, P., & Kennelly, J.J. (2013). Sustainability and place-based enterprise. *Organization & Environment*, 26(1), 83-101. <https://doi.org/10.1177/1086026612475068>
- Stamboulis, Y., & Skayannis, P. (2003). Innovation strategies and technology for experience-based tourism. *Tourism Management*, 24(1), 35-43. DOI:10.1016/S0261-5177(02)00047-X
- Stubbs, W. (2017). Sustainable entrepreneurship and B corps. *Business Strategy and the Environment*, 26(3), 331-344. DOI:10.1002/bse.1920
- Stubbs, W., & Cocklin, C. (2008). Conceptualizing a “sustainability business model”. *Organization & environment*, 21(2), 103-127. DOI:10.1177/1086026608318042
- Sun, X., Xu, H., Köseoglu, M.A., & Okumus, F. (2020). How do lifestyle hospitality and tourism entrepreneurs manage their work-life balance?. *International Journal of Hospitality Management*, 85, 102359 . DOI:10.1016/j.ijhm.2019.102359
- Teece, D.J. (2010). Business models, business strategy and innovation. *Long Range Planning*, 43(2-3), 172-194. DOI:10.1016/j.lrp.2009.07.003
- Thomas, R., Shaw, G., & Page, S.J. (2011). Understanding small firms in tourism:A perspective on research trends and challenges. *Tourism Management*, 32(5), 963-976. DOI:10.1016/j.tourman.2011.02.003
- Thompson, B. S., Gillen, J., & Friess, D. A. (2018). Challenging the principles of ecotourism: insights from entrepreneurs on environmental and economic sustainability in Langkawi, Malaysia. *Journal of Sustainable Tourism*, 26(2), 257-276. DOI: 10.1080/09669582.2017.1343338
- Valtonen, A. (2009). Small tourism firms as agents of critical knowledge. *Tourist Studies*, 9(2), 127-143. DOI: 10.1177/1468797609360600
- Yachin, J.M. (2019). The entrepreneur–opportunity nexus: Discovering the forces that promote product innovations in rural micro-tourism firms. *Scandinavian Journal of Hospitality and Tourism*, 19(1), 47-65. DOI: 10.1080/15022250.2017.1383936
- Wang, C., Li, G., & Xu, H. (2019). Impact of lifestyle-oriented motivation on small tourism enterprises’ social responsibility and performance. *Journal of Travel Research*, 58(7), 1146-1160. DOI:10.1177/0047287518800389
- Weidenfeld, A., Williams, A.M., & Butler, R.W. (2010). Knowledge transfer and innovation among attractions. *Annals of Tourism Research*, 37(3), 604-626. DOI: 10.1016/j.annals.2009.12.001

- Zaragoza-Sáez, P. C., Claver-Cortés, E., Marco-Lajara, B., & Úbeda-García, M. (2020). Corporate social responsibility and strategic knowledge management as mediators between sustainable intangible capital and hotel performance. *Journal of Sustainable Tourism*, (published ahead or print). DOI: 10.1080/09669582.2020.1811289
- Zahra, S.A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*, 27(2), 185-203. DOI: 10.5465/amr.2002.6587995
- Zhang, C., Xiao, H., Gursoy, D., & Rao, Y. (2015). Tacit knowledge spillover and sustainability in destination development. *Journal of Sustainable Tourism*, 23(7), 1029-1048. DOI: 10.1080/09669582.2015.1032299
- Zhao, H., Seibert, S.E., & Hills, G.E. (2005). The mediating role of self-efficacy in the development of entrepreneurial intentions. *Journal of Applied Psychology*, 90(6), 1265. DOI: 10.1037/0021-9010.90.6.1265

Table 1. TLE-specific mechanisms for knowledge management.

Acquisition	Assimilation	Outcomes
<p>Informal and practical channels (Local embeddedness)</p> <ul style="list-style-type: none"> • Living and spending time locally; sharing experiences, and stories • Participating in conversations • Observation and listening • Acting with other stakeholders • Being close to customers <p>Community-centered strategy (active channels)</p> <ul style="list-style-type: none"> • Partnership with stakeholders • Collaborative practices with the community to “attract” new knowledge • Cooperative strategies 	<p>Organizational dimension (processes and capabilities)</p> <ul style="list-style-type: none"> • Routines to transform newly acquired knowledge • Incorporation in the organization knowledge stocks <p>Communication entrepreneurial orientation dimension (transformation in client-oriented narratives)</p> <ul style="list-style-type: none"> • Knowledge diffusion within the organization • Free idea sharing • Transform new local knowledge into new stories and meaning-making experiences • “Selling the place” • Identity building 	<p>Innovativeness</p> <ul style="list-style-type: none"> • New experiences • Relevant interpretations of new local knowledge • Tailor-made innovations to niche markets • Resource exploitation <p>Entrepreneurial self-efficacy</p> <ul style="list-style-type: none"> • Subjective measures of performance

Table 2. Composite reliability, average variance extracted, correlations, and discriminant validity checks.

Latent Variables	α	CR	AVE	1	2	3	4	5	6
(1) Entrepreneurial communication	0.850	0.893	0.627	0.792	0.274	0.427	0.429	0.570	0.726
(2) Local knowledge acquisition	0.760	0.845	0.578	0.228	0.760	0.735	0.623	0.190	0.183
(3) Local knowledge assimilation	0.831	0.922	0.856	0.362	0.607	0.925	0.425	0.604	0.542
(4) Community-centered strategy	0.746	0.829	0.553	0.388	0.433	0.334	0.744	0.399	0.368
(5) TLEs' perceived self-efficacy	0.810	0.874	0.635	0.481	0.126	0.514	0.308	0.797	0.794
(6) TLEs' innovativeness	0.915	0.941	0.800	0.648	0.123	0.468	0.353	0.682	0.895

Note: α -Cronbach Alpha; CR -Composite reliability; AVE -Average variance extracted. Bolded numbers are the square roots of AVE. Below the diagonal elements are the correlations between the constructs. Above the diagonal elements are the HTMT ratios.

Table 3. Structural model assessment.

Path	Path coefficient	Standard errors	<i>t</i> statistics	<i>p</i> values
Local knowledge acquisition→ Local knowledge assimilation	0.607	0.067	9.071	0.000
Community-centered strategy→ Entrepreneurial communication	0.390	0.059	6.596	0.000
Local knowledge assimilation→ TLEs' perceived self-efficacy	0.391	0.097	4.043	0.000
Local knowledge assimilation→ TLEs' innovativeness	0.269	0.073	3.704	0.000
Entrepreneurial communication→ TLEs' perceived self-efficacy	0.340	0.090	3.765	0.000
Entrepreneurial communication→ TLEs' innovativeness	0.551	0.085	6.456	0.000

Table 4. Bootstrap results for indirect effects.

Indirect effect	Estimate	Standard errors	<i>t</i> statistics	<i>p</i> value
Community-centered strategy→ Entrepreneurial communication→ TLEs' perceived self-efficacy	0.133	0.043	3.064	0.002
Community-centered strategy→ Entrepreneurial communication→ TLE's innovativeness	0.215	0.050	4.334	0.000
Local knowledge acquisition→Local knowledge assimilation→ TLEs' perceived self-efficacy	0.237	0.059	4.020	0.000
Local knowledge acquisition→Local knowledge assimilation→ TLEs' innovativeness	0.164	0.046	3.544	0.000

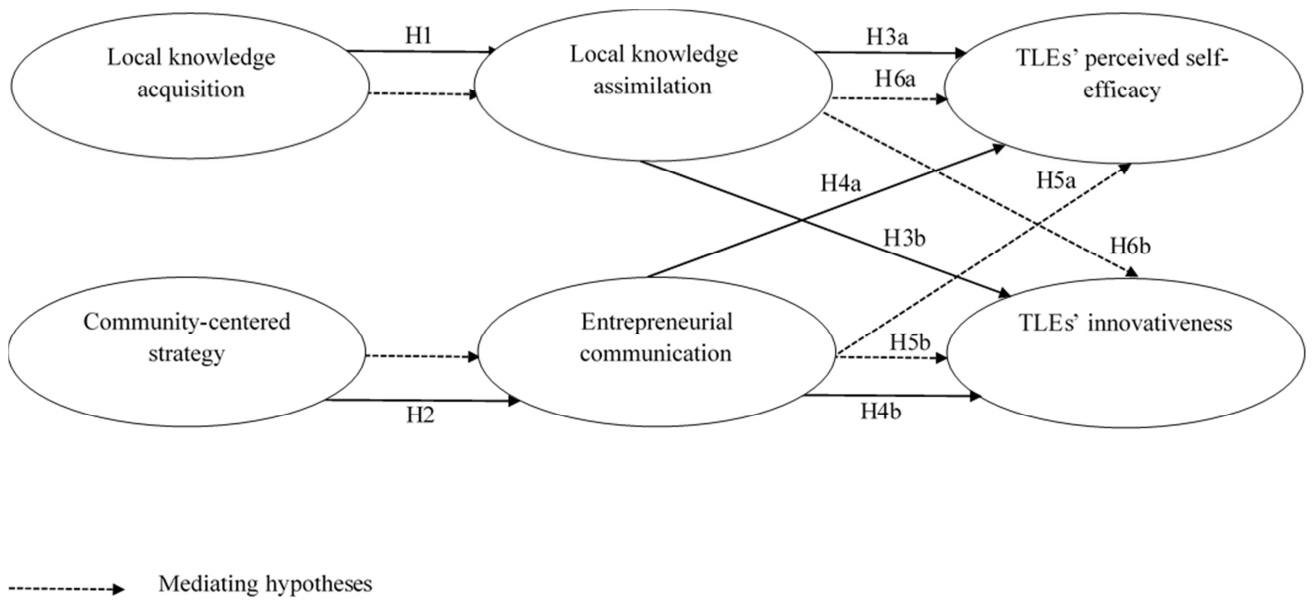


Figure 1. Conceptual model.

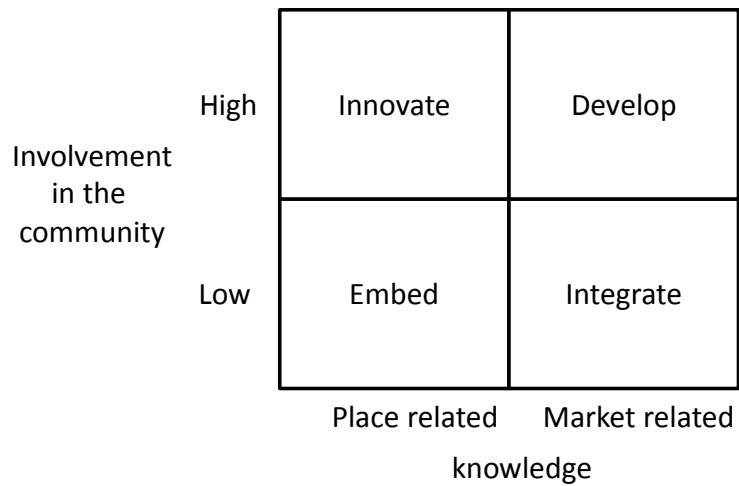


Figure 2. Actions for more Sustainable Business Model

CHAPTER 4

Transforming local knowledge into lifestyle entrepreneur's innovativeness: Exploring the linear and quadratic relationships

Abstract

Tourism Lifestyle Entrepreneurs (TLEs) play an essential role in the innovation and competitiveness of tourist destinations. However, little attention has been paid to how these entrepreneurs manage local knowledge and turn it into innovation. This research examines how place attachment, community-centered strategy, and knowledge assimilation influence lifestyle entrepreneur's innovativeness. A mixed methodology was applied with an online survey of 511 TLEs being conducted first, followed by a qualitative research where 24 additional TLEs were in depth-interviewed. Empirical evidence shows that, while place attachment and community-centered strategy have a positive linear relationship with lifestyle entrepreneur innovativeness, knowledge assimilation has a U-shaped relationship. Based on this U-shaped relationship, three types of TLEs were identified according to their capacity to transform assimilated knowledge into innovation, namely, opportunity seekers, professionals and laggards. The theoretical and practical implications are essential for the management of a tourism destination.

Keywords: Tourism lifestyle entrepreneurship; Knowledge management; Quadratic analysis; Entrepreneurial innovativeness; Innovation.

1. INTRODUCTION

Tourism Lifestyle Entrepreneurs (TLEs) play a vital role in the sustainability and competitiveness of a tourism destination. TLEs can be defined as “tourism business owners who are actively pursuing a different lifestyle” (Bosworth & Farrell, 2011; p. 1475). They run a business that is managed in a way that incorporates non-financial goals (Thomas, Shaw, & Page, 2011). TLEs represent a significant share of all tourism businesses (Getz & Carlsen, 2000; Thomas et al., 2011), and have a potential contribution to local development because they buy and hire locally, retaining capital in the destination (Jack & Anderson, 2002). They also offer tourists creative and genuine experiences associated with the place (Kibler, Fink, Lang, & Muñoz, 2015), establishing the basis for innovation and differentiation of their business (Dias et al., 2020) and, through the spillover effect, of destinations (Stamboulis & Skayannis, 2003). Furthermore, small-scale businesses are more likely to be sustainable than large

companies, contributing to the preservation of local lifestyle, traditions, and the natural environment (Bosworth & Farrell, 2011; Wang, Li, & Xu, 2019).

The limited theoretical background related with TLEs leads to contradictory approaches. For example, TLEs innovation potential is not consensual. Several researchers consider their innovation capacity to be limited due to lack of skills and capital, lack of trust among partners, risk aversion or low entrepreneurial behavior (Cooper, 2015; Czernek, 2017; Marchant & Mottiar, 2011; Weidenfeld, Williams, & Butler, 2010). In the other hand, other researchers consider them as innovators because: (i) they operate in niche markets, which gives them a high level of business and product knowledge (Ateljevic & Doorne, 2000; Su, Zhang, & Cai, 2020); (ii) they offer tailor-made experiences which enables them to be close to the client and constantly update and respond to changes in the market (Ateljevic & Doorne, 2000; Shaw & Williams, 2009); and, they are embedded within the local community allowing them to provide more authentic and immersive experiences (Bredvold & Skálén, 2016; Yanow, 2004).

A particular point in the study of TLEs is the importance of being embedded locally (Bosworth & Farrell, 2011; Carlsen, Morrison, & Weber, 2008), which allows them access to local knowledge, which is generally tacit and difficult to imitate (Anderson, 2012). As tourism innovations are “difficult to develop and implement but at the same time relatively easy to imitate” (Zhang, Xiao, Gursoy, & Rao, 2015; p. 3-4), local knowledge represents the foundation for the competitiveness of small-scale businesses when competing with large companies (Komppula, 2014). Moreover, local knowledge also has implications for the competitiveness of destinations, enabling them to overcome standardization issues of their image and products (Richards, 2011).

Given the importance of this local knowledge in the competitiveness of TLEs, it is essential to understand the mechanisms through which this knowledge is transformed into innovation (Steyaert, 2007). However, the research focused on these small-scale tourism businesses entrepreneurial processes is still scarce (Fu et al., 2019). Particularly, the bridge between knowledge acquisition and innovation is still to be established in the TLEs context (Hoarau, 2014). Although TLEs are close to customers and community, a feature allowing a greater access to knowledge, these entrepreneurs fail to convert that knowledge in valuable tourist experiences (Yachin, 2019). In addition, the existent research is also scarce on TLEs innovation outcomes, and is focused on problems and barriers to innovation (Thomas et al., 2011). Thus, this research aims to contribute to consolidate an integrative framework on TLEs knowledge management and innovation,

as well as to understand the relationship between these variables. Specifically, it aims to contribute to increase knowledge about this specific group of entrepreneurs, seeking to understand the processes of knowledge acquisition and assimilation, as well as their results in terms of innovation.

The contribution of this article is threefold. First, the identification of the TLEs activities aiming to acquire local knowledge. By recognizing the limitations arising from the condition of small-scale businesses, it is possible to perceive that these entrepreneurs use their own mechanisms to access local knowledge and transform it in innovation, including place attachment, community-centered strategy and knowledge assimilation. Second, this study allows understanding and empirically testing the antecedents of lifestyle entrepreneur's innovativeness in small-scale businesses, contributing to existing knowledge in the fields of entrepreneurship and innovation in tourism. Third, the findings of this study contribute to clarify the ongoing contradictory discussion in the literature in which some researchers defend that TLEs have low innovative capacity while others defend the opposite. This study highlights that the TLEs are very innovative. By finding the existence of a quadratic relationship between knowledge assimilation and lifestyle entrepreneur's innovativeness our research brings further development in this discussion. We use a sequential mixed-methods approach. First, a quantitative study based on a survey was developed to test the research hypotheses. A second qualitative study based on in-depth interviews with TLEs was conducted. The purpose is to visualize in the field and on various angles how the sources of local knowledge and connection to innovation work, illustrating concrete realities for a better understanding of the phenomenon.

The remainder of this paper is organized as follows. Section 2 provides the theoretical background, and section 3 the development of the research hypotheses. Section 4 presents the methodology. The specific methodology and results for the quantitative and qualitative studies are presented in section 5 and 6, respectively. We discuss findings in section 7. A conclusion inclusive of limitations and contributions appears in section 8.

2. THEORETICAL BACKGROUND

In a very competitive tourism context, there is a tendency to imitate the best solutions (Zhang et al., 2015). According to resource-based view (RBV), the competitiveness of a

company results from its ability to possess resources and capabilities that comply with four essential characteristics (Barney, 1991), which contribute to enhance the firm's competitive position (Lin et al. 2012). First, the bundle of resources and capabilities must contribute to deliver value to the market, as the result of the accumulation of technical and market knowledge, skills and experience (Espino-Rodríguez & Padrón-Robaina, 2005). Local knowledge becomes a source of value for small-scale tourism business (Guercini & Ceccarelli, 2020). For many of these local businesses, their offer associated with the place such as traditions, landscapes, experiences, or lifestyle, providing innovative experiences strongly linked to the spirit of the place and its people (Binkhorst & Den Dekker, 2009), and a basis for innovation (Dias et al., 2020). 'Selling the place' also increases the perception of authenticity (Schilar & Keskitalo, 2018), the host-guest relationship and the feeling of 'place' (Middleton & Clarke, 2001). The greater integration of the TLEs in the local community also increases the likelihood of greater collaboration with other local stakeholders (Yachin, 2019). In this way, the experiences offered benefit to the implementation of co-creation processes (García-Rosell, Haanpää, & Janhunen, 2019) and provide greater added value by allowing closer contact with local lifestyle and traditions (Middleton & Clarke, 2001). In turn, co-creation also represents an essential source of knowledge (Hall & Williams, 2020).

Second, resources and capabilities should be unique or, at least, rare in the industry (Lockett, Thompson, & Morgenstern, 2009), meaning that they are heterogeneously distributed in the market (Lin et al. 2012). If all competitors have the same competitive basis, the result will be competitive parity. The commoditization of tourism in some small localities has led to the transformation of a host-guest relationship into a service-provider to service-consumer (Sun & Xu, 2019), which represents a loss of competitiveness. However, a significant part of TLEs are not growth-oriented, i.e., they aim at objectives other than financial, such as quality of life, community improvement or other ideological goals (Morrison, 2006; Shaw & Williams, 2009). They are generally passion-driven (Guercini & Ceccarelli, 2020), and commoditization does not arise as they recognize the role of self-identity and differentiation from large companies (Carlsen et al., 2008). In this expression of the self, there is space for a wide spectrum of differentiating and idiosyncratic solutions arising from the lifestyle and motivations of each entrepreneur offering "multi-faceted, complex and person and context dependent" products (Su et al., 2020; p. 258). This subjective interpretation that TLEs make of their business leads to a rejection of the conventional way of doing business, giving way to a

greater innovative and creative capacity (Ateljevic & Doorne, 2000). Richards (2011) argues that conducting experiments in a specific location requires that they be developed with endogenous and non-exogenous creative capital.

Third, there is a sustainability dimension to the RBV. Resources and capabilities may only be temporarily unique, which does not ensure the long-term competitive advantage. Therefore, they must also be difficult for competitors to imitate (Barney, 1991). Places offer location-specific advantages associated with the accumulation of historical, natural, cultural, and social elements (Arias & Cruz, 2019). Furthermore, local knowledge is tacit and difficult to imitate (Shaw & Williams, 2009). Given that there is no separation between production and consumption of the tourist experience associated with the site (Richards, 2011), the supply of these entrepreneurs tends to be unique in a broader competitive context (national or international) although at the local level there may exist a strong imitation (Zhang et al., 2015). In a recent study Arias and Cruz (2019) found that TLEs performance is related to the supply of local products and services, and the strategy is used to overcome the limitations of operating in regions with scarce resources. Local embeddedness is also a source of unique competitive advantage. There is recognition in the literature that TLEs are embedded locally (Andersson, Cederholm & Hultman, 2010; Bredvold & Skålen, 2016). This capacity provides privileged access to knowledge through interaction with diverse stakeholders (Guercini & Ceccarelli, 2020; Yachin, 2019).

Finally, the firm must detain a “tourism core competence”, i.e., the ability to transform these resources and capabilities into business, i.e. into marketable processes, products and services (Denicolai, Cioccarelli & Zucchella, 2010; p. 261). Within this framework, it is critical to access knowledge and turn it into value (Cooper, 2015), and competitive advantage (Pinheiro et al., 2020). The access to information and local knowledge is a key factor for the profitability of small-scale tourism businesses (Bosworth & Farrell, 2011). However, this knowledge is often complex, uncertain and relational (Hall, 2019). Therefore, although TLEs have a greater proximity to customers and the community, which allows them access to local knowledge (Valtonen, 2009), these companies fail to use it for business (Yachin, 2019) and innovation (Hoarau, 2014). One of the difficulties is related to the fact that local knowledge is practice-based and context specific (Yanow, 2004), which makes it difficult to share and to disseminate (Shaw & Williams, 2009). However, the small business condition facilitates knowledge transfer processes, especially as the borderline between work and personal life is

virtually non-existent. In parallel, it is recognized that TLEs “exploit their individual resources far more inclusively and thoroughly than workers in other industries” (Eikhof & Haunschild, 2006; p. 240). These entrepreneurs should not be synonymous of unprofessional and their potential to “change the nature of a destination should not be under-estimated” (Carlsen et al., 2008; p. 256). Thus, TLEs should be able to establish the bridge between their activity and the market (Eikhof & Haunschild, 2006). Productive knowledge results from learning processes that integrate the constant processing of local knowledge (Guercini & Ceccarelli, 2020). An important point that results from the fact that these entrepreneurs are locally embedded is the possibility to follow the continuous evolution of local knowledge (García-Rosell et al., 2019). The transformation of this knowledge in innovation is associated with local experiences and the identity of TLEs (Bredvold & Skålen, 2016), requiring specific communication and interaction skills for the success of the innovation process (Hoarau, 2014).

