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ADVENTURE TOURISM

EXPLORING RELATIONS BETWEEN
KNOWLEDGE AND INNOVATION

BY
KRISTIN LØSETH

DISSERTATION SUBMITTED 2014

AALBORG UNIVERSITET

ADVENTURE TOURISM

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AUTHOR CV

My name is Kristin Løseth and I work at the Sogn and Fjordane University College in Sogndal, Norway. At present I have a shared position between the Institute of economics at the Department of social studies and the Institute of sports at the Department of teacher education and sports.

My PhD is on relations between knowledge resources and innovation in adventure tourism businesses. The thesis is part of the doctoral Program SPIRIT at Aalborg University, under the supervision of Professor Henrik Halkier and Anette Therkelsen .

Research interests are within the fields of entrepreneurship and small business research, mainly from the perspective of tourism. I am interested in knowledge and knowledge development in small businesses, and how innovation is approached in this context. Adventure tourism has proved to be an exciting empirical field to explore these issues.

My Master Degree on sustainable mountain tourism is from the University of Sport Sciences in Oslo (2006), where I also studied outdoor education in 1997. I have a BA with major in psychology from the University of British Columbia (2003).

ENGLISH SUMMARY

The tourism industry is changing fast, pushed forward by new ways of organizing international transport, new technology and increasingly more experienced travelers. In this rapidly changing industry, flexibility, adaptation and innovation are seen as key concepts for survival and growth.

The cry for innovation is evident in a Norwegian context where the tourism industry is challenged by the country's economic growth leading to high currency rates and high wage levels. A central issue is how to increase value creation from Norway's main tourism attraction, the varied nature. While Norway traditionally has been marketed by scenic fjords, tall waterfalls, glacier and mountains, the recent national marketing campaign "has shifted the focus from talking about looking at beautiful nature to participating in it" (Innovation Norway, 2014:1). There is a move away from marketing the remote and quiet, towards people, culture and activities.

Increased value creation from nature based tourism means increased attention to adventure tourism providers. Part of the answer to this cry for innovation at national level is therefore to be found in change processes taking place in small adventure tourism businesses. This research examines what innovation means in the context of adventure tourism businesses, and explore relations between such change processes and the available knowledge resources of the adventure tourism businesses.

Adventure tourism has been described as a "malleable" term (Beedie, 2013), where it is difficult to draw defining lines. Based on previous research a model of adventure tourism activities was developed, were the activities are placed on a continuum according to level of commercialization. On the one hand you have adventurous activities which people organize on their own while on vacation; on the other hand you have commercially organized activities.

The adventure activities are also placed along the dimension of involvement (following Trauer, 2006), where generalist activities implies low levels of involvement and specialist activities imply high levels of involvement. The eight businesses of this study mainly offer activities for the generalists, the exception being the mountaineering businesses offering activities for a more specialist market. The two dimensions may contribute to a more nuanced debate on adventure activities, as the meanings and experiences varies considerable along the two dimensions. This study focuses on the commercially organized activities.

The relations between knowledge and innovation are approached through three different theoretical perspectives. The first concerns the maturity of the adventure tourism activity in question. The age and development level of the specific adventure tourism activity may influence knowledge development and pattern of innovation. The perspective is developed based on research question 1: *How are*

knowledge dynamics and innovation in adventure tourism businesses shaped by the prevailing evolutionary conditions for this particular adventure tourism activity?

The second perspective explores internal processes of knowledge development and how these may affect innovation through research question 2: *How is innovation related to business size and to what degree does lack of knowledge resources act as barriers for innovation in adventure businesses?*

The third perspective concerns location and explores how being embedded in environments with other adventure tourism providers affects the businesses. Research question 3: *How does co-location of businesses offering similar tourism services, leading to increased potential for cooperation and/ or competition, influence knowledge resources and innovation?*

By focusing both at industry, business and the level of the local industry, the aim is to get a rich understanding of how knowledge resources shapes innovation in this particular part of the tourism industry.

The research focuses on the level of individual adventure tourism businesses and a multiple case study approach was chosen, as it offers the depth of qualitative methodology while simultaneously having the possibility of testing how the processes are shaped by various conditions (see e.g. Yin, 2003). Case selection took its starting point in factors identified in the literature as being important influences on small businesses' knowledge resources. The main selection criteria of the study were business size and location.

Finally, feedback from pilot interviews revealing a "young" Norwegian adventure tourism industry, combined with challenges of finding big enough businesses in Norway, led to the inclusion of cases from NZ. With four of the cases being from NZ the theme of businesses size would be better covered through two big full-year run businesses, and external conditions related to being a more mature industry was included.

The case study inquiries involved a combination of interviews, taking part in the adventure tourism activities, informal talks with guides/ instructors, visiting the businesses' facilities, and the gathering of information from the businesses' home pages, brochures, newspaper articles and other written sources. My personal experience from the field may have shaped the data collection in different ways. As I had worked as a raft and glacier guide in Norway Yin's term of *insider research* (2011:42) was relevant. Thagaard (2013) argues that knowing the field from within can be both a strength and a weakness, and this was truly experienced in these case studies.

Learning more about how innovation is shaped by the businesses' knowledge resources is a main aim of this study. This study will use the OECD definition from the Oslo Manual (2005:26): "*An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing*

method, or a new organizational method in business practices, workplace organization or external relations".

When theories of organizational knowledge and knowledge development are applied to the context of the small tourism business, it is evident that high staff turnover and low levels of training may inhibit knowledge development in these businesses. In such situation it is challenging to develop efficient organizational routines important for storing and developing knowledge and to increase absorptive capacity (Cohen and Levinthal, 1990). In a wide tourism industry there may also be differences in knowledge dynamics between the different branches of the industry. Most research on knowledge related issues in small tourism businesses have empirical material from the hotel and restaurant parts of the tourism industry.

This research utilizes three different theoretical approaches to explore relations between knowledge development and innovation in adventure tourism businesses. The first perspective brings in an evolutionary framework developed within the field of entrepreneurship research in the late 1990s. Based on findings from population ecology (see e.g Hannan and Carroll, 1992), Aldrich gives a rich description of knowledge challenges related to being a new industry (see e.g. Aldrich and Fiol, 2004; Aldrich, 1999). The evolutionary perspective highlights the historical context of the particular adventure tourism activity in question, and that the maturity of the activity may shape knowledge processes and innovation in adventure businesses.

The second perspective is concerned with how innovation is shaped by the business' available knowledge resources. Empirical findings indicate that innovation capacity correlates with the size of the enterprise; the bigger the enterprise the more innovation is taking place (Sundbo, Orfila-Sintes & Sørensen, 2007; Jacob, Tinoré, Aguiló, Bravo and Mulet, 2003; Jensen, Mattson and Sundbo, 2001). Studies from surf tourism (Shaw and Wiliams, 2004) and lifestyle entrepreneurs in NZ (Ateljevic and Doorne, 2000), suggest that these relations are not given, and that those small tourism businesses can be important for the creation of niche products.

A source of knowledge which may strengthen adventure tourism businesses is found in the close relation between adventure tourism and certain leisure activities. Stebbins (1982) concept of serious leisure is used to explore how knowledge and motives related to peoples' leisure activity may influence knowledge transfer and development in the businesses.

The final theoretical perspective concerns the role of location for knowledge development and innovation in adventure tourism businesses. Businesses agglomerations have been studied from different theoretical perspectives. While the theoretical perspective takes its starting point in Porters (1990) concept of industrial clusters, it is questionable whether the cluster perspective can be transferred to more sparsely populated areas and the small and micro sized businesses of the

tourism industry. Hall (2005:161) describes the formation of what he terms micro-clusters in a tourism context and relates the positive effects to knowledge accumulation and the formation of formal and informal networks. Such environments usually also means increased competition, an important driver of innovation.

The case studies revealed development oriented entrepreneurs. While bigger innovations were rare, quality improvements, growth related developments and improvements of the work situation for guides were common themes in the interviews, revealing different attitudes than the non-entrepreneurship described in previous research on small tourism businesses (Ioannides & Petersen, 2003, Shaw and Williams, 1998). Several of the businesses were started up either based on a major product innovation or early imitation of an adventure tourism product.

The empirical analysis suggests that the maturity of the adventure tourism activity in question influence knowledge resources in the adventure tourism businesses. The findings follow Aldrich (1999) in that "young" activities have different challenges related to organizational knowledge and legitimacy than the more established activities. The analysis extended previous research (Aldrich and Fiol, 1994; Aldrich, 1999) by dividing the development into three overlapping phases; starting with an experimenting phase where there is a lack of basic organizational routines and legitimacy, moving to a defining phase in which there are more providers of the activity, legitimacy is being built, routines and industry standards are gradually being established and knowledge stored in in different forms of activity specific organizations and qualification systems. In the third phase knowledge is formalized and can be found in routines, different standards and organizations, and the specific activity is taken for granted by the market(s) and the tourism industry at large.

The concepts and the model should be seen more as a flexible framework to understand processes of development and the forces creating these, then as a fixed and predictable sequence of events.

The second analytical chapter turns the attention to the knowledge resources of the businesses. The cases studies revealed great differences in knowledge needs and how knowledge needs were handled. The nature of the adventure tourism activities seems to attract new employees. Some have no previous experience but want to work in the outdoors, while others have been committed to a certain leisure activity and want to live and work in a specific environment. In both instances the employees choose more than just another job, but a way to pursue a certain lifestyle for a period.

While recruiting enough guides was easy, most of the businesses still found it challenging to build up the necessary competencies. The mountaineering businesses were the exceptions as their guides already have the necessary qualifications when hired. Otherwise it was the two biggest businesses of the study had the most

systematic and routine based approach to staff training. In the businesses with lower knowledge requirements, less effort was spent on retaining and training guides.

Most of the adventure tourism products offered by the cases are based on quite specialized knowledge, and the entrepreneurs naturally want to keep new product variations within the core competencies of the business. Product differentiation seemed to be a common strategy. Apart from entrepreneurship based on an innovative new adventure tourism activity, innovative product developments departing from the core knowledge of the business were only seen either in the businesses faced with little competition or in businesses at time of crises. These businesses are either free to experiment with different product ideas as there is little risk involved, or forced to do so through economic hardship.

