



## Needs, drivers and barriers of innovation: The case of an alpine community-model destination



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### ABSTRACT

This study explores tourism destination innovativeness as perceived by leading entrepreneurs in order to derive implications for destination management organizations (DMO). The paper examines the need, drivers and obstacles of innovation as reported by a sample of 37 interviews conducted with tourism entrepreneurs and DMO representatives in Tyrol, Austria. The results demonstrate the importance of cooperation and networking of small and medium enterprises in destinations as well as their openness for external market developments and their knowledge about using information and communication technologies (ICT) in marketing, leading employees and having a strategic orientation. Future research needs to take a closer look at the relationship of structure and innovation. Innovation management in destinations calls for DMOs that focus much more on processes than on structure. These processes link cooperative actions and knowledge transfer and enable not only the development of ideas, but also the commercialization and implementation of innovations.

### 1. Introduction

In many European countries the tourism industry is characterized by a large proportion of small and medium-sized enterprises (SMEs) and/or family businesses (Thomas, Shaw, & Page, 2011). These businesses cope with competitive disadvantages, including poor economies of scale and scope, minimal potential for diversification and innovation, and limited access to capital markets (Buhalis & Peters, 2006; Tejada & Moreno, 2013). A possible way to reduce these hindrances is to refocus the service provision of SMEs toward innovative customer experiences. Innovation is a key success factor for tourism enterprises and organizations with which they can both enhance customer satisfaction, excel among competitors, and ultimately challenge the role of larger enterprises in a highly competitive tourism market (Hjalager, 2010).

After a severely under-studied period in tourism, innovation has received increasing attention among tourism researchers since the millennium, (Nordin, 2003; Vanhove, 2011; Williams & Shaw, 2011). Aldebert, Dang, and Longhi (2011) and Hjalager (2010) have contributed to the understanding of the concept of innovation through their thorough reviews of tourism research, showing how innovation has pertained to the accommodation sector (Jacob, Tintoré, Aguiló, Bravo, & Mulet, 2003; Nieves & Segarra-Ciprés, 2015; Orfila-Sintes, Crespi-Cladera, & Martínez-Ros, 2005; Orfila-Sintes & Mattsson, 2009; Ottenbacher, Shaw, & Lockwood, 2006; Pikkemaat & Peters, 2006;

Thomas & Wood, 2014) and the operation of SMEs in tourism (Hallenga-Brink & Brezet, 2005; Pikkemaat & Peters, 2006; Tajeddini & Trueman, 2014; Volo, 2006). However, there are very little research about innovation both at the accommodation industry and destination levels (Pikkemaat & Weiermair, 2007; Svensson, Nordin, & Flagestad, 2005; Zach, 2012). In particular, the driving forces of and the barriers to achieving innovation for a destination have not been sufficiently analyzed (Najda-Janoszka & Kopera, 2014).

Hjalager (2010) provided a state-of-the-art review on the driving forces of innovation in entrepreneurship, focused on its dynamic of technology-push and demand-pull condition, and suggested an innovation cluster approach to promote innovation in individual tourism enterprises where new knowledge about their collaborative effort is essential to overcome the existing structural and behavioural obstacles to innovativeness. More importantly, her study closed with a list of ten research gaps in studying the processes of tourism innovation, the driving forces of and the barriers to innovation, and the role of entrepreneurship in this context. In response to this knowledge gap, this paper presents a study that aims to offer insights into the quest for innovation; and to identify its driving forces and barriers based on the perceptions of entrepreneurs and destination management organizations (DMOs) at an inter-connected system.

Using a qualitative research approach in Alpine destinations in Austria, the study investigates the need for innovation in the

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community-model destinations of the region. Interviews were conducted with leading tourism entrepreneurs and DMO representatives.

In the context of Alpine Tyrol in Austria, three research questions are established in the study: Which innovation needs are perceived by entrepreneurs and DMO representatives interviewed? Which driving forces stimulate innovative development, and new products and services at the destination level? Which barriers restrict innovative tourism development at the destination level?

The results of these interviews reveal some implications for both DMO management and tourism policy that fosters innovation. The following section identifies research gap in the literature on tourism innovation, which will be followed by an elaboration of an empirical study in Alpine Austria with the methodology and the analysis of the findings. The paper then discusses the connection between the past and the current studies, concludes with implications for improving destination management, and finally highlights some research areas for further investigation.

## 2. Literature review

Innovation has been widely accepted as a key factor for successful tourism enterprises, organizations and destinations (Hjalager, 2010; Paget, Dimanche, & Mounet, 2010). Early on, Schumpeter (1934) described innovation as a radical act introducing either a new element or a new combination of existing elements. Following this path of thoughts in the context of tourism enterprises, innovation depends chiefly on the characteristics of entrepreneurs and their willingness to innovate. More recently, Sundbo's (2001) strategic innovation theory postulated that market orientation, which comprises of market saturation, customer orientation, networks and internal resources, tended to determine the innovativeness of an enterprise, but its effectiveness would only depend on the managerial interpretation of these aspects. Unlike the situation in industries dominated by large companies, in which the push factors of science and technology drive innovation, tourism enterprises appear to be more market-driven by the pull factor of customer demand (Hall & Williams, 2008; Stamboulis & Skayannis, 2003). This situation has changed as ICT developments stimulated the emergence of new business models (such as e.g. Airbnb).

According to Hjalager (2002) and Hjalager (2010), there were five types of innovation, namely products and service innovations, process innovations, management innovations, managerial innovations and institutional innovations. All these innovations can range from incremental to radical innovations. Institutional innovation in tourism, for example, involved a “collaborative/organizational structure or legal framework that efficiently redirects or enhances the business in certain fields of tourism” (Hjalager, 2010, p. 3). In this sense, the research ideas of co-operation and networking in tourism appear to be more relevant to address the institutional innovation of destinations since the approaches in those research areas were considered fostering innovation in tourism. At an industrial level, empirical studies on manufacture (Faems, van Looy, & Debackere, 2005) and tourism (Pikkemaat & Weiermair, 2007) both supported the effectiveness of inter-organizational collaboration in improving the performance of innovation in organizations. At the destination level, Zehrer, Raich, Siller, and Tschiederer (2014) recently proved the influence of leadership networks on destination's performance. However, research focusing on the driving forces of and the barriers to innovation, and influences of these forces and barriers on a destination's tourism development remains scarce. To include all variations of innovation, the study at hand defines innovation according to Ahmed and Sheperd (2012) as “the generation of an idea or invention and the fruitful commercialization of that invention/idea” (p. 5).