3. DEVELOPMENT OF RESEARCH HYPOTHESES

3.1. Place attachment, community-centred strategy and innovation

In the context of tourism, and particularly in TLEs, knowledge management is a complex, relational and difficult process (Hall, 2019). Three combinations of factors compete with this. The first relates to the context in which they operate, and the multiplicity of actors who intervene directly and indirectly in the experience making it difficult to trust each other and to create a common ground of understanding (Czernek, 2017). Moreover, due to the fact that these entrepreneurs have their own agenda (Komppula, 2014), it is recognized that these small-scale businesses are generally averse to knowledge originating from official or academic sources (Hoarau, 2014). The second group of factors is related to the characteristics of these businesses. The businesses operated by TLEs are small, highly influenced by seasonality, with poorly qualified staff and high turnover (Czernek, 2017). On the other hand, the owners show little management experience, little knowledge of the tourism business, and risk aversion (Cooper, 2015; Weidenfeld et al., 2010). By pursuing objectives other than economic ones it makes TLEs different from other entrepreneurs in tourism and other industries (Carlsen et al., 2008). The third group of factors concerns local knowledge itself, which is essentially tacit and practice based (Arias & Cruz, 2019, Valtonen,

2009). As defined by Hoarau (2014), it is personal and 'sticky'. As such, TLEs experiences are linked to a specific place, a source of inspiration providing a distinctive mix of narratives, stories, natural and cultural attractors (Bosworth & Farrell, 2011), which is a combination place and practice (Anderson, 2012).

Against this background, entrepreneurs who have the capability to manage this tacit local knowledge have the conditions for sustainable value creation and competitiveness (Cooper, 2015). Despite the scarcity of studies on the way entrepreneurs acquire and assimilate knowledge, several approaches can be identified.

A source of access to local knowledge results from the simple fact that the TLEs are embedded locally (Bredvold & Skålén, 2016), facilitating socialization processes (Zhang et al., 2015) as a result of living and spending time on a specific location (Valtonen, 2009). By being part of the local social structure (Jack & Anderson, 2002), TLEs can monitor the continuously evolving local knowledge (García-Rosell et al., 2019), and increase the alignment with social context (Bredvold & Skålén, 2016). The proximity to local stakeholders increases local knowledge acquisition through observation, listening and developing joint activities (Valtonen, 2009). The degree of integration in the community represents, on the one hand, a valuable supply of knowledge and, on the other hand, the basis for innovation in experiences (e.g. involving local stakeholders in the experiences, stimulating creativity) with a strong local character, the source of the differentiation of TLEs. As such, we hypothesize:

H1. There is a positive linear relationship between place attachment and lifestyle entrepreneur innovativeness

As considered by Ioannides and Petersen (2003) and Marchant and Mottiar (2011), place attachment constitute a passive and informal knowledge assimilation channel. However, considering the tacit local knowledge distinctive and practical nature (Arias & Cruz, 2019, Valtonen, 2009), TLEs often use more deliberate and active strategies to monitor local knowledge. For example, conducting collaborative community-oriented activities (García-Rosell et al., 2019) facilitates knowledge acquisition and the identification of entrepreneurial opportunities (Yachin, 2019). These community-centered strategies develop local networks and stakeholders engagement and promote trust within the several actors, increasing knowledge sharing (Czernek, 2014). As such,

community-centered strategies foster the attraction of local knowledge by actively involving local stakeholders (Czernek, 2014). As a result, TLEs acquire new client-oriented stories and narratives (Yachin, 2019), contributing to deliver more value added experiences to the tourists (Eikhof & Haunschild, 2006).

Knowledge assimilation support innovation (Shaw & Williams, 2009) and are therefore the basis for business and destination competitiveness (Weidenfeld et al., 2010). It involves the transformation of local knowledge into new narratives and meaningful destination-specific and user-oriented experiences (Stamboulis & Skayannis, 2003). In this perspective, TLEs are capable of ‘selling the place’ (Schilar & Keskitalo, 2018), a basis for differentiation from big companies and entrepreneurs from other locations. Knowledge assimilation depends on the entrepreneurs’ personal competencies and life and market experience (Ioannides & Petersen, 2003), as well of the ability to imagine resources as products (Yachin, 2019). Due to the small-scale dimension of the business they can leverage this ability using the proximity with the tourists (Andersson et al., 2010; Richards, 2011; Shaw & Williams, 2009). By acquiring local knowledge through community participation, TLEs also strengthens local and personal identity (Bredvold & Skålen, 2016), and the achievement of sustainable goals (Morrison, 2006; Schilar & Keskitalo, 2018).

Formally, we propose the following hypothesis:

H2. There is a positive linear relationship between community-centered strategy and lifestyle entrepreneur innovativeness

3.2. Local knowledge assimilation and innovation

Despite the recognition of the importance of local knowledge in innovation and competitiveness (Cooper, 2015; Weidenfeld et al., 2010), in the context of the TLEs, the effective innovation performance is far from consensual. Hall and Williams (2020) stated that innovation in tourism is composed of few leaders and many laggards, with TLEs being recognized as less innovative (Ioannides & Petersen, 2003). This is not unrelated to the fact that these entrepreneurs have limited resources, experience, and managerial capabilities (Marchant & Mottiar, 2011; Sun & Xu, 2019). As a result, there is a high incidence of unsophisticated managerial approaches in TLEs (Thomas et al., 2011). Attracted by the low entry barriers (Getz & Carlsen, 2000; Ioannides & Petersen,

2003) TLEs are more associated to opportunity seeking rather thoughtful decision-makers (Hjalager, Kwiatkowski, & Østervig Larsen, 2018).

The complexity of the innovation processes in tourism (Cooper, 2015) raises several difficulties for small-scale businesses to convert knowledge into innovation (Hoarau, 2014). In a context where innovation in tourism is evolving towards a non-separation between demand and supply, there is the emergence of networks of stakeholders that provide an experience environment (Binkhorst & Den Dekker, 2009). Thus, the traditional value chain gives place to intricate networks of agents, businesses and organizations (Richards, 2011). However, most of these entrepreneurs are lonely riders (Komppula, 2014), with reduced propensity to develop durable partnerships (Shaw & Williams, 2009), and lack of confidence in other stakeholders (Czernek 2017). These factors reduce the innovation capability (Thomas et al., 2011).

However, another perspective holds that TLEs are innovative. In this case, it is recognized that they are innovative, but with their own characteristics, which cannot be analyzed with the same lenses as traditional business approaches (Fu et al., 2019; Marchant & Mottiar, 2011). The small-scale of these businesses provides unique access to knowledge through closer contact with the environment (Andersson Cederholm & Hultman, 2016), greater involvement in the community activities (Marchant & Mottiar, 2011) and co-creation processes (García-Rosell et al., 2019; Hall & Williams, 2019). This proximity not only facilitates access to local knowledge, but also understanding the demands of tourists who seek very specific experiences, enhancing the innovation capability substantiated in customized solutions (Ateljevic & Doorne, 2000).

TLEs cannot be understood as unprofessional (Carlsen et al., 2008). On the contrary, Eikhof and Haunschild (2006) found that they are more effective in managing their individual resources than other entrepreneurs. TLEs have their own mechanisms to transform knowledge into innovation and business processes (Kibler et al., 2015). Cooper (2015) recognizes that knowledge can be transferred through spontaneous and unstructured processes. For example, informal cooperation with other entrepreneurs is an important mechanism for doing so (Marchant & Mottiar, 2011). Although these entrepreneurs tend to favor their creativity and innovation capacities and the preservation of a certain quality of life, they do not cease to pursue commercial activity (Ateljevic & Doorne, 2000; Morrison, 2006). Depending on performance and context, recent research found that there is often an oscillation of entrepreneurial attitudes from

lifestyle orientation to business orientation and vice versa (Thomas et al., 2011; Wang et al., 2019).

The importance of innovation originating from these entrepreneurs has been recognized at destination level. Their capacity for innovation is essential to the destination (Kibler et al., 2015), providing entrepreneurial spirit that adds vitality to the place and to the experiences of the destination (Morrison, 2006). This effect is leveraged by the existence of cohesive clusters (Hall, 2004), supporting shared environment in which knowledge is repeatedly tested, selected and preserved (Guercini & Ceccarelli, 2020). Therefore, experience and previous knowledge are essential aspects for TLEs innovation performance (Wang et al., 2019).

As the place acquires an essential role in opportunity detection (Arias & Cruz, 2018; Yachin, 2019), embeddness assumes added importance (Bosworth & Farrell, 2011). Thus, in a context where local knowledge is constantly evolving (García-Rosell et al., 2019), the capacity to integrate external knowledge into the organizational knowledge base is essential (Hoarau, 2014), in a process of accumulation of ‘knowledge stock’ (Weidenfeld et al., 2010). The problem lies in the ability to transform this knowledge stock into business innovation (Yachin, 2019). It is not only a question of adequate absorption of new knowledge as defended by Czernek (2014), it is necessary to transform this knowledge into marketable experiences (Eikhof & Haunschild, 2006). In this context, TLEs will professionalize their organizational structure and innovativeness along with the development of the knowledge assimilation capability. Thus, we propose the following hypothesis:

H3: There is a positive linear relationship between knowledge assimilation and lifestyle entrepreneur innovativeness.

There are also arguments that support the idea that high levels of entrepreneur’s innovativeness can exist when the level of assimilated knowledge is low. For example, several studies reported that TLEs are attracted to tourism business by finding interesting opportunities that do not require special skills or training (Ateljevic & Doorne, 2000; Fu et al., 2019; Morrison, 2006). However, the lack of managerial skills as well as the reduced experience in the tourism business suggests that these organizations are not prepared to deal with an increasing number of opportunities and knowledge, leading to a decrease in the responsiveness of the TLEs businesses to

generate innovation (Hjalager et al., 2018; Yachin, 2019). Table 1 summarizes the factors limiting TLEs innovativeness.

Table 1. Factors limiting the TLEs innovativeness

Factors	Detail	Literary support
Lack of skills and business experience	Lack of managerial and business experience, formal training, reduced resources (capital, staff, equipment)	Cooper (2015), Ioannides and Petersen (2003), Marchant and Mottiar (2011), Morrison (2006), Thomas et al. (2011), Su and Xu (2019), Yachin (2019)
Lack of planning/strategy	Decision to start business related to the detection of an opportunity rather a rational decision-making process.	Cooper (2015), Hjalager, et al. (2018), Morrison (2006)
Limited entrepreneurial behavior	Risk aversion, passivity, low creativity and innovation. Recognized as laggards. Quality of life aspirations	Cooper (2015), Czernek (2017), Decelle (2004), Hjalager (2010), Ioannides and Petersen (2003), Komppula (2013), Morrison (2006), Thomas et al. (2011), Weidenfeld et al., (2010), Yachin (2019)
Lack of trust	Unwillingness to cooperate and integrate collaborative networks	Czernek (2017), Thomas et al. (2011)
Operationalization problems	Difficulty in turning knowledge into innovation. Limited efficiency.	Hoarau (2014), Morrison (2006)
Lack of time	Despite their knowledge and ability, they do not have the time to materialize the opportunities	Ateljevic (2007), Komppula (2014)
Research capabilities	Reduced research skills and valorization of academic research	Cooper (2015), Czernek (2017), Hoarau (2014)

Nevertheless, other studies found that TLEs often change their business focus, namely from lifestyle-oriented to business-oriented (Su et al., 2020; Wang et al., 2019), evidencing ambitious behaviors (Getz & Carlsen, 2000) creating more structured businesses able to capitalize on innovation knowledge (Marchant & Mottiar, 2011, Thomas et al., 2011). Table 2 presents a more detailed description of the factors promoting the TLEs innovativeness

Table 2. Factors promoting the TLEs innovativeness

Factors	Detail	Literary support
Local knowledge	This knowledge is tacit and difficult to imitate, being the basis of differentiation and competitive advantage	Anderson (2012), Bosworth and Farrell (2011), Carlsen et al. (2008), Czernek (2017), Hall (2019), Komppula (2013), Richards (2011)
Locally embedded	Community integration facilitates access to knowledge and cooperation.	Andersson Cederholm & Hultman, (2010), Bredvold & Skålén (2016), Jack and Anderson (2016), Mottiar, (2007)
Niche products	Allows better knowledge of customers and development of taylor-made products and services	Ateljevic and Doorne (2000), Carson, Carson and Eimermann (2018), Fu et al. (2019), Shaw and Williams (2009)
Experience co-creation	Tourists participate actively, increasing the perception of authenticity and product or service customization	Binkhorst and Den Dekker (2009), Fu et al. (2019), García-Rosell, et al. (2019), Hoarau (2014), Richards (2011)
Professional management	Results-oriented management combine with quality of life goals	Ateljevic (2007), Carlsen, et al. (2008), Sweeney and Lynch (2009).
Networking	Integration into groups within and outside the community promotes the detection of opportunities and access to knowledge.	Guercini and Ceccarelli (2020), Hoarau (2014), Weidenfeld et al. (2010), Yachin (2019), Zhang et al. (2015)

Individual and organizational learning processes also contribute to improve TLEs responsiveness to deal with continuously evolving local knowledge (Arias & Cruz, 2018; Guercini & Ceccarelli, 2020). As such, the more knowledge the firm assimilate the greater the entrepreneur's innovativeness. Thus it can be argued the existence of a curvilinear relationship where low knowledge stock and high knowledge stock increases entrepreneur's innovativeness. Formally, the following hypothesis is proposed:

H4_{alternative}. There is a U-shaped relationship between knowledge assimilation and lifestyle entrepreneur innovativeness: TLEs businesses with very low levels of knowledge assimilation and TLEs businesses with very high levels of assimilation will have higher levels of innovativeness than TLEs businesses with moderate levels of knowledge stock.

4. METHODOLOGY

The target population for this study are tourism lifestyle entrepreneurs (TLEs) who operates in Portugal. Portugal is a member state of the European Union (EU), which is the second largest economy in the world in nominal terms, after the United States. As other EU countries, Portugal economic development is strongly linked to its entrepreneurial activity. According to recent studies on entrepreneurial behaviour and attitudes (GEM, 2020), Portugal evidenced in 2019, a similar or even a superior behavior when compared to the global average in entrepreneurship indicators such as Perceived Opportunities Rate (Portugal 53.52% vs global average 53.65%) or Perceived Capabilities Rate (Portugal 61.43% vs global average 58.27%).

The TLEs were selected based on the following inclusion criteria: (i) have a tourism related business (e.g., restaurants/cafés, pubs, accommodations, tour operators, visitor attractions, and travel agencies) as followed by Hallak, Assaker, and Lee (2015); (ii) run an independently-owned business; (iii) pursuing objectives besides financial ones. That means that the businesses could be framed in a lifestyle context, as suggested by Thomas et al. (2011).

This study uses a sequential mixed method approach. More specifically, a quantitative study based on a survey questionnaire was first made, followed by a

qualitative study based on in-depth interviews with TLEs. The main reason for the qualitative study was to obtain more deep insights on the transformation of local knowledge into innovation by TLEs. This information is particularly relevant due to the absence of studies within the particular context of lifestyle tourism entrepreneurship.

5. QUANTITATIVE RESEARCH: METHODOLOGY AND RESULTS

5.1. Data collection, sampling and measurement scales

The quantitative study uses data collected from Tourism Lifestyle Entrepreneurs' (TLEs) in Portugal to test the proposed research hypotheses. The data was collected through a self-administrated face-to-face survey. Data collection occurred during 2019. Respondents were selected using a non-probability sampling procedure since obtaining a sampling frame is difficult. More specifically, a purposive sampling technique was utilized to ensure that the respondents are effectively Tourism Lifestyle Entrepreneurs' (TLEs). Respondents were selected by two researchers during tourism meetings (Tourism-up, Taste-up, Tourism Entrepreneurship Challenge). The questionnaire was fulfilled immediately on site by respondents. A final sample of 511 completed questionnaires was obtained. The sample characterization is as follows. 61% were male, and 67% run their business in the place of birth. 6% were below 30 years old, 22% were between 30 and 40 years old, 31% were between 40 and 50 years old, 30% were between 50 and 60 years old, and 11% were older than 60.

The questionnaire was developed following a three-step approach. First, based on an extensive review of the literature a first version of the questionnaire was developed adopting and adapting existing scales to measure the constructs of interest. Second, all the measures were subject to extensive discussion with a panel of academic experts with knowledge in tourism and entrepreneurship. Finally, a revised version of the questionnaire was pre-tested with eight TLEs through a series of structured face-to-face interviews to validate the wording, the survey design, and eliminate ambiguities and errors.

In this study all the measures leading to the development of our constructs were drawn from the literature (See Appendix A). Knowledge assimilation was measured using two items adapted from Jansen, Van Den Bosch, and Volberda (2005). The items used to measure community-centered strategy were adapted from Besser and Miller

(2001). Place attachment was measured through items adapted from Lalli (1992). We also adopted existing measures for our dependent variable, lifestyle entrepreneur's innovativeness. More specifically, we measure lifestyle entrepreneur's innovativeness using items adopted from Kropp, Lindsay and Shoham (2006). All of the scale items, apart from community-centered strategies, were measured using seven-point Likert-type scales anchored by one (strongly disagree) and seven (strongly agree). Community-centered strategy was assessed by asking respondents to evaluate on a 7-point Likert type scale (one equals not important at all to seven equals extremely important) the importance of specific strategies.

5.2. Result and data analysis

5.2.1. Common method bias and descriptive statistics

Because our study uses data collected from a single informant, common method bias (CMB) can constitute a threat to the validity of our results (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). We address concerns of common method bias (CMB) taking procedural and statistical remedies (Podsakoff *et al.*, 2003). The procedural remedies implemented in the research design stage were: we protected respondents' anonymity; we create simple and concise items; we placed the dependent variable after the independent variables in the survey, we pre-tested the questionnaire with TLEs to clarify ambiguities. The results of the Harman's single-factor test showed that a total of four factors were generated accounting for 74.05% of the variance in the data, with the first factor accounting for 21.23% of the variance, which is below the threshold of 50% (Podsakoff *et al.*, 2003). The highest value of correlation between constructs (0.79, see Table 1) was less than the maximum level accepted of 0.9 (Bagozzi, Yi, & Phillips).

5.2.2. Reliability and validity

A confirmatory factor analysis (CFA) with the maximum likelihood (ML) estimation method using IBM SPSS-AMOS 25.0 software was conducted to assess the reliability and validity of the latent constructs. The outcomes of the CFA indicated that the measurement model had good fit with the data: $\chi^2 = 114.023$ ($df = 28$; $p < 0.001$), CFI = 0.955, TLI = 0.928; IFI = 0.955, RMSEA = 0.077, and standardized RMR = 0.040. The

CFI of 0.955, TLI of 0.928, and IFI of 0.955 meet the recommended minimum threshold of 0.90 for adequate fit (Kline, 2005). The RMSEA of 0.077 does not exceed the cutoff of 0.08 nor does the standardized RMR of 0.040 the cutoff of 0.10 (Kline, 2005).

The standardized factor loadings, summarized in Appendix A, are generally above 0.7 and all significant at $p < 0.001$, confirming convergent validity (Bagozzi & Yi, 2012). The Cronbach's Coefficient Alpha (α), composite reliability (ρ), and average variance extracted (AVE) values for each latent construct are presented in Table 1. The ρ and α values for study constructs exceed the threshold of 0.7 (Fornell & Larcker, 1981). The lowest α obtained was 0.67 and the lowest ρ was 0.75. The AVE values of all latent constructs were greater than the suggested minimum standard of 0.5 (Bagozzi & Yi, 1988), ranging from 0.53 to 0.69. As shown in Table 3, discriminant validity was confirmed as the square root of AVE for each construct was higher than the correlations between all constructs. Taking all these results into consideration, our data provide support for good reliability and validity of all constructs. The descriptive statistics of all items as well as the respective constructs are presented in Appendix A and Table 3, respectively.

Table 3. Descriptive statistics, composite reliability, average variance extracted, and correlation

Latent Variables	Mean	S.D.	α	ρ	AVE	1	2	3	4
(1) Lifestyle Entrepreneur Innovativeness	6.16	1.13	0.79	0.79	0.56				
(2) Community-centered Strategy	5.98	1.32	0.70	0.77	0.53	0.75			
(3) Place Attachment	4.02	1.08	0.74	0.75	0.60	0.62	0.73		
(4) Knowledge Assimilation	5.44	1.75	0.81	0.82	0.69	0.50	0.54	0.78	
(5) Knowledge Assimilation _{suared}	-	-	-	-	-	0.54	0.54	0.34	0.83
						-0.29	-0.38	-0.15	-0.79

Note: The bolded diagonal values are the square root of the Average Variance Extracted (AVE); ρ -composite reliability; α = Cronbach's alpha; AVE – Average Variance Extracted. S.D. – Standard deviation.

5.2.3. Results of the structural model and hypotheses testing

A covariance-based structural equation modeling (CBSEM) approach was conducted by means of IBM SPSS-AMOS 25.0 software to test the proposed hypotheses. The goodness-of-fit statistics show that the proposed structural model generally fits the data well ($\chi^2 = 126.360$, $df = 34$, $p < 0.000$; CFI = 0.960; TLI = 0.935; IFI = 0.960, RMSEA = 0.072, and standardized RMR = 0.041). The standardized path coefficients' estimates and the corresponding t -Values for the postulated hypotheses are summarized in Table 4.

Table 4. Summary of the hypotheses testing results.