Two big milestones in business development were identified. The first was when the business could afford having a person working with customer contact, leaving the entrepreneur(s) free to work more with business development or to be more out with the tourists themselves. The second was when the business could invest in buildings and additional services such as a café, a souvenir shop or accommodation. Such investments naturally make the business more robust and strengthen them towards competitors.

How innovation was shaped by the resource situation was most clearly seen in relation to market and organizational innovations. The smallest businesses had few resources both in the form of capital and knowledge for market innovation. Organizational innovations were naturally more relevant for the bigger businesses with a more complex structure and thereby more possibilities for making changes.

The phenomenon of serious leisure may explain some of the findings mentioned. It may partly explain the (relative) ease of recruiting new guides and making sure they are at a desirable competence level; Staff can be recruited from a milieu of outdoor recreation enthusiasts which means that the new staff already have some competencies and are motivated to learn.

Serious leisure may also explain why, according to this empirical material, international labor mobility is important for the development of adventure tourism industry. People are committed to a certain leisure activity and an associated lifestyle and travel to pursue this passion at other sites worldwide. They bring with them knowledge and competencies valuable both for the development of tacit technical skills at the new destination, but also ideas of how things can be improved upon. International labor mobility can therefore be seen both as a way of getting access to highly qualified staff, and as an important channel for knowledge exchange. Still, as Ericsson & Hagen (2012) points out, the value of mobility is clearly depending on the receptive capacities of the business in question.

The third analytical approach explores how location affects knowledge development and innovation. The findings indicate that being co-located with other adventure tourism businesses eases access to staff. This material suggests that co-

location is positive both for attracting staff, but also for staff retention. Social place qualities were emphasized in the interviews; both general qualities of openness and inclusiveness and there being a larger group of people working within the outdoor industry. Qualities often associated with more urban areas such as an international milieu, openness and the presence of cafes and restaurants were highlighted, even in the smallest communities. In a rural setting access to qualified staff is an important framework condition for further knowledge development and innovation.

Competition is regarded as a major driver of innovation (Sundbo and Gallouj, 1998). The findings of this study suggest that the increased competition found in adventure tourism communities where there are several businesses offering the same specific activity lead to a constant monitoring and a pressure to develop and keep up with competitors. It is suggested that such local competition increases particularly process innovation.

While competition was found to be a driver of innovation, the importance of cooperation was simultaneously highlighted. Businesses in adventure tourism communities seemed to a larger degree to engage in cooperation with other local adventure tourism business. It is argued that collaboration between adventure tourism providers may strengthen the legitimacy of adventure tourism, an important function as the industry is dominated by small and micro-sized businesses.

Co-location may also affect knowledge development and innovation more subtly through different forms of proximities (Boschma, 2005). The businesses are not only located close but staff were found to share similarities in leisure interests and lifestyle motives leading to social and cognitive proximities. They work within similar fields and share leisure time together being involved in common leisure time activities. Such close inter-firm interaction was found in all adventure tourism communities, but it is difficult based on this material to say anything about how such soft factors influence knowledge development and innovation.

The effects of co-location should still not be overstated. Businesses with a successful adventure tourism product may surely manage well by themselves. The entrepreneur at Fox Glacier Guiding overall find several positive sides of being one of few adventure tourism businesses on the West Coast of the South Island with e.g. less competitors and low rents. Co-location and high level of competition may be valuable in terms of innovation and the total revenue generated from the industry, but it also means tough competitive conditions.

The study may contribute to our knowledge of the supply side of adventure tourism both through the exploration of knowledge resources in this part of the tourism industry, the findings of a heterogeneous adventure tourism activity, and the close relation to the wider outdoor recreation milieu. The study may also contribute to the growing body of research on tourism innovation. For one thing it illustrates the heterogeneity of the industry, particularly highlighting the constrained nature of the

micro businesses and how this influence innovation capacity. Simultaneously findings indicate that experience product innovations need not be costly.

The evolutionary aspects may contribute to an increased emphasis on the time aspect of innovation. Perhaps more attention should be paid to the period after the introduction of a competency destroying innovation; the diffusion process, the gradual knowledge development and growth in legitimacy. The findings indicate that more policy efforts could be made to support these processes; meaning an increased attention to the quality of the innovation process over time, and less attention to the quantity of innovations.

In hindsight, the lack of a comparative perspective in this research is an obvious drawback. With cases from two different countries, more emphasis on contextual differences would have been valuable especially for the evolutionary perspective.

With eight cases and three different theoretical perspectives on knowledge development and innovation, the study covers a very wide range of topics. The breadth reflects the exploratory aspects of this research, with little previous research to lean upon. More research is needed to strengthen the conclusions.

Finally, the adventure tourism activities of this study have quite specialized knowledge requirements from the guides or instructors. This may influence the applicability of the theoretical contributions. The concept of serious leisure and the associated milieu factors as well as the gradual building of a knowledge base may have less relevance for adventure tourism activities with less need for specialized knowledge.

NORSK RESYMÉ

Turistnæringen er i hurtig endring, drevet fram av nye måter å organisere internasjonal transport, ny teknologi og stadig mer erfarne reisende. For å overleve og vokse under slike vilkår blir fleksibilitet, tilpasningsevne og innovasjon gjerne vektlagt.

Fra en norsk kontekst blir ropet om innovasjon kanskje ekstra tydelig. Turistnæringen utfordres av økonomisk vekst som fører til høy kronekurs og høye lønnsnivå. En sentral utfordring er hvordan man skal øke verdiskapingen fra Norges viktigste attraksjon; den varierte naturen. Mens Norge tradisjonelt sett har markedsført vakre fjorder, høye fosser, breer og fjell, har den nyeste nasjonale markedskampanjen *"skiftet fokus fra å snakke om vakker natur til å delta i den"* (Norway. Campaign manual 2014:1). Kampanjen signaliserer at en er på vei bort fra å markedsføre stillhet og det avsidesliggende, til å vektlegge folk, kultur og aktiviteter.

Økt verdiskaping fra naturbasert turisme betyr mer oppmerksomhet mot tilbyderne av naturbaserte aktiviteter. Deler av svaret på dette ropet om innovasjon kan dermed ligge hos små aktivitetsturismebedrifter. Denne studien undersøker hva innovasjon betyr i disse bedriftene, og utforsker forhold mellom endringsprosesser og disse bedriftenes tilgjengelige kunnskapsressurser.

Aktivitetsturisme har tidligere blitt beskrevet som et føyelig eller smidig begrep (Beedie, 2013) som er vanskelig å avgrense. Basert på tidligere studier har jeg utviklet en modell der aktivitetsturisme aktiviteter plasseres på et kontinuum etter graden av kommersialisering. På den ene siden har du aktiviteter som folk organiserer på egen hånd, på den andre siden har du de kommersielt organiserte aktivitetene.

De ulike aktivitetene er også plassert langs et kontinuum i forhold til grad av involvering (se Trauer, 2006), der generalist aktivitetene innebærer lav grad av involvering mens spesialist aktivitetene innebærer høy grad av involvering. De åtte bedriftene i denne studien tilbyr hovedsakelig aktiviteter for generalist markeder, unntakene er fjellføringsbedriftene som tilbyr produkt rettet mot mer spesialisert marked. De to dimensjonene kan forhåpentligvis bidra til en mer nyansert debatt rundt aktivitetsturisme, ettersom tidligere forskning viser at mening og erfaringer varierer betydelig langs de to dimensjonene. Denne studien fokuserer på de kommersielt organiserte aktivitetene.

Studien buker tre forskjellige teoretiske perspektiv til å tilnærme seg forholdet mellom kunnskap og innovasjon. Det første handler om hvor "voksen" den spesifikke aktivitetsturisme aktiviteten er i næringssammenheng. Kunnskaps-utvikling og innovasjon vil påvirkes av hvor langt en aktivitet har kommet i utvikling. Dette utforskes gjennom forskningsspørsmål 1:

Hvordan formes kunnskapsdynamikker og innovasjon i aktivitetsturisme bedrifter av de rådende evolusjonære forholdene for den spesifikke aktiviteten?

Det andre perspektivet utforsker prosesser knyttet til interne kunnskapsressurser og hvordan disse påvirker innovasjon gjennom forskningsspørsmål 2:

Hva kjennetegner sammenhengen mellom bedriftsstørrelse og innovasjon og i hvilken grad er mangel på kunnskapsressurser en barriere for innovasjon i aktivitetsturisme bedrifter.

Det tredje perspektivet handler om lokalisering og utforsker hvordan det å være del av næringsmiljø der det er andre aktivitetsturisme bedrifter påvirker bedriftene. Forskningsspørsmål 3:

Hvordan påvirkes kunnskapsressurser og innovasjon av at bedriften er lokalisert sammen med andre bedrifter som tilbyr lignende tjenester, noe som fører til økt potensiale for samarbeid og/ eller konkurranse?

Ved å fokusere både på nærings-, bedrifts- og lokalt nivå er målet å få en rikholdig forståelse av hvordan kunnskapsressurser former innovasjon i denne spesifikke delen av turistnæringen.

Studien tar utgangspunkt i individuelle aktivitetsturisme bedrifter og case studier ble valgt som forskningsmetode ettersom den både gir dybden til kvalitative studier og samtidig gir muligheten til å teste ut hvordan prosesser formes av ulike betingelser (se f.eks. Yin, 2003). Kriterier for utvelgelsen av case ble utviklet ut i fra tidligere teori på hvilke faktorer som påvirker små bedrifters kunnskaps-ressurser. De to viktigste seleksjonskriteriene ble bedriftsstørrelse og lokalisering.