### 2.1. Corporate model versus community model for destination innovation

Tourism is a sector composed of a complex network of industries

and stakeholders. This implies that any research on innovation can be undertaken at the levels of individuals, organizations, and destinations. At the level of organizations, on the one hand, tourism consists of global tourism corporations, seen typically in international hotel chains, which are managed similarly to multinational conglomerates in manufacturing industries. On the other hand, tourism is also an industry dominated by SMEs, which can be a one-person business or a sole proprietor. Among these SMEs in tourism, small businesses are those that employ fewer than 50 individuals or in some cases, micro-businesses with fewer than ten employees. With an increase in scale, medium-sized businesses are those that have fewer than 250 employees (European Commission, 2005).

SMEs often lack strategic planning (Peters & Buhalis, 2004) and strategic innovation due to their diseconomies of scale, shortage in resources and constraints in management expertise (Pikkemaat, 2008; Thomas et al., 2011). In Europe, for example, SMEs in tourism on average employ six persons, thereby illustrating how enterprises operate the tourism market. In Austria, for example, nearly 90% of all hotel enterprises are micro-structured with not more than 10 employees and less than 1% are large enterprises employing more than 250 employees (WKO, 2015). As such, it becomes clear that the need for innovation for a destination is determined by its composition of the enterprises in the destination and its different structures of management with different actors. Among other factors the lack of (strategic) management is currently a deficit of innovation in tourism SMEs compared to other international or multinational corporations, which are characterized by a hyper-competition in innovation worldwide (Keller, 2006; Pikkemaat & Peters, 2006; Tajeddini, 2010). This dichotomy poses some implications for the management of destinations, some of which accommodate primarily small tourism enterprises such as those located in the European Alps, while some are dominated by a mix of large real estate, finance, and hotel companies like the situation in Dubai.

Apart from the scale of operation, innovation-oriented behaviour in tourism destinations is also influenced by their local governance structures and the capacity to innovate (Beritelli, Strobl, & Peters, 2013; Nordin, 2003; Nordin & Svensson, 2005; Strobl & Peters, 2013). In particular, Nordin and Svensson (2007) highlighted that destination governance initiatives can be regarded as process innovations. Beritelli, Bieger, and Laesser (2007) emphasized a dyadic perspective in destination management with the dual presence of a community model and a corporate model. In a community model, destination management consists of transactional and personal relationships in networks, whereas hierarchical relationships are of greater interest in a corporate model. As shown in Table 1, the differences between the two models could be assessed in several dimensions.

According to Flagestad and Hope (2001), the corporate model performs better than the community one in cultivating customer satisfaction, product development and strategic success. Consequently, it is proposed that innovation management as part of destinations' strategic management may be performed at a higher level with greater success in corporate models than in community ones. Nevertheless, even though strategic management in corporate models is believed to be as professionalized as in many business organizations, most tourism destinations including those in Alpine Austria are still characterized by the features of community models with a lack of strategy and professionalism (Hjalager, 2002; Pikkemaat, 2008). In view of such research need in these community-oriented destinations, the present study focuses on the level of community destination models to investigate the underlying drivers and barriers to innovation in Alpine tourism (Pikkemaat & Weiermair, 2007; Zehrer et al., 2014).

In the case of Alpine Tyrol destinations, the region draws the majority of tourists to Austria. In 2015, the region attracted more than 45.6 million overnights stays and 10.9 million arrivals. During the winter of 2014/15, Tyrol welcomed about 5.5 million arrivals, while the summer also received about 5.3 million arrivals (Tirolwerbung,

**Table 1**

Differences between the community and the corporate destination management model.  
Source: Beritelli et al., 2007, p. 98.

Dimension	Community model	Corporate model
Transaction costs	Generally high, depending on the number of actors and institutions	Generally low, limited to the dominating firm(s) and its business partners
Power asymmetries	Diverse, depending on the ability to form coalitions or interest groups and on the ownership structures	Strong concentration on the dominating firm(s), possibility strong influence by the municipality/public institution
Interdependence	Diverse, depending on the integration degree of the services, as well as on the diversity of the market portfolio	Strong between the dominating firm(s) and the municipality/public institution
Trust/control	Strong need for mutual trust, in order to come to decisions and actions; social control at least as strong as institutional control	Trust is ensured by control mechanism and formal contracts, inside the dominating firm(s), as well as between the firm(s) and the municipality/public institution
Knowledge	Diffuse and general, relevant for the historic context, the institutional and individual relationship	Detailed and specific, relevant for business strategies and specific contracts
Informal/personal connections	Numerous, networked	Limited, among few actors

2016). Often, The region is characterized by traditional values and promote small, family-owned and -managed enterprises (Grissemannn, Pikkemaat, & Clara, 2013; Pikkemaat, 2008). As a result, all Tyrolean destinations have exhibited the community model of destinations and are hardly characterized by any dimensions of the corporate model.

## 2.2. Innovation at enterprise level and destination level

Product and enterprise innovation have been extensively discussed by researchers at an enterprise level, especially in the platforms of hotel industry and small rural hospitality businesses (Camisón & Monfort-Mir, 2012; Komppula, 2014; Orfila-Sintes & Mattsson, 2009; Pikkemaat, 2008; Tajeddini, 2010; Tejada & Moreno, 2013; Thomas et al., 2011).

According to Ottenbacher et al. (2006) and Ottenbacher (2007), four factors affecting the outcome of new service development in the hospitality industry: market responsiveness, employee commitment, employee training and empowerment. Sundbo, Orfila-Sintes, and Sørensen (2007) suggested that large size, professionalism, entrepreneurship and innovation networks among small tourism enterprises are important determinants of innovation.

There were a number of studies focused on the innovation of the accommodation sector in different parts of the world over the past decade. Hu, Horng, and Christine Sun (2009) surveyed 621 employees of international hotels to identify a strong interrelationship between knowledge sharing, team culture and service innovation performance among the hotel employees.

In Europe, for instance, Orfila-Sintes and Mattsson (2009) revealed that additional services on offer, bookings through tour operators, being part of a hotel chain, and having hotel owners running their business are significant determinants of innovation success for hotels in the Balearic Islands in Spain. Grissemannn et al. (2013) found a series of evidence in the hotels in the Alps showing that customer engagement, employee support, innovative management, innovation network development and the use of information technologies all positively impacted the effectiveness of innovation. In Tyrol area of Austria, Pikkemaat (2008) studied small and medium sized hotels there, and identified that size and categorization of the hotels drove innovation, whereas cooperation with other entrepreneurs in the destination, knowledge networks, and the distance from research centers all strongly affect the innovation activities of the hotels.