Hypotheses	Path	Path coefficient	T-Value
H1	Place attachment → lifestyle entrepreneur innovativeness	0.170	2.731
H2	Community-centered strategy → lifestyle entrepreneur innovativeness	0.348	5.043
H3	Knowledge assimilation → lifestyle entrepreneur innovativeness	0.561	5.058
H4 _{alternative}	Knowledge assimilation _{suared} → lifestyle entrepreneur innovativeness	0.334	3.825

Hypothesis 1 proposed that place attachment has a positive linear relationship with lifestyle entrepreneur innovativeness. The results indicate that this hypothesis was supported since the estimated path coefficient γ_1 is positive and significant ($\gamma_1 = 0.170$; $p < 0.01$). The estimated path coefficient of community-centered strategy on lifestyle entrepreneur innovativeness γ_2 is also positive and significant ($\gamma_2 = 0.348$; $p < 0.001$). This result supports H2, which postulated a linear positive relationship between community-centered strategy and lifestyle entrepreneur innovativeness.

As the estimated coefficient of knowledge assimilation on lifestyle entrepreneur innovativeness γ_3 is positive and significant ($\gamma_3 = 0.561$; $p < 0.001$), and the coefficient of knowledge assimilation squared γ_4 is also positive and significant ($\gamma_4 = 0.334$; $p < 0.001$), there is no support for H_3 but $H_{4\text{alternative}}$, in its turn, is supported. The reason for this argument is: first, H_3 hypothesized a positive linear relationship between knowledge assimilation and lifestyle entrepreneur innovativeness. This relationship exists if γ_4 is not significant. Therefore, H_3 cannot be accepted. Second, the coefficient γ_4 is significant, which means that the relationship between knowledge assimilation and lifestyle entrepreneur innovativeness is quadratic rather than linear. Moreover, the signal of γ_4 is positive, meaning that the relationship is described by a U-shaped function as hypothesized in $H_{4\text{alternative}}$. Taking the H_3 and $H_{4\text{alternative}}$ results together, our study suggests that when TLEs knowledge assimilation is very low or very high, they will manifest a high level of innovativeness. At medium levels of TLEs knowledge assimilation, their innovativeness will be at its minimum value.

6. QUALITATIVE RESEARCH: METHODOLOGY AND RESULTS

6.1. Qualitative methodology

A total of 24 in-depth interviews were conducted with TLEs. Data collection from interviews finished when researchers considered that theoretical saturation seemed to have been achieved. The interviewees were included in the study using the same criteria as for the qualitative study. To avoid bias in the interviews, the researchers ensure that TLEs that participate in the survey questionnaire were excluded from the sample of TLEs contacted to participate in in-depth interviews. All interviewees developed their activity in the central region of Portugal. In order to obtain a wide range of perspectives, in the case selection, there has been an effort to identify different types of business. Table S2 (supplemental file) presents the interviewees profile.

Our approach to data collection was as follows. An initial approach was made through direct contact with the entrepreneurs during tourism meetings as for the quantitative study. After this initial contact, the respondents identified by the researchers were contacted by phone to obtain consent to conduct the in-depth interviews and schedule the interview. Most of the participants who were initially

contacted agreed to participate in the in-depth interviews. Three did not participate alleging lack of time. Using an interview guide we sought to understand the intensity of the innovation generated, collect examples of innovation and identify the factors behind the innovation, including the place attachment, the community-centred strategy and the assimilation of knowledge. The interviews were conducted by two researchers of the study, recording and recording notes. The interviews lasted an average of 45 minutes and were conducted at the entrepreneurs' facilities. Confidentiality and anonymity of the participants were assured.

6.2. Qualitative results

The interviews allowed a more concrete perception of the empirical results obtained in the quantitative study. Regarding the place attachment, an objective was to identify the link to the place and the extent to which this contributes to innovation. It was found that the place where they develop their activity is a source of inspiration for new ideas. It was noticed three non-mutually exclusive processes: the place attachment allows access to local knowledge; the place attachment facilitates the involvement of local stakeholders in the realization of experiences; and the place attachment fosters access to distribution channels.

In the first case, for 13 of the interviewees, it was perceived that the place attachment allowed a greater access to traditions, legends and stories, through socialization processes resulting from daily activities (street meetings, informal conversations or joint meals). It also provides greater proximity to partners and competitors and learn about good practices and the preferences and demands of tourists and visitors. As L21 states "we can learn a lot from our older neighbours [...] by always learning a new story that amazes our guests".

In respect of the second process, a total of eight participants stated that the place attachment enables local stakeholders to be involved in the experiments. In fact, the place attachment allows establishing trust with people and entities pertaining to the local community, which allows asking for their contribution in order to deliver value added experiences to tourists. For example, the interviewee L16 mentioned that her hostel collaborates with a nearby restaurant to carry out cooking experiences for his guests. The L14 tour guide arranged with an elderly lady to take small groups of tourists to a traditional indoor patio. Another example, a restaurant (L3) invites every Thursday

a resident to make a dish and tell the stories and traditions associated with it. In these cases, the experience was innovative as a result of the entrepreneurs' place attachment.

The third process concerns the access to distribution channels which is facilitated by the fact that the TLEs are embedded in the local community. Fifteen out of the 24 interviewed claim that they gained all or part of their customers through formal networks (tourist office, travel agencies) or informal networks (taxi driver, neighbors or local associations).

With respect to the community-centred strategy, they are deliberate activities developed with the community allowing the achievement of two objectives: to raise more knowledge about local traditions and customs; to attract and contact new tourists. Concerning the first objective, nine of the participants declare to have participated in the organization of activities involving several members of the community. For example, one of the interviewees (L12) collaborated in the realization of a YouTube documentary about the village, another (L2) developed a project with EU funds for the creation of a museum about the village's pottery traditions.

For the second objective, 19 of the interviewed declared having participated in local events and festivities in order to attract more visitors. Examples are a local handicraft and gastronomy fair (L3, L10, L17, L18, L19 and L22) or a fado night (Portuguese World Heritage traditional music) (L1).

The community-centred strategy proves to be an essential point for innovation as it allows tourists to assess their interest in the new ideas that they want to put into practice, without compromising their daily activities. There is also a double feeling that the community-centred strategy act as a magnet for tourists and knowledge and as a field for experimentation.

With regard to the third variable of the study, knowledge assimilation, it was sought to understand how the operationalization of the identified knowledge and the opportunities detected in innovation was conducted. In the context of the interviewees, the capacity to capitalise on the opportunities detected in benefit of the business is very variable. In line with the quadratic relationship identified in the previous study, it is possible to observe that there are three groups to consider: opportunity seekers, professionals and laggards.

Opportunity seekers refer to small businesses with just the owner and eventually two or three employees only. They do not have a strong knowledge assimilation capacity, but are excellent at capitalizing on few opportunities in innovation. They correspond to

the left side of the U curve. This is the case with tour guides or handicraft workshops for tourists. In the former case, they lack tangible assets, which facilitate the process of innovation, while craftsmen are quick to adapt the design to follow market trends or to introduce new versions that incorporate elements of local traditions and legends. In both cases, they have some time in the low season or during the week to invest in service or product innovation.

Professionals comprise of businesses that have a high knowledge assimilation capacity and are highly innovative. They correspond to the right side of the U curve. This requires a flexible business where change is rapidly implemented. This is the case with surf camp and some hostels. They are more inflexible structures but have a great capacity to innovate in terms of technological channels and communication and positioning.

The third group, the laggards, corresponds to the lower part of the U curve, corresponding to organizations that have some capacity to assimilate knowledge but the innovation generated is scarce. The restaurants and other hostels are examples. The type of business is less flexible compared to the others examined, showing a heavier cost structure and an activity that is very absorbent. Thus, although there is an appropriation of knowledge and ideas, due to lack of resources and time, they are unable to capitalize on these ideas to generate innovation.

7. DISCUSSION

The results from both studies suggest that the place attachment contributes to TLEs innovativeness, aligning with previous research that recognized the role of the place attachment in increasing trust in the community and stakeholders (Czernek, 2017), promoting informal meetings (Marchant & Mottiar, 2011), community-centred strategies (Dias et al., 2020) involving local stakeholders and accessing distribution channels (García-Rosell et al, 2019; Yachin, 2019). Other authors have also pointed out the role of the place attachment in access to local knowledge (Thomas, et al., 2011; Valtonen, 2009). However, these studies do not establish a relationship with innovation, as our results indicate. Thus, this study contributes to extended existing knowledge on entrepreneurial innovation by recognizing the influence of the place attachment on innovation, and by empirically testing the bridge between the access to local knowledge and innovation as previously theoretically recognized by Hoarau (2014) and Guercini and Ceccarelli (2020).

The results also underline the importance of community-centred strategy in entrepreneurs' innovativeness, as the quantitative results reveal, and specify in which practices this phenomenon occurs. Thus, the qualitative study indicates that the adoption of active community practice acts as a magnet for new ideas, identifying opportunities and testing new products and services. As Binkhorst and Den Dekker (2009) point out, in a context where innovation in tourism is about not separating supply and demand, holistic stakeholder networks offer an improved experience environment. The positive effect of the community-centred strategy on entrepreneurs' innovativeness highlights the importance of social capital in driving entrepreneurial activity aligns with previous research (Dias et al., 2020; Marchant & Mottiar, 2011). Our results expand existing knowledge by identifying that TLEs benefit from a more active and deliberate strategy in their interaction with society and stakeholders. These practices allow to overcome some of the limitations of the TLEs, namely the lack of skills and managerial competencies, and their reduced willingness to cooperate.

The quadratic relationship identified in the quantitative study and examined in the qualitative study contributes to answer the dichotomy described by Thomas et al. (2011) where TLEs are simultaneously understood by policy makers as the lifeblood of tourism and as the laggards that limit innovation and growth of the tourism destination. Previous research divides TLEs into two groups: those who do not want to change their business to ensure lifestyle objectives and those who seek to have a more structured business (Bredvold & Skálén, 2016). As Lundberg and Fredman (2012) point out, TLEs and successful entrepreneurship are not necessarily mutually exclusive. In the context of TLEs, this study enables a more detailed analysis of the processes of transformation of knowledge into entrepreneurs' innovativeness, as requested by Yachin (2019). He states that proximity to the community and customers facilitates access to knowledge, yet TLEs are not always able to use it to the benefit of the business.

Within this framework, the results shed light on the discussion about the innovative capacity of TLEs. As indicated earlier, previous research establishes a continuum, in which at one end these entrepreneurs are recognized as not very innovative and at the other they show a pivotal role in the innovation of destiny. The quadratic effect and the qualitative study provide an explanation for this apparent contradiction by recognizing that there are three types of TLEs in terms of the capacity to transform assimilated knowledge into innovation:

- Opportunity seekers. Corresponds to small-scale companies or businesses with a small structure but with an innovative capacity that derives from the capitalization of a small amount of detected opportunities. These entrepreneurs are generally passionate freelancers (Guercini & Ceccarelli, 2020), with a good capacity to perceive opportunities (Hjalager et al., 2018) and capable of dealing with producer-oriented experiences (Richards, 2011).
- Professionals. They represent the TLEs with more structured businesses with more systematic approaches in the knowledge assimilation and with high innovative potential. Their activity, although linked to lifestyle, is business-oriented (Wang et al., 2019), reflecting a balance between both objectives (Sue et al., 2020) and the need to innovate in order to compete with large companies (Carlsen et al., 2008).
- Laggards. They correspond to TLEs with some capacity to assimilate knowledge but little innovative. They correspond to a less innovative category (Ioannides & Petersen, 2003), where innovation is understood only from an instrumental perspective (Cooper, 2015) and linked to the need to maintain the business (Morrison, 2006).

By identifying these groups, this study shed light on previous discussion about the TLE's ability to innovate. Thus, this study confirms that under some conditions TLEs are less innovative, aligning with previous research (e.g. Cooper, 2015; Marchant & Mottiar, 2011; Morrison, 2006; Su & Xu, 2019). Simultaneously, our results apparently contradict the same studies and provide support for authors that have the opposite opinion (e.g. Anderson, 2012), Bosworth and Farrell, 2011; Komppula, 2013; Richards, 2011). As such, this study extends existing by recognizing that both situations are possible, and by identifying in which situations innovation is more likely to exist.

Nevertheless, the businesses run by TLEs have a certain degree of informality, which stems, on the one hand, from the association to the lifestyle and, on the other, from the reduced management and tourism experience (Cooper, 2015). Thus, innovation is generally the result of a practice-based approach (Hoarau, 2014), so it is not expected to find a systemic and structured approach to innovation. Instead, despite being deliberate, the innovation process is usually *ad hoc*, starting from the identification of opportunities and new knowledge through socialization or the realization of more active initiatives that we designated a community-centered strategy. However, the results indicate that it is also necessary to translate these new ideas and opportunities into

products and services and apply them for commercial purposes (Czernek, 2017). From the qualitative study, the ability to operationalize was found to be dependent of the availability of resources and time of TLEs and its employees, as previously identified in the literature review. When they succeed in doing so, innovation is generated. When they cannot they will accumulate the stock of knowledge.

8. CONCLUSION

The results of this study contribute to the existence of a dedicated body of research on entrepreneurship and innovation in tourism, reducing the need to import business theory models as suggested by several researchers (e.g., Carlsen et al., 2008; Fu et al., 2019; Marchant and Mottiar, 2011). By considering innovation as an outcome it is possible to identify the precedent variables and establish a stronger framework for innovation processes in the context of TLEs.

Specifically, three variables have been identified that influence the innovation generated by TLEs. First, place attachment plays a key role as a basis for accessing local knowledge which represents the basis for the competitiveness of these small businesses. Second, the results also indicate that a community-centred strategy represents a valuable approach to innovation, where a deliberate and active interaction with local stakeholders has an important benefit in innovation. Third, knowledge assimilation represents an important organizational mechanism to translate local knowledge into innovation. This means it is not enough to know the traditions, the way of life or the local narratives. It is necessary to capitalize on these opportunities by applying them for commercial purposes. However, it turns out that this relationship is not linear. Entrepreneurs present different rhythms in the conversion of detected opportunities into innovation. Specifically, innovation is greater when the knowledge assimilation capacity is low or high and is lower when there is an intermediate assimilation capacity.

This investigation also presents limitations and points avenues for future investigations. The question of generalization inevitably arises from the use of data collected through a purposive sample in a single country. Future research should use a probabilistic sample collected from lifestyle tourism entrepreneurs from different countries. It would be interesting to see whether the results obtained with the proposed hypotheses remain the same for TLEs from other countries.

This study suggests possible policy implications and executive plans for the entrepreneurs and relevant parties. As the place is a potential source of innovation, the capitalization of this opportunity results in a long term path. Destination managers should promote mechanisms to identify and collect local knowledge and identity: documentation, repositories, museums, etc. At the same time, they should ‘bring this knowledge to life’, promoting its exchange in the local community, promoting active moments of conviviality such as fairs, informal meetings, encounters, and even promoting a participative management of the destination that encourages participation and a sense of community. These forms of knowledge transfer must be reinforced through mechanisms of knowledge assimilation, allowing for real appropriation and, at the same time, deliberately aggregating potentially dispersed intentions into a set of attractions and experiences that are unique and differentiating. The mechanisms can be education, training, tutoring, mentoring, etc.

In the variables studied, the place attachment was considered to analyze the effect of integration in the community. However, other variables could be used with complementary effects, namely (i) the place identity that would make it possible to assess the extent to which the entrepreneur is aligned with the intended image of the destination. The lack of a place identity could lead to a situation of conflict between the objectives of the TLEs and the destination management (Ateljevic and Doorne, 2000). (ii) The effect of online promotion strategies on the attraction and retention of TLEs and capital as suggested by Huynh (2019). (iii) Incorporate context variable for a broader picture as proposed by Gasparin and Quinn (2020), like the protection of the intellectual property, developing education and HRM or creating infrastructures that further stimulates destination entrepreneurship.

This study focused on innovation as a dependent variable, thereby ensuring the study on innovation as a process. However, the study of entrepreneurial self-efficacy as an outcome will allow us to evaluate the implications on perceived performance from the perspective of the entrepreneur, assessing his satisfaction with the business he develops.

Conflicts of interest

No potential conflict of interest was reported by the authors.

References

- Anderson, J. (2012). Relational places: The surfed wave as assemblage and convergence. *Environment and Planning D: Society and Space*, 30(4), 570-587. <https://doi.org/10.1068/d17910>
- Andersson, A., Cederholm, E., & Hultman, J. (2010). The value of intimacy—negotiating commercial relationships in lifestyle entrepreneurship. *Scandinavian Journal of Hospitality and Tourism*, 10(1), 16-32. <https://doi.org/10.1080/15022250903442096>
- Arias, R.C., & Cruz, A. (2019). Rethinking artisan entrepreneurship in a small island. *International Journal of Entrepreneurial Behavior & Research*, 25(4), 633-651. <https://doi.org/10.1108/IJEER-02-2018-0111>
- Ateljevic, I., & Doorne, S. (2000). Staying within the fence': Lifestyle entrepreneurship in tourism. *Journal of Sustainable Tourism*, 8(5), 378-392. <https://doi.org/10.1080/09669580008667374>
- Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of Academy of Marketing Science*, 16, 74-94.
- Bagozzi, R. P., & Yi, Y. (2012). Specification, evaluation, and interpretation of structural equation models. *Journal of the Academy of Marketing Science*, 40(1), 8-34.
- Bagozzi, R. P., Yi, Y., & Phillips, L. (1991). Assessing construct validity in organizational research. *Administrative Science Quarterly*, 36(3), 421–458.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. <https://doi.org/10.1177/014920639101700108>
- Besser, T.L., & Miller, N. (2001). Is the good corporation dead? The community social responsibility of small business operators. *The Journal of Socio-Economics*, 30(3), 221-241. [https://doi.org/10.1016/S1053-5357\(01\)00094-4](https://doi.org/10.1016/S1053-5357(01)00094-4)
- Binkhorst, E., & Den Dekker, T. (2009). Agenda for co-creation tourism experience research. *Journal of Hospitality Marketing & Management*, 18(2-3), 311-327. <https://doi.org/10.1080/19368620802594193>
- Bosworth, G., & Farrell, H. (2011). Tourism entrepreneurs in Northumberland. *Annals of Tourism Research*, 38(4), 1474-1494. <https://doi.org/10.1016/j.annals.2011.03.015>

- Bredvold, R., & Skálén, P. (2016). Lifestyle entrepreneurs and their identity construction: A study of the tourism industry. *Tourism Management*, 56, 96-105. <https://doi.org/10.1016/j.tourman.2016.03.023>
- Carlsen, J., Morrison, A., & Weber, P. (2008). Lifestyle oriented small tourism firms. *Tourism Recreation Research*, 33(3), 255-263. DOI: 10.1080/02508281.2008.11081549
- Cooper, C. (2015). Managing tourism knowledge. *Tourism Recreation Research*, 40(1), 107-119. <https://doi.org/10.1080/02508281.2015.1006418>
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220. <https://doi.org/10.1080/13683500.2014.944107>
- Denicolai, S., Cioccarelli, G., & Zucchella, A. (2010). Resource-based local development and networked core-competencies for tourism excellence. *Tourism Management*, 31(2), 260-266. <https://doi.org/10.1016/j.tourman.2009.03.002>
- Dias, Álvaro; Gonzalez-Rodriguez, M. Rosario & Patuleia, Mafalda (2020). Developing Poor Communities through Creative Tourism. *Journal of Tourism and Cultural Change*. 1-21 <https://doi.org/10.1080/14766825.2020.1775623>
- Eikhof, D. R., & Haunschild, A. (2006). Lifestyle meets market: Bohemian entrepreneurs in creative industries. *Creativity and Innovation Management*, 15(3), 234-241. <https://doi.org/10.1111/j.1467-8691.2006.00392.x>
- Espino-Rodríguez, T. F., & Padrón-Robaina, V. (2005). A resource-based view of outsourcing and its implications for organizational performance in the hotel sector. *Tourism Management*, 26(5), 707-721. <https://doi.org/10.1016/j.tourman.2004.03.013>
- Fornell, C., & Larcker, D. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 29–50. <https://doi.org/10.2307/3151312>.
- Fu, H., Okumus, F., Wu, K., & Köseoglu, M. (2019). The entrepreneurship research in hospitality and tourism. *International Journal of Hospitality Management*, 78, 1-12. <https://doi.org/10.1016/j.ijhm.2018.10.005>
- García-Rosell, J.C., Haanpää, M., & Janhunen, J. (2019). ‘Dig where you stand’: values-based co-creation through improvisation. *Tourism Recreation Research*, 44(3), 348-358. <https://doi.org/10.1080/02508281.2019.1591780>

- Gasparin, M., & Quinn, M. (2020). The INCITE model of policy development for the creative industries: the case of Vietnam. *Journal of Asian Business and Economic Studies*. <https://doi.org/10.1108/JABES-12-2019-0125>
- GEM (2020). Entrepreneurial Behaviour and Attitudes. *Global Entrepreneurship Monitor*. Available at <https://www.gemconsortium.org/economy-profiles/portugal#pb> [Accessed November 19, 2020]
- Getz, D., & Carlsen, J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management*, 21(6), 547-560. [https://doi.org/10.1016/S0261-5177\(00\)00004-2](https://doi.org/10.1016/S0261-5177(00)00004-2)
- Guercini, S., & Ceccarelli, D. (2020). Passion driving entrepreneurship and lifestyle migration: insights from the lutherie of Cremona. *Journal of International Entrepreneurship*, 1-20. <https://doi.org/10.1007/s10843-020-00269-1>
- Hall, C. M. (2019). Constructing sustainable tourism development: The 2030 agenda and the managerial ecology of sustainable tourism. *Journal of Sustainable Tourism*, 27(7), 1044-1060. <https://doi.org/10.1080/09669582.2018.1560456>
- Hall, C. M., & Williams, A. (2020). *Tourism and innovation*. London: Routledge.
- Hallak, R., Assaker, G., & Lee, C. (2015). Tourism entrepreneurship performance: The effects of place identity, self-efficacy, and gender. *Journal of Travel Research*, 54(1), 36-51. <https://doi.org/10.1177/0047287513513170>
- Hjalager, A.M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17. <https://doi.org/10.1080/15022250.2017.1287002>
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. <https://doi.org/10.1080/15022250.2014.887609>
- Huynh, T. L. D. (2019). Which Google keywords influence entrepreneurs? Empirical evidence from Vietnam. *Asia Pacific Journal of Innovation and Entrepreneurship*. 13(2), 214-230. <https://doi.org/10.1108/APJIE-11-2018-0063>
- Ioannides, D., & Petersen, T. (2003). Tourism ‘non-entrepreneurship’ in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435. <https://doi.org/10.1080/1461668032000129146>

- Jack, S. L., & Anderson, A. (2002). The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5), 467-487. [https://doi.org/10.1016/S0883-9026\(01\)00076-3](https://doi.org/10.1016/S0883-9026(01)00076-3)
- Jansen, J.J., Van Den Bosch, F.A., & Volberda, H.W. (2005). Managing potential and realized absorptive capacity: how do organizational antecedents matter?. *Academy of management Journal*, 48(6), 999-1015. <https://doi.org/10.5465/amj.2005.19573106>
- Kline, R.B. (2005). *Principles and Practice of Structural Equation Modeling (2nd Ed.)*, New York, N.Y: Guilford Press.
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. <https://doi.org/10.1016/j.jbvi.2015.04.001>
- Komppula, R. (2014). The role of individual entrepreneurs in the development of competitiveness for a rural tourism destination—A case study. *Tourism Management*, 40, 361-371. <https://doi.org/10.1016/j.tourman.2013.07.007>
- Kropp, F., Lindsay, N., & Shoham, A. (2006). Entrepreneurial, market, and learning orientations and international entrepreneurial business venture performance in South African firms. *International Marketing Review*, 23(5), 504–523. <https://doi.org/10.1108/02651330610703427>
- Lalli, M. (1992). Urban-related identity: Theory, measurement, and empirical findings. *Journal of Environmental Psychology*, 12(4),285-303.
- Lin, C., Tsai, H. L., Wu, Y. J., & Kiang, M. (2012). A fuzzy quantitative VRIO-based framework for evaluating organizational activities. *Management Decision*. 50(8), 1396-1411. <https://doi.org/10.1108/00251741211261999>
- Lockett, A., Thompson, S., & Morgenstern, U. (2009). The development of the resource-based view of the firm: A critical appraisal. *International Journal of Management Reviews*, 11(1), 9-28. <https://doi.org/10.1111/j.1468-2370.2008.00252.x>
- Lundberg, C., & Fredman, P. (2012). Success factors and constraints among nature-based tourism entrepreneurs. *Current issues in tourism*, 15(7), 649-671. <https://doi.org/10.1080/13683500.2011.630458>
- Marchant, B., & Mottiar, Z. (2011). Understanding lifestyle entrepreneurs and digging beneath the issue of profits: Profiling surf tourism lifestyle entrepreneurs in Ireland.

