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Supporting innovation for tourism development through multi-stakeholder approaches: Experiences from Africa

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HIGHLIGHTS

► Analysis of the value of innovation within African tourism SMEs.
► Access to tourism knowledge and networks are key barriers for indigenous SMEs.
► Universities and trade associations provide a supportive environment for SMEs.
► A multi-stakeholder approach helps increase entrepreneurial capacity.
► Collaborative marketing and the Triple Helix model can enhance innovation.

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ABSTRACT

Innovation and entrepreneurship provide essential value to the advancement and quality of the international tourism industry. For Less Economically Developed Countries (LEDCs) tourism innovation is an opportunity to differentiate the tourism product making it more competitive and increasing socio-economic gains at grassroots level counteracting foreign currency leakages from the destination. The paper argues that for small indigenous businesses in LEDC destinations to flourish a supportive environment promoting innovation and entrepreneurship is required. The paper emphasises the importance of multi-stakeholder collaboration by drawing on two distinct African case studies: a trade association in The Gambia and a training programme building entrepreneurial capacity in a university in Tanzania both of which have helped provide supportive environments for indigenous entrepreneurship and innovation. The Gambian case study is based on a collaborative marketing approach, the Tanzanian case study on the Triple Helix model. Both demonstrate the importance of institutional support in stimulating networking, transfer of knowledge and best practice in LEDC destinations.

1. Introduction

In Less Economically Developed Countries (LEDCs), the tourism industry is often driven by conventional mass tourism which constrains the growth prospects of small firms (Dahles & Bras, 1999; Dahles & Kuene, 2002; Rogerson, 2007a) and limits the opportunities to reduce poverty that tourism could generate (Mbaiwa, 2005). Biggs and Shah (2003), Ashley (2006) and Holzner (2011) suggest that tourism can help to reduce poverty in LEDCs if there is significant expansion of the indigenous small and medium-sized enterprise (SME) sector. In LEDCs the collective bargaining power of SMEs to compete with large international tour operators and established ground tour operators and access tourism markets to their advantage is a major challenge. Formulating global network relationships and trade agreements so SMEs can commercialise their products/services through the international tourism supply chain is therefore one strategic intervention that can reduce foreign currency leakage and contribute to poverty alleviation (Ashley, 2006; UNCTAD, 2009). However marketing directly to tourists in developed countries before arrival and during their stay at an LEDC destination is a challenge due to lack of access to appropriate marketing channels. Overcoming this barrier is important for the development of SMEs in LEDC destinations so they can attract global demand directly (Erkuş-Öztürk, 2009). In a LEDC mass tourism context it is large hotels, multi-nationals and foreign

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investors that mainly have access to the expertise and resources to develop these global networks and therefore dominate tourism destinations. The SME sector is notoriously ill-prepared for such expansion and requires considerable support from government, non-governmental organisations (NGOs) and private sector ventures (Rogerson, 2005).

Innovation and entrepreneurship have helped to develop the reputation and advancement of the international tourism industry (Bardolet & Sheldon, 2008; Cawley & Gilmore, 2008; Getz & Carlsen, 2005; Morrison & Thomas, 2004), particularly through alternative tourism offers (e.g. eco-tourism and cultural tourism). Increasingly tourists are responding to, and demanding the development of, niche products and creative innovations that increase the quality of tourists' experiences and satisfaction while developing destinations and local communities (Bardolet & Sheldon, 2008; Cawley & Gillmor, 2008; Getz & Carlsen, 2005). Among other benefits, local innovation and entrepreneurship help link tourism benefits into the local economy and encourage the development of local enterprises (Ashley, 2006; Ashley & Haysom, 2006; Ashley, Roe, & Goodwin, 2001; Bah & Goodwin (2003); Meyer, 2010) creating more employment (Gurel, Altinay, & Daniele, 2010). However, the practice of entrepreneurship and innovation in tourism strongly differs between developed countries and LEDCs due to, among other reasons, the lack of support to SMEs that is independent of government-led programmes (Rogerson, 2007b).