In Asia, some researchers also conducted some investigations into innovation in the accommodation sector which constitutes a large part of the overall destination value chain. Tseng, Kuo, and Chou (2008), for example, discovered some influential factors in Taiwanese hotel establishments including the introduction of new technology and equipment, the efficiency of technological systems, participatory organizational environments and overall employee training and knowledge sharing. These elements were of great relevance to hotel innovation

intensity. There are two main implications from all these studies on the hotels. Firstly, human capital repeatedly appeared in many of the above-mentioned innovation factors such as entrepreneurship (Sundbo et al., 2007), staff quality, ability and attitude toward management innovation (e.g., Hu, Kandampully, and Juwaheer, 2009; Ottenbacher, 2007; Ottenbacher et al., 2006; Tseng et al., 2008). These findings largely concurred with a wider scope of discussion about tourism innovation in the literature (Zehrer et al., 2014). Secondly, the studies on innovation mainly focused on large hotel instead of small and medium-sized enterprises.

The role of individual entrepreneurs in destination development is often considered to be crucial for destinations' competitiveness and innovation potential. For instance, Ryan et al. (2012, p. 119) supported that "entrepreneurs are key 'tourism influential' that underpin the initial and continued development of tourism through their actions". Moreover, Svensson et al. (2005, p. 35) also emphasized that commercial enterprises such as hotel and gastronomy businesses were the great motivators and drivers of innovative actions in their enterprises and the entire destination development, while the attitudes and actions of public authorities could significantly impact the climate of innovation in destinations. The importance of public sector was confirmed by Komppula (2014), who described municipalities as facilitators of entrepreneurial environment, and Beritelli et al. (2007), who urged destinations to actively form and manage their governance structures and mechanism for improving performance. Another key stakeholder group in many winter destinations like the Alpine areas are the cable car companies and ski lifts, which have contributed heavily to offering products and infrastructure for tourists (Flagestad & Hope, 2001). Many of these individual service providers and sub-industries belong to various stakeholder groups, forming part of the DMO boards (Beritelli et al., 2013). As a result, DMO boards in their strategical as well as operational work are often influenced by the structure of their advisory board, which in general exists of the leading tourism enterprises and politicians neglecting small tourism enterprises.

Except the above-mentioned enterprise and entrepreneurship focused innovation studies, there were only a few contributions to analyze the behavioural aspect leading to innovation at a holistic destination level. Recent studies proposed that the development of new products and services within destinations should be strongly interconnected in the network perspectives (Tuohino & Konu, 2014; Volgger & Pechlaner, 2014; Zehrer et al., 2014) since cooperation between tourism actors seems to be the primary driving force for innovation within the community model of destinations (Beritelli, 2011). According to the earlier research about governance and tourism development in the community model, entrepreneurs and DMO executives were the most important players to the destinations and their innovation movements (Beritelli et al., 2013; Strobl & Peters, 2013). A recent study on leadership networks in the Austrian Alps showed that the

**Table 2**  
Description of the sample.  
Source: [Tirolwerbung, 2016](#).

Destination	Tourist arrivals in 2009	Interviewee and role(s) in the destination
Achensee	300,255	I1: Entrepreneur (Hotel) I2: Congress Tourism (CEO)
Naturparkregion Reutte	114,843	I3: DMO (CEO) I4: Entrepreneur & DMO (Board Member)
Imst-Gurgltal	98,974	I5: Entrepreneur (Hotel)
Innsbruck/Feriedörfer	899,953	I6: DMO (CEO) I7: DMO (Board President)
Paznaun-Ischgl	487,741	I8: Entrepreneur (Hotel) I9: DMO (CEO)
Kaiserwinkl	158,681	I10: Entrepreneur (Hotel) & DMO (Board President)
Kitzbühel Tourismus	230,907	I11: Entrepreneur & DMO (Board President) I12: Entrepreneur (Travel Agency)
Kitzbühler Alpen-Brixental	289,848	I13: DMO (CEO) I14: Entrepreneur (Cable Car)
Lechtal	99,526	I15: DMO (CEO)
Mayrhofen-Hippach	386,916	I16: Entrepreneur (Cable Car)
Mieminger Plateau	79,395	I17: Entrepreneur (Hotel) & DMO (Board President)
Ötztal Tourismus	678,622	I18: DMO (CEO) I19: DMO (CEO) I20: Entrepreneur (Hotel, Outdoor Adventures)
Pitztal	192,213	I21: Entrepreneur (Cable Car)
Region Hall-Wattens	98,094	I22: DMO (CEO) I23: Themed Experience World (CEO)
Serfaus-Fiss-Ladis	318,891	I24: Entrepreneur (Hotel) & DMO (Board President) I25: Entrepreneur (Cable Car)
Olympiaregion Seefeld	372,938	I26: DMO (CEO) I27: Entrepreneur (Hotel) & DMO (Board President)
St. Anton am Arlberg	266,799	I28: DMO (CEO)
Stubai Tirol	349,449	I29: Entrepreneur (Hotel) & DMO (Board Member) I30: Entrepreneur (Cable Car, Hotel)
Wilder Kaiser	324,758	I31: DMO (CEO) I32: Entrepreneur (Hotel) & DMO (Board President)
Wildschönau	121,057	I33: Entrepreneur & DMO (Board President) I34: DMO (CEO)
Erste Ferienregion im Zillertal	386,973	I35: Entrepreneur (Cable Car, Hotel)
Tiroler Zugspitz Arena	274,133	I36: Entrepreneur (Cable Car, Hotel) I37: DMO (Board President)

development of new services is a field covered by the leadership networks of destinations ([Zehrer et al., 2014](#)) although [Zach \(2012\)](#) pointed out that it is the DMO that should not only market their destinations but also develop novel services to attract new visitors and retain the current ones.

Being a more comprehensive study, [Najda-Janoszka and Kopera \(2014\)](#) discussed the driving forces of and barriers to innovation at the level of destinations in Poland by conducting surveys on a mixed sample of tourism stakeholders including small enterprises, local government, agents of economic self-government, tourists and local communities. The results showed that “most micro, small and medium sized tourism enterprises do not suffer from the lack of new ideas but experience complex problems that hamper effective translating of those ideas into comprehensive innovations” (p. 199). The barriers to innovations included the lack of financial capital, employee management problems,

protection of innovation, and lack of technical support. Specifically, lacking knowledge in using information technologies in the innovation processes have been identified as a set of major barriers to cooperation. Another major barrier to innovation pertained to human resources and their motivation to engage in innovation processes ([Najda-Janoszka & Kopera, 2014](#)). However, there is a lack of research on innovations in destinations except a few examples illustrated above ([Pikkemaat & Peters, 2006](#)).