- Tourism Planning & Development*, 8(2), 171-183.
<https://doi.org/10.1080/21568316.2011.573917>
- Middleton, V., & Clarke, J. (2001). *Marketing in travel and tourism* (3rd ed.). Jordan Hill (Oxford): Butterworth-Heinemann Publication (Elsevier).
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192-209.
<https://doi.org/10.1108/13552550610679159>
- Pinheiro, J., Silva, G. M., Dias, Á. L., Lages, L. F., & Preto, M. T. (2020). Fostering knowledge creation to improve performance: the mediation role of manufacturing flexibility. *Business Process Management Journal*, 26(7), 1871-1892.
<https://doi.org/10.1108/BPMJ-10-2019-0413>
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. & Podsakoff, N. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5),879-903.
- Richards, G. (2011). Creativity and tourism: The state of the art. *Annals of Tourism Research*, 38(4), 1225-1253. <https://doi.org/10.1016/j.annals.2011.07.008>
- Schilar, H., & Keskitalo, E. (2018). Tourism activity as an expression of place attachment–place perceptions among tourism actors in the Jukkasjärvi area of northern Sweden. *Scandinavian Journal of Hospitality and Tourism*, 18(sup1), 42-59. <https://doi.org/10.1080/15022250.2017.1389123>
- Shaw, G., & Williams, A. (2009). Knowledge transfer and management in tourism organisations: An emerging research agenda. *Tourism Management*, 30(3), 325-335.
<https://doi.org/10.1016/j.tourman.2008.02.023>
- Stamboulis, Y., & Skayannis, P. (2003). Innovation strategies and technology for experience-based tourism. *Tourism Management*, 24(1), 35-43.
[https://doi.org/10.1016/S0261-5177\(02\)00047-X](https://doi.org/10.1016/S0261-5177(02)00047-X)
- Steyaert, C. (2007). Entrepreneurship as a conceptual attractor? A review of process theories in 20 years of entrepreneurship studies. *Entrepreneurship and Regional Development*, 19(6), 453-477. <https://doi.org/10.1080/08985620701671759>
- Su, X., Zhang, H., & Cai, X. (2020). Lifestyle, profit, and the selling of home to tourists in Lijiang, China. *Tourism Geographies*, 1-20.
<https://doi.org/10.1080/14616688.2019.1708447>

- Sun, X., & Xu, H. (2019). Role Shifting Between Entrepreneur and Tourist: A Case Study on Dali and Lijiang, China. *Journal of Travel & Tourism Marketing*, 1-15. <https://doi.org/10.1080/10548408.2019.1598535>
- Thomas, R., Shaw, G., & Page, S. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32(5), 963-976. <https://doi.org/10.1016/j.tourman.2011.02.003>
- Valtonen, A. (2009). Small tourism firms as agents of critical knowledge. *Tourist Studies*, 9(2), 127-143. <https://doi.org/10.1177/1468797609360600>
- Yachin, J. M. (2019). The entrepreneur–opportunity nexus: Discovering the forces that promote product innovations in rural micro-tourism firms. *Scandinavian Journal of Hospitality and Tourism*, 19(1), 47-65. <https://doi.org/10.1080/15022250.2017.1383936>
- Yanow, D. (2004). Translating local knowledge at organizational peripheries. *British Journal of Management*, 15(S1), 9-25. <https://doi.org/10.1111/j.1467-8551.2004.t01-1-00403.x>
- Wang, C., Li, G., & Xu, H. (2019). Impact of lifestyle-oriented motivation on small tourism enterprises' social responsibility and performance. *Journal of Travel Research*, 58(7), 1146-1160. <https://doi.org/10.1177/0047287518800389>
- Weidenfeld, A., Williams, A., & Butler, R. W. (2010). Knowledge transfer and innovation among attractions. *Annals of Tourism Research*, 37(3), 604-626. <https://doi.org/10.1016/j.annals.2009.12.001>
- Zhang, C., Xiao, H., Gursoy, D., & Rao, Y. (2015). Tacit knowledge spillover and sustainability in destination development. *Journal of Sustainable Tourism*, 23(7), 1029-1048. <https://doi.org/10.1080/09669582.2015.1032299>

Appendix A

Construct indicators: measurement scales, descriptive statistics, standardized factor loadings, and *t*-Values.

Constructs and items	Mean	S.D	SFL	<i>t</i> -Value
Place attachment (<i>1= Strongly disagree; 7= Strongly agree</i>)				
I feel that I belong to this place	4.04	1.20	0.87	_a
This place is very familiar.	4.01	1.22	0.67	9.94
Community-centered strategy (<i>1=Not important at all; 7=Extremely important</i>)				
I seek to strengthen and improve the local community.	6.16	1.56	0.78	_a
I seek to improve my image with the local community.	6.19	1.50	0.81	14.74
I am addressing clients that are not served by other local companies	5.59	1.94	0.59	10.83
Knowledge assimilation (<i>1= Strongly disagree; 7= Strongly agree</i>)				
We quickly turn opportunities into new services.	5.42	1.90	0.89	_a
We quickly see the changes that occur in the market.	5.45	1.92	0.76	13.04
Lifestyle entrepreneur innovativeness (<i>1= Strongly disagree; 7= Strongly agree</i>)				
I solve problems in an innovative way.	6.12	1.37	0.71	_a
I am creative in the use and control of resources.	6.16	1.35	0.73	14.23
I develop creative solutions to difficult problems.	6.19	1,34	0.80	14.89

Notes: a_ Indicates a parameter that was fixed at 1.0; SFL = Standardized Factor Loadings; S.D – Standard deviation.

Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness

Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness

Abstract

Due to their representativeness in the universe of tourism businesses and the potential to generate innovation, tourism lifestyle entrepreneurs (TLEs) play an essential role in the competitiveness of tourism destinations. Despite this vital importance, the antecedents of innovation generated by these entrepreneurs and their willingness to stay at the destination are still under-explored. Findings from a survey of 178 TLEs, indicate that the context influences community attachment, and affects indirectly innovation and willingness to stay. Community attachment has a positive influence on entrepreneurial self-efficacy, innovation and willingness to stay. A transition of the context results to developing economies was also taken into consideration. Theoretical and practical implications are discussed.

Keywords: Lifestyle entrepreneurship; Local knowledge; Destination Competitiveness; Creative Tourism; Partial Least Squares.

1. INTRODUCTION

Tourism lifestyle entrepreneurs (TLEs) represent a very expressive group in the universe of businesses operating in the tourism sector. They can be defined as ‘tourism business owners who are actively pursuing a different lifestyle’ (Bosworth & Farrel, 2011, p. 1475), meaning that they are regulated by financial and non-financial indicators (Thomas et al., 2011). There is also evidence that these entrepreneurs play an essential role in the destinations’ sustainability and innovation (Shrivastava & Kennelly, 2013; Yachin, 2019). Because they are embedded in the local community they have, on the one hand, a central concern with the preservation of the way of life, culture and environment of the places where they develop their activity (Bosworth & Farrell, 2011; Morrison, 2006). On the other hand, their community attachment allows them

to access local knowledge that is unique and difficult to imitate (Hoarau, 2014). Additionally, this proximity facilitates the network with local stakeholders (Czernek, 2017). The facilitated access to the local community and networking enables them to offer more genuine and differentiated experiences bounded to the place (Richards, 2011), allowing to respond to the growing demand by tourists for products and services with characteristics associated with the place (Arias & Cruz, 2018). As such, these experiences constitute the basis of their competitiveness in relation to large companies and entrepreneurs from other locations (Mottiar, 2007). In this way, local knowledge and tourism resources become a source of global competitiveness (Dias et al., 2020b; Guercini & Ceccarelli, 2020). Previous research has recognized that TLEs are not only better than large companies in product and service innovation (Shaw & Williams, 2004), but also creating niche markets (Koh & Hatten, 2002), and promoting destination diversification (Bosworth & Farrell, 2011). As Ryan et al. (2012) state, they act as triggers of destination change and innovation. In this way, destinations benefit from the existence of these entrepreneurs both by attracting tourists seeking genuine and immersive experiences (Bredvold & Skålén, 2016) and by the spillover effect of innovation generated in these small-scale businesses (Zhang et al., 2015).

Despite this prominent role, TLEs still remains an underexplored topic in academic research (Sun & Xu, 2019; Thomas et al., 2011). By pursuing lifestyle objectives, TLEs cannot be analysed using the same lenses of other business (Bosworth & Farrell, 2011; Carlsen, Morrison, & Weber, 2008). In particular, there is a need to extend existing knowledge about the TLEs innovation antecedents, particularly in the mechanisms leading to the integration of local knowledge into innovation processes (Hjalager et al., 2018; Yachin, 2019). Furthermore, given that TLEs runs unstructured businesses, its activities are pointed out as entrepreneurial *bricolage* (Arias & Cruz, 2018). Nevertheless, TLEs do not disregard business performance in running their business (Wang et al., 2019). Instead, they use their own individual indicators, associated to their perception of entrepreneurial self-efficacy. However, the way entrepreneurial self-efficacy influences decisions to innovate and to stay in a certain destination remains scarcely explored. In essence, these gaps stem from the fact that entrepreneurship in tourism is much centred in the person (Steyaert, 2007), and not considered as a process, as Fu et al. (2019) suggest, with less attention being paid to the dependent variables like innovation (Hoarau, 2014) and TLEs willingness to remain in a specific destination (Guercini & Ceccarelli, 2020). In this sense, this research aims to know the background of the innovation generated by TLEs. Given the importance of this innovation in tourist destinations, a second objective is to evaluate the factors that simultaneously influence the willingness to stay in a specific one.

The contributions of this research are fourfold in the context of TLEs research. First, it presents empirical results concerning the role that the context presents as a background to

innovation and willingness to stay. Second, the innovation antecedents of these entrepreneurs are still little explored (c.f. Dias et al., 2020b; Thomas et al. 2011; Yachin, 2019). Thus, an empirical relationship is established between community attachment and innovation and willingness to stay. Third, this study introduces research on willingness to stay, as well as the role that context, community attachment and entrepreneur self-efficacy have in this retention of entrepreneurs. This is a subject scarcely discussed previously. Finally, this research addresses previous performance as a background in innovation, thus contributing to a better understanding of the factors that contribute to the motivation of entrepreneurs to innovate and invest in a particular destination, which has important implications for the success of destinations.

This article is structured as follows. In the following section (2) the theoretical framework is developed and the conceptual model and its hypotheses are presented. The methodology is presented in section 3. Section 4 presents the results of the empirical study, which are discussed in section 5. Finally, the conclusions are presented in section 6, as well as the limitations and avenues for future investigations.

2. THEORETICAL FRAMEWORK

In a context of growing competition between destinations, there is a tendency to imitate the most successful solutions, leading to a homogenization of the attraction factors, with the consequent loss of competitiveness (Richards, 2011). The search for solutions to this problem is often directed towards creativity (De Bruin & Jelinčić, 2016), which depends on the ability of the destination to attract and retain entrepreneurs who thrive in this innovative spirit and have a local spillover effect (Carlsen et al., 2008). Specifically, TLEs are considered a source of this creativity and, additionally, develop business models that are more likely to incorporate elements of sustainability than large companies (Shrivastava & Kennelly, 2013).

TLEs are attracted to a specific place due to lifestyle factors (Sun & Xu, 2019; Zhang et al., 2015). However, to our best knowledge, no previous research identified the role of the local context in retaining those entrepreneurs. On this vein, our conceptual model starts with the context as a retention factor to be considered. Narrowing the perspective, the next step is to identify the organizational factors that influence this willingness to stay. In fact, previous studies recognize that after the attraction to the place there is a period of integration within the local community (Lai et al., 2017). So this community attachment seems to be an important factor for TLEs (Bredvold & Skålen, 2016) not only as a way to materialize their lifestyle and self-identity conceptualization, but also as a way to support their business (Dias et al, 2020b).

In addition, we argue that the business should also be viable. It should provide sufficient income to be able to sustain the desired lifestyle (Su et al., 2020; Zhang et al., 2015) In the specific case of the TLEs, the concept of viability is not necessarily financial as in other entrepreneurs, as such the entrepreneur’s self-assessment (entrepreneurial self-efficacy) is a recommended measure for business performance (Fu et al., 2019).

As outcomes of our conceptual we followed Fu et al. (2019) framework by considering innovation and willingness to stay which represent important dependent variables to reach the objectives of this study. By developing an activity linked to the lifestyle they intend to have, the experiences and products offered by TLEs materialize the characteristics of the place where they develop their activity (Guercini & Ceccarelli, 2020). This local knowledge is usually tacit and difficult to imitate (Hoarau, 2014), and is accessible because the TLEs are embedded in the local community (Bredvold & Skålén, 2016). This ability to transform local knowledge into innovation represents a core capability because it allows differentiation from competitors (Carlsen et al., 2008; Cooper, 2015). Thus, for policy makers TLEs are the lifeblood of the tourism sector (Thomas et al., 2011).

Based on these arguments, we argue that retention of TLEs cannot be dissociated from its innovative capacity. Figure 1. presents the concatenated model that schematizes the proposed hypothesis model regarding innovation and retention of entrepreneurs in a given destination. The constructs and relationships are developed in the following sections.

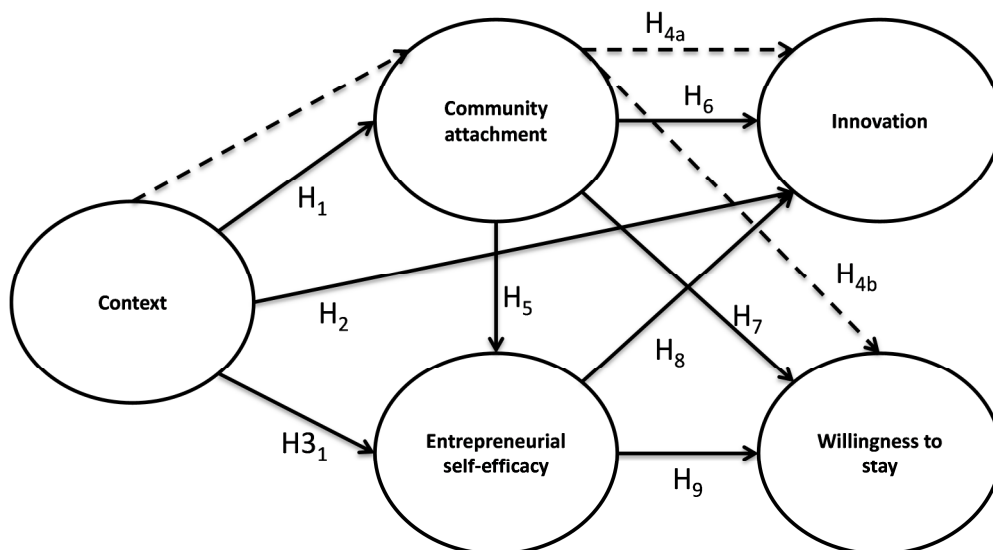


Figure 1. Conceptual model

Note: The dashed line represents the indirect effects

2.1. The context as an antecedent of innovation and willingness to stay

The context encompasses the economic, socio-cultural and infrastructure dimensions of a destination (Fu et al., 2019). The study of the activity of entrepreneurs cannot be dissociated from the context in which they develop their business (Yachin, 2019). This context is a determining factor both in terms of fostering the competitiveness of their business and stimulating innovation (Sun et al., 2019). As such, the destination acts as a precedent for innovation, providing an environment conducive to the development of activity and the exploitation of opportunities (Komppula, 2014).

TLEs value quality of life and the local environment as factors in determining the location of their business (Sun & Xu, 2019). For this reason, the choice of location is not necessarily based on rational criteria (Morrison, 2006). Consequently, the location may not bring together the ideal production factors due to distance from suppliers and the market (Arias & Cruz, 2018). In the TLEs activity, this may not necessarily be a problem since these entrepreneurs are not necessarily profit seekers (Shaw & Williams, 2009). At the same time, the place also provides them with location-specific advantages associated with traditions and historical, cultural and social elements (Korsgaard et al., 2015).

The essential role that local knowledge plays in the TLEs competitiveness (Cooper, 2015) translates into the ability to offer new products and services associated with the characteristics of the place (Morrison, 2006) targeted at a growing group of tourists seeking genuine experiences (Ateljevic & Doorne, 2000; Koh & Hatten, 2002; Ryan et al., 2012). In this regard, the local context is also essential to promote innovation (Martínez-Román et al., 2015; Weidenfeld et al., 2010). The existence of a stimulating atmosphere (Richards, 2011), a culture of entrepreneurship (Hoarau, 2014) and a minimally interesting market with future potential (Sun & Hu, 2019) are factors that benefit the development of lifestyle businesses and, simultaneously, create a context of cooperation and shared values that stimulate innovation.

These same factors also contribute to attract entrepreneurs to a certain place (Zhang et al., 2015). However, they do not constitute a sufficient condition for willingness to stay. TLEs can be classified according to their financial interest in the business they develop, i.e., between those who aim for profit designated as business oriented and those who prioritize the lifestyle designated as lifestyle oriented (Wang et al., 2019). As argued by Lai, et al. (2017), the ‘first’ attraction is lifestyle, then, through “interactions with the area for a period of time, the area has become home to a sense of place attachment, self-identity, and community” (p. 172). However, these anchors work if business expectations are met (Lai et al., 2017). As such, regardless of the orientation of the business, it is necessary to have a balance between profit and the lifestyle that is intended to be followed (Su et al., 2020) and that allows the entrepreneur to make a living

from the business place (Zhang et al., 2015). From a business perspective, although non-financial objectives are important in the short term because small initiatives will not yield profit in the early stages, in the long term the business must be sustainable (Fu et al., 2019). Thus, the context is considered to have a direct effect on innovation and business performance but not on willingness to stay. Additionally, we argue that the context contributes to a better business environment, increasing the willingness to stay in a certain destination. But the effect can also be indirect by providing a greater link to the community through a better climate of cooperation that stimulates innovation and the willingness to stay. These relationships are formulated in the following hypothesis:

H₁. The context has a direct effect on community attachment.

H₂. The context has a direct effect on innovation.

H₃. The context has a direct effect on entrepreneurial self-efficacy.

H_{4a}. The context has an indirect effect on innovation through the mediating effect of community attachment.

H_{4b}. The context has an indirect effect on willingness to stay through the mediating effect of community attachment.

2.2. Community attachment and TLEs outcomes

The study of entrepreneurship in the context of TLEs cannot ignore the social environment (Thomas et al., 2011). In addition, as the boundary between personal life and the work of TLEs is blurred (Sun & Xu, 2019), it is easier to establish the social connections which are the main source of opportunities for these entrepreneurs (Yachin, 2019). Thus, the concept of embeddedness is of particular importance in the context of TLEs (Bosworth & Farrell, 2011; Bredvold & Skälén, 2016), facilitating the acquisition of local knowledge (Valtonen, 2009).

Since innovation in tourism is particularly complex and uncertain because it involves multiple actors who contribute to the realization of the experience (Hall, 2019), there is no full ownership of the total experience (Cooper, 2015). The traditional value chain gives way to an intricate network of agents, companies and organizations (Richards, 2011). However, by being embedded locally, TLEs benefits from a higher level of cooperation and trust between them and community stakeholders, facilitating the innovation process involving multiple partners (Czernek, 2017; Hoarau, 2014), making local embeddedness a unique social exchange system (Higuchi & Yamanaka, 2017). Thus, social interaction plays an essential role in innovation (Hoarau, 2014). Zhang et al., (2015) found that endogenous networking relationships promote the spillover effect of innovation and knowledge. Community networking favours the creation

of a shared environment in which knowledge is repeatedly tested, selected and preserved (Guercini & Ceccarelli, 2020).

