

# **The Ecosystem For Tourism Innovation and Entrepreneurship In Ireland**

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# Presentation focus



- Provide insights into the innovation capability and practices in micro and start up tourism enterprises.
- Explore ways to enhance the innovation intentions and capabilities of micro and small enterprises in the tourism sector



# Innovation – many meanings



Innovation for tourism is about applying concepts to the experience sector not just the service sector – a challenge!!!

# Innovation in Micro and Start up Tourism Enterprises - some insights

- Overall low empirical evidence base specific to start up, micro and small tourism enterprises - service and experience based economy

# Detailed Profile of Respondents.

Enterprise size	N=395	%
<b>Micro (&lt;9)</b>	<b>282</b>	<b>72</b>
<b>Small (10-49)</b>	<b>74</b>	<b>19</b>
<b>Medium (50-250)</b>	<b>39</b>	<b>9</b>
<b>Company Sector</b>		
<b>Hotel/Guesthouse</b>	<b>75</b>	<b>19</b>
<b>Bed &amp; Breakfast</b>	<b>84</b>	<b>21</b>
<b>Self-catering</b>	<b>44</b>	<b>11</b>
<b>Tourist Attraction</b>	<b>108</b>	<b>27</b>
<b>Restaurant/Licensed Trade</b>	<b>32</b>	<b>8</b>
<b>Transport Company</b>	<b>6</b>	<b>2</b>
<b>Festival Management</b>	<b>12</b>	<b>3</b>
<b>ITO/DMC/PCO</b>	<b>34</b>	<b>9</b>
<b>Hotels/Guesthouse n=75</b>		
<b>3Star</b>	<b>20</b>	<b>28</b>
<b>4 Star</b>	<b>42</b>	<b>60</b>
<b>5 Star</b>	<b>8</b>	<b>12</b>



# Snapshot of key findings



- Firm size affects innovation performance in the Irish tourism sector and the larger the firms are more innovative.
- Innovation rates differ substantially between the individual sub sectors of tourism.
- Irrespective of company sector or size **product** innovations are generally the most important for all firms.
- Across all areas of organisational innovation the tourism sector performs poorly.



# Barriers to innovation



- Lack of company funds
- Access to external finance
- Costs of innovation
  
- ICT/Technology



# Implications



- Individual innovations or those falling into one of the typical categories do not result in organisational level innovation
- The confusing narratives of innovation - many stakeholders and many meanings!!
- Move the notion of innovation beyond a typology of discrete innovation categories to a strategic organizational capability or strategic-level innovativeness -create innovative thinking (mind-set) and behaviours (practices) for experience based outcomes and impact



# Implications



- Innovativeness as a set of capabilities and competencies
- The process of innovating is primarily implicit, operational and informal resulting in '**hidden innovations**' - under-reporting and a dearth of learning from initiatives which are innovative
- Lack of focus on 'internal qualitative barriers' to innovation - dominant complex and embedded nature of micro firm managerial capability as a driver of tourism innovation

# Where to – points to ponder on!

- How can we declutter innovation language to make it relevant to the tourism start up, micro and small enterprise context.
- Consider the development of a diagnostic framework that will allow firms to describe their innovativeness and apply ‘experience’ appropriate classifications (which types of customer interactions can be categorized as innovation, the characteristics value creation, does co- creation occur etc.)
- Caution is required in respect of generalization of supports–‘a one fits all’ support infrastructure is not appropriate. Soft supports are important - mentoring and focused workshops, provision of enabling supports such as innovation vouchers

- Collaboration and partnerships are central for effective innovation in micro and small enterprises – ‘open innovation’
- Tourism stakeholders (public and private) need to initiate network and collaboration initiatives that strengthen the dialogue with tourism firms to co-produce knowledge and build innovation sector intelligence and good practices.
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- A **Tourism Innovation Network** ‘enabling and facilitating innovativeness in start up, micro and small tourism enterprises
- One stop infrastructure/platform to facilitate and enable policy makers, researchers, practitioners, professional organisations and educational institutions to create, share and dissimilate knowledge and transfer know how.
- Online and offline

# *Tourism Innovation Network*



- Innovation and entrepreneurial thinking in the start up and micro tourism enterprise combines intersection/interplay of the characteristics of the entrepreneur, innovation appropriate competencies, networking, technological development and agility as the key success factors for sustained competitiveness
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Thank you very much for your attention!

**Q&A**