The present study therefore seeks to fill the knowledge gap by applying a multi-stakeholder approach in examining the management of innovation at the level of community destinations. The stakeholders in the case of Alpine Tyrol in Austria are all the key players in the destinations including entrepreneurs and decision makers (e.g., Chief Executive Officers (CEOs) of hotels, cable car companies, themed experience worlds and tourism convention centers, and also DMO members. The complexity of stakeholder interactions concerning innovation in community model destinations can be captured by qualitative research methods (e.g., [Zavattaro & Daspit, 2014](#)) in order to understand diverging needs and patterns of innovation in destinations.

### 3. Study area and methodology

Based on the discussions about tourism qualitative research by several authors ([Ryan, 2010](#); [Wilson & Hollinshead, 2015](#)), it can be stated that there still exists an increasing need for a deeper understanding of tourism phenonema in their natural settings ([Riley & Love, 2000](#)). Following the notion by [Denzin and Lincoln \(1994, p. 2\)](#), “qualitative researchers study things in their natural setting, attempting to make sense, interpret phenomena in terms of the meanings people bring to them”. Consequently, for qualitative research, the context and the associated interactions as well as the used research instrument are of high importance as they determine the entity being studied and the results ([Riley & Love, 2000](#)). Within this context, the act of asking a question is not a neutral act but a construct of subject, interviewer-interviewee relationship, and other determining relationships, context and place ([Ryan, 2005](#)). According to [Wilson and Hollinshead \(2015\)](#), qualitative inquiry approaches have made a significant contribution to tourism studies as its use has enforced a deeper understanding of social, cultural and political connectivities within and for tourism.

As this empirical investigation aimed to examine whether and how leading individuals in community destination management models perceive the need for innovations in Alpine Tyrol destinations, we took a naturalistic inquiry approach (see [Lincoln & Guba, 1985, p. 37](#)) to answer the main question regarding how tourism industry professionals perceive drivers of innovation processes and barriers to such innovation in the destinations. Adopting the approaches by [Lincoln and Guba \(1985\)](#), and [Zavattaro, Daspit, and Adams \(2015\)](#), this naturalistic inquiry in this study followed on ten steps, which included doing research in a natural setting, using humans as research subjects, sampling in a purposive manner, allowing data patterns to emerge and reporting findings with given context.

DMOs or tourism boards in Tyrol are public bodies that are composed of a plenary assembly, a supervisory board and a board of directors (a minimum of three individuals including the president and the vice president), and a CEO. The DMOs strategically plan tourism development and marketing, support infrastructure development and product development initiatives in the destination. All enterprise categories, in terms of size and subindustries in the tourism value chain, are reflected through the composition of the plenary assembly ([Tyrolean Government, 2016a](#)).

As our research questions focus on individual actors' perceptions and experiences of needs, drivers and barriers of innovation in tourism destinations, we conducted 37 predominantly narrative interviews with the above-mentioned industry professionals (leading tourism entrepreneurs who run their businesses on own risk, and DMO representatives) in Tyrol during November and December in 2009 as

**Table 3**  
Categories and sub-categories of qualitative data.

Category	Description of category	Sub-category
1. The need for Innovation	Interviewees describe innovations in the destination as important for further tourism development. The respondents are aware of certain prerequisites (e.g. quality measures, cooperation) of innovative management in destinations.	Quality improvements (1a) Destination marketing (1b)
2. Drivers of innovations	According to the respondents especially certain incidents such as events or festivals, but also actions of the DMO or leading entrepreneurs in the destination have an influence on innovation activities.	Market observation (2a) Internal key players (2b) External best practices (2c) Networking (2d)
3. Barriers of innovation	Interviewees identify constraints and obstacles reflecting recent product/service development processes. Obstacles and barriers are usually described using concrete tourism destination examples.	Knowledge gap (3a) Employees engagement (3b) Coaching gap (3c) Cooperation (3d)

shown in Table 2. Potential participants were first contacted via e-mail explaining the main purpose of the study. For those who were interested in participating in this study, each of them was invited for and scheduled an interview. The same senior researcher carried out all interviews. On average, each interview lasted 40 min. Data collection was supported by the location-marketing agency in Innsbruck, Austria (see [www.standort-tirol.at](http://www.standort-tirol.at)) and was approved for research purposes and publications in December 2014.

A semi-structured interview guideline involved questions about different needs for innovation, drivers of innovation processes, and barriers to innovation in the respective destination. Interviews were conducted in 22 out of the total 36 Tyrolean destinations. Finally, the 37 completed interviews consisted of 12 responded tourism entrepreneurs, two CEOs of large tourism enterprises, 14 DMO representatives and nine individuals who were both DMO executives and tourism entrepreneurs (Table 2).

The interviews were semi-structured to gather data from the respondents in a structured way with open-ended discussion. An interview guideline was used as a checklist for addressing topics that needed to be covered, such as the perceived meaning and importance of innovation in the destination, the driving forces and the success factors of innovation, and finally the barriers to innovation.

Before each interview commenced the definition of innovation provided by Drucker (1985) was clarified to each interviewee. The first and leading question of the interview was to ask the interviewees: “Which are the most important drivers of innovation in your destination?” To avoid narrowing down the interpretation of innovation to a single stakeholder or a DMO, the interviewer did not focus the questions on the DMO or micro-level but discussed the destination as a whole. A series of eight questions were structured to guide the interviewees to provide useful and focused answers and comments on the topic. The second question focused on the goals of innovation in the destination, the third on the type of innovation, the fourth on the need of innovation, the fifth on the triggers of innovation, the sixth on the leading person for innovation, the seventh on barriers for innovation, and finally the eighth on political support for innovation.

The interviews were conducted in German language. To implement data collection for this study, some items that were originally in English language were translated into German for data collection. Sample answers used to illustrate the results in this article were translated into English. Ensuring a meaningful and accurate translation, two researchers, as well as a professional language editor were consulted during the translation process (e.g., Salvato & Corbetta, 2013).