Community attachment increases the ability to learn from others because it generates more trust and the development of shared values, promoting a common ground for cooperation (Weidenfeld et al., 2010), which promotes access to local knowledge, which represents the source of the competitive advantage of TLEs (Mottiar, 2007). But it also increases the participation in local activities, which represent an important source of innovation for these entrepreneurs (Marchant & Mottiar, 2011).

TLEs innovation is related to the supply of products and services associated with the place (Guercini & Ceccarelli, 2020). This type of offering is particularly valued by a growing niche market composed of tourists seeking more participatory and creative experiences (Richards, 2011), putting greater pressure on the entrepreneurs' innovation (Ateljevic & Doorne, 2000). Thus, innovation results from the ability to materialize the encounter between the place and the experience (Anderson, 2012), stimulating co-creation processes (García-Rosell et al., 2019; Schilar & Keskitalo, 2018) and blurring the boundary between production and consumption of experiences (Richards, 2011). However, the implications of community attachment also include other dimensions like entrepreneurial self-efficacy and willingness to stay. For example, Kibler et al. (2015) found that the degree and nature of the entrepreneur's attachment to the place influences their sustainable behaviour and support their intentions towards a particular place. And Hallak et al. (2015) suggested that entrepreneurs, who have strong psychological bonds to a particular place, will develop higher levels of beliefs in their entrepreneurial capabilities. As such, we hypothesize:

H₅. Community attachment has a direct effect on entrepreneurial self-efficacy.

H₆. Community attachment has a direct effect on innovation.

H₇. Community attachment has a direct effect on willingness to stay.

2.3. Entrepreneurial self-efficacy, innovation and willingness to stay

TLEs are generally characterised by resource and skill constraints (Ioannides & Petersen, 2003) and traditional risk aversion (Cooper, 2015). Innovation is thus highly dependent on its ability to capitalize on opportunities (Hjalager et al., 2018) and results mainly from informal processes (Cooper, 2015), but is appropriate given the limited availability of resources (Czernek, 2015). In this sense, innovation is often understood as instrumental, resulting from the identification of opportunities considered sufficiently relevant to the business (Cooper, 2015).

The ability to capitalize on opportunities is related to the accumulated experience (Bosworth & Farrell, 2011; Mottiar, 2011; Yachin, 2019), and previous performance (Eckhardt & Shane, 2010). This means that the innovation generated by TLEs is practice-based and context-specific (Hoarau, 2014), resulting from self-learning and trial-error processes (Arias & Cruz, 2018), which highlights the importance of entrepreneurial self-efficacy and accumulated knowledge in the success of entrepreneurial activity and innovation (Wang et al., 2019). Hallak, et al. (2015) also found that higher levels of entrepreneurial self-efficacy are more likely to set higher goals for their businesses. Thus, a higher degree of perceived entrepreneurial self-efficacy generates more investment in innovation (Bosworth & Farrell, 2011), placing it as an antecedent of innovation (Martínez-Román et al., 2015). Furthermore, entrepreneur perceived performance reinforces their lifestyle choice and willingness to stay in a particular location (Getz & Carlsen, 2000). As such:

H₈. Entrepreneurial self-efficacy has a direct effect on innovation.

H₉. Entrepreneurial self-efficacy has a direct effect on willingness to stay.

3. METHODOLOGY

3.1. Data collection and sample

This study is based on a non-probabilistic sample of 178 Portuguese Tourism Lifestyle Entrepreneurs (TLEs) business owners. The option to use a convenience sample was due to the lack of an official database to determine the total of the universe. As such, a purposive sampling technique was adopted to ensure that the respondents were effectively Tourism Lifestyle Entrepreneurs'. Since this is a highly informal activity that cuts across a wide range of activities, official and professional sources do not identify whether the entrepreneurs are lifestyle entrepreneurs or not. Therefore, the participants were approached in several entrepreneurship events that occurred in various parts of the Portuguese territory. The following inclusion criteria were used in the sample:

- The business is related to the tourism activity;
- The criteria underlying the business operation include lifestyle elements as indicated by Bosworth and Farrell (2011);
- The businesses are owned by independent owners and not by large companies or franchising networks.

The questionnaire was developed based on the literature review and validated in two stages. First, the scales were evaluated by three tourism academics for content validity. Second, a pre-

test was performed on a small sample of five TLEs to validate the adequacy of the terminology used.

Selected participants were invited to answer a hand-delivered questionnaire. Confidentiality and anonymity were ensured to increase participants' confidence and to prevent them from taking on the role of the 'good respondent' by choosing the ideal response options instead of the real ones. Table 1 shows the characteristics of the sample.

Table 1. Sample characteristics

Gender	65% male 35% female
Age	8% less than 30 years 13% between 31 and 40 years 29% between 41 and 50 years 44% between 51 and 60 years 6% more than 61 years
Origin	62% were born in the same place where they operate their tourism business
Firm size	70% less than 9 employees 17.5% between 11 and 20 employees 12.5% more than 21 employees
Average years of business operation	6.25 years in average, s.d. 4.99 years. Minimum: 1 year; maximum: 41 years.

The sample presents similarities with the Portuguese and global entrepreneurship indicators. Recent data from the Global Entrepreneurship Monitor (GEM, 2020) revealed the ratio female/male is 0.62 which is close to the equivalent proportion in the sample (0.56). The dimension percentage of micro firms (less than 9 employees) is close to the Portuguese average in the tourism sector, which is 86% (Banco de Portugal, 2020). Regarding the age of the entrepreneurs, our sample aligns with previous studies. Getz and Carlsen (2000) found that tourism entrepreneurs start businesses when they are middle aged or older. One interesting fact about the sample is that 62% were born in the same place where they operate their tourism business. One possible explanation is related to the specificities of the businesses run by TLEs, evidencing a strong link to the place and to the culture-based experiences they offer.

3.2. Variables

The study adopted pre-existing scales. As such, community attachment was measured using four items that were adapted from Besser and Miller (2001). Innovation four-item scale was adapted from Kropp et al. (2006). Willingness to stay was using four items adapted from Lalli (1992). These three scales used a Likert-type scale, where 1=strongly disagree, and 7=strongly agree. Entrepreneur self-efficacy four item scale was adapted from Zhao et al. (2005) by asking entrepreneurs to identify their degree of confidence on a semantic differential scale (1- no confidence to 5- complete confidence). To measure context no adequate scale was found for the reality of TLEs. In this sense and based on the literature review, the following aspects were identified as contextual dimensions for the development of lifestyle businesses: the existence of a stimulating atmosphere (Richards, 2011), a culture of entrepreneurship (Hoarau, 2014), the existence of complimentary institutions (hospitals, schools...) and market future potential (Sun & Xu, 2019). These items were converted into a four-item scale anchored from 1 = not important at all to 7 = very important.

4. RESULTS

The conceptual model was tested using partial least squares (PLS) through SmartPLS 3 (Ringle, Wende, & Becker, 2015). PLS structural equation (PLS-SEM) modelling was found to be adequate for the research objectives and as an estimation method, allowing exploring causal relationships. PLS-SEM is considered a key multivariate analysis method in several areas (Ringle et al., 2012) and appropriate when composite indicators are used in formative conceptualization (Sarstedt et al., 2016) which is the case of this study.

To assess the quality of the model we use the recommendations of Hair et al. (2017) for each individual indicator (see Table 2). Hence, the standardized loadings are all greater than 0.6 and significant at $p < 0.001$, validating the individual indicator reliability. Cronbach's alpha values are above 0.7 (Hair et al., 2017).

Table 2. Composite reliability, average variance extracted, correlations, and discriminant validity checks.

Latent Variables	α	CR	AVE	1	2	3	4	5
(1) Community attachment	0,746	0,814	0,690	0,831	0,445	0,483	0,572	0,426
(2) Context	0,716	0,831	0,624	0,313	0,790	0,300	0,352	0,117
(3) Entrepreneurial Self-efficacy	0,720	0,815	0,527	0,341	0,222	0,726	0,997	0,609
(4) Innovation	0,792	0,809	0,523	0,400	0,231	0,706	0,723	0,603
(5) Willingness to stay	0,797	0,865	0,620	0,312	0,076	0,477	0,475	0,787

Note: α - Cronbach Alpha; CR - Composite reliability; AVE - Average variance extracted.

Bolded numbers are the square roots of AVE; Below the diagonal elements are the correlations between the constructs. Above the diagonal elements are the HTMT ratios.

The convergent validity has also been tested. The CR presents values higher than 0.7 and the AVE for all indicators are higher than 0.5 as suggested by (Bagozzi & Yi, 1988). Regarding the discriminating validity we used the Fornell and Larcker criterion, i.e. that the square root of AVE for each construct is higher than the highest correlation between the constructs (Fornell & Larcker, 1981). We also used the heterotrait-monotrait ratio (HTMT) (Henseler et al., 2015). The values of this indicator are within the suggested parameters (less than 0.85) (Hair et al., 2017; Henseler et al., 2015). With all these indicators within the recommended values, we consider that there is evidence of discriminant validity.

The conceptual model also has suitable values. First, the non-collinearity of the model was tested (Hair et al., 2017), with VIF values ranging from 1.19 to 2.37, i.e. below the critical value of 5 (Hair et al., 2017). The coefficient of determination R^2 of the endogenous variables (community association, entrepreneurial Self-efficacy, Innovation, and willingness to stay) are 10.1%, 13.1%, 52.9%, and 25.3%, respectively, exceeding the value of 10% (Falk & Miller, 1992).

The results summarized in Table 3 show that the context has a positive significant effect on community attachment ($\beta = 0.322, p < 0.001$), this result provide support for H1. The direct effects of the context on innovation ($\beta = 0.034, n.s.$) and on entrepreneur perceived self-efficacy ($\beta = 0.131, n.s.$) are not significant. Thus, the results do not support H2 and H3. The direct effects community attachment on entrepreneur self-efficacy, innovation and willingness to stay are positive and significant ($\beta = 0.306, p < 0.001$; $\beta = 0.170, p < 0.01$; $\beta = 0.172, p < 0.01$,

respectively), supporting H5, H6, and H7. The effects of entrepreneur self-efficacy on innovation and willingness to stay are also positive and significant ($\beta = 0.643$, $p < 0.001$; $\beta = 0.425$, $p < 0.001$, respectively), which supports H8 and H9.

Table 3. Structural model assessment.

Path	Path coefficient	Standard errors	<i>t</i> statistics	<i>p</i> values
Context → Community attachment	0.322	0.065	4.805	0.000
Context → Innovation	0.034	0.057	0.626	0.531
Context → Entrepreneur self-efficacy	0.131	0.079	1.605	0.109
Community attachment → Entrepreneur self-efficacy	0.306	0.079	3.824	0.000
Community attachment → Innovation	0.170	0.074	2.294	0.022
Community attachment → Willingness to stay	0.172	0.081	2.069	0.039
Entrepreneur self-efficacy → Innovation	0.643	0.067	9.526	0.000
Entrepreneur self-efficacy → Willingness to stay	0.425	0.078	5.401	0.000

Table 4 shows the results of the mediation hypotheses (H4a-H4b). We followed Hair et al. (2017; p. 232) recommendations to test the mediation, by using a bootstrapping procedure to test the significance of the indirect effects (Preacher & Hayes, 2008).

Table 4. Bootstrap results for indirect effects.

Indirect effect	Estimate	Standard errors	<i>t</i> statistics	<i>p</i> value
Context → Community attachment → Willingness to stay	0.098	0.032	2.926	0.003
Context → Community attachment → Innovation	0.054	0.026	2.030	0.042

The indirect effects of the context on entrepreneur self-efficacy and on innovation via mediator community attachment are significant with ($\beta = 0.098$; $p < 0.001$) and ($\beta = 0.054$; $p <$

0.01), respectively. These results provide support for the mediation hypotheses H4a and H4b, respectively.

To explore the data in greater depth, we use the SPSS (Version 27) to estimate the correlations between context items and the model constructs (Table 5). Of the four contextual items the culture of entrepreneurship shows a significant correlation with all the constructs except community attachment. The stimulating atmosphere evidenced a significant correlation just with entrepreneur self-efficacy. No correlation was found with the items existence of complimentary institutions and market future potential and the four constructs.

Table 5. Correlations between context items and the model constructs.

	Market future potential	Culture of entrepreneurship	Stimulating atmosphere	Complimentary institutions
Willingness to stay	0,018	,199*	0,182	0,167
Community attachment	0,109	0,160	-0,015	0,067
Innovation	-0,050	,242**	0,174	0,037
Entrepreneur self-efficacy	0,103	,319**	,201*	0,048

** The correlation is significant at level 0.01.

* The correlation is significant at level 0.05.

5. DISCUSSION

5.1. Factors influencing the retention of tourism lifestyle entrepreneurs

First, the results obtained make it possible to recognise the role that the context plays in the community attachment, in innovation and in the willingness to stay in a particular tourist destination. However, the independent influence of each contextual item points provides a more fine grained analysis, since culture of entrepreneurship and stimulating atmosphere showed significant correlations with those three constructs. This finding aligns to the concept of creative atmosphere proposed by Richards (2011) has a key attraction and retention factor. However, contextual results from the multivariate analysis suggests that context must be understood a combination of a creative atmosphere, a local culture of entrepreneurship, the existence of complimentary institutions (like hospitals or schools...) and the market future potential. By creating a more favourable environment for the development of TLEs business, many of which

incorporate a certain degree of innovation (Richards, 2011), the context not only provides a more favourable environment for innovation but also encourages entrepreneurs to stay in the destination. Fu et al. (2019) refer that the destination is an antecedent of TLEs success. However, it is possible to see that this relationship is not direct as the results indicate. With regard to innovation, the indirect influence of the context is materialized through the community attachment. In other words, it is not the context that directly promotes innovation as De Bruin and Jelinčić (2016) and Tan, et al. (2016) suggest. Our results show that the issue is more complex. The context promotes a greater community attachment, which in turn stimulates innovation. As explained by Richards & Marques (2012), TLEs follows a certain lifestyle in a specific creative atmosphere, as a consequence, it promotes high levels of interaction conducive to creativity (Drake, 2003). It can therefore be seen that this study contributes to the existing knowledge about ELT, since the role of context as a background had not been empirically tested. Some studies on SFT refer that context plays an important role in the development of competitiveness factors (c.f. Cooper, 2015; Czernek, 2017; Fu et al., 2019) although they do not present this causal relationship.

Regarding the indirect relationship between context and willingness to stay, the results show the community attachment promotes this link. This finding is in line with previous research that recognises that the delivery of everyday experiences, typical of TLEs (Maitland, 2010) and the integration into the local stakeholder network (Yachin, 2019) create a more conducive climate for the development of TLEs activities, increasing their willingness to stay.

The results also allow us to identify the direct implications of the community attachment on entrepreneur self-efficacy, innovation and willingness to stay. The relationship with entrepreneur self-efficacy had already been identified before (c.f. Cooper, 2014; Czernek, 2017), revealing the essential role that relationships with the community and local stakeholders play both in accessing local knowledge (Dias et al., 2021; Yachin, 2019), on which the competitiveness factors of the TLEs are based (Hoarau, 2014) and in facilitating networking and distribution channels (Yachin, 2019).

There are two reasons why the community attachment influences innovation. The first is related to co-creation processes (Binkhorst & Den Dekker, 2009) where the value generated by the experiences results from a cooperative process (Romero & Molina, 2011). In this way, the creation of networks within the community allows to gain the trust of the various stakeholders, including to the point of involving them in the realization of the experiences, further increasing the basis on which co-creation is carried out. The second reason is related, in the context of TLEs, to the blurring of the boundary between production and consumption of experiences (Lampel & Germain, 2016; Sun & Xu, 2019). For them, work and personal life are not divided (Sun et al., 2019) which facilitates, on the one hand, a greater climate of cooperation and, on the other, a proximity to visitors allowing to gain more information about their needs and

expectations. At this level, this study contributes to the knowledge about TLEs by establishing an empirical relationship between community attachment and innovation and willingness to stay. The innovation background of these entrepreneurs is an area still under explored in the literature as recognized by Thomas et al. (2011) and Yachin (2019). In addition, TLEs research that focuses on willingness to stay is even sparser, if not non-existent. Several studies address the problem of the origin of entrepreneurs, evaluating their behaviour whether they are locally born or migrated to the place (c.f. Carlsen et al., 2008; Komppula, 2014), however, according to our best knowledge, there is no study on the retention factors of entrepreneurs.

A final finding of this study concerns the relationship between self-efficacy and innovation and willingness to stay. The satisfaction of the entrepreneur with his business is essential for a greater investment in innovation and the intention to stay in the destination. This satisfaction goes beyond the financial results, as these entrepreneurs are motivated by other factors related to the lifestyle they intend to have or follow (Bredvold & Skålén, 2016; Shaw & Williams, 2009). In this sense, previous business performance is essential to motivate the entrepreneur to be innovative and to want to stay at the destination. This is an important contribution of this study, as innovation is traditionally understood as a performance precedent (c.f. Fu et al., 2019; Sun & Xu, 2019). The findings suggest that the inverse relationship is also important.

5.2. Factors influencing the retention of tourism lifestyle entrepreneurs

This study was conducted in a developed country where some contextual conditions are considered as for granted. However, in other situations (e.g. developing economies), the contextual dimension must include other dimensions that precede those used in this study. For example, Haber and Reichel (2007) found that developed countries offer more incentive structures for business start-ups than developing countries, and Dias et al. (2020a) identified other characteristics of the place that contribute to foster tourism entrepreneurship, such as competences development, financial support, access to market channels, and the existence of a shared vision within local community. As such, external entities to the community play an important role to provide basic resources and capabilities to communities in developing countries (Sørensen & Jensen, 2015), allowing overcoming the entrepreneurs' lack of skills (Jaafar et al., 2011).

Furthermore, in developing countries, some risks associated with tourism should be cautioned such as conflicts of interest and social exclusion. This alerts to the importance of "baseline studies on tourism awareness prior to tourism development" (Porter et al., 2018, p. 162). To avoid these risks community involvement in tourism development projects represent a key issue (Lindström & Larson, 2016). Thus, community involvement and the participation of external entities are important contextual conditions for tourism entrepreneurship, meaning that,

for developing economies, an initial political approach must be undertaken, avoiding considering tourism as a panacea for all development problems (Chok et al., 2007). The same applies for other types of non-massified tourism. For example, Moscardo (2014) recognized that governance structures were critical to the long-term outcomes of tourism development. Porter, et al. (2018) identified the offering of tourism awareness education as an important measure for the developmental approach for remote coastal communities.

6. CONCLUSIONS

6.1. Overall findings

This study focused on extending existing knowledge about TLEs. This is a very significant group of tourism business owners whose specificities make it a different group of entrepreneurs from other sectors. In pursuing objectives other than financial ones, traditional models of innovation cannot simply be transposed, as Marchant and Mottiar (2011) argue. But he specifically addressed the topic of the innovation and willingness to stay antecedents. The antecedents studied were entrepreneurial context, community attachment, and self-efficacy. To test the hypotheses, a quantitative study was conducted on a sample of 178 Portuguese Tourism Lifestyle Entrepreneurs. The results allowed the identification of a set of relationships. First, the direct and positive relationship between context and community attachment were identified, as well as an indirect relationship with innovation and willingness to stay through community attachment. Furthermore, it was also found that community attachment influences positively entrepreneurial self-efficacy, innovation and willingness to stay. Finally, our results show a direct and positive relation between entrepreneurial self-efficacy and innovation and willingness to stay.

6.2. Conceptual contributions

This study contributes to the mainstream and tourism entrepreneurship knowledge. While early research on tourism entrepreneurship was focused on the personal traits of individual entrepreneurs, recent studies have been dedicated to study the factors influencing entrepreneurship activities. Specifically, this study develops an underexplored topic about one important topic about entrepreneurship in tourism. First, within entrepreneurship studies, the research on the factors influencing willingness to stay at the destination represents a key contribution, placing an important piece in the destination competitiveness framework. Second, this study integrates two dimensions usually separated in tourism innovation studies. By combining the effect of external and organizational dimensions this study frames a better understanding of the factors influencing the entrepreneurs' innovativeness. Third, this is the first

study to combine innovation and willingness to stay as outcomes variables, which represent an powerful insight to destination competitiveness theory, reinforcing the idea that both constructs are an interdependent part of the destinations' efforts to differentiate and build a sustainable value proposition.

This study also contributes to the mainstream entrepreneurship literature by uncovering the link between the context and place attachment and entrepreneurial outcomes. Specifically, while the previous research is focused on the place and its influence on the entrepreneurial activity in a perspective let us call it 'passive' associated with the characteristics of the place, this study assumes the place in an 'active' dimension, being a relevant part of the innovation process itself.

This study also builds on research on poor communities and developing countries. The context to which this study refers is part of the recognition that the basic conditions that precede it (education, funding, and access to channels) already exist, but that is not necessarily true in all realities. Thus, this study provides an interconnection between the two areas that suggests how the very conceptualization of the entrepreneurial context evolves.

Following these various contributions, in line with Fu et al. (2019) this study reinforces the idea that research on entrepreneurship in hospitality and tourism is a field with wide-ranging potential for development.

6.3. Practical contributions

The results of this research provide important insights to improve tourism destination competitiveness. First, the importance of the context for retaining entrepreneurs and innovation. Investment in destination marketing is essential for the performance of these entrepreneurs. By attracting visitors and tourists, marketing strategies help to create and sustain a market for their businesses to prosper. However, this marketing should be appropriately targeted at specific segments of tourists who value creative and immersive experiences related to a particular lifestyle, not a mass market. Only in this way is it possible to develop a vibrant atmosphere that pleases both entrepreneurs and visitors. It will also be important to develop actions that contribute to strengthening the local identity and lifestyle, i.e. the community attachment. Ultimately, it is for these reasons that the entrepreneur has decided to invest in this place. For such initiatives as museums, events, fairs and other festivities can contribute to strengthen this identity and also to promote the destination and its entrepreneurs. In parallel, decision makers should also invest in creating a supportive environment for entrepreneurs, including better working and living conditions and market access, but especially a culture of entrepreneurship and stimulating atmosphere. Another important aspect to consider is related to the satisfaction of

entrepreneurs with the performance of their business, or entrepreneurial self-efficacy. Thus, all initiatives that allow them to monitor their business performance and its social and environmental implications can help increase this level of satisfaction.