Tilbakemeldinger fra to pilotintervju der det kom fram at den norske aktivitetsturisme næringen fortsatt er svært "ung", kombinert med utfordringer med å finne store bedrifter i Norge, førte til at halvparten av casene ble hentet fra New Zealand. Med fire case fra NZ ble temaet bedriftsstørrelse bedre dekket med to store helårsdrevne bedrifter, og ytre faktorer knyttet til det å være en mer voksen næring ble inkludert.

De kvalitative case studiene innebar en kombinasjon av intervju, deltakelse på de ulike aktivitetene, uformell prat med guider/ instruktører, se fasilitetene som brukes, og innsamling av annen informasjon gjennom bedriftenes hjemmesider, brosjyrer, avisartikler og andre trykte kilder. Mine personlige erfaringer fra feltet kan ha påvirket datainnsamlingen på ulike måter. Ettersom jeg både har jobbet som raftingguide og brefører i Norge er Yins begrep *insider research* (2011:42) relevant. Thagaard (2013) mener at det å kjenne feltet fra innsiden kan være både en styrke og en svakhet ved en studie, og dette var absolutt merkbart i disse case studiene.

Et hovedmål med denne studien er å lære mer om hvordan innovasjon formes av bedriftenes kunnskapsressurser. Denne studien vil bruke OECD sin definisjon hentet fra Oslo Manualen (2005:26): *"An innovation is the implementation of a new*

or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations".

Når teori om organisasjonskunnskap og kunnskapsutvikling blir anvendt på små reiselivsbedrifter er det klart at høy personalutskifting og liten grad av opplæring mest sannsynlig vil påvirke muligheten for kunnskapsutvikling. I en slik situasjon er det utfordrende å utvikle effektive organisasjonsrutiner som trengs for å lagre og utvikle kunnskap og øke absorberende kapasitet (Cohen og Levinthal, 1990). I en variert turistnæring kan det også være forskjeller i kunnskapsdynamikk mellom ulike deler av næringen. Den største delen av forskning på kunnskap relatert til små turismebedrifter har empirisk materiale fra hotell eller restaurantdelene av næringen.

Denne studien bruker tre ulike teoretiske tilnærminger for å utforske forholdet mellom kunnskapsutvikling og innovasjon i aktivitetsturisme bedrifter. Det første perspektivet bygger på et evolusjonært begrepsapparat som ble utviklet innen entreprenørskapsforskningen sent på 1990 tallet. Basert på funn fra populasjonsøkologi (se f.eks Hannan og Carroll, 1992), gir Howard Aldrich en grundig beskrivelse av kunnskapsutfordringer knyttet til nye næringer (se f.eks Aldrich og Fiol, 2004; Aldrich 1999). Det evolusjonære perspektivet vektlegger den historiske konteksten som den spesifikke aktivitetsturisme aktiviteten inngår i, og at aktivitetens modenhet kan forme kunnskapsprosesser og innovasjon i disse bedriftene.

Det andre perspektivet handler om hvordan innovasjon formes av bedriftens tilgjengelige kunnskapsressurser. Tidligere studier viser at innovasjonskapasitet korrelerer med størrelsen på bedriften; jo større virksomhet jo mer innovasjon (Sundbo et. al 2007; Jacob, Tinoré, Aguiló, Bravo and Mulet, 2003; Jensen, et al., 2001). Studier fra surfeturisme i England (Shaw and Williams, 2004) og livsstilsentreprenører på NZ (Ateljevic og Doorne, 2000) indikerer at relasjonen mellom størrelse og innovasjon likevel ikke er gitt, og at små reiselivsbedrifter kan være viktige for utviklingen av nisjeprodukt.

Det tette forholdet mellom aktivitetsturisme og visse fritidsaktiviteter kan bidra til å styrke kunnskapsressursene til denne type bedrifter. Stebbins (1982) begrep *serious leisure* blir brukt for å utforske hvordan kunnskap og motiv fra folks fritid påvirker kunnskapsoverføring og utvikling i bedriftene.

Det siste teoretiske perspektivet handler om hvordan bedriftenes lokalisering kan virke inn på kunnskapsutvikling og innovasjon i aktivitetsturisme bedrifter. Bedriftsagglomerasjoner har blitt studert fra ulike teoretiske perspektiv. Her tar jeg utgangspunkt i Porters (1990) begrep industrielle klynger, selv om det er diskutabelt hvorvidt klyngeperspektivet kan overføres til rurale områder og en turistnæring hovedsakelig bestående av små og mikrobedrifter. Hall (2005:161) beskriver framveksten av det han kaller mikro-klynger i en turismekontekst og relaterer de

positive effektene til akkumulering av kunnskap og den gradvise organiseringen av formelle og uformelle nettverk. Slike miljø innebærer gjerne også sterkere konkurranse, som er en viktig pådriver for innovasjon.

Case studiene viste utviklingsorienterte entreprenører. Mens større innovasjoner var sjeldne, var kvalitetsforbedringer, vekstrelaterte endringer og forbedringer for arbeidssituasjonen for guider vanlige tema i intervjuene, noe som viser andre holdninger enn ikke-entreprenørskapet beskrevet i tidligere forskning på små turismebedrifter (Ioannides og Petersen, 2003; Shaw and Williams, 1998). Flere av bedriftene ble startet enten basert på en større produktinnovasjon eller tidlig imitasjon av et aktivitetsturisme produkt.

Den empiriske analysen indikerer at aktivitetsturisme aktivitetens modenhet påvirker kunnskapsressurser i aktivitetsturisme bedriftene. Funnene følger Aldrich (1999) i at "unge" aktiviteter har andre utfordringer knyttet til organisasjons-kunnskap og legitimitet enn de mer etablerte aktivitetene. Analysen videreutvikler tidligere forskning (Aldrich og Fiol, 2004; Aldrich, 1999) ved å dele denne utviklingen inn i tre overlappende faser; fra en eksperimenterende fase der grunnleggende organisasjonsrutiner og legitimitet mangler, til en definerende fase der det er flere tilbydere av aktiviteten, legitimitet bygges, næringsstandarder og rutiner kommer gradvis på plass og kunnskap lagres i ulike former for aktivitetsspesifikke organisasjoner og kvalifikasjonssystem. I den tredje fasen er kunnskap formalisert og nedfelt i rutiner, ulike standarder og organisasjoner, og den spesifikke aktiviteten er tatt for gitt både av kunder og reiselivsnæringen forøvrig.

Begrepene og modellen bør ses på mer som et fleksibelt rammeverk for å forstå utviklingsmønster og krefter som skaper disse enn som en planmessig og forutsigbar hendelsessekvens.

Det andre analytiske kapittelet ser nærmere på bedriftenes kunnskapsressurser. Casene viste store forskjeller i kunnskapsbehov og hvordan disse ble dekket. Aktivitetsturisme ser ut til å tiltrekke seg arbeidskraft. Mens noen har lite erfaring fra tidligere men ønsker å jobbe utendørs, er andre engasjert i en spesiell fritidsaktivitet og ønsker å bo og arbeide i et spesifikt miljø. I begge tilfeller velger de ansatte mer enn bare en jobb, men også en viss livsstil i en periode.

Flere bedrifter hadde likevel utfordringer knyttet til det å utvikle den nødvendige kompetansen. Unntakene var fjellføringsbedriftene, der fjellførerne allerede har kompetansen på plass når de blir ansatt. Ellers var det var studiens to største bedrifter som jobbet mest systematisk med opplæring av de ansatte, mens bedriftene med lavest kompetansekrav også brukte minst tid og krefter på det å holde på guidene og utvikle ferdighetene deres.

De fleste kommersielle aktivitetene som denne studien dekker er basert på temmelig spesialisert kunnskap. Entreprenørene ønsker dermed også å holde nye produktvariasjoner innenfor bedriftens kjernekompetanse. Produktdifferensiering virket å være en vanlig strategi. Bortsett fra de tilfellene der entreprenørskap var

basert på innovative nye aktivitetsturisme produkt, var utviklingen av produktinnovasjoner som gikk utover bedriftens kjernekompetanse sjelden. Unntak ble funnet der det var lite konkurranse eller der bedriftene var inne i en kritisk periode. Disse bedriftene hadde enten muligheten til å eksperimentere med ulike produkt ettersom det var liten risiko involvert, eller de ble tvunget til det av økonomiske grunner.

To større milepæler ble identifisert. Den første var når bedriftene kunne ta seg råd til å ha en person til å jobbe med kundekontakt, noe som frigjorde entreprenøren (-e) til å jobbe mer med bedriftsutvikling eller til å være mer ute med turistene selv uten konsekvenser for servicekvaliteten. Den andre var når bedriftene kunne investere i bygninger og andre tjenester slik som en cafe, en suvenirbutikk eller overnatting. Slike investeringer gjør bedriftene mer robuste og styrker dem i forhold til konkurrentene.

Hvordan ressurssituasjonen former innovasjon kom tydeligst fram i forhold til markeds og organisasjonsinnovasjon. De minste bedriftene hadde få ressurser både i form av penger og kunnskap til markedsinnovasjon. Organisasjonsinnovasjon var naturlig nok mer relevant for de større bedriftene med mer komplekse strukturer og dermed også større mulighet for å gjøre endringer.

Begreper serious leisure kan bidra til å forklare noen av de nevnte funnene. Det kan til en viss grad forklare hvorfor det er forholdsvis lett å rekruttere nye guider og til å sørge for at de har tilstrekkelig kompetansenivå; ansatte kan rekrutteres fra miljø med friluftslivsentusiaster som betyr at nye ansatte gjerne allerede har noe kompetanse og er motivert for å lære.

Serious leisure kan også bidra til å forklare viktigheten, ut i fra dette materialet, av internasjonal arbeidsmobilitet for utviklingen av aktivitetsturisme næringen. De tar med seg kunnskap og ferdigheter som har verdi både i forhold til utviklingen av taus kunnskap knyttet til tekniske ferdigheter, og også ideer om hvordan ting kan forbedres eller gjøres annerledes. Internasjonal mobilitet av arbeidskraft kan dermed ses på både som en måte å få tilgang på høyt kvalifisert arbeidskraft, og som en viktig kilde for kunnskapsutveksling. Men, som Ericsson and Hagen (2012) peker på, verdien av denne mobiliteten avhenger tydelig av hvor mottakelige bedriften er for ny kunnskap.