The interviewers recorded the interview scripts for later transcription. Following the categorization process by Mayring (2010) and Zavatarro et al. (2015), which was an inductive category development to analyze and deduce the interview materials, this study summarized, explicated and structured the data to generate the categories step-by-step. Firstly, all transcripts were read by the two German speaking authors because the interviews were carried out and transcribed in German. Secondly, to increase the confirmability of the qualitative

research, the interviews were evaluated twice as each researcher independently coded the data to find common patterns (Lincoln & Guba, 1985). Thirdly, the two researchers again independently named and explicated themes of innovation in destinations (e.g., cooperation is important as destinations are characterized by SMEs; cooperation is perceived as important, but often lacks willingness to cooperate). Finally, the researchers discussed their themes in common to avoid discrepancies of the data, and identify categories (e.g., barriers of innovation) and sub-categories (e.g., cooperation, quality measures) respectively. As a result, three major themes were used to further present and discuss the findings: need for innovation, drivers of innovation, and barriers to innovation.

#### 4. Results

The leading question of whether the respondents could report any recent innovation action or innovation process in the destination opened each of the interview sessions. In this respect, the majority of the interviewees referred to hardware innovations. These innovations are for instance new cable car facilities in the destination offering huge capacities and fast transport up to the mountain especially for winter tourists. Other innovations were newly implemented mountain hilltop museums, or new themed offers, such as biking or hiking paths, wild water experiences or other sport and leisure facilities. Although DMOs and tourism entrepreneurs stressed the importance of “soft” innovations, the respondents mainly reported huge infrastructural and technical investments in hotels and cable car companies. Only a few respondents referred to aspects of customer experience management or employee recruitment and development.

After deriving the areas of innovations, the interview continued to deepen the dialogues by asking how these reported innovations were initiated and developed. This part stimulated discussions about the needs, drivers and barriers of innovation in the destinations. Table 3 summarizes the three extracted categories with a brief description and their sub-categories.

##### 4.1. Needs for innovation

Respondents addressed quality or quality improvement as a major prerequisite for innovation management (see Table 3, 1a). Most hotel managers identified a particular need for innovation in the field of quality control. In contrast, DMO representatives sought to support tourism entrepreneurs: “As DMO, we offered software innovation for quality checks to tourism entrepreneurs but they were not interested” (I34, CEO of a DMO).

On the one hand, there is a need for greater improvement in service quality with a focus on customer-contact-personnel aspect. On the other hand, various tourism product and service providers require better quality in the use of information and communication technologies (ICT), which are indeed lacking a high quality in terms of market communication, service delivery (e.g., use of online booking systems),

information distribution (e.g., homepage creation), and employee education and training. As one interviewee remarked, “*delivering our guests a high standard of service quality in a professional way is one main success factor of our hotel. That's why the training of our staff is essential – not only for us, but for the whole destination*” (I11, Entrepreneur and Board President of a DMO).

Some respondents claimed that SME entrepreneurs in particular do not fully explore the opportunities of the internet for marketing purposes, while destination marketing is indeed a major challenge for small structured tourism industries (see Table 3, 1b). One major problem is the demand of democratical inclusion of all stakeholders, while another challenge bundeling the diversity of high quality products and services offered at a single destination. These two interconnected issues complicate the destination management at a whole, especially in terms of considering, meeting and balancing the expectations of the actors in both customer and supply sides together. The need to use new ICT and online booking systems for bed and breakfast accommodations was also considered crucial by the respondents in the accommodation sector. The latter is perhaps due to a lack of knowledge of ICT as stressed by an interviewee: “*It's difficult to communicate with and integrate all entrepreneurs in the destination in particular the very small “bed and breakfast” owner managers often lack knowledge of IT. They don't even know how to start a computer*” (I19, CEO of a DMO). This problem may be mitigated by creating an online knowledge pool for all small tourism enterprises.

#### 4.2. Driving forces of innovation

Respondents generally recognized the importance of market observation and study (see Table 3, 2a,) through observing customers and identifying trends in market demand. Traveling throughout the world to making observations, in the context of both private travel experiences and specific excursions to study new consumer markets, deemed to be an important stimulus by the responded entrepreneurs for innovation. Study trips to competing destinations worldwide were often conducted by organizations in the cable car industry. Active market observation was mainly reinforced in highly developed destinations with large skiing areas as enterprises from these places have had sufficient resources for excursions. However, individuals in smaller destinations without such scale of operation and resources have to rely on meetings and conversations with other tourism experts as drivers of innovation. “*Market observation consists of daily work in the office, but also traveling around the world is highly relevant to inform yourself about new behaviours and trends. If you don't know what's going on in the world you are lost*” (I21, Cable Car Entrepreneur).

Internal key players including leading entrepreneurs and tourism practitioners also stimulate innovativeness in destinations (see Table 3, 2b). In large winter sport regions, the drivers of innovation are usually held and realized by cable car companies, while in smaller destinations, there exist other key players (e.g., leading hotel operators, event managers) who may conduct innovative activities. “*This event brought together some of the smaller companies and they got extremely motivated by that. After that, today, they are much more active and jointly develop new ideas*” (I20, Hotel, Travel Agency, Entrepreneur).

All respondents also observed the existence of a few leading entrepreneurs who have activated innovation actions or processes for destination development. Representatives of smaller destinations (such as I31, destination manager: “we miss a leading hotel enterprise, we would really welcome a four-star hotel in our destination”) however, claimed that they lack such leaders. Interviewees further stressed that innovations in community-level destinations are very much spurred by employees and therefore the driving force and the effectiveness of innovation are much determined by staff education and training. As one respondent mentioned that “*innovation comes from employees: we need motivation strategies*” (I5, Hotel Entrepreneur).

Apart from market observation and study, external best practices

were also perceived as stimulating factors bringing innovation to a destination (see Table 3, 2c). Respondents agreed that it is important to understand competitors both within the own destination and in other successful cases. This competitor study is about destination-level exploration, which is different from market observation that is associated with the customer demand and new market identification. Lecturers and speakers addressing best practices and experience sharing were often highly welcomed, particularly for those experts and experienced practitioners who created massive projects from tiny ideas. One respondent addressed that “*I see a lack of sensitization to innovation as many tourism enterprises are not even willing to travel to other destinations or acquire successful products for their own business purposes. They are too successful, too satisfied and too tired*” (I23, CEO of a Themed Experience World).

Interviewees also believed that much innovation is driven not only by one innovative entrepreneur or organization but by a network of them. Innovation in destinations was deemed successful if the players involved in the destination acted courageously, took risks, and were willing to cooperate (see Table 3, 2d). According to one interviewee, “*we need more local circles with coaches who strongly discuss innovation with business owners at regional level*” (I26, CEO of a DMO). A hotelier and DMO member added that it is important that “*all people within the destination meet at one table and talk about the destination. Only with a network of leading persons in the destination can have something happen for the whole destination*” (I32, Hotel Entrepreneur and Board President of a DMO). This implies that networking does positively drive the realization of innovation at a destination.