6.4. Limitations and future research

This research also presents some limitations that may point to avenues for future research. The first is related with the sample. The generalization of the result is limited due to the purposive sampling method applied in a single country. Further research could explore data from other countries, and, if possible, apply a probabilistic sample. The various dimensions of innovation have not been explored in this study, in particular co-creation, which is very much associated with the type of experiences of TLEs. It would therefore be interesting to understand how value can be created through cooperative processes of co-creation and how this contributes to entrepreneurial self-efficacy and innovation. It would also be interesting to understand the moderating role of the region of origin of entrepreneurs, not least because it is known that entrepreneurs from outside have more difficulty in establishing a local network of cooperation and being integrated into the community (c.f. Dawson et al., 2011). Finally, our study found that there is no direct relationship between context and innovation. It will be interesting to explore this topic and understand the reasons for this result.

REFERENCES

- Arias, R. A. C., & Cruz, A. D. (2019). Rethinking artisan entrepreneurship in a small island. *International Journal of Entrepreneurial Behavior & Research*, 25(4), 633-651. DOI: 10.1108/IJEBR-02-2018-0111
- Ateljevic, I., & Doorne, S. (2000). 'Staying within the fence': Lifestyle entrepreneurship in tourism. *Journal of sustainable tourism*, 8(5), 378-392. DOI: 10.1080/09669580008667374
- Bagozzi, R. P., & Yi. Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94
- Banco de Portugal (2020). Central de Balanços do Banco de Portugal. Available on December, 23rd 2020 at <https://www.bportugal.pt/QS/qsweb/Dashboards>
- Besser, T. L., & Miller, N. (2001). Is the good corporation dead? The community social responsibility of small business operators. *The Journal of Socio-Economics*, 30(3), 221-241. DOI: 10.1016/S1053-5357(01)00094-4
- Binkhorst, E., & Den Dekker, T. (2009). Agenda for co-creation tourism experience research. *Journal of Hospitality Marketing & Management*, 18(2-3), 311-327. DOI: 10.1080/19368620802594193

- Bosworth, G., & Farrell, H. (2011). Tourism entrepreneurs in Northumberland. *Annals of Tourism Research*, 38(4), 1474-1494. DOI: 10.1016/j.annals.2011.03.015
- Bredvold, R., & Skálén, P. (2016). Lifestyle entrepreneurs and their identity construction: A study of the tourism industry. *Tourism Management*, 56, 96-105. DOI: 10.1016/j.tourman.2016.03.023
- Carlsen, J., Morrison, A., & Weber, P. (2008). Lifestyle oriented small tourism firms. *Tourism Recreation Research*, 33(3), 255-263. DOI: 10.1080/02508281.2008.11081549
- Chok, S., Macbeth, J., & Warren, C. (2007). Tourism as a tool for poverty alleviation: A critical analysis of 'pro-poor tourism' and implications for sustainability. *Current issues in Tourism*, 10(2-3), 144-165.
- Cooper, C. (2015). Managing tourism knowledge. *Tourism Recreation Research*, 40(1), 107-119. DOI: 10.1080/02508281.2015.1006418
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220. DOI: 10.1080/13683500.2014.944107
- Dawson, D., Fountain, J., & Cohen, D. A. (2011). Seasonality and the lifestyle "conundrum": An analysis of lifestyle entrepreneurship in wine tourism regions. *Asia Pacific Journal of Tourism Research*, 16(5), 551-572. DOI : 10.1080/10941665.2011.597580
- De Bruin, A., & Jelinčić, D. A. (2016). Toward extending creative tourism: participatory experience tourism. *Tourism review*, 71(1), 57-66. DOI: 10.1108/TR-05-2015-0018
- Dias, Álvaro; Gonzalez-Rodriguez, M. Rosario & Patuleia, Mafalda (2020a). Developing Poor Communities through Creative Tourism. *Journal of Tourism and Cultural Change*. 1-21 <https://doi.org/10.1080/14766825.2020.1775623>
- Dias, Á., Silva, G. M., Patuleia, M., & González-Rodríguez, M. R. (2020b). Developing sustainable business models: local knowledge acquisition and tourism lifestyle entrepreneurship. *Journal of Sustainable Tourism*, 1-20. <https://doi.org/10.1080/09669582.2020.1835931>
- Dias, Á., Silva, G. M., Patuleia, M., & González-Rodríguez, M. R. (2021). Transforming local knowledge into lifestyle entrepreneur's innovativeness: exploring the linear and quadratic relationships, *Current Issues in Tourism*. Vol Ahead of Print, Number Ahead of Print. <https://doi.org/10.1080/13683500.2020.1865288>
- Drake, G. (2003). 'This place gives me space': Place and Creativity in the Creative Industries. *Geoforum*, 34(4), 511-524. DOI: 10.1016/S0016-7185(03)00029-0
- Eckhardt, J. T., & Shane, S. (2010). An update to the individual-opportunity nexus. In *Handbook of entrepreneurship research* (pp. 47-76). Springer, New York, NY.

- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 29–50. DOI: 10.2307/3151312.
- Fu, H., Okumus, F., Wu, K., & Köseoglu, M. A. (2019). The entrepreneurship research in hospitality and tourism. *International Journal of Hospitality Management*, 78, 1-12. DOI: 10.1016/j.ijhm.2018.10.005
- García-Rosell, J. C., Haanpää, M., & Janhunen, J. (2019). ‘Dig where you stand’: values-based co-creation through improvisation. *Tourism Recreation Research*, 44(3), 348-358. DOI: 10.1080/02508281.2019.1591780
- GEM (2020). Entrepreneurial Behaviour and Attitudes. *Global Entrepreneurship Monitor*. Available at <https://www.gemconsortium.org/economy-profiles/portugal#pb> [Accessed November 19, 2020]
- Getz, D., & Carlsen, J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism management*, 21(6), 547-560. DOI: 10.1016/S0261-5177(00)00004-2
- Guercini, S., & Ceccarelli, D. (2020). Passion driving entrepreneurship and lifestyle migration: insights from the lutherie of Cremona. *Journal of International Entrepreneurship*, 1-20. DOI: 10.1007/s10843-020-00269-1
- Haber, S., & Reichel, A. (2007). The cumulative nature of the entrepreneurial process: The contribution of human capital, planning and environment resources to small venture performance. *Journal of business venturing*, 22(1), 119-145. <https://doi.org/10.1016/j.jbusvent.2005.09.005>
- Hall, C. M. (2019). Constructing sustainable tourism development: The 2030 agenda and the managerial ecology of sustainable tourism. *Journal of Sustainable Tourism*, 27(7), 1044-1060. DOI: 10.1080/09669582.2018.1560456
- Hallak, R., Assaker, G., & Lee, C. (2015). Tourism entrepreneurship performance: The effects of place identity, self-efficacy, and gender. *Journal of Travel Research*, 54(1), 36-51. DOI: 10.1177/0047287513513170
- Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.
- Higuchi, Y., & Yamanaka, Y. (2017). Knowledge sharing between academic researchers and tourism practitioners: A Japanese study of the practical value of embeddedness, trust and co-creation. *Journal of Sustainable Tourism*, 25(10), 1456-1473. DOI: 10.1080/09669582.2017.1288733

- Hjalager, A. M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17. DOI: 10.1080/15022250.2017.1287002
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. DOI: 10.1080/15022250.2014.887609
- Ioannides, D., & Petersen, T. (2003). Tourism ‘non-entrepreneurship’ in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435. DOI: 10.1080/1461668032000129146
- Jaafar, M., Abdul-Aziz, A. R., Maideen, S. A., & Mohd, S. Z. (2011). Entrepreneurship in the tourism industry: Issues in developing countries. *International Journal of Hospitality Management*, 30(4), 827-835. <https://doi.org/10.1016/j.ijhm.2011.01.003>
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. DOI: 10.1016/j.jbvi.2015.04.001
- Koh, K. Y., & Hatten, T. S. (2002). The tourism entrepreneur: The overlooked player in tourism development studies. *International Journal of Hospitality & Tourism Administration*, 3(1), 21-48. DOI: 10.1300/J149v03n01_02
- Komppula, R. (2014). The role of individual entrepreneurs in the development of competitiveness for a rural tourism destination—A case study. *Tourism Management*, 40, 361-371. DOI: 10.1016/j.tourman.2013.07.007
- Korsgaard, S., Müller, S., & Tanvig, H. W. (2015). Rural entrepreneurship or entrepreneurship in the rural—between place and space. *International Journal of Entrepreneurial Behavior & Research*. 21(1), 5-26. DOI: 10.1108/IJEBR-11-2013-0205
- Kropp, F., Lindsay, N. J., & Shoham, A. (2006). Entrepreneurial, market, and learning orientations and international entrepreneurial business venture performance in South African firms. *International Marketing Review*, 23(5), 504–523. DOI: 10.1108/02651330610703427
- Lai, P. H., Morrison-Saunders, A., & Grimstad, S. (2017). Operating small tourism firms in rural destinations: A social representations approach to examining how small tourism firms cope with non-tourism induced changes. *Tourism Management*, 58, 164-174. <http://dx.doi.org/10.1016/j.tourman.2016.10.017>
- Lalli, M. (1992). Urban-related identity: Theory, measurement, and empirical findings. *Journal of Environmental Psychology*, 12(4), 285-303.
- Lampel, J., & Germain, O. (2016). Creative industries as hubs of new organizational and business practices. *Journal of Business Research*. 69(7), 2327–2333. DOI: 10.1016/j.jbusres.2015.10.001

- Lindström, K. N., & Larson, M. (2016). Community-based tourism in practice: Evidence from three coastal communities in Bohuslän, Sweden. *Bulletin of Geography. Socio-economic Series*, 33(33), 71–78.
- Maitland, R. (2010). Everyday life as a creative experience in cities. *International Journal of Culture, Tourism and Hospitality Research*, 4(3), 176-185. DOI: 10.1108/17506181011067574
- Marchant, B., & Mottiar, Z. (2011). Understanding lifestyle entrepreneurs and digging beneath the issue of profits: Profiling surf tourism lifestyle entrepreneurs in Ireland. *Tourism Planning & Development*, 8(2), 171-183. DOI: 10.1080/21568316.2011.573917
- Martínez-Román, J. A., Tamayo, J. A., Gamero, J., & Romero, J. E. (2015). Innovativeness and business performances in tourism SMEs. *Annals of Tourism Research*, 54, 118-135. DOI: 10.1016/j.annals.2015.07.004
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192-209. DOI: 10.1108/13552550610679159
- Moscardo, G. (2014). Tourism and community leadership in rural regions: Linking mobility, entrepreneurship, tourism development and community well-being. *Tourism Planning & Development*, 11(3), 354-370. <https://doi.org/10.1080/21568316.2014.890129>
- Mottiar, Z. (2007). Lifestyle entrepreneurs and spheres of inter-firm relations: The case of Westport, Co Mayo, Ireland. *The International Journal of Entrepreneurship and Innovation*, 8(1), 67-74. DOI: 10.5367/000000007780007326
- Porter, B. A., Orams, M. B., & Lück, M. (2018). Sustainable entrepreneurship tourism: An alternative development approach for remote coastal communities where awareness of tourism is low. *Tourism Planning & Development*, 15(2), 149-165. <https://doi.org/10.1080/21568316.2017.1312507>
- Richards, G. (2011). Creativity and tourism: The state of the art. *Annals of tourism research*, 38(4), 1225-1253. DOI:10.1016/j.annals.2011.07.008
- Richards, G., & Marques, L. (2012). Exploring creative tourism: Editors introduction. *Journal of Tourism Consumption and Practice*. 4(2), 1-12
- Ringle, C. M., Sarstedt, M., & Straub, D. W. (2012). Editor's Comments: A Critical Look at the Use of PLS-SEM in "MIS Quarterly". *MIS quarterly*, iii-xiv.
- Ringle, C. M., Wende, S., & Will, A. (2014). SmartPLS 3.0. Hamburg: www.smartpls.de.
- Romero, D., & Molina, A. (2011). Collaborative networked organisations and customer communities: value co-creation and co-innovation in the networking era. *Production Planning & Control*, 22(5-6), 447-472. DOI: 10.1080/09537287.2010.536619
- Ryan, T., Mottiar, Z., & Quinn, B. (2012). The dynamic role of entrepreneurs in destination development. *Tourism Planning & Development*, 9(2), 119-131. DOI: 10.1080/21568316.2011.630747

- Sarstedt, M., Hair, J. F., Ringle, C. M., Thiele, K. O., & Gudergan, S. P. (2016). Estimation issues with PLS and CBSEM: Where the bias lies!. *Journal of Business Research*, 69(10), 3998-4010.
- Schilar, H., & Keskitalo, E. C. H. (2018). Tourism activity as an expression of place attachment—place perceptions among tourism actors in the Jukkasjärvi area of northern Sweden. *Scandinavian Journal of Hospitality and Tourism*, 18(sup1), S42-S59. DOI: 10.1080/15022250.2017.1389123
- Shaw, G., & Williams, A. (2009). Knowledge transfer and management in tourism organisations: An emerging research agenda. *Tourism Management*, 30(3), 325-335. DOI: 10.1016/j.tourman.2008.02.023
- Shrivastava, P., & Kennelly, J. J. (2013). Sustainability and place-based enterprise. *Organization & Environment*, 26(1), 83-101. DOI:
- Sørensen, F., & Jensen, J. F. (2015). Value creation and knowledge development in tourism experience encounters. *Tourism Management*, 46, 336-346. <https://doi.org/10.1016/j.tourman.2014.07.009>
- Steyaert, C. (2007). 'Entrepreneurship' as a conceptual attractor? A review of process theories in 20 years of entrepreneurship studies. *Entrepreneurship and regional development*, 19(6), 453-477. DOI: 10.1080/08985620701671759
- Su, X., Zhang, H., & Cai, X. (2020). Lifestyle, profit, and the selling of home to tourists in Lijiang, China. *Tourism Geographies*, 1-20. <https://doi.org/10.1080/14616688.2019.1708447>
- Sun, X., & Xu, H. (2019). Role Shifting Between Entrepreneur and Tourist: A Case Study on Dali and Lijiang, China. *Journal of Travel & Tourism Marketing*, 1-15. DOI: 10.1080/10548408.2019.1598535
- Sun, X., Xu, H., Köseoglu, M. A., & Okumus, F. (2019). How do lifestyle hospitality and tourism entrepreneurs manage their work-life balance?. *International Journal of Hospitality Management*, 102359 (in press). DOI: 10.1016/j.ijhm.2019.102359
- Tan, S. K., Tan, S. H., Luh, D. B., & Kung, S. F. (2016). Understanding tourist perspectives in creative tourism. *Current Issues in Tourism*, 19(10), 981-987. DOI: 10.1080/13683500.2015.1008427
- Thomas, R., Shaw, G., & Page, S. J. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32(5), 963-976. DOI: 10.1016/j.tourman.2011.02.003
- Valtonen, A. (2009). Small tourism firms as agents of critical knowledge. *Tourist Studies*, 9(2), 127-143. DOI: 10.1177/1468797609360600

- Yachin, J. M. (2019). The entrepreneur–opportunity nexus: Discovering the forces that promote product innovations in rural micro-tourism firms. *Scandinavian Journal of Hospitality and Tourism*, 19(1), 47-65. DOI: 10.1080/15022250.2017.1383936
- Wang, S., Hung, K., & Huang, W. J. (2019). Motivations for entrepreneurship in the tourism and hospitality sector: A social cognitive theory perspective. *International Journal of Hospitality Management*, 78, 78-88. DOI: 10.1016/j.ijhm.2018.11.018
- Weidenfeld, A., Williams, A. M., & Butler, R. W. (2010). Knowledge transfer and innovation among attractions. *Annals of tourism research*, 37(3), 604-626. DOI: 10.1016/j.annals.2009.12.001
- Zhang, C., Xiao, H., Gursoy, D., & Rao, Y. (2015). Tacit knowledge spillover and sustainability in destination development. *Journal of Sustainable Tourism*, 23(7), 1029-1048. DOI: 10.1080/09669582.2015.1032299
- Zhao, H., Seibert, S. E., & Hills, G. E. (2005). The mediating role of self-efficacy in the development of entrepreneurial intentions. *Journal of applied psychology*, 90(6), 1265. DOI: 10.1037/0021-9010.90.6.1265

Appendix

Table A1. Construct items

Constructs and items
Community attachment (<i>1= Strongly disagree; 7= Strongly agree</i>)
I feel that I belong to this place
This place is very familiar.
This place is very important for my daily life
I live intensely this place
Entrepreneurial Self-efficacy (<i>1= no confidence; 5= complete confidence</i>)
I successfully identify new opportunities
I create new products
I think creatively
I capable of selling an idea or a new solution
I obtain financing to create/develop the business
Willingness to stay (<i>1= Strongly disagree; 7= Strongly agree</i>)
I would like to stay indefinitely in this place
I wish to follow the future development of this place
This site plays an important role in my future plans
My personal future is connected to this place
Context (<i>1= not important; 7= very important</i>). The place where I run my business has...
An stimulating atmosphere
A culture of entrepreneurship
Complimentary institutions (hospitals, schools...)
A future market potential
Innovation (<i>1= Strongly disagree; 7= Strongly agree</i>)
I solve problems in an innovative way.
I am creative in the use and control of resources.
I develop creative solutions to difficult problems.
I often develop new products and/or services

Selecting lifestyle entrepreneurship recovery strategies. A response to COVID-19 pandemic

Abstract

The devastating context of the Covid-19 pandemic has created a new reality in which tourism has practically ceased and that must be reversed. This study focuses on the revitalization of businesses run by lifestyle entrepreneurs, a very significant class and of pivotal importance in innovation in the tourism sector. Specifically, this study aims to identify the most relevant indicators to select the recovery strategies of these entrepreneurs. Based on the Delphi method combined with the Q-sort technique, a panel of 26 senior managers and academics elaborated a ranking of the main indicators. The top five indicators were: creativity and innovation, level of innovation, qualification, startups number, and turnover volume. Findings reveal that the priority is on innovation and qualification of the entrepreneurs. Only afterwards do the traditional indicators of competitiveness of tourist destinations emerge.

Keywords: Disaster recovery; Destination Management Organizations; Innovation; Marketing strategies; Decision-making.

1. INTRODUCTION

The pandemic caused by the Covid-19 virus has provoked an unprecedented crisis (Yu et al., 2020). Tourism was one of the sectors most affected, to the point of changing the paradigm of mass tourism to no-tourism (Gössling, Scott, & Hall, 2020). In this sector, tourism lifestyle entrepreneurs (TLEs) are one of the most representative groups of small-scale businesses (Thomas, Shaw, & Page, 2011), which in turn also represent the majority of tourism businesses. Surprisingly, despite this relevance, these entrepreneurs remain under-explored in the academic, practice and policy-making fields (Fu et al., 2019; Marchant & Mottiar, 2011).

In a context where countries are concerned with revitalising their economies and tourism, it is natural that strategies should be defined to support these entrepreneurs. As they are essential in promoting innovation (Yachin, 2019), establishing human and social capital (Jack & Anderson, 2002; Morrison, 2002) and adopting sustainable practices (Wang, Li & Xu, 2019), it is critical to select the strategies best suited to the needs of the destination and to the specific characteristics of the TLEs. Recovery strategies are also a theme scarcely explored (Miles & Shipway, 2020) as most models are focused on preparation and contingency planning (c.f. Hall, Scott, & Gössling, 2020; Kuo et al., 2009; Ritchie, 2004). The problem is that there is no previous experience that can bring insights and that can be applied in the revitalization of these small businesses.

Thus, this study aims to identify the most important indicators in the selection of strategies for the revitalization of TLEs in a post-pandemic context. To achieve this objective, the Delphi method combined with the Q-sort technique was used. The 26 participants in the study are leading academics and senior managers of the main Portuguese tourism destinations and sector stakeholders.

The contributions are twofold. First, to our best knowledge, this is the first research to present a ranking of indicators to select strategies in a post-pandemic context. Second, unlike traditional models of destination competitiveness, this study reveals that innovation and qualification are at the top of the priorities for the revitalization of small businesses in tourism. These contributions allow addressing the challenge of Shepherd (2020) concerning the contribution to the knowledge of resilience at and across multiple levels of analysis.

2. THEORETICAL FRAMEWORK

2.1. Disaster recovery strategies

Crisis management models in tourism have a substantial scenario building component for proposing prevention measures or contingency plans (Hall, 2010; Kuo et al., 2009, Mair Ritchie, & Walters, 2016). These models failed to consider the scale and intensity of the crisis caused by Covid-19 (Hall, et al., 2020). Since these preventive measures are not applicable, it is important to understand what strategic options are posed for the

revitalization of a destination's businesses network. What is noteworthy is the dispersed nature of the suggested measures, which does not constitute a framework for the strategic definition per se.

A first group of measures focuses on marketing and communication, with an intensive emphasis on promoting domestic and then international demand (Pforr & Hosie, 2008). Thus, the diffusion of an image of a safe destination is an important path (Henderson, 2005; Mair, et al., 2016), with safe facilities and transports (Bornhorst, Ritchie, & Sheehan, 2010; Morrison, 2018) emphasizing the role of public relations campaigns (Santana, 2004; Scott et al., 2008). Stimulating demand can also be done through vouchers (Henderson, 2005; Henderson & Ng, 2004; Yang, Zhang & Chen, 2020) and travel insurances (Hall et al., 2020). For both the destination and businesses it is essential to change the perception of tourists (Scott Laws, & Prideaux, 2008) by conveying an idea of local community well-being (Hall et al., 2020) and to reinforce the sense of compliance with health regulations through seals of conformity (Lee et al., 2012).