Den tredje analytiske tilnærmingen utforsker hvordan kunnskapsutvikling og innovasjon påvirkes av lokalisering. Funnene indikerer at det å være lokalisert sammen med andre aktivitetsturisme bedrifter gir lettere tilgang til arbeidskraft. Ut i fra materialet ser det ut til at slik samlokalisering er positivt både i forhold til å tiltrekke seg arbeidskraft og for å holde på den. Sosiale stedskvaliteter ble vektlagt i intervjuene. Både generelle kvaliteter som åpne og inkluderende miljø og kvaliteter som gjerne forbindes med mer urbane områder slik som et internasjonalt miljø og tilgang på kafeer og restauranter. I tillegg kommer det sosiale miljøet rundt at det er mange som jobber innenfor den samme næringen. Disse kvalitetene kom fram selv i

de minste aktivitetsturisme samfunnene. I en rural setting kan tilgang til kvalifisert arbeidskraft være en særlig viktig rammebetingelse for videre kunnskapsutvikling og innovasjon.

Konkurranse regnes som en viktig drivkraft for innovasjon (Sundbo and Gallouj, 1998). Funnene fra denne studien antyder at den økte konkurransen en finner i slike aktivitetsturismesamfunn der det er flere tilbydere av den samme aktiviteten fører til en konstant overvåking og et press til å utvikle seg for å holde følge med konkurrentene. Dette presset fra lokale konkurrenter fører særlig til økt prosess-innovasjon.

Samtidig som konkurranse var en viktig drivkraft, ble også viktigheten av samarbeid vektlagt. Bedrifter i aktivitetsturismesamfunn virket i større grad til å engasjere seg i samarbeid med andre lokale aktivitetsturisme bedrifter. Studien argumenterer for at samarbeid mellom tilbydere av aktivitetsturismeprodukter kan styrke legitimiteten til disse bedriftene, en viktig funksjon i en næring som domineres av små- og mikro bedrifter.

Samlokalisering kan også virke inn på kunnskapsutvikling og innovasjon gjennom ulike former for nærhet (Boschma, 2005). Bedriftene er ikke bare lokalisert i geografisk nærhet til hverandre men de ansatte virket i mange tilfeller også til å ha felles fritidsinteresser og livstils motiv som fører til kognitiv og sosial nærhet. De arbeider innen samme felt, er sammen på fritiden og involvert i de samme fritidsaktivitetene. Slik tett samhandling mellom de ansatte i ulike bedrifter ble funnet i alle aktivitetsturismesamfunnene, men det er vanskelig å si noe spesifikt om hvordan slike mye faktorer virker inn på kunnskapsutvikling og innovasjon ut i fra dette datamaterialet.

Effektene av samlokalisering bør likevel ikke overvurderes. Bedrifter som har suksess med et aktivitetsturismeprodukt kan også greie seg fint på egen hånd. Entreprenøren av Fox Glacier Guiding finner samlet sett flere positive sider ved å være en av få aktivitetsturismebedrifter på vestkysten av Sør Øya; det blir færre konkurrenter og lave leieutgifter. Mens samlokalisering kan være verdifullt når det gjelder innovasjon og den totale inntjeningen fra næringen så betyr det samtidig tøffe konkurranseforhold for enkeltbedriftene.

Funnene fra denne studien kan studien bidra til kunnskap om tilbydersiden av aktivitetsturisme, både gjennom undersøkelsene av kunnskapsressurser innen denne delen av turistnæringen, funnene av en heterogen aktivitetsturismenæring, og den nære koblingen med et videre friluftslivsmiljø. Studien kan videre bidra til forskning på innovasjon i turistnæringen. Studien illustrerer at heterogeniteten i turistnæringen har konsekvenser for kunnskapsutvikling og innovasjon, og vektlegger spesielt hvordan de begrensede ressursene til mikrobedriftene påvirker innovasjonskapasiteten. Samtidig indikerer funnene at produktinnovasjon innen opplevelsesfeltet ikke nødvendigvis trenger å være kostbart.

Det evolusjonære perspektivet kan bidra ved at tidsaspektet ved innovasjon vektlegges. Funnene indikerer at kanskje mer av myndighetenes innsats burde rettes mot å støtte opp om prosessene i etterkant av større innovasjoner; noe som betyr økt fokus på kvaliteten rundt en innovasjonsprosess over tid, og mindre oppmerksomhet rettet mot innovasjonskvantitet.

I tilbakeblikk er mangelen på et komparativt perspektiv en tydelig svakhet ved denne studien. Med case fra to ulike land, ville mer vektlegging av kontekstuelle forskjeller vært verdifullt, særlig med tanke på det evolusjonære perspektivet.

Med åtte case og tre ulike teoretiske perspektiv på kunnskapsutvikling og innovasjon, dekker studien et temmelig vidt emnespekter. Bredden reflekterer det eksplorerende utgangspunktet for denne studien, med lite tidligere forskning å støtte seg til. Videre forskning trengs for å underbygge konklusjonene.

Til slutt, i valg av case endte jeg opp med aktivitetsturismeaktiviteter som stiller krav til temmelig spesifikk kunnskap hos guider og instruktører. Dette kan påvirke i hvilken grad de teoretiske bidragene fra denne studien kan brukes opp mot andre aktiviteter. Begrepet serious leisure og miljøfaktorer i tilknytning til dette, og den gradvise oppbyggingen av en kunnskapsbase kan være mindre relevant for aktivitetsturismeaktiviteter med lavere krav til spesialisert kunnskap.

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CHAPTER 1. INTRODUCTION

The tourism industry has been experiencing major changes during the last decades. New ways of organizing international transport and new technology have changed travel patterns and the processes of organizing travel. People travel increasingly more, building up their travel experience and expectancies accordingly. In this rapidly changing industry, flexibility, adaptation and innovation are seen as key concepts for survival and growth.

The cry for innovation is evident in a Norwegian context. Economic growth leading to high currency rates and high wage levels increasingly challenges the tourism industry in Norway (Jacob and Espelien, 2011). While there have been short periods of growth intermittently, the number of international tourists in Norway has been on a downward trend since the late 1990s (Revold, 2014). The tourism industry has been given high priority nationally with several programs to support its development. Still, the latest National Strategy for the Tourism Industry (2012) establishes that this support is not given*: "We must establish that the development of the Norwegian tourism industry has not been good enough. A great effort is demanded from all actors to defend the tourism industry's position as an area of priority also in the fututre"* (Nærings- og handelsdepartementet, 2012:16, author's translation).

The threefold aim of the strategy makes plain that change is needed in all parts of the industry: to increase value creation and productivity, to create more robust businesses operating year round and finally to develop more unique and high qualitative experiences to attract more guests with a high willingness to pay.

A central issue is how to increase value creation from Norway's main tourism attraction, the varied nature. While Norway traditionally has been marketed by scenic fjords, tall waterfalls, glacier and mountains, the recent national marketing campaigns "have shifted the focus from talking about looking at beautiful nature to participating in it" (Innovation Norway, 2014:1). There is a move away from marketing the remote and quiet, towards people, culture and activities (Ibid.).

Increased value creation from nature based tourism means increased attention to adventure tourism providers. Part of the answer to this cry for innovation at a national level is therefore to be found in change processes taking place in small adventure tourism businesses. This thesis will examine what innovation means in the context of adventure tourism businesses, and explore relationships between such change processes and the available knowledge resources.

From a research perspective, the interest in tourism innovation has been increasing over the last decade (see e.g. Alsos, Eide and Madsen, 2014; Rønningen and Slåtten; 2012; Hjalager, 2010). The major theoretical work on innovation is still

compiled from goods producing, often high technology industries and needs to be adapted to the context of services and tourism. The body of literature recognizing the special characteristics of services and innovation in service industries reveals a growing understanding of these change processes. The research involves understanding innovation at multiple levels, from the individual firm to bigger collaborative projects, and involves a range of driving forces and knowledge flows. Research on innovation has thus been described as a meaningful way of understanding the dynamics of the tourism industry (Hjalager, 2010). Thorough analysis of driving forces and barriers to innovation can lead to insightful perspectives on how the industry changes.

The following study wishes to contribute to particularly two aspects of research on tourism innovation; to more emphasis on the heterogeneity of the tourism industry and potential consequences of this for innovation, and to a more thorough understanding of relationships between a business' available knowledge resources and innovation.

The first issue reflects that research on innovation in small tourism businesses in a large part treats the industry as a whole, where small businesses offering accommodation, food and beverages, attractions, etc. are bundled together. These studies indicate that the rate of innovation is low and even non-existent in small tourism businesses (Sundbo, Orfila-Sintes and Sørensen, 2007; Ioannides and Petersen, 2003; Hjalager, 2002; Jensen, Mattson and Sundbo, 2001; Shaw and Williams, 1998). This is explained mainly by the small size of the businesses, lack of capital and human resources.

Variations in this pattern have been found though. In their study of small tourism businesses in Denmark and Spain, Sundbo, Orfila-Sintes and Sørensen (2007) divided small tourism businesses into two sub-categories, the "family-life-style-based shops" and the "entrepreneurial shops". While the former are traditional, conservative businesses, the latter are run by development and innovation oriented people. The innovative capabilities in the entrepreneurial shops were mainly related to characteristics of the entrepreneurs, not to the type of services they offer.

Another positive outlook on innovation in small tourism businesses was recognised by research from New Zealand. Ateljevic and Doorne (2000) found that small businesses that deliberately choose to stay on the outskirts of the main market have an important role in both the development and reproduction of niche market products. The entrepreneurs were recognised as being *"instrumental in the creation and introduction of innovative products to the wider industry"* (Ibid: 381). In a follow-up on the study by Ateljevic and Doorne, Shaw and Williams (2004) examined entrepreneurship in surf tourism businesses in Cornwall, England. They found the surf entrepreneurs to be more change oriented, to have more relevant work experience and education for starting a business, and to utilize different social networks than what they had found in previous studies of small tourism businesses (see e.g. Shaw and Williams, 1998).