In this regard, a major stimulus is the local network. Meetings and get-together initiatives among tourism actors in a destination facilitate such networking and the possibility of generating innovation. Any measure to benchmark tourism enterprises (management and marketing) practices within or between destinations, and even with other industries were in great demand, suggesting that internal and external impulses are required to foster innovation. As one respondent commented that destination players should “*go to workshops, look at new markets: we need to get outside, together*” (I21, Cable Car Entrepreneur). They called for the creation of knowledge and idea platforms, in combination with benchmarking initiatives: “*We need more excursions, but to successful destinations. If you show successful projects, you can better convince others. The results of an excursion often are a better communication because you have to get together and talk about other things that lead to a very positive result*” (I25, Cable Car Entrepreneur). Another interviewee also stressed the importance of a vigorous dialogue and a stronger connection between the tourism sector and research institutions: “*We should cooperate with universities not only with consulting enterprises*” (I2, CEO of a Congress Center).

These quotations from the interviewees all underline the importance of local platforms in strengthening the overall competitiveness of each destination. Not only by DMOs but entrepreneurs in destinations have also asked for more exchange, networking and discussion to jointly foster innovations.

#### 4.3. Barriers to innovation

Although the abovementioned drivers of innovation have contributed to destination-level development, the respondents also expressed a long list of problems and barriers causing the failure of innovation: the unprofessionalism of entrepreneurs, the attitude of locals toward innovation, politics, bureaucracy, environmental matters and natural protection, the lack of willingness to cooperate, dismal enterprise positioning of enterprises, and overly complex project application procedures, among many others.

Insufficient value-creation and a lack of knowledge of managerial or business administration in the tourism SMEs in the Alpine Tyrol region were deemed the two major obstacles to innovation (see Table 3, 3a). In this region, the importance of sales and marketing is not typically

recognized among SMEs, and the price is often too low compared to the quality product offered. As a result, the revenue generated often hardly provides financial incentive to initiate innovative ideas and actions. In many cases, the product has become obsolete though some entrepreneurs did not identify this issue due to a knowledge gap (e.g. in product development) even if they did know the problem, they were usually unable to reposition or otherwise add value to the product, which eventually became barriers to increase sales and strengthen their marketing effectiveness. This phenomenon was reported by one respondent, “*we have a great potential for innovation in our region but we fail due to missing knowledge about its implementation. The smaller ones of the branch are not educated or professionalized enough*” (I9, CEO of a DMO).

The possession of knowledge through research is the principal factor of innovation and its implementation is especially necessary to develop new products and services. According to a DMO representative, “*product development is essential in our business. We need to develop new products and services, and we need to do that in common. Many in our destination lack the knowledge of how to do it - not the ideas, but the knowledge*” (I15, CEO of a DMO). In response, interviewees demanded more real actions, specifically the creation of strategies and plans for destination positioning – including an overview of possible projects, destination development, new impulses for external investments and the development of core competencies.

In general, the respondents also perceived a strong need for ongoing learning. According to one of them, “*there is a need for education and training - for entrepreneurs but also for employees*” (I35, Cable Car and Hotel Entrepreneur). One CEO also highlighted especially that the DMOs should spread innovation management capabilities to different tourism actors at destinations: “*DMOs should send one of their employees to a year-long training, which focuses on innovation management: tailored education and training programs, not for cable car companies but for all other tourism-related industries*” (I9, CEO of a DMO). However, what revealed in the current study was a huge knowledge gap and lack of coordinated platforms for knowledge exchange and sharing across destinations of Tyrol, causing a huge barrier to innovation especially for SMEs.

Although human resource is one of the driving forces of innovation, employees could become a barrier without effective engagement as reflected in the interviews. Sub-category 3b in Table 3 refers to the aspect of employee engagement. In this sense, the greatest barrier to innovation is in the management of human resources though more than half of the respondents reported the presence of education and training for their employees. Language and communication barrier was mentioned that adversely affected the effectiveness of service delivery and host-guest relationship. Some entrepreneurs stated that employee education is essential in the innovation processes, while others argued that the basic attitudes of employees can hardly be changed even they are increasingly engaged or not in an innovation process. Respondents agreed on the sharp relevance of education and training to diverse aspects of destination improvement and innovation, but less relevant to whether such staff education and training should occur within enterprises or externally. One interviewee averred, “*training should be accompanied by a good coach who delivers best practices as well as worst practices. Training has to be varied and at different places. The coach has to speak the language of the employees*” (I22, CEO of a DMO). As observed, there has been no doubt that human resource matters in innovation. However, interviewees have held diversified views on the effectiveness of employment engagement and training, leading to a problematic condition for achieving innovation in many cases.

In this study's sample, entrepreneurship was interpreted as one driving force of innovation. As aforementioned, many tourism entrepreneurs are unable to implant ideas in the market due to the lack of project management. Respondents supported that coaching these non-professional tourism entrepreneurs in project management and the implementation of innovation processes were vital (see sub-category 3c, Table 3). In general, they preferred external experts who can assist

entrepreneurs and actors of destinations from the development of ideas to market diffusion. “*We might need external coaches in many fields, as many micro entrepreneurs have no knowledge about the implementation of ideas and the successful diffusion in the market. We would also need coaching in project management, information technologies and positioning*” (I34, CEO of a DMO), as expressed by one of the respondents. This reported missing knowledge on how to manage ideas into innovative products of small entrepreneurs is responsible for the stuck of ideas and a main barrier of innovation.

Cooperation was also deemed paramount among respondents (see Table 3, 3d). Only through the cooperation of all the major tourism actors, such as the DMOs, infrastructure providers, hoteliers, and retailers, can guests be served at a consistently high-quality level. In this regard, the willingness to co-operate and the mutual trust between these tourism actors are, however, often found missing in Tyrol destinations. As one respondent stated that, “*we need co-operations as it is crucial for destination development. (...) The younger they are, the more cooperative*” (I29, Hotel Entrepreneur and Board President of a DMO). In some more developed and mature destinations, it is argued that co-operation requires a longer period of time and a strong willingness to achieve. Several statements from interviewees support this notion though some of them emphasized that “*cooperation is the most important. In our destination we often lack the willingness to cooperate and therefore we developed some projects alone*” (I20, Hotel and Outdoor Adventures Entrepreneur). To cultivate a solid foundation for cooperation, interviewees called for experts, platforms and initiatives: “*We need a platform that can bundle all of the stakeholders' interest in a destination and we need a professional coach*” (I9, CEO of a DMO).