A second group of measures focuses on stimulating entrepreneurship and startups. The creation of a more favourable business environment requires de-bureaucratization (Nicola et al, 2020), training (Hall et al., 2020; Lee et al., 2020; Pforr & Hosie, 2008) and rethinking the tourism development model considering more sustainable paths (Hall et al., 2020). In this sense, the strategy includes considering segments or niches that appreciate value added tourism products (Gössling et al., 2020; Scott et al., 2008) more aligned with the offer of small tourism businesses, many of them managed by TLEs (Thomas, et al., 2011; Wang, et al., 2019).

A third group values the role of cooperation and networking. Thus, in a post-crisis context it is likely that there will be reconfiguration of local stakeholders, with the disappearance of some existing players and the emergence of new ones (McKercher & Chon, 2004). In this new scenario, the different local stakeholders may be approached as a way of dealing with the crisis (Lee, et al., 2012), with the possibility of new collaborations (Scott et al., 2008) capable of generating innovation and products with greater added value (Gössling et al., 2020; Hall et al., 2020).

2.2. TLEs as a distinct group of entrepreneurs

This study is focused on TLEs because of their key role in the destinations' innovation competitiveness (Dias et al., 2020). Furthermore, in the total amount of small and medium firms, their representativeness is quite high (Getz & Carlsen, 2000; Thomas et al., 2011), and present a clear contribution for the community wealth by hiring local people and buying local products and services (Jack & Anderson, 2002). For tourism destinations they also play a key role on the differentiation and attraction by delivering more creative and genuine experiences linked to the place (Kibler, et al., 2015). Finally, in the context of this study, TLEs “are characterized by the desire to start a business in line with lifestyle values, which is important in the new normal resulting from covid-19” (Ratten, 2020, p. 511).

The TLEs have specific characteristics that differentiate them from other entrepreneurs in other sectors. It is essential to understand these specificities for a better framing of the recovery strategies. The main differentiating characteristic is the performance approach. While business-oriented entrepreneurs seek financial performance, the TLEs aim at other objectives associated with lifestyle, environmental preservation or social and local development (Ateljevic & Doorne, 2000; Wang et al., 2019). For this reason, decision making is not governed by the same criteria as other companies, which may lead to certain limitations. For example, Hjalager, Kwiatkowski and Larsen (2018) argue that these entrepreneurs are driven by opportunities rather than thoughtful decisions. A possible justification derives from the existence of low entry barriers to tourism (Ioannides & Petersen, 2003). As a result, this class of entrepreneurs is characterized by limited experience, training and resources (Cooper, 2015, Czernek, 2017; Marchant & Mottiar, 2011).

Notwithstanding being vital for innovation and destination competitiveness (Shrivastava & Kennelly, 2013; Stamboulis & Skayannis, 2003), TLEs are also associated with passive behaviors and risk aversion arising from quality of life aspirations (Hjalager, 2010; Ioannides & Petersen, 2003; Weidenfeld, Williams, & Butler, 2010); Yachin, 2019). Associated with these characteristics is the reduced willingness to cooperate and networking (Czernek, 2017), as well as limitations in capitalizing opportunities in innovation (Hoarau, 2014; Komppula, 2014). From the managerial perspective, previous research identified lack of skill and business experience as well

limited resources, such as capital, staff, and equipment (Cooper, 2015; Ioannides and Petersen, 2003; Marchant and Mottiar, 2011; Yachin, 2019). Finally they also evidenced limited capabilities in transforming knowledge into innovation (Hoarau, 2014).

3. METHOD

This study is focused on the perspective of key policy-makers, academics and practitioners about the revitalization of tourism lifestyle entrepreneurs. More specifically, data collection is focused in Portugal, a member-state of the European Union (EU), which is the second largest economy in the world in nominal terms. Similarly to other EU countries, entrepreneurial activity represents an important role of the country economic development. As identified in recent studies (GEM, 2020), the Portuguese entrepreneurship indicators (entrepreneurial behaviour and attitudes) are equal or even superior to the global average. More specifically, in 2019, Portugal revealed a Perceived Opportunities Rate of 53.52% while the global average is 53.65%, and a Perceived Capabilities Rate of 61.43% (global average is 58.27%). As such, the results from this study can be helpful for researcher and policy-makers in other countries.

To achieve the objectives of this research, we adopted the Delphi method combined with the Q-sort technique, a methodological approach indicated for forecasting in new contexts where there is no track record (Ashok et al., 2017). We adopted the recommendations of Garrod and Fyall (2000) for the Delphi method and focused on obtaining a convergence of the respondents' opinion around a central opinion by using a sorting list and informing the participants about the answers obtained in the previous round (Von Bergner & Lohmann, 2014). This method uses a group of experts who do not know each other or interact directly, seeking a consensus (Powell, 2003). Research also benefits from the anonymity associated with the method, where the specialists do not know the origin of the remaining responses, promoting more frank and personal responses (Green, Hunter & Moore, 1990). Also known as the rounds method, experts have the possibility to review their responses at each round until the maximum consensus is reached (Mitchell, 1991).

The Q-sort technique uses forced choice, i.e. all items must be classified and each position can be used only once. Thus, the Q technique allows identifying and classifying perceptions and beliefs, constituting a suitable tool for selecting management indicators (Ahangar, et al., 2020).

The group of experts is at the center of this methodological approach, and special care should be taken in their selection of individuality in the topics placed for discussion (Chim-Miki & Batista-Canino, 2018). Although

In this research 26 Portuguese specialists were invited and all accepted to participate, which ensures the appropriate size of the panel (Akins, Tolson & Cole, 2005; Worrell, Di Gangi & Bush, 2013). In the experts' selection there was concern to look for a heterogeneous group, allowing a broad global perspective, with diverse tourism experience. All the participants responded to the three rounds. A possible explanation for these strong adherence to the study is the participants' sense of duty to contribute to overcome the crisis resulting from the pandemic context. The panel is composed of 16 academics of recognized merit, 10 DMO senior managers from the main Portuguese DMOs, and 10 senior managers from industry stakeholders (industry associations, including the Portuguese Tourism Confederation).

The number of rounds changes according to the level of agreement achieved (Darwish & Burns, 2019). In this case, three rounds were held between May and June 2020. In the first round a list of six indicators drawn from the literature was indicated and a suggestion for new items to be included in the next round was requested from participants. Four more indicators were obtained. Unlike other studies where the dropout rate between rounds is 18% (Nowack, Endrika & Guenther, 2011), no expert left the research over the three rounds.

4. RESULTS AND DISCUSSION

To measure the agreement between the participants, the Kendall coefficient (W) was used (Cafiso, Di Graziano & Pappalardo, 2013). The Kendall coefficient (W) presents values between 0 (no consensus) and 1 (total consensus). Values equal to or below 0.3 indicate a weak agreement; between 0.3 and 0.5 a moderate agreement, between 0.5 and 0.7 a good agreement, and above 0.7 a strong agreement (Cafiso, et al., 2013). In the

first round, the consensus on indicators for evaluating strategies was low ($W = 0.07$). Despite the inclusion of four more indicators, the degree of agreement increased considerably in the following rounds, reaching a strong agreement in the third round ($W = 0.73$). The final results are presented in table 1.

Table 1. Indicators for selecting recovery strategies

Indicators	Ranking
Creativity and innovation	1
Level of innovation	2
Qualification	3
Startups number	4
Turnover volume	5
Level of internationalisation	6
Number of employees	7
Number of partnerships / collaborative projects	8
Number of bankruptcies	9
Staff turnover	10

The results show that innovation is at the top of the priorities in the strategy selection indicators. First, these results reflect the interest of tourist destinations in TLEs and their capacity to generate innovation (Stamboulis & Skayannis, 2003), and second, they recognize the pivotal role of these entrepreneurs in the innovation spillover effect (Shrivastava & Kennelly, 2013).

An important contribution of this study is the priority given to innovation in a post-Pandemic situation. The reduction of lock-down measures in the context of the

Covid-19 pandemic has led governments to adopt non-pharmaceutical control measures (Maier & Brockmann, 2020), such as social distancing, group dimension reduction, or wearing masks. These measures are easier to achieve in small-scale businesses, which together with the delivery of creative and genuine experiences associated with the place (Kibler, et al., 2015) constitute a powerful combination for innovation and value creation through co-creation processes (García-Rosell et al., 2019) in this new reality. As such, the TLEs' weaknesses can be overcome by fostering the integration within local community, increasing the assimilation and incorporation of local knowledge and fostering the development of new experiences and products as suggested by Dias et al. (2020) more suitable for post pandemic market segments.

Another important finding is the emphasis on training and qualification of the entrepreneurs. The panelists recognize that TLEs need to develop skills in this new context. This competence endowment can be interpreted at two levels. First, to overcome the inherent limitations of this class of entrepreneurs, namely poor management and tourism business experience, reduced cooperation, or risk aversion. As suggested by Bacq and Lumpkin (2020) the crisis offers entrepreneurs with the opportunities to capitalize multi-partner efforts to develop innovative solutions. Secondly, because both the entrepreneurs and the destinations themselves are not prepared to deal with the impacts of this pandemic (Fisher & Wilder-Smith, 2020), and it is essential to qualify the firms to respond adequately to the new challenges. Probably, the innovation will be fostered by promoting technological transition, where experienced and creative entrepreneurs are willing to take risks and initiate new solutions enabled by new technologies, as suggested by Li-Ying and Nell (2020).

Indicators related to business creation and development follows innovation and training. The following positions in the ranking are occupied by startups number, turnover volume, level of internationalization, and number of employees. These 'traditional' destination development indicators are important for assessing destination competitiveness (Crouch, 2011). Furthermore, this sequence on the indicators' importance aligns with previous research were it is "We could initially expect a broad downturn in entrepreneurial activity. Soon after that, however, necessity entrepreneurship is likely to boom" (Liñán & Jaén, 2020: 1).

5. CONCLUSION

Our findings provide new insights that we believe will contribute to bridge the research gap and achieve the objectives of this study. Aiming to identify the indicators for the selection of recovery strategies for LETs in a post-pandemic context, the results indicate that innovation and entrepreneur qualification have priority. These indicators are linked to the practice-based essence of these entrepreneurs' businesses and the importance they play in innovation, value creation and competitiveness of tourism destinations.

While working with senior managers in the Portuguese main destination management organizations, stakeholders and academics in a country where tourism represents a significant percentage of GDP, we believe that the results can be valuable for other countries and destinations. The results can be followed up in future research, and understanding what specific strategies can be pursued to achieve these indicators. Other investigations may also cross these indicators with specific segments of TLEs. For example, Wang et al. (2019) found that there are two classes of these entrepreneurs according to the motivations: business-oriented lifestyle oriented. Probably the impacts on each class will be different.

The results of this study also point to solutions to be considered in policy-making. The fact that there is a sequence in the results suggests some priorities. The first is related to innovation. The definition of recovery policies should have a clear focus on stimulating entrepreneurs and start-ups, which could be materialized through innovation subsidies or through the existing network of incubators, accelerators and technology transfer.

The second is related to training and the development of skills that stimulate the resilience of companies. There will probably be entrepreneurs with different rhythms, which may lead to a polarization of the economy by the high-potential entrepreneurs as Linan says. To avoid this situation, training provides greater access to knowledge and technology, essential elements to boost business and reach the 'new' tourists. Considering the limitations of the TLEs, training should be transversal to several areas: management, marketing, technology and activity specific.

REFERENCES

- Ahangar, A. N., Arghand, E., Ahangar, H. B., & Ganji, S. S. (2020). Recognizing the reasons of the accidents based on the rural drivers' mental patterns using Q analytical method. *Safety science*, 125, 104649. <https://doi.org/10.1016/j.ssci.2020.104649>
- Ateljevic, I., & Doorne, S. (2000). 'Staying within the fence': Lifestyle entrepreneurship in tourism. *Journal of Sustainable Tourism*, 8(5), 378-392. <https://doi.org/10.1080/09669580008667374>
- Akins, R. B., Tolson, H., & Cole, B. R. (2005). Stability of response characteristics of a Delphi panel: application of bootstrap data expansion. *BMC medical research methodology*, 5(1), 37.
- Ashok, S., Tewari, H. R., Behera, M. D., & Majumdar, A. (2017). Development of ecotourism sustainability assessment framework employing Delphi, C&I and participatory methods: A case study of KBR, West Sikkim, India. *Tourism Management Perspectives*, 21, 24-41.
- Bacq, S., & Lumpkin, G. T. (2020). Social Entrepreneurship and COVID-19. *Journal of Management Studies*. 12641. [Epub ahead of print <https://doi.org/10.1111/joms.12641>
- Bornhorst, T., Ritchie, J. B., & Sheehan, L. (2010). Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives. *Tourism Management*, 31(5), 572-589. <https://doi.org/10.1016/j.tourman.2009.06.008>
- Cafiso, S., Di Graziano, A., & Pappalardo, G. (2013). Using the Delphi method to evaluate opinions of public transport managers on bus safety. *Safety science*, 57, 254-263.
- Chim-Miki, A. F., & Batista-Canino, R. M. (2018). Development of a tourism coopetition model: A preliminary Delphi study. *Journal of Hospitality and Tourism Management*, 37, 78-88.
- Cooper, C. (2015). Managing tourism knowledge. *Tourism Recreation Research*, 40(1), 107-119. DOI: 10.1080/02508281.2015.1006418
- Crouch, G. I. (2011). Destination competitiveness: An analysis of determinant attributes. *Journal of Travel Research*, 50(1), 27-45.
- Czernek, K. (2017). Tourism features as determinants of knowledge transfer in the process of tourist cooperation. *Current Issues in Tourism*, 20(2), 204-220. DOI:10.1080/13683500.2014.944107
- Dias, Á., Silva, G. M., Patuleia, M., & González-Rodríguez, M. R. (2020). Developing sustainable business models: local knowledge acquisition and tourism lifestyle

- entrepreneurship. *Journal of Sustainable Tourism*, 1-20.
<https://doi.org/10.1080/09669582.2020.1835931>
- García-Rosell, J.C., Haanpää, M., & Janhunen, J. (2019). 'Dig where you stand': values-based co-creation through improvisation. *Tourism Recreation Research*, 44(3), 348-358. DOI:10.1080/02508281.2019.1591780
- GEM (2020). Entrepreneurial Behaviour and Attitudes. Global Entrepreneurship Monitor. Available at <https://www.gemconsortium.org/economy-profiles/portugal#pb> [Accessed November 19, 2020]
- Getz, D., & Carlsen, J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management*, 21(6), 547-560. [https://doi.org/10.1016/S0261-5177\(00\)00004-2](https://doi.org/10.1016/S0261-5177(00)00004-2)
- Gössling, S., Scott, D., & Hall, C. M. (2020). Pandemics, tourism and global change: a rapid assessment of COVID-19. *Journal of Sustainable Tourism*, 1-20.
<https://doi.org/10.1080/09669582.2020.1758708>
- Green, H., Hunter, C., & Moore, B. (1990). Application of the Delphi technique in tourism. *Annals of Tourism Research*, 17(2), 270-279.
[https://doi.org/10.1016/0160-7383\(90\)90087-8](https://doi.org/10.1016/0160-7383(90)90087-8)
- Hall, C. M. (2010). Crisis events in tourism: subjects of crisis in tourism. *Current issues in Tourism*, 13(5), 401-417. <https://doi.org/10.1080/13683500.2010.491900>
- Hall, C. M., Scott, D., & Gössling, S. (2020). Pandemics, transformations and tourism: be careful what you wish for. *Tourism Geographies*, 1-22.
<https://doi.org/10.1080/14616688.2020.1759131>
- Henderson, J. C. (2005). Responding to natural disasters: Managing a hotel in the aftermath of the Indian Ocean tsunami. *Tourism and Hospitality Research*, 6(1), 89-96. <https://doi.org/10.1057/palgrave.thr.6040047>
- Hjalager, A.M., Kwiatkowski, G., & Østervig Larsen, M. (2018). Innovation gaps in Scandinavian rural tourism. *Scandinavian Journal of Hospitality and Tourism*, 18(1), 1-17. DOI:10.1080/15022250.2017.1287002
- Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. DOI:10.1080/15022250.2014.887609
- Ioannides, D., & Petersen, T. (2003). Tourism 'non-entrepreneurship' in peripheral destinations: a case study of small and medium tourism enterprises on Bornholm, Denmark. *Tourism Geographies*, 5(4), 408-435. DOI:10.1080/1461668032000129146

- Jack, S. L., & Anderson, A.R. (2002). The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5), 467-487. DOI:10.1016/S0883-9026(01)00076-3
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. DOI:10.1016/j.jbvi.2015.04.001
- Komppula, R. (2014). The role of individual entrepreneurs in the development of competitiveness for a rural tourism destination—A case study. *Tourism Management*, 40, 361-371. DOI: 10.1016/j.tourman.2013.07.007
- Kuo, H. I., Chang, C. L., Huang, B. W., Chen, C. C., & McAleer, M. (2009). Estimating the impact of avian flu on international tourism demand using panel data. *Tourism Economics*, 15(3), 501-511. <https://doi.org/10.5367/000000009789036611>
- Liñán, F., & Jaén, I. (2020). The Covid-19 pandemic and entrepreneurship: some reflections. *International Journal of Emerging Markets*. Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/IJOEM-05-2020-0491>
- Li-Ying, J., & Nell, P. (2020). Navigating opportunities for innovation and entrepreneurship under COVID-19. *California Management Review*. 63(1). [Epub ahead of print]
- Lu, H. K., Tsai, S. C., Lin, P. C., Chu, K. C., & Chen, A. N. (2020). Toward a New Real-Time Approach for Group Consensus: A Usability Analysis of Synchronous Delphi System. *Group Decision and Negotiation*, 29, 345–370. <https://doi.org/10.1007/s10726-020-09661-7>
- Maier, B. F., & Brockmann, D. (2020). Effective containment explains subexponential growth in recent confirmed COVID-19 cases in China. *Science*, 368(6492), 742-746.
- Mair, J., Ritchie, B. W., & Walters, G. (2016). Towards a research agenda for post-disaster and post-crisis recovery strategies for tourist destinations: A narrative review. *Current Issues in Tourism*, 19(1), 1-26. <https://doi.org/10.1080/13683500.2014.932758>
- Marchant, B., & Mottiar, Z. (2011). Understanding lifestyle entrepreneurs and digging beneath the issue of profits: Profiling surf tourism lifestyle entrepreneurs in Ireland. *Tourism Planning & Development*, 8(2), 171-183. DOI:10.1080/21568316.2011.573917
- McKercher, B., & Chon, K. (2004). The over-reaction to SARS and the collapse of Asian tourism. *Annals of tourism research*, 31(3), 716. <https://doi.org/10.1016/j.annals.2003.11.002>
- Miles, L., & Shipway, R. (2020). Exploring the COVID-19 Pandemic as a Catalyst for Stimulating Future Research Agendas for Managing Crises and Disasters at International Sport Events. *Event Management*, 24(4), 537-552.

- Mitchell, V. W. (1991). The Delphi technique: An exposition and application. *Technology Analysis & Strategic Management*, 3(4), 333-358. <https://doi.org/10.1080/09537329108524065>
- Morrison, A. (2002). Small hospitality businesses: enduring or endangered?. *Journal of Hospitality and Tourism Management*, 9(1), 1-12.
- Morrison, A. (2018). *Marketing and Managing Tourism Destinations*. Abingdon: Routledge.
- Nicola, M., Alsafi, Z., Sohrabi, C., Kerwan, A., Al-Jabir, A., Iosifidis, C., ... & Agha, R. (2020). The socio-economic implications of the coronavirus and COVID-19 pandemic: a review. *International Journal of Surgery*, 78, 185-193.
- Nowack, M., Endrikat, J., & Guenther, E. (2011). Review of Delphi-based scenario studies: quality and design considerations. *Technological Forecasting and Social Change*, 78(9), 1603-1615. <https://doi.org/10.1016/j.techfore.2011.03.006>
- Pfarr, C., & Hosie, P. J. (2008). Crisis management in tourism: Preparing for recovery. *Journal of Travel & Tourism Marketing*, 23(2-4), 249-264. https://doi.org/10.1300/J073v23n02_19
- Ratten, V. (2020). Coronavirus (covid-19) and entrepreneurship: changing life and work landscape. *Journal of Small Business & Entrepreneurship*, 32(5), 503-516. <https://doi.org/10.1080/08276331.2020.1790167>
- Ritchie, B. W., Dorrell, H., Miller, D., & Miller, G. A. (2004). Crisis communication and recovery for the tourism industry: Lessons from the 2001 foot and mouth disease outbreak in the United Kingdom. *Journal of Travel & Tourism Marketing*, 15(2-3), 199-216. https://doi.org/10.1300/J073v15n02_11
- Santana, G. (2004). Crisis management and tourism: Beyond the rhetoric. *Journal of Travel & Tourism Marketing*, 15(4), 299-321. https://doi.org/10.1300/J073v15n04_05
- Scott, N., Laws, E., & Prideaux, B. (2008). Tourism crises and marketing recovery strategies. *Journal of Travel & Tourism Marketing*, 23(2-4), 1-13. https://doi.org/10.1300/J073v23n02_01
- Shepherd, D. A. (2020). COVID 19 and entrepreneurship: Time to pivot?. *Journal of Management Studies*. 57(8), 1750-1753. <https://doi.org/10.1111/joms.12633>
- Shrivastava, P., & Kennelly, J.J. (2013). Sustainability and place-based enterprise. *Organization & Environment*, 26(1), 83-101. <https://doi.org/10.1177/1086026612475068>
- Stamboulis, Y., & Skayannis, P. (2003). Innovation strategies and technology for experience-based tourism. *Tourism Management*, 24(1), 35-43. DOI:10.1016/S0261-5177(02)00047-X
- Thomas, R., Shaw, G., & Page, S.J. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32(5), 963-976. DOI:10.1016/j.tourman.2011.02.003

- Yachin, J.M. (2019). The entrepreneur–opportunity nexus: Discovering the forces that promote product innovations in rural micro-tourism firms. *Scandinavian Journal of Hospitality and Tourism*, 19(1), 47-65. DOI: 10.1080/15022250.2017.1383936
- Yu, M., Li, Z., Yu, Z., He, J., & Zhou, J. (2020). Communication related health crisis on social media: a case of COVID-19 outbreak. *Current Issues in Tourism*, 1-7. <https://doi.org/10.1080/13683500.2020.1752632>
- Wang, C., Li, G., & Xu, H. (2019). Impact of lifestyle-oriented motivation on small tourism enterprises' social responsibility and performance. *Journal of Travel Research*, 58(7), 1146-1160. DOI:10.1177/0047287518800389
- Weidenfeld, A., Williams, A.M., & Butler, R.W. (2010). Knowledge transfer and innovation among attractions. *Annals of Tourism Research*, 37(3), 604-626. DOI: 10.1016/j.annals.2009.12.001
- Worrell, J. L., Di Gangi, P. M., & Bush, A. A. (2013). Exploring the use of the Delphi method in accounting information systems research. *International Journal of Accounting Information Systems*, 14(3), 193-208.