These findings suggest that it is hard to generalize findings from a diverse tourism industry. Research is often carried out either on small tourism businesses in the accommodation sector only (Shaw and Williams, 1998) or all small and medium-sized businesses in a given area (see e.g. Ioannides and Petersen, 2003; Bredvold and Holmengen, 2000; Karlsson and Lönnbring, 2003).

By emphasising heterogeneity and focus on adventure tourism businesses, this study may add to more nuanced findings on how product characteristics and resources differences matter in terms of innovative activity.

The second issue concerns the relationship between knowledge resources and innovation. It is well established that innovation depends on the interplay between external and internal knowledge resources (see e.g. Sundbo and Gallouj, 1998). Innovation involves developing and combining resources and is dependent on the interaction and collaboration of several actors. An increasing number of studies are adding to our knowledge about how different forms of collaborations, cooperative projects and networks influence innovation (see e.g. Rønningen and Lien, 2014; Sørensen, 2007). Increase in collaboration has been found to correlate with increases in innovation (Rønningen and Lien, 2014). This study will in contrast emphasise internal knowledge resources and how these affect innovation. Hopefully this can contribute to a better overall picture of innovation in small tourism business.

The tourism industry in general has been described as operating within a secondary labour market with low wages and skill levels, unstable employment and limited training opportunities (Jameson, 1998:176). This has led to what Shaw and Williams (2009:327) call "*a relative neglect of the knowledgeable worker in the tourism industry*". Again, this is based on studies covering the whole industry.

There is little research on the knowledge resources of adventure tourism businesses. The employees of adventure tourism businesses are mostly front line personnel with a lot of customer contact through the role of guides or instructors. The front personnel are regarded as important for tourism businesses' innovative capacity, as they continuously interact and receive feedback from customers (Sundbo and Gallouj, 1998). The combination of much customer contact and the often specialized knowledge needed to carry out the guide work may make internal knowledge resources particularly important in adventure tourism businesses.

Several factors influence the knowledge resources of small businesses. The three research questions described below can be understood as the exploration of three such factors.

1.1. RESEARCH QUESTIONS

This study explores relationships between adventure tourism businesses' knowledge resources and innovation through a multiple case study. Innovation is often

measured quantitatively to get an impression of how innovative a certain industry is and whether the innovative activity is something that changes over time, e.g. in response to different governmental initiatives. This research will have a qualitative approach, trying to capture the processes behind the innovative activity of the businesses. A central part of the research is based on business biographies told by the entrepreneurs, where they highlight significant changes in the history of their business and how these were brought about.

Norwegian cases were initially chosen, but during initial pilot interviews with two adventure tourism entrepreneurs of foreign background (NZ and USA), the importance of social and industrial context became apparent. The two foreign entrepreneurs both underscored that adventure tourism was not yet an industry in Norway. They described a pattern of individual micro businesses scattered over great distances, with little integration with the tourism industry as a whole and no overseeing national bodies to regulate the undertakings. The organizational "thinness" and immature industry described must surely influence knowledge resources and capacity for innovation in the Norwegian adventure tourism industry.

Another and related issue that came up in this phase was the lack of bigger adventure tourism businesses in Norway. The idea of exploring size-related knowledge processes is better followed up if there is a certain span in the number of full-time employees. At the time of the case studies there were few bigger actors to choose from in Norway.

A way of dealing with these issues was to include cases from NZ. NZ was chosen because of its reputation as an adventure tourism destination (see e.g. Cloke and Perkins, 2002) while simultaneously being similar in size and population to Norway. Another reason was my own familiarity with NZ, which would make practical arrangements easier than in other countries with a reputation for having a mature adventure tourism industry such as the US, Canada or Costa Rica. With four cases from NZ in addition to four Norwegian cases, two bigger businesses operating year -round and with several employees working full time could be included. It also meant that potential context specific issues related to the national level industry could be discovered.

With cases from two countries, the emphasis of the study was still kept at the micro level. As the research process proceeded, the comparisons at a national level became less central; internal business processes and the knowledge related differences between the individual adventure tourism activities seemed more essential for increasing our understanding of innovation in adventure tourism businesses. With emphasis on the business level, the comparative perspective was therefore downplayed in the research questions; the opportunity was still there to discover potential contextual differences that inflicts on adventure tourism innovation.

Relationships between knowledge resources and innovation will be explored through three different perspectives, reflecting a comprehensive theoretical approach. These concern a) the maturity of the adventure tourism activity in question, b) business knowledge resources and c) business location. The three perspectives can be seen as supplementing each other. The issue of maturity concerns knowledge resources at a collective, industry level, while at the same time indicating the scope of action for the individual business. The perspective of knowledge resources explores internal processes of knowledge development, and how these might affect innovation. The location perspective emphasizes how being embedded in different locations influence knowledge development. By focusing at industry, business and location levels, the aim is to get a rich understanding of how knowledge resources shape innovation in this particular part of the tourism industry.

The first perspective suggests that our understanding of innovation and the related knowledge processes taking place in small adventure tourism businesses would benefit by incorporating an evolutionary perspective to entrepreneurship (see e.g. Aldrich, 1999). Knowledge processes and innovation are depending both on where the specific business is at in its life cycle (see e.g. Kotler, 2000), and where the specific activity is at in the development as a commercial activity. A "young" activity has challenges that may require more internally oriented knowledge processes than the more mature commercial activities. Such historical paths may provide a valuable frame for understanding innovation in small tourism businesses.

The business biographies of the case studies will contribute to knowledge as to what significant changes are taking place throughout the "life" of an adventure tourism business. Research question 1 relates these findings to the different ages of the adventure tourism activities represented in this study and examines how knowledge development and innovation are shaped by adventure activity maturity:

How are knowledge dynamics and innovation in adventure tourism businesses shaped by the prevailing evolutionary conditions for this particular adventure tourism activity?

The second perspective takes its starting point in findings of size-related differences in patterns of innovation (see e.g. Rønningen and Lien, 2014; Jacob, Tinoré, Aguiló, Bravo and Mulet, 2003). The assumption is that bigger businesses will have both better developed internal routines and therefore increased absorptive capacity (Cohen and Levinthal, 1990), *and* more resource slack for networking and external project work. As little is known about the resources of adventure tourism businesses, it is interesting to see how business size, as measured in number of employees, influences the pattern of innovation.

Four of the cases of this study are micro sized businesses with less than five full time employees, while the other four can be regarded as small or medium-sized,

with more than five full time employees[1]. The assumption of size-related differences is examined in research question 2:

How are processes of knowledge development and innovation related to business size and to what degree does lack of knowledge resources act as barriers for innovation in adventure businesses?

Finally, given the combined challenges of knowledge development in businesses often rurally located in a seasonal industry, it is argued that being co-located with other adventure tourism business will provide knowledge benefits. Such co-location may indicate increased potential for collaborations, tougher competition and easier access to valuable knowledge resources.

Half of the cases of this study are located in what is argued to be adventure tourism communities, with several adventure tourism providers located in close geographic proximity. The other half lacks such proximity to other providers. How location affects innovation is examined in research question 3:

How does co-location of businesses offering similar tourism services, leading to increased potential for cooperation and/or competition, influence knowledge resources and innovation?

Taken together the three perspectives may contribute to a) an increased understanding of the knowledge resources of adventure tourism businesses, b) a nuanced understanding of what innovation means in the context of adventure tourism businesses and c) an increased understanding of the relationships between knowledge resources and innovation in adventure tourism businesses.

1.2. STRUCTURE OF THE THESIS

The first part of the thesis (chapters 1 and 2) consists of the introduction to the topic of innovation in adventure tourism businesses and a presentation of the research questions, followed by a methodological chapter.

The second part of the paper (chapters 3-6), presents the theoretical background of the research. Chapter 3 gives a review of research on adventure tourism, emphasizing central characteristics, factors driving the growth of the adventure tourism industry and the related motives for taking part in adventurous activities. A model is then introduced based on the research findings, which place adventure tourism activities according to dimensions of commercialization and involvement. It is highlighted that this research is concerned with commercially organized adventure tourism activities, and the chapter ends with a review of the scarce literature pertaining to issues of knowledge development and innovation in this particular part of the tourism industry.

[1] See chapter two for a full description of how business size is defined in this research.

Chapter 4 discusses the concept of innovation, both by looking into the Schumpeterian heritage and by relating this to characteristics of service innovation and some specificities of tourism innovation. Finally, drivers of innovation are presented and discussed in relation to small tourism businesses.

Organizational knowledge development and transfer is seen as crucial for innovation. Chapter 5 introduces briefly different types of knowledge in organizations before looking specifically at knowledge and knowledge development in the context of small tourism businesses. Chapters 4 and 5 acts as broad building blocks for chapter 6, where the scope is narrowed down from small tourism businesses to adventure tourism businesses. Here, three different perspectives on knowledge development and innovation are presented.

The first discusses how an evolutionary framework can be fruitful when discussing knowledge development and innovation in adventure tourism businesses. Each activity can be seen as having its own knowledge development path, and an activity new to the market has different knowledge-related challenges than a 'mature' activity, which has an established position both in the market and in the tourism industry at large. Aldrich's (1999) evolutionary approach to entrepreneurship is central here. The second perspective discusses how business size influences innovation in adventure tourism businesses. Drawing on research related to the concept of serious leisure (Stebbins, 1982), it is discussed whether the social and cognitive proximity of people partaking in such leisure activity may facilitate knowledge transfer in a related adventure tourism activity. The final perspective concerns location. Co-location with other adventure tourism businesses may be a way of facilitating collaboration and knowledge transfer, and the relevance for the concepts of embeddedness (Granowetter, 1983) and clusters (Porter, 1998) are discussed in relation to adventure tourism communities.

Chapter 7 presents the tourism industry and more specifically the adventure tourism industries of Norway and New Zealand in brief, before the eight cases of this study are presented in chapter 8.