This paper analyses two alternative multi-stakeholder approaches to promoting indigenous innovation and entrepreneurship in two LEDC contexts: The Gambia and Tanzania. The first approach involves marketing innovation within a trade association – The Association of Small Scale Enterprises in Tourism (ASSET) in The Gambia. ASSET is an umbrella organisation established in 2000, representing diverse businesses operating in a number of integrated niches and markets including eco-tourism, community-based tourism, cultural tourism, volunteer tourism, domestic and business tourism, thereby promoting access to a wider tourist market than beach enclave tourism. The second approach focuses on a capacity-building project to support entrepreneurship and innovation in wildlife and cultural tourism through a training programme at Sokoine University of Agriculture, Morogoro, Tanzania where undergraduate courses for wildlife tourism are taught. Both approaches emphasise the importance of multi-stakeholder collaboration to support entrepreneurship education and training and marketing innovation for SMEs to assist with poverty alleviation and tourism development. In both studies a supportive environment is conducive to growth and expansion of niche tourism, an important sector that should be given equal attention to that of conventional mass tourism.

2. Limitations of small-scale tourism businesses

Reduced physical infrastructure and limited scope of tourist activities are key characteristics facing tourism businesses in peripheral regions (Ashley, 2006; Moscardo, 2008; Page & Getz, 1997; Sharpley, 2002). However tourism supports local employment and provides opportunities for contact with indigenous residents and cultures (Nilsson, 2002). Tourism opportunities are attractive to small businesses which require low capital (e.g. tourist guiding) or deploy underutilised assets (such as farms offering bed and breakfast accommodation) (Getz & Carlsen, 2005). However, their quality of service, professionalism, competitiveness and innovativeness can affect the tourist experience and subsequent marketing opportunities (Jones & Haven-Tang, 2005; Kunc, 2009; Thomas, 2004). In a LEDC context, such as Africa, the capacity to implement an appropriate tourism infrastructure and supportive environment for small firms is even more restricted because access to marketing, training, finance and technology is limited. African entrepreneurs often have low endowments of human capital, financial assets and professional connections limiting their entrepreneurial intent to small scale, low productivity firms (Biggs & Shah, 2003). Such factors affect levels of foreign currency leakage, provide low skill employment (Liu & Wall, 2006) and reduce multiplier effects (Bianchi, 2002) with poverty and lack of basic infrastructure compounding the problem. This lack of capacity influences the extent to which SMEs may benefit from the opportunities that tourism presents to a community (Okech, 2007). Okech (2007) found several obstacles to SME development and innovation in Western Kenya, including lack of capital, training, appropriate government legislation and incentives to support entrepreneurship and innovation, poor linkages amongst SMEs and corruption and mismanagement of development institutions. These barriers were also recognised by Mograbi and Rogerson (2007) who emphasised the need to maximise the economic impact of dive tourism in Sodwana Bay, South Africa.

Scheyvens (2002, 2008) and Sharpley (2009) challenge governments and the private sector to collaborate more effectively to maximise the benefits of tourism in LEDCs. Such challenges do not have simple solutions, particularly where the resources required to support tourism infrastructure are not given priority by governments with limited financial resources. For example, Karanasios and Burgess's (2008) research on internet access in Malaysia and Ecuador found that the three most commonly-cited obstacles concerning SME internet adoption are unreliable information and communication technology (ICT) infrastructure, the cost of adopting and utilising ICT and lack of relevant knowledge and skills to maximise its potential. Addressing such issues becomes essential if tourism is to support local economic development within a destination which is the basis of the Pro-Poor Tourism (PPT) principles applied within a collaborative framework. PPT promotes integration with all types of tourism as opportunities to maximise economic and social benefits in LEDC destinations (Ashley et al., 2001; Meyer, 2003, 2004, 2010). Arguably the application of PPT principles requires insight, knowledge, inspiration, technological support to offer flexible and segmented products and services, access to finance, leadership and an understanding of the opportunities within a multi-stakeholder approach to management. Those working within the tourism industry could typically apply these approaches through the tourism supply chain. Partnerships with other stakeholders can help indigenous communities to obtain the capacity to establish and operate eco-tourism enterprises (Fuller, Buultjens, & Cummings, 2005). Alternatively government programmes can also be targeted to support neglected communities (Rogerson, 2007a, 2007b). The PPT framework therefore promotes systems to encourage product innovation, organisational innovation, process innovation and market innovation that can impact on poverty reduction (Ashley, 2006).

3. Innovation in tourism

3.1. The ambition of innovation

Hjalager (2010:2 citing Johannesson, Olsen, & Lumpkin, 2001) suggests that "innovation is generally characterised by everything that differs from business as usual or which represents a discontinuance of previous practice in some sense for the innovating firm". Nelson, Mowery and Fagerberg (2006) suggest that innovation is not a new phenomenon but intrinsically related to the process of economic development through changes in society that reflect an improvement in living conditions, such as better products and services, and not just an economic process of wealth accumulation. Schumpeter (1939) distinguished five different types of