Conclusions, implications, limitations and future research

1. Results summary

The first study (Developing Poor Communities through Creative Tourism) was focused on four case studies from two Latin American countries, more specifically Peru and Brail. More specifically, in the cases we explored how poor communities improved their living conditions through entrepreneurship linked to creative tourism. The cases allowed understanding the underlying processes leading to poverty reduction through creative tourism.

The processes represent a sequence of factors that must be aligned to stimulate entrepreneurship by developing creative tourism activities. It has been found that this is not a direct process, but that poor communities need external intervention to gain skills, market access and entrepreneurial spirit. The study results recognized that they need to overcome several barriers that limit the ability to embrace business activities: lack of capital, knowledge and market access as well as the inexistence of a shared vision within the community. To do so, the option for tourism activities is not the first step. Instead the path began by developing agricultural activities.

An essential factor in triggering the whole process results from the intervention of entities outside the community, which enables the provision of capital, skills and working methods. Thus, the intervention of external entities allowed poor communities to overcome the barriers to entrepreneurial activities, starting with rural activities, considered in the study as a first wave of entrepreneurship. The second wave benefited not only from an increase of household income, but also (and mostly) from an increase in confidence in developing businesses. Poor communities gained market access as a result of increased product quality and the development of distribution channels. In parallel, the intervention of third parties developed individual skills and businesses professionalism. The combination of rural product quality, the access to more

demanding markets and qualification of the community benefited, in the mid-term, the place image and reputation. The communities studied lived in run-down areas with an adverse reputation, associated with extreme poverty. As a result of the projects, the regions experienced an improvement in reputation, allow developing the region as tourist attraction, benefiting from preserved culture, heritage and nature, which represent a fertile ground for creative tourism experiences. The cases studied showed that some members of those communities embraced tourism activities. They have taken advantage of the growing demand for those places and for genuine and immersive experiences, which form the foundations of creative tourism. The results are small-scale lifestyle entrepreneurial initiatives, with a strong authenticity imprint.

The second study (Developing sustainable business models: Local knowledge acquisition and tourism lifestyle entrepreneurship) further explores this theme of lifestyle entrepreneurship and the link to place. More specifically, this study aimed to establish a sequence showing how the place and its local knowledge are transformed into innovativeness and self-efficacy. The study proposes the key assumptions to develop sustainable business models for a specific kind of entrepreneurs – tourism lifestyle entrepreneurs.

The results reveal the key role specificities of the place and the network developed by the entrepreneur in the tourism lifestyle entrepreneurs' value proposition. The place provides uniqueness to the experiences provided by the tourism lifestyle entrepreneurs and, simultaneously, the development of more sustainable business models. As such, tourism lifestyle entrepreneurs are particularly interested in the preservation of the environment and local social traditions and way of life. Besides the place, the networks of local stakeholders are another importance source of differentiation and competitiveness, contributing for more valuable and immersive experiences and, consequently to innovate (e.g. new narratives, products and services). The study explores the conversion of local knowledge into entrepreneurial innovativeness and self-efficacy in a process that starts with local knowledge acquisition that consists of the collection of local knowledge through informal channels and a community-centered strategy. The second element is knowledge assimilation, meaning that knowledge acquisition is not an end in of itself. The knowledge has to be adequately appropriated by the firm so that it can be used in experiences and products. Thus, local knowledge must be integrated into organizational routines and embedded in

the tourist experiences and the communication strategies. Furthermore, the assimilated knowledge must be market oriented in order to comply with the growing tourist exigencies, through new experiences and communication strategies. The results of the study also revealed that knowledge acquisition is leveraged by knowledge assimilation, while a community-centered strategy is leveraged by entrepreneurial communication in relation to tourism lifestyle entrepreneurs' innovativeness and self-efficacy. The discussion ends with a with a model proposed based on the results of the study and which considers four possible situations according degree of the tourism lifestyle entrepreneurs' integration into the community and the source of local knowledge: place related or market related.

The third study (Transforming local knowledge into lifestyle entrepreneur's innovativeness: Exploring the linear and quadratic relationships) draws on these findings, and explores more deeply the antecedents of the tourism lifestyle entrepreneurs' innovation. Findings from this study revealed three factors influencing the innovation generated by tourism lifestyle entrepreneurs. The first factor is place attachment, meaning that the fact of the tourism lifestyle entrepreneurs is embedded in the local community represents a fertile ground to access local knowledge. In its turn, local knowledge represents the basis for the competitiveness of these small businesses. The second factor is constituted by the community-centred strategy which allows a valuable basis for innovation by fostering a deliberate and active interaction with local stakeholders. Both factors are important paths to access the traditions, the way of life or the local narratives that can be incorporated in the experiences and products delivered. The third is knowledge assimilation that, as the previous study showed, represents an important organizational mechanism to translate local knowledge into innovation. Using the quadratic regression combined with a qualitative field research it was possible to recognize that, although a linear relationship between knowledge assimilation and innovation exists, it is better explained by a U-shaped curve. This means that tourism lifestyle entrepreneurs have different rhythms in the conversion of new knowledge into innovation. Specifically, innovation is greater when the knowledge assimilation capacity is low or high and is lower when there is an intermediate assimilation capacity. This finding permitted to identify three types of tourism lifestyle entrepreneurs: the *opportunity seekers*, corresponding to entrepreneurs who run a small but innovative business, with the flexibility to capitalize on detected opportunities. The *professionals*

represents those who run a business-oriented structure and with systematic approaches to innovation. Finally, the *laggards* which are the less innovative entrepreneurs, evidencing and instrumental approach to innovation.

The fourth study (Retaining Tourism Lifestyle Entrepreneurs for Destination Competitiveness) follows on from the two previous studies. After identifying the factors that contribute to fostering innovation in lifestyle entrepreneurs, it is essential that destinations also promote their permanence on the place. Accordingly, this study combines two outcomes variables: innovation and willingness to stay, and analyzes the influence of three variables: the context, community attachment and entrepreneur self-efficacy. Based on the study results, the willingness to stay in destination is directly influenced by community attachment and entrepreneurial self-efficacy, which means that the retention of entrepreneurs requires that their business be successful. It has also been found that although the local context (incorporating market future potential, culture of entrepreneurship, stimulating atmosphere, and the existence of complimentary institutions) does not directly influence innovation and the will to stay, it has an indirect effect through the community attachment, which means that it is not enough to have a good context for the development of entrepreneurship, it is also essential that the entrepreneur is an integral part of the local community.

The fifth study was developed with the intention of making a contribution to mitigate the effects of COVID-19 pandemic and was conducted after the previous articles. The article aimed to evaluate how the lifestyle entrepreneurs can be stimulated in a post-crisis context. To do so, the study employed the Delphi method combined with the Q-sort technique to analyze the viewpoints of key decision-makers in tourism in Portugal. Five main indicators emerged from the study: creativity and innovation, level of innovation, qualification, startups number, and turnover volume. These indicators are helpful for the selection of actions and strategies to revitalize tourism entrepreneurship, revealing a priority on innovation and qualification of the entrepreneurs.

2. General conclusions

This thesis has as central focus the entrepreneurs in tourism, aiming specifically to develop the existing knowledge about the individual and organizational constraints of innovation and competitiveness. The research conducted covers different contexts: poverty in Latin America, European lifestyle entrepreneurs and the pandemic caused by COVID-19. In this way, in addition to the individual contributions of each study, the combination of the four studies allows a more holistic vision to respond to the objectives of this thesis and, at the same time, make important theoretical contributions.

The first objective of this thesis is to deepen the knowledge about entrepreneurship in tourism, with particular incidence on the individual and organizational determinants of innovation and performance. The second, third, and fourth studies compete for this objective. The results suggest that there are several factors that contribute to innovation and competitiveness of small businesses in tourism. A central aspect of both studies is local knowledge. This knowledge is materialized through traditions, legends, stories and narratives, among others that combine and give life to the built, natural and cultural heritage that makes each place unique.

From studies two and three it was found that the transformation of this local knowledge into innovation and competitiveness is embodied in a process characterized by a high degree of informality and is influenced by several factors. The process starts with knowledge acquisition followed by knowledge assimilation which allows the integration of new knowledge in the organizational routines as well in communication strategies and narratives for tourists and visitors. The final result is innovation and entrepreneurial self-efficacy. The results show that local embeddedness is important to tackle this knowledge. As such, place attachment, informal forms of knowledge acquisition and the development of a community-centered strategy constitute key elements to access local knowledge. However, the acquisition of new knowledge does not assure innovation and competitiveness. It first must be assimilated. Thus, at a second level, local knowledge is assimilated through the integration in the organizational processes and in the communicational market-oriented strategies. It was also found that local knowledge assimilation plays a mediating role between the

acquisition of local knowledge and innovativeness and self-efficacy. These are the pre-conditions for innovation to emerge. These findings constitute an important contribution both to tourism entrepreneurship and place familiarity theory, by presenting an entrepreneurial process and an articulation between place familiarity and innovation and competitiveness.

The second objective of this thesis is to contribute to the continued development of destinations, supported by innovation and sustainability. As argued by previous research tourism lifestyle entrepreneurs evidence a place-based conception of sustainability (Morrison, 2006; Bosworth & Farrell, 2011; Shrivastava & Kennelly, 2013). This conception crosses the three dimensions of a sustainable business model: economic, social and environmental, as identified in the second study. Moreover, they are associated with the destination innovation (Stamboulis & Skayannis, 2003; Kibler, Fink, Lang, & Muñoz, 2015). As such, studying tourism lifestyle entrepreneurs show a direct impact in the destination innovation and sustainability. From the theoretical point of view, these findings produce three important contributions. First, to our best knowledge, this is the first study to propose a framework for sustainable business models for tourism lifestyle entrepreneurs. Second, it is proposed a typology framework to identify different types of entrepreneurs with distinct organizational structure and velocity in relation to innovation. Third, the fourth study is pioneer in studying the entrepreneurs' retention factors, representing valuable insights for destination competitiveness.

The third objective of the thesis is to develop models to explain the competitive development of entrepreneurs across countries in various stages of development. The first study focused on Latin America and poverty reduction aiming to identify the role of creative tourism in developing entrepreneurial activity. To our best knowledge, this is the first study to link creative tourism with poverty reduction. The second study used a Portuguese and Spanish sample to test the conceptual model. The third, fourth and fifth study were centered in the Portuguese sample, although the studies' results can be applied to other countries. This means that we analyzed countries with different development indexes, allowing to understand the entrepreneurs' behavior in different contexts.

The fourth objective was related the identification of solutions for entrepreneurship revitalization in the post-pandemic context caused by COVID-19. The contribution is

twofold. First, research on the COVID-19 is still in its infancy, and we believe that will nurture research for the next decades. As such, our study was clearly an exploratory one, thus representing a clear contribution for the theory of crises management in tourism. Second, the study also contributed by being the first to establish a ranking for the solutions for disaster recovery.

Based on the results from the five studies, an integrative and holistic model can be presented to develop entrepreneurial innovation and competitiveness (Fig. 7.1).

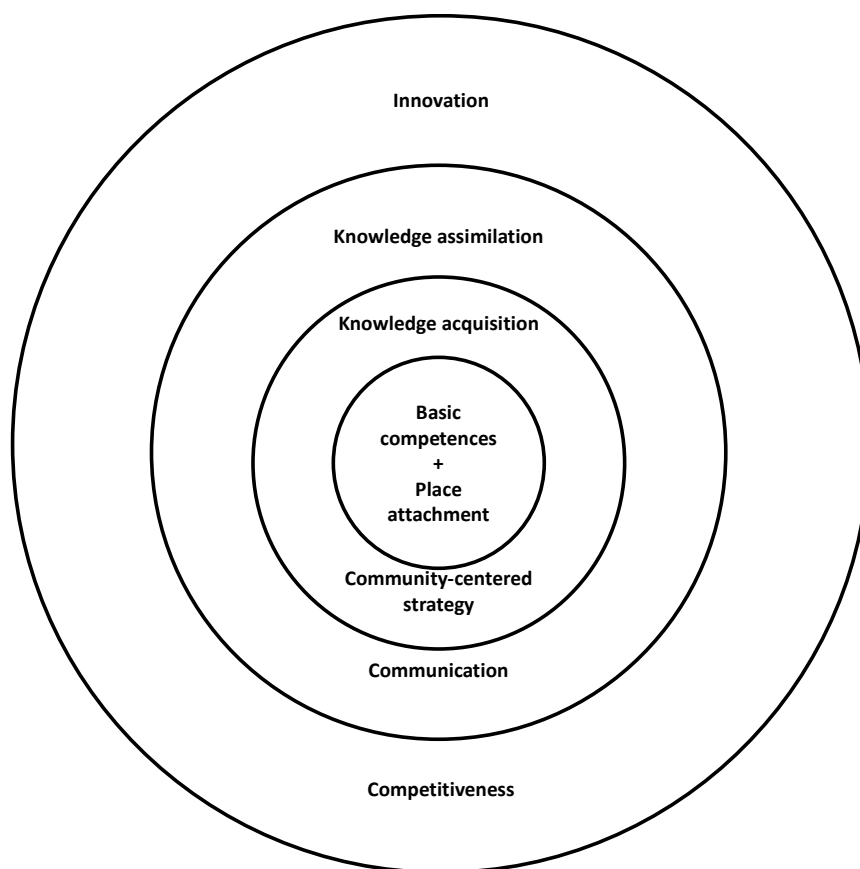


Figure 7.1. Model for entrepreneurial innovation and competitiveness

The model starts with the existence of the basic competences to start a business in tourism, which are needed for entrepreneurs in poor communities but also in more developed countries, considering that many entrepreneurs lack the skills and competences to run a business. At the basic level, place attachment is also a key ingredient. The second concerns the acquisition of local knowledge allowing entrepreneurs to innovate using the place uniqueness and distinctive nature. Two

complementary approaches can be followed: informal knowledge acquisition or community-centered strategy. The third level consists on the assimilation of this new acquired knowledge, either through assimilation or communication strategy (new narratives, stories, commercial arguments). Through the accumulation of the three previous levels, entrepreneurs can convert the assimilated knowledge in new products and experiences targeting more valuable tourist segments or, in the post-pandemic context, the ‘new’ tourists.

Considering the model in Figure 7.1, the research carried out also contributes to increase theoretical background in the area of knowledge management in tourism. Specifically, this research confirms the importance of external (local) knowledge in innovation, providing a more clear insight about the effective role of external knowledge, which was not totally clear as suggested by Guisado-Gonzalez, Guisado-Tato & Sandoval-Perez (2013).

3. Practical implications

Based on the studies conducted managerial and policy-making implications can be considered. The managerial implications consider that entrepreneurs will be able to draw several lessons from these studies. For those who understand the place where they develop their activity and the attraction factor for tourists, these studies highlight the importance of deepening the knowledge they have about this same place. What is most obvious and known about the place will be what most competitors will use, a path that will lead to competitive parity. Instead, entrepreneurs will be interested in knowing more in order to offer more genuine and authentic experiences to their clients. Moreover, collaboration with other stakeholders will take experiences to another level, making them more immersive and creative, which aligns with international trends in tourist motivations.

To access this local knowledge they may deepen their relationships with local stakeholders and deliberately seek to access this knowledge by participating in training actions, conferences or events or promoting informal contacts with local people. Another option is to hold active events promoted by themselves or in collaboration with

others, creating situations to contact more local people and clients. Events, parties, documentaries, museums, among others, can be made.

During these phases, entrepreneurs must be aware of the opportunities that arise and, above all, must be able to access this knowledge and transform it into new products and experiences. Once again, cooperation with other entrepreneurs and local stakeholders will always be an opportunity to add value to these experiences, making them more creative and immersive, so that tourists can 'touch' the local culture.

For policy-making, the results also point to important ways for destinations to develop a fabric of entrepreneurs whose experiences can contribute to differentiation, competitiveness and sustainability of the destination. Taking the model in figure 7.1 as a reference, a starting point is the qualification of entrepreneurs, which should be understood at several levels: in the specific area of tourism where they operate, management, technology, communication and marketing. In this case, it will be helpful the contribution of external entities like universities, training and technology centers. At the same time, it is essential to stimulate integration in the local community, fostering the exchange of knowledge. To this end, some concrete initiatives can be developed, such as supporting local studies, promoting meetings and meetings, stimulating the transfer of intergenerational knowledge, creating museums and infrastructures or holding local events.

Another important area is the stimulation of cooperation within the entrepreneurial community and between them and the other stakeholders. It is essential to establish a common vision for development and build consensus among these community members. At this level, participatory management can benefit the entire process and help strengthen local identity. However, the studies conducted in this thesis also reveal that entrepreneurs are not all the same, on the contrary, they manifest different rhythms in innovation. Understanding these differences can help in the implementation of strategies that seek to promote cooperation, since incorrect management of expectations can generate conflict or frustration instead of cooperation.

Study four alerts to several topics for policy-making. For those destinations that wanted to develop their offer through the innovative potential of lifestyle entrepreneurs, it becomes very important to promote their integration into the local community. The study showed that contextual conditions are not sufficient to stimulate innovation and

retention of entrepreneurs. Therefore, local and national decision-makers should promote initiatives that favor integration, stimulating the reinforcement of local identity and image, around a common and shared vision among community members.

Finally, this research also points to clues that could help turn local citizens into entrepreneurs. Many of them are embedded in the community and have some local knowledge, which could be useful to create new tourism-related businesses. By analyzing the situation from a broader, long-term perspective, policy-makers can invest, on the one hand, in training young people in schools, passing on traditions and local culture, and, on the other hand, promoting the involvement of older people in business, either by supporting the creation of small initiatives of their own or by mentoring businesses run by others.

4. Research limitations and future research

Despite the contributions advanced by the studies integrated in this thesis, the investigations conducted also present some limitations that point avenues for future research. First, the studies assume that there is already a platform of local entrepreneurs that could be leveraged. However, if the purpose is to investigate the destination development, the factors conducting to attract and retain entrepreneurs to the destination should also be considered. Thus, it will be interesting to know the factors that contribute to attract new entrepreneurs to the destination whether they were born or not in the destination. This can complement the studies conducted through the identification of the strategies to attract ‘new blood’ to the destination and not only depend on the existing entrepreneurs.

Second, the studies do not explore the birthplace of the entrepreneurs. Probably these models will have distinct behaviors for those who were born in the place and for those who came from other regions. From the qualitative studies carried out it was found that some of the entrepreneurs who most innovated based on the characteristics of the place were from abroad. Furthermore, previous research also revealed the foreigners show a different entrepreneurial behavior from locals (e.g. Skokic & Morrison, 2011;

Xiong, Zhang & Lee, 2020). It will be interesting to explore the moderating role of the place of origin in the models presented.

Third, the studies focused on the entrepreneur and his business as unit of analysis. However, the literature states that there is a spillover effect of innovation in destinations. Although there are some studies on this aspect, the empirical evidence is not yet fully substantiated. In this sense, longitudinal studies in destinations may bring more evidence in the spillover effect of innovation generated by entrepreneurs in tourism and analyze the results using the cluster theory.

Fourthly, the studies carried out do not make a distinction between the various firms operating in tourism. However, the activities are quite varied as hotel, restaurants or tour guiding. Probably the models may have different results if we analyze the activities in a more segmented way.

Fifth, concept of local knowledge acquisition can be further explored into more specific mechanisms. For example, Hall and Williams (2008) identified several mechanisms for knowledge acquisition, such as: observation and imitation; labor mobility; inter-firm exchanges; and knowledge brokers. Future research could explore the degree of influence of these mechanisms on the innovation generated by small tourism firms.

One last limitation is related with the centrality of knowledge as a basis for competitive advantage. The studies two and three established a relation between local knowledge and innovation and entrepreneurial self-efficacy as measures of competitiveness. However, other variables can be analyzed such as branding, customer service, or marketing capabilities, among others.

References

Guisado-Gonzalez, M., Guisado-Tato, M., & Sandoval-Perez, P. (2013). Technological determinants of innovation performance in Spanish hospitality companies: an analysis of the co-existence of innovation strategies. *The Service Industries Journal*, 33(6), 580-593. <https://doi.org/10.1080/02642069.2011.614343>

- Hall, M., & Williams, A. (2008). *Tourism and Innovation*. London: Routledge.
- Kibler, E., Fink, M., Lang, R., & Muñoz, P. (2015). Place attachment and social legitimacy: Revisiting the sustainable entrepreneurship journey. *Journal of Business Venturing Insights*, 3, 24-29. <https://doi.org/10.1016/j.jbvi.2015.04.001>
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192-209. <https://doi.org/10.1108/13552550610679159>
- Skokic, V., & Morrison, A. (2011). Conceptions of tourism lifestyle entrepreneurship: Transition economy context. *Tourism Planning & Development*, 8(2), 157-169.
- Shrivastava, P., & Kennelly, J.J. (2013). Sustainability and place-based enterprise. *Organization & Environment*, 26(1), 83-101. <https://doi.org/10.1177/1086026612475068>
- Stamboulis, Y., & Skayannis, P. (2003). Innovation strategies and technology for experience-based tourism. *Tourism Management*, 24(1), 35-43. DOI:10.1016/S0261-5177(02)00047-X
- Xiong, Y., Zhang, Y., & Lee, T. J. (2020). The rural creative class: An analysis of immigration tourism entrepreneurship. *International Journal of Tourism Research*, 22(1), 42-53.