Chapters 9-11 analyze the empirical material of the research. Chapter 9 takes its starting point in findings of very different start-up conditions for entrepreneurs within a new adventure tourism activity and entrepreneurs within a well-established activity. The chapter describes the evolutionary path of a new adventure tourism activity through three overlapping stages. Each stage is discussed with respect to central challenges of knowledge development and the building of legitimacy. It is argued that the different stages will shape patterns of innovation.

Chapter 10 is concerned with how internal knowledge resources influence the capacity of knowledge development and innovation. Findings regarding recruitment, staff turnover and training are presented and discussed in relation to the concept of serious leisure (Stebbins, 1982). The chapter also provides an

overview of patterns of innovation in the eight businesses, organized around the different types of innovation and continuously related to the resource question.

Chapter 11 discusses findings of how the businesses experience effects of location. The chapter starts out by introducing the term “adventure tourism communities”. Location is then seen in relation to recruitment and retention of staff, competition and collaboration. Both the concept of serious leisure and legitimacy are again brought in as they may contribute to increasing resources at a destination level.

Finally, chapter 12 summarizes findings from the three analytical chapters. While the perspectives differ, it is argued that seen together they contribute to a more nuanced understanding of knowledge development and innovation in adventure tourism businesses. Some tentative implications for adventure tourism innovation and tourism innovation research are presented.

CHAPTER 2. METHODOLOGICAL REFLECTIONS

The growing body of research on tourism innovation shows examples of different research approaches. Larger quantitative studies have tried to uncover the amount of innovation taking place in either the whole industry (see e.g. Rønningen, 2009) or parts of the industry as exemplified by an informative study of innovation in hotels in the Balearic Island (Jacob et al. 2003). With different research approaches tourism innovation has been studied successfully through a systemic approach; by focusing on systems of innovations (see e.g. Hjalager, Huijbens, Björk, Nordin, Flagstad and Knùtsson, 2008) or by following a specific innovation process and interviewing those involved in the development (see e.g. Jensen, et al., 2002).

This research will focus on how the relationship between available knowledge resources and innovation is experienced at the level of individual adventure tourism businesses. Official documents and tourism strategies highlight the importance of adaptability and innovation, and the producers of new niche experience products are often small or even micro sized businesses. A multiple case study approach was chosen, as it offers the depth of qualitative methodology while simultaneously having the possibility of testing how the processes are shaped by various conditions. In this case, the aim is to explore research questions of how business size, location and evolutionary stage shape knowledge processes and innovation. Initial propositions can be tested in different conditions carefully planned through the different selection criteria described below. Yin (2003) describes this testing and revision of propositions through multiple cases as replications, drawing analogues to the traditional testing and replications of experiments. Through the logic of replication, different theoretical constructs can be investigated.

Miles and Huberman (1994:26) describe how the advantages of multiple case studies are that they potentially offer the researcher a deeper understanding of processes and outcomes of cases, give the researcher the opportunity to test (not just develop) hypothesis, as well as provide a good picture of causality which is locally grounded.

Qualitative research is holistic in the sense that the phenomenon is examined in its context; how it is experienced in the life world of different actors. With a qualitative approach to innovation, an aim of the research is to understand how actors within the adventure industry experience change processes, and what meaning the actors attach to the processes. Such an understanding requires more than pure description of processes within the businesses, but also to interpret the meaning of these processes (see e.g. Gilje and Grimen, 1993). Approaching

innovation as a meaningful phenomenon means giving attention to the context of innovation and the meaning placed on it by the different actors involved.

The chapter is divided into three parts. Defining and delimiting the field of the case study is essential. Section 2.1 clarifies what is meant by adventure tourism businesses in this study, and describes the case study design. The main selection criteria for the cases, based on business size and location factors are then elaborated on, before describing the process of selecting the actual businesses for the case studies.

Section 2.2 elaborates on the empirical sources of the study as well as the process of data collection. The empirical material was collected mainly through qualitative interviews and observation. The section tries critically to examine the process both the process of data collection and the data obtained. Her må¨det skrives om etter gjennomlesning.

Section 2.4 describes the process of analysis. The section also appraises the reliability and validity of the study and problematizes issues of generalization. Following Yin (2003), an aim of qualitative research is to obtain analytic generalization where the case studies will contribute to theory building. While this clearly is an aim of this study, this is challenged by the heterogeneity of adventure tourism. To what degree can findings from these eight adventure tourism businesses contribute to theories of adventure tourism?

2.1. WHAT IS AN ADVENTURE TOURISM BUSINESS?

Case studies can be executed at different levels. The cases of this study are at the level of the individual adventure tourism business. However, what exactly is an adventure tourism business? As the previous chapter displayed, adventure tourism is an ambiguous term, in need of a more strict definition before case selection.

Nature based experience products are offered by many tourism providers as a side product. A study by Yttredal (2005) of adventure tourism businesses in Norway found that many businesses with accommodation as their main product in addition offer different types of nature based activities as side-products. While these businesses surely are an important part of the industry, this specific study with an emphasis on knowledge development and innovation wants to explore primarily businesses with commercial adventure tourism activities as their main product.

As described in the previous chapter, there is great variety in how adventure tourism activities can be understood. Activities such as downhill skiing, different forms of safaris and e.g. the renting out of boats for people to go fishing are examples of activities that some places are included as adventure tourism products. In this study, again with the research questions in mind, certain defining characteristics need to be in place.

For one thing, there must be a physical element to the activity. The participants need to be physically engaged in the activity. Sightseeing and safaris will for that reason not be included in this study. One of the businesses included in this study has swimming with dolphins as their main commercial activity. This involves dressing in wetsuits, being acquainted with the use of snorkels, masks and flippers, then swimming in the sea surrounded by dolphins. There is definitely an element of active physical engagement to the activity. The business also offers an albatross encounter product. This is more in line with the traditional safaris, as you go out on a boat and feed different types albatrosses. You get close to a wide range of extraordinary birds, but the activity is quite passive and will not be counted as an adventure tourism activity in this research.

A final consideration is the interaction between provider and participants. Businesses simply offering rental equipment are not covered by the term adventure tourism businesses in this research. There must be some kind of interaction following the activity in the form of guiding or instruction. Again, this is because of the emphasis on knowledge processes within adventure tourism and that part of the knowledge about which we aim to learn more is tied to carrying out the activity. A farmer renting out canoes as a side business will have little to contribute to theories of knowledge development and innovation in adventure tourism. If the same farmer instead guides the participants daily through the canoeing activity, he will have a lot to say e.g. about how the experience can be delivered, the motives of the participants, safety aspects and technical aspects of guided canoeing trips. The interaction with the participants includes a whole array of knowledge related aspects, which again are relevant for especially product innovation.

To summarize, adventure tourism businesses in this study are understood as businesses offering commercial exciting or thrilling activities in a natural outdoor setting and where the:

- Adventure tourism product is the main source of income for the business;
- The participant is physically engaged in the activity; and
- There is an interaction in the form of guiding or instruction between employee(s) and participants throughout the course of the activity.

The delimitation is in line with Yttredal (2005).

There are obvious challenges by such delimitation, with the main risk being to reduce adventure tourism to a non-recognizable phenomenon. To see how the definition would work an internet search on adventure tourism businesses based on these criteria in Norway and NZ was carried out before selecting cases. The search revealed a large amount of businesses in both countries. These were businesses where the commercial activity following the web pages seemed to be the businesses' main product (this was not checked out through other means); activities were presented showing participants physically engaged in the activity, and were

the presentation from the web described how guides or instructors were involved in carrying out the activity.

The businesses recognised were for the most parts offering activities that perhaps most people associate with adventure tourism such as bungy jumping, rafting, commercial parachuting, glacier guiding, mountaineering, horseback riding and sea kayaking, but also more rarely offered activities such as black-water rafting[2], winter via ferrata[3] and caving. The quasi-internet study seemed to support that the defining characteristics described above could be a useful way of delimiting adventure tourism without twisting the phenomenon too much. The delimitations set here still leave us with an ideal type of adventure tourism businesses and this must be reflected in how findings are being understood, and in potential theory building.

2.1.1. CASE STUDY DESIGN

A case study inquiry aims to obtain a wide knowledge base by collecting a large amount of information on few units or cases. Using a case study approach means that the business' innovative activity can be seen from the perspective of different actors within the business, while it also provides the researcher a chance to observe the business and its context and to participate in the adventure tourism activity offered as a supplement and correction to the verbal reports. Through such multiple sources the picture of knowledge resources and innovation in adventure tourism businesses will hopefully become more nuanced. The multiple sources of evidence of the case study make triangulation possible within each case and by having multiple cases; one can follow the replication logic described by Yin (2003) to obtain a more robust analysis.

This section will describe the rationale of the research design and reflect on the pre-understandings that shaped the selection choices criteria. Yin (2003) highlights the importance of theory development prior to data collection when using case studies. In this way, what is already known within the field influences how the research process develops. The selection criteria for this study were shaped by previous research on innovation in small (tourism) businesses. Case selection took its starting point in factors identified in the literature as being important influences on small businesses' knowledge resources. One such factor is business size. More staff

[2] Blackwater rafting is an adventure tourism activity were the participants float on inner tubes through dark caves. The experience will vary with location; while some trips are calm, others include rapids, small waterfalls and rapelling.

[3] A modern via ferrata consists of a steel cable which runs along a mountain side and is periodically attached to the rock. Participating climbers can secure themselves to the cable, and in that way limit a fall. With this equipment, even inexperienced climbers can undertake otherwise dangerous routes without risk. While normally carried out during the summer months, Norske Opplevelser commercialized a winter-version of via ferrata.

means more people with different skills and capacities, and bigger businesses are found to have more resources available for knowledge development and innovative activity. This theoretical line of research is described in more detail in section 6.2.

The second factor chosen as a selection criterion was location. The line of reasoning follows previous research on business agglomerations, showing that co-location of businesses offering services to the same market(s) leads to knowledge benefits through easier access to staff, more possibilities for knowledge development and specialization and often more competition, which in turn drives the rate of innovation. This is further developed in section 6.3.