## 5. Discussions

Interview results reveal the need for a strong resource-based destination development, as recently articulated in tourism research (Denicolai, Cioccarelli, & Zucchella, 2010; Paget et al., 2010). Destinations have to be developed in line with its landscape and history, existing infrastructure and local entrepreneurs. However, the role of individual destination stakeholders is critical especially for SMEs in terms of knowledge, strategic thinking are major determinants of destination innovativeness, which align with the findings reported by Sundbo et al. (2007) and Orfila-Sintes and Mattsson (2009), both confirmed the significance of strategic approaches to innovation management in destinations. The results of this study thus respond to Hjalager's (2010) ten identified research gaps in a summary that drivers of innovations in Alpine Tyrol community-based destinations include market observation, employee training and leadership networks, whereas lacking entrepreneurial motivation, and ineffective strategic and human resource management hinder innovation.

Based on the responses of the interviews with the DMO representatives and tourism entrepreneurs in Tyrol region, four central themes related to innovation in community-model destinations should be discussed.

*Networking and the role of the DMOs:* The interviewees represent how stakeholders in community-model destinations perceive innovation and innovation management. Firstly, the findings propose any relevant action that can help reduce transaction costs due to a large number of actors and institutions. DMOs and their overarching tourism policy should take over the planning and networking function of the whole destination, as suggested by Hall and Williams (2008), and Hjalager (2010) that tourism policy must support the network establishment and investors in tourist destinations. Such importance of networking activities to tourist destination development has been outlined repeatedly in many recent research including a number of studies on European community-model destinations (Beritelli, 2011; Beritelli et al., 2013; Denicolai et al., 2010).

Secondly, tourism actors perceive themselves under a strong inter-dependence that leads to innovation spillovers at the local level.

Weidenfeld, Williams, and Butler (2010) showed that spatial proximity, product similarity and market similarity are positively associated with knowledge transfer processes within destinations. However, if actors in the destination recognize their interdependence, they obviously will not automatically open to cooperation and networking with each other. The interviewees mainly highlighted a DMO's role in fostering networking but they have no clear picture of how inter-organizational innovation processes could function at a destination level. However, a common goal (e.g., an event or a new attraction) can serve as a stimulus and thus increase the willingness to cooperate and transfer knowledge among destination stakeholders.

The diversity of the destination product portfolio results in more though smaller networks that demand control mechanisms in order to ensure trust arises (see Table 1). In addition to mutual trust, many interviewees reported that the sharing of a common vision and the implementation of common actions by stakeholders are essential. However, to facilitate decision-making process, the interviewees called for guidance such as coaches or moderators who are able to control the stakeholders' interactions effectively.

*Destination leadership:* In line with Hjalager (2010), this study supports that innovation in destinations are often driven by major external developments rather than internal strategic management initiatives. A few researchers have recognized the role of DMOs as facilitators of innovation by acting as both coaches and moderators of innovators in a destination. Zach (2012), for instance, argued that the relationship between DMOs and tourism service providers is important for successful destination development in North-American DMOs. Such connection and its resultant networks and relations should therefore be fully understood by destination leaders as they set the foundation for the innovation. The importance of leadership-formed networks in Alpine destinations has also become a major research topic (Zehrer et al., 2014). Furthermore, Beritelli (2013) focused on the third-generation destination management and revealed that DMOs could play a central role in innovation processes in the future.

*Personal and informal connections:* Cooperation among tourism actors in the community-model destinations depend strongly on sympathy among partners and do not follow "pure rational theoretic principles" (Beritelli, 2011, p. 623). The interviews conducted in this study indicate that coaches or moderators are necessary to facilitate more than only an information exchange process among stakeholders because it does not automatically spur cooperative behaviour (Beritelli, 2011). These guiding persons should facilitate informal and personal connections, which involve and interconnect highly complex stakeholder networks with diverse resources, abilities and interests (Scott, Cooper, & Baggio, 2008; Strobl & Peters, 2013).

*Knowledge management:* This study further highlights the importance of meetings and exchanging ideas with relevant actors within the destination at length, and simultaneously of gathering external ideas and information to foster innovation processes. This part of the findings concur with Hoarau and Kline (2014), who proposed that knowledge for innovation should be co-created with stakeholders external to the enterprise and the destination. While key agents of knowledge transfer and implementation of innovation are usually entrepreneurs and employees at a destination, DMOs do serve as moderators and mediators of knowledge and innovation processes. In Alpine tourism, it is therefore surprising that many tourism enterprises still hesitate to invest in their employees as catalysts of innovation mainly due to a high level of employee turnover in the sector. Enterprises very often concern about the threat of losing manpower with professional and high qualification, and thus innovation potential if those trained employees leave the enterprise (Dickson & Huyton, 2008; Weiermair, 2000).

As a result, innovation requires more than only an exchange of information but tacit knowledge – usually transferred among individuals in an organization that such transfer within the destination can generate competitive advantages when ideas are being discussed, exchanged and fostered among stakeholders (Malmberg & Maskell, 2002;

Weidenfeld et al., 2010). According to Polanyi (1958), all knowledge has a tacit element though the degree of tacitness varies. The question of how tacit knowledge (e.g., experience and ideas) is converted into explicit knowledge (e.g., technology) for utilization in destinations is crucial. Explicit knowledge can also be further developed and advanced with a facilitator to introduce external stimuli to local stakeholders. In this connection, the effects of knowledge management on the innovative behaviour of destinations were studied in recent years (Baggio & Cooper, 2010; Hallin & Marnburg, 2008; Nieves, Quintana, & Osorio, 2014; Shaw & Williams, 2009).

The problem of power and specifically, power asymmetries (Marzano & Scott, 2009), however, was not addressed by the respondents in this study though best practices and benchmarking processes were considered as the means of learning as perceived by tourism enterprise leaders. Yet, many specific leading best practices are typically found outside of each destination in Tyrol. Although SMEs have dominated the Alpine destinations, these small businesses are often underrepresented in the true innovation processes. Large, well-established and successful enterprises (e.g., resort hotels and cable car companies) have dominated in many aspects such as knowledge accumulation, innovation implementation, the networking development, and the resultant knowledge transfer (Baggio & Cooper, 2010; Weidenfeld et al., 2010; Weiermair, 2000). Spillover effects for smaller enterprises can still be improved, especially through the creation of cluster initiatives and attractions and co-organized event.

## 6. Conclusion and implications

This study investigated the needs for innovation, drivers of innovation and the barriers to innovation as perceived by entrepreneurs and DMO members in community-model destinations in Alpine Tyrol region in Austria. Regarding driving forces of innovation, successful cooperation of local cable car companies, leading entrepreneurs and an active DMO all derive and affect the success of innovation. Lastly, the lack of knowledge in different areas including business management and administration, human resource management and project management, and the willingness to cooperation are two fundamental barriers that constrain an innovative tourism development in the Tyrol destinations. These barriers are particularly significant in SMEs.