With these two selection criteria eight cases were chosen, four micro businesses and four small/medium sized; four located 'on their own' and four located in proximity to other adventure tourism providers. While the selection criteria were based on theoretical pre-understandings, the theoretical framework had not been fully developed prior to the case studies. Developing the theoretical framework was an ongoing process, from the initial case selection and write-up of the interview guide, throughout the case studies and initial analysis.

With the selection criteria concerning size and location in place, there were still other conditions assumed to shape knowledge development and patterns of innovation that I wanted to explore further. My experience from the adventure tourism industry had made me aware of the inherent differences of the activities sorting under the adventure tourism umbrella. The specialized knowledge required from a mountaineering guide is e.g. quite different from the more routine-based organizing of bungy jumping. My assumption was that each activity has their own more or less specialized knowledge requirements that were assumed to inflict on e.g. patterns of training, knowledge specialization and staff-turnover.

Yin (2003:51) argues that external conditions that may result in different case study results should be articulated explicitly at the outset of the study, leading to the inclusion of a larger number of cases. To explore whether activity specific differences mattered for processes of knowledge development and innovation in adventure tourism businesses, I chose to have several different activities included in the study. Both activities that I knew required several years of specialized training (mountaineering) and activities that one could start guiding in the first season of training (e.g. glacier guiding and rafting on river sections of grad II-III). The aim of this planned variety was to gain a richer understanding of knowledge in adventure tourism businesses upon which to base further analyses. The relative high number of cases was the result of the wish to explore these variations.

A final decision of including cases from NZ came as a result of initial pilot-studies. The two entrepreneurs of the Norwegian pilot studies were foreigners, one from the USA and one from NZ. Both entrepreneurs elaborated on the 'young' Norwegian adventure tourism industry. Compared to their home countries, there was no adventure tourism industry in Norway; just very small businesses scattered around

with little interaction and few tour operators serving them. Both entrepreneurs also mainly hired international guides (not Norwegians) for their business, as they found them to be more professional and service minded. This, combined with challenges of finding large enough businesses in Norway, led to the inclusion of cases from NZ. With four of the cases being from NZ, the theme of businesses size would be better covered through two big year-round run businesses, and external conditions related to being a more mature industry were included.

In summary, the process of shaping case selection criteria was driven by theoretical preconceptions, personal experience from the field and initial results from pilot interviews. The main selection criteria were related to business size and locations, factors that are quite open for discussion. The following two sections elaborate on how these criteria were delimitated for the purpose of this study.

2.1.2. BUSINESS SIZE AS SELECTION CRITERION

Findings of low and even non-existent levels of innovation in small tourism businesses have mainly been explained by the small size of the businesses and the related issues of lack of capital and human resources (Sundbo et al., 2007; Hjalager, 2002; Jensen, et al., 2001). The capacity to innovate has been found to be significantly higher both in larger tourist businesses and in enterprises connected to chains or other horizontal collaborations (Hjalager, 2002; Jensen et al., 2001).

While all adventure tourism businesses can be said to be small or micro businesses, business size may still be an important factor shaping innovative activity. It is argued that there are large resource differences between micro businesses where the entrepreneurs are in charge of most of the business processes, and the small businesses having several people employed full time. The difference in surplus for strategic planning and innovative activity may be considerable. The micro businesses will likely be more constrained and have little time and resources to follow up on ideas of improvements and change.

To examine the relationship between knowledge development and innovation, both smaller and bigger businesses are included as cases. However, what does “smaller” and “bigger” mean in an industry highly dominated by micro businesses?

A study on “friluftslivbedrifter” (outdoor recreation businesses) in the county of Møre and Romsdal in Norway found that as many as 73% of the total number of companies had a turnover between 0-300 000 kr (Yttredal, 2005). With such low-income levels, the majority of these businesses are one-person businesses, run as a part-time job. Being a part time project means limited time and resources, and often a business owner with no other visions than working part time with something he or she enjoys (Ibid). With an emphasis on knowledge development and innovation, these smallest businesses are not represented in the cases. While being recognized as an important part of the industry, a minimum size was needed to make sure

relevant processes could be investigated. The minimum size of the businesses was therefore set to one full time employed.

Due to the seasonal variations in Norway, even some of the bigger adventure businesses only have one or two full time employed, while having 10-20 employees during the main season. Deciding what is a big and what is a small business is therefore a challenge. How business size is measured varies from country to country. A commonly referred to definition is the one developed by ESA, which measures the micro businesses as having less than ten employees, and the small businesses as having less than 50 employees (Europakommisjonen, 2006). Using this EU definition, all Norwegian adventure tourism operations would be micro businesses, covering up important differences.

Probably resulting from the fact that as many as 97% of Norwegian businesses have less than 20 employees, the defining numbers are usually lower in Norwegian statistics (Holmengen and Akselsen, 2005). According to Spilling (1998:11-12), commonly used definitions in Norway are that businesses with less than five employees are called micro-businesses, the small businesses have between 5 and 19 employees and the medium sized between 20 and 99 employees. This categorisation was found to suit the purpose of this study.

However, what does one employee mean? An employee could mean a person who has a temporary work contract with a business. Since this person does not need to be a full time employee, the definition will lead to a distorted picture of business sizes within a tourism industry dominated by part time employees. Alternatively, number of employees could be measured in full time equivalents (FTEs). A FTE is a measure of the amount of work one full time employed is executing during one year. Three people working within the tourism industry during a peak season of three moths each would still not add up to a full FTE altogether.

To see if and potentially how size influences innovative activity, half of the cases chosen will be micro size businesses with less than five FTEs, while the other half will be small businesses with between 5-19 FTEs. While few Norwegian adventure businesses fit into the definition of a small business, there are still some from which to choose. Looking at the industry in New Zealand, where the tourist season is longer, there will be several more.

2.1.3. LOCATION-FACTORS AS SELECTION CRITERION

Co-location of similar businesses in a geographical area usually increases competition as similar products or services are being sold based on the same resources (Michael, 2003). In the case of adventure tourism, the resource base will be natural resources such as a rafting river or an arm of a glacier suitable for commercial hiking tours. Such co-location, also called horizontal clustering, can lead to several advantages such as better labour supply and product availability, as

well as shared information and infrastructure to reduce costs (Ibid.). This theoretical perspective is further elaborated on in chapter six.

It is anticipated that the pattern of innovative activity will look different in businesses located in such agglomerations than in businesses located on their own. A second criterion for case selection is therefore related to location; whether there are several other businesses in the area offering similar adventure tourism activities or not.

However, what does this mean in practice? The competitive environment in tourism is a complex issue; having one competitor may be enough to spur innovative behaviour in some locations, while destinations with several providers may still represent a weak competitive environment as exemplified by research from a traditional British coastal tourism region (Shaw & Williams, 1998) and the island of Bornholm (Ioannides and Petersen, 2003). These latter findings were mainly explained by the lifestyle motivation of the entrepreneurs.

Ideally, the location of each case study should have been empirically examined before the final case selection to assess the business environment. This was ruled out because of the resource situation of the study. Instead, the locations where chosen based on internet search and reputation.

Identifying adventure tourism businesses with few or no other adventure tourism suppliers in geographic proximity turned out to be more problematic. One big adventure tourism actor in Hemsedal, a major Norwegian ski destination, was chosen, as there seemed to be no other major adventure tourism providers in the area (following the definitions above). Still, being a ski destination created very different dynamics than if this was a business located more on its own.

The glacier guiding business in NZ was chosen because it also seemed to be the only bigger adventure tourism provider in the area. Then again, distance is relative in a tourism context: The neighbouring glacier guiding business, 23 km away was a very present competitor. Being two large actors with year-round operation surely will mean a lot when it comes to knowledge development and competition-driven innovation.

These issues were discovered during the cases studies and as the cases otherwise proved to be information-rich they were still included in the analysis. While complicating the issue of location in the analysis, the businesses above ended up providing more nuances to issues of competition and cooperation an on what may be termed adventure tourism communities. With the nuances discussed above in mind, four of the cases of this study were located in what will be termed adventure tourism communities and four businesses have few or no other adventure tourism operators in geographic proximity. The locations are further described in chapter 11.

2.1.4. SELECTING CASES

Selecting the actual businesses were a result of a variety of processes at different levels; initial theoretical and personal pre-understandings leading up to the criteria described above, internet search to obtain an overview of adventure tourism providers in both countries, pragmatism and snowballing.

Getting in touch with and planning the time for the case studies were the next issues. While gaining access to and agreeing to meet with businesses in Norway was straight forward, this was more challenging in NZ. Several e-mails were sent before the one-month trip to NZ with no response. I therefore decided to start out by visiting a rafting business I already knew from a previous visit to NZ. My contacts there agreed to meet me.

The access to a NZ mountaineering business was eased by joining and paying for a daytrip of skiing. As we (my husband and I) stayed in the entrepreneurs' studio in Wanaka for nearly a week, we got to know the entrepreneurial couple quite well. They again advised me on whom I should contact to get access to one of the big glacier guiding businesses. This snowballing method, where the mountaineering couple could be used as a reference, was an efficient door-opener. Through snowballing, cases of interest are identified from people who know what cases are information rich (see e.g Thagaard, 2013:61).

Contact with Encounter Kaikoura was achieved only a few days before we were leaving New Zealand. I did not manage to get in contact with any of the three entrepreneurs of Encounter Kaikoura; one had become a dad only a few days before we got to Kaikoura, one was abroad and the last was too busy. As I did get a longer and informative interview with the sale director, and joined their trips where I could talk with the guides, the case was still included.

The running of small and micro business is demanding, and especially the entrepreneurs and/or business managers are busy and difficult to reach. While timing the case studies to shoulder seasons was helpful, practical issues shaped whom we could talk to in each business. Some interviews were interrupted a lot by phone calls and people going to and from, shaping the quality of the individual interviews. While the aim was to have similar material from each case, this could therefore only partly be achieved.

The figure below illustrates the selection criteria of the research design, with four cases from each country.