The research findings answer the three research questions respectively. Both, DMOs and entrepreneurs perceive innovation needs in the field of quality improvements, e.g., into employees' education and training to deliver a high standard of service quality. DMOs recognize the absence of knowledge of ICT for service delivery and marketing purposes in SMEs. Furthermore, both DMOs and entrepreneurs recognize the importance of an active market observation, internal key players, the examination of best practices and local networking as the major stimulators for an innovative development of community-model destinations.

Based on the results, there are two areas of managerial implications derived for the consideration of decision makers in destinations. Firstly, tourism policy plays a substantial role in stimulating innovations in tourist destinations. Tourism policy should secure a structural framework that supports the generation of innovation processes. Secondly, the role of DMOs and their strategies of supporting innovation within destinations should be reinforced. DMOs have to enhance their functions in establishing networks among local and regional actors, and facilitating more effective innovation management, such as being the moderators and mediators of innovative ideas in community-model destinations. Specifically, DMOs can and should:

- stimulate innovation processes by initiating actions and meetings among destination stakeholders. This can be achieved, for example, by organizing excursions for studying and applying the best practices to the destination context.
- facilitate cooperation by coordinating events such as workshops,



conferences, exhibitions and training programs that allow fostering information exchange among stakeholders and knowledge transfer from the research institutes to the tourism practitioners.

- create a clearer focus on employee development in various types and scales of enterprises in destinations. Examples of such practices include corporate brand building initiatives or joint employee training programs, which are two possibilities of further developing destination-specific knowledge.
- enrich and advance ICT knowledge and develop information transfer platforms for tourism value-chain players. This action can capture the potential of ICT-based network measures in the next several decades.

DMOs have to continue fostering and developing innovation initiatives in their communities. Such action represents the prerequisite of a high level of stakeholder awareness of innovation within destinations. Unless all destination stakeholders are capable of recognizing the importance of innovation and identifying the need for group cooperation, an efficient innovation management in destinations is extremely difficult, if not impossible (Komppula, 2014; Najda-Janoszka & Kopera, 2014).

The present study did not examine how customers could have integrated into and driven the innovation management processes. Although studies in other industries had reported the importance of customer as innovation co-creators and stimulators (e.g., Kohler, Fueller, Matzler, & Stieger, 2011), tourism destination stakeholders tend to be less aware of such potential. This circumstance is somewhat incomprehensible given that tourism is by definition a customer-driven activity and sector, in which customers are described as prosumers, i.e., both producers and consumers.

There are some implications for tourism businesses along the tourism value chain. It can hardly be assumed that all businesses tend to follow the tourism development guidance by DMOs. In fact, cooperative behaviour between enterprises have both pros and cons. Although innovation processes can be stimulated at the destination level by DMOs, entrepreneurial innovation management is nevertheless essential to enable enterprise-level competitive advantages. From the DMO perspective, benefits such as the efficiency and the effectiveness of strategic cooperation among the SMEs within a given destination should be attained through communication. Local, interregional or international cooperation can provide additional resources to the destination, reduce costs and risks in product development, expand new markets, improve qualifications of employees, and ultimately increase destination competitiveness. As a result, it would be an opportunity to develop enterprise-level innovation strategies with respect to sustainable tourism products.

The results in this study are compatible with earlier research highlighting the importance of tourism policy, DMOs, leadership networks and best practices. To study how innovation deficits in destinations can be tackled, the study further inspects the initiatives and the records of the past seven years since the study was conducted. A number of examples of best practices in innovation processes have been reported in Tyrol. Coaching programs were started, for example, from the regional chamber of commerce and the regional location marketing agency. Public innovation and crowd-funding platforms to foster and implement new ideas and innovation processes have been started, for example, in South Tyrol (see Innovation Südtirol, 2016; Open Innovation Südtirol, 2016). Other regional policies and programs have been launched to provide financial support for new ideas (e.g., Business Angel Summit, 2016) and to professionalize innovation processes (see Tyrolean Government, 2016b). The latter program is particularly of high interest as half of the income of employees is paid by government institutions in the first two years so as to encourage the start of an innovation process within an enterprise such as a SME, or a DMO. Tourism innovation has laid down a prominent foundation across these initiatives, for example, new concepts for hotel operation, themed

experiences, event organization, etc.

There are several limitations in this study though they also provide a foundation for future research. The sample of this qualitative study mainly consisted of representatives from DMOs, cable car companies, and hotels. Many other tourism value-chain entrepreneurs such as those in transport and entertainment are by contrast poorly represented. In terms of interviewees, the participants in this study have already operated largely successful and, in many cases, innovative enterprises. The individual respondents in the study mainly included leading entrepreneurs and individuals in the Tyrol destinations. SMEs that might have been facing severe problems in innovation management were nonetheless not well researched even though these businesses are dominating the tourism industry in the Tyrolean Alps. Although these shortcomings affected the explanatory power of the study, some of them could be alleviated by a strong presence of the CEOs in tourism boards who can indeed represent all types of tourism enterprises in the destination. Future research should therefore seek to validate whether the findings of this study really reflect the situation and the viewpoints from the small and micro-businesses in the region.

Finally, there was only one interview conducted in some destinations since some potential interviewees canceled their participation. Consequently, an imbalanced representation appeared across the study area. This problem causes the failure to analyze the differences between each community-model destination in Alpine Tyrol, yet could nevertheless investigate the community-model destination of the region as a whole. Finally, the interviews were conducted in 2009. During the past six years, the Tyrol region has been facing dramatic changes in consumer behaviour including the emergence of sharing economy and the vigorous debate of e-tourism challenges (e.g., mobile device management, booking system and behaviour, etc.). The findings would be much more useful if the interviews and the information would have been collected recently.

Further research should have a closer examination of the relationship between tourism business structure and innovation. As Beritelli (2011, 2013) argued, innovation management in destinations urged DMOs to focus much more on processes rather than on structure. These processes linked up cooperative actions and knowledge transfer, and subsequently enable not only the development of innovative ideas, but also the commercialization and implementation of innovation. However, innovative businesses and destinations as a whole need clear distinctions between operating units and innovative organizations since the operating units are usually reluctant to change (Galbraith, 1982). This trait also holds true for the destination level, where an innovative destination quests for structural support through its respective DMO. Further tourism research should therefore seek to study which processes do imply certain destination structures.

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