Table 1 *The adventure tourism businesses of this study sorted by the selection criteria of business size and location.*

	Business co-located with other adventure tourism providers	**Businesses with few other adventure tourism businesses in geographic proximity**
Micro sized business	• Norgesguidene (N) • Alpinism and Ski Wanaka (NZ)	• Folgefonni Breførarlag (N) • Mangaweka Adventure Center (NZ)
Small business	• Heidal rafting (N) • Encounter Kaikoura (NZ)	• Norske Opplevelser (N) • Fox Glacier Guiding (NZ)

2.2. EMPIRICAL SOURCES

The case study inquiries involved a combination of qualitative interviews and participant observation in order to gain in-depth information about knowledge processes and innovative activities in each business. By having several interviews per business in combination with observation, one may capture different perspectives on the innovative activities taking place.

Yin (2003:98) argues that the most important advantage presented by using multiple-sources of evidence is what he calls *converging lines of inquiry*: Any finding or conclusion in a case study is likely to be much more convincing and accurate if it is based on several different sources of information. This logic of triangulation has been followed as an ideal throughout the case study. Findings that do not have support in any other sources of information are downplayed in the analysis. If in doubt, the findings have been left out.

A strength of having multiple sources of information is also that different research effects can better be controlled for. Research effects can be defined as *"all effects on the actors and their interactions of being part of research, and knowing about it"*. (Repstad, 1993:50, author's translation). Most people would like to leave a positive impression on the researcher, and may therefore choose to answer what they think is in line with what the researcher wants to hear. In a study that examines innovative activities in a business, the manager may for example try to give the impression of his or her business being very developmentally oriented and innovative. By gaining information from other employees and by observing the daily workings of the business, this picture will become more nuanced.

An important point to be made here that may have shaped the data collection is my personal experience from the field. Through four seasons as a rafting guide on the Sjoa River and a summer as a glacier guide at the Briksdals glacier in Western

Norway, I had experience with the type of organization I would be studying. With years of experience from river kayaking and climbing, and being married to a mountain guide, also meant that I knew the social worlds surrounding these activities. While I chose not to include businesses I had worked for as cases[4], Yin's term of *insider research* (2011:42) was still relevant. He uses the concept when the researcher studies his own social groups, organizations or communities.

Thagaard (2013) argues that knowing the field from within can be both a strength and a weakness, and this was truly experienced in these case studies. On the positive side, my experience and acquaintances in the field turned out to be a good door-opener, both for getting in touch with the Norwegian cases and Mangaweka Adventure Company in NZ (where I knew the present owners from a previous visit to the community). My background probably also made initial small talk before the interviews easier and thereby contributed to the building of trust (see e.g. Repstad, 2007). During the interviews it may have influenced how the respondents talked about certain issues; they could refer to people, places and technicalities of the activities and know that I knew what they were talking about. Through my own experiences, I could better understand the issues and situations they described (Thagaard, 2013).

This familiarity may also have lessened some of the problems of positive self-reporting in the retrospective interviews. Knowing that I knew people in the industry may have decreased the tendency of presenting oneself in a more positive light; findings could often be double-checked through other sources.

The familiarity clearly had its more challenging sides too, which were evident throughout the process of collecting data. In the development of interview guides, it was e.g. at times difficult to see what could be interesting questions for research; my own experiences were blinding the field. Questions that a researcher from a more outside perspective would find exciting could seem naïve to ask, as the answer was "evident" to someone knowledgeable. This was challenging both in the development of interview guides and in the actual interview situations and the ambivalence between the roles of researcher and "insider" were at times intruding. This was particularly experienced in the few interviews where people knew me from kayaking and rafting, while I now was in the role of a researcher. Some of this ambivalence was anticipated though, and could be dealt with through working with how I presented the research topic initially, how the questions were phrased, etc.

The insider role may also have influenced what I paid attention to and elaborated on in the interviews. Thagaard (2013:206) argues that the affiliation to a given milieu may make the researcher disregard information that is different from his or her own experiences, and that this will lead to a lack of openness to nuances of the situations being studied. While this is an issue hard to judge on your own study, the tendency

[4] I had worked 2-3 days for Heidal Rafting in 1999 and a day for Mangaweka Adventure Company in 1999.

to notice familiar information will always be there. The main tools utilized in this study to try to partly overcome this tendency was, first of all to be aware of the challenge, and then to actively use previous research from other parts of the tourism industry in developing research design and interview guides, to elaborate on the interview guides in relation to each case and to try to ask open questions. The case study approach with several sources of information also opens for critical valuations underway. The interviews were mostly carried out in consecutive days, with time in between to go through and reflect critically on the findings.

The eight cases involving several different adventure tourism activities also made the issue of the insider perspective complicated, as my experience level and knowledge of the specific activity and type of business would vary. While I could be regarded as an insider in the rafting and glacier guiding business, I was an outsider in the case of Encounter Kaikoura, as I had no experience with the activity or the social world surrounding it. Each case in that respect needed careful preparations, both to make sure that the specifics of the particular activity were included and with respect to my own role.

In the following sections, the data obtained from interviews and observations are accounted for.

2.2.1. QUALITATIVE INTERVIEWS

Qualitative interviews were an important part of the case studies. Kvale (2001) sees the qualitative interview as descriptions and interpretations of themes in the interviewed person's life-world. The researcher is the most important instrument, both in collecting data, and analysing these. The researcher is guiding the conversation, asking additional questions when necessary and trying to grasp also what is not directly articulated; body language, sudden emotional expressions, etc. Yin (2003:92) cautions that interviews still should be considered as verbal reports only; that they are subject to challenges of poor recall, different types of biases and problems of inaccurate articulation. His answer to this again is to corroborate interview data with information from other sources.

Mason (1996) argues that in qualitative research it is often more a question of data generation than data collection. By this, she emphasises that the researcher can never be neutral in his or her data collection, as propositions and epistemological foundation will always influence the construction of new knowledge. The contact and communication pattern developing between interviewer and interview object during the interview will also shape the knowledge being generated.

Interview guides guided the interviews. When developing interview guides, one aim was to develop questions that would be meaningful to the informant, easy to comprehend and in a language familiar to the informant. While built on theoretical pre-understandings, the interview guides did not contain unnecessary theoretical concepts. The aim was to gain the informants' own description and understanding

of the development and organisational change of the business, and in that respect avoid the use of concepts that can confuse and even provoke the informant. By using what anthropologist Clifford Geertz calls experience-near concepts, words that the informant uses in his or her own descriptions or understandings of the world, the interviews could be carried out more as conversations around specific topics.

To make interpretations and comparison easier, similar interview guides was used for the different cases. Each still needed small modifications, both to be adapted to the specific activity and context in question, and as a result of experiences made in previous interviews. Certain themes turning up in one interview needed to be elaborated on in the next, etc. In addition, the interview guide was a bit different according to the role of the informant; the entrepreneurs' interview guides were in general more comprehensive than the ones for the employees.

2.2.2. OBSERVATION

While interviews can be rich sources of information, you are still as researcher depending on someone else's perspective on the phenomenon in question. The stories that are told will always be one person's comprehension, from his or her particular point of view. In qualitative research, the context plays a central part, but may be hard to grasp through interviews only for a researcher being "outside" the setting. One way of gaining a wider perspective and a better understanding of contextual matters is by including observation in the data collection. Through observation, a more personal experience with the context of knowledge development and innovation can be obtained. Yin (2003:93) argues that additional information about the topic being studied can be added through periods of observation.

By having periods of observation as part of the case study, a clearer picture of the dynamics of the business in question may be obtained. While the interview persons tell their story of the competencies of the employees and the visions of the business, this could look different observing how thing are carried out on a day-to-day basis. Through observation, it is also possible to see some of the changes that may have come up during the interview; kitchen facilities, a rafting section suitable for family rafting or a package concept in cooperation with the local hotel. Having seen or experienced this will be valuable in increasing the understanding of why these changes came about.

Thagaard (2013) discuss how the researcher's role in observation is a balance between proximity and distance. The researcher needs to establish a relationship close enough to gain an understanding of how the informant(s) is experiencing the situation, but at the same time maintain the distance necessary to interpret what is going on from the perspective of an outsider. Failing to find this balance can lead to misunderstandings and misinterpretations. Having experience from this particular

field most likely shaped my observations. This issue will be dealt with in more detail below.

An important part of the observation was to take part in the adventure tourism activities offered by the business. This was a useful way of learning about the specific activities offered, and how the activity was carried out, the service and skill levels and the interaction between the guides/instructors. This was also a good time for more informal talks with the guides, especially during transport and during pauses or calm parts of the trips.

In addition to the interviews and observations, information will be gathered from the businesses' internet home pages, brochures, newspaper articles and other written sources. Informal conversation not related to the period of observation may also be valuable to refine questions and gain insight into the social structures of the business.

The following table presents the main sources from each case.

Table 2 *The main empirical sources from the eight cases*

Business/case	Description of the main empirical material
Norgesguidene	Interview with the present[5] manager and interview with one of the entrepreneurs. Joined parts of an avalanche workshop with another entrepreneur as instructor. I know the business through personal acquaintances, and through my husband who is part owner of and works for a competing business.
Norske Opplevelser	Interview with the manager and main shareholder, and interview with the sales and marketing director. I joined a via-verrata trip they arranged as part of a Mountain tourism conference in Hemsedal. As part of the arrangement, the marketing director held a presentation about the business for the conference delegates, including me.
Heidal Rafting	Interview with the present owner/manager, with the safety manager, and with one of their foreign full time guides. River kayaked the rafting section with a guide who has worked on and off for the business since the start-up of the business. I have previously worked for a competing business three seasons and worked for this particular business on a few occasions.
Folgefonni Breførarlag	Interview with the present owner/manager of the business. Phone interview with his brother who started the business with a friend. Phone interview with a local guide who has worked for the business for 10 years. Joined their 5-hour day trip.

[5] "Present" here means at the time of the case studies, in 2009-2010. As this is written in the spring of 2014, I am aware of major changes that have been taking place in ownership structures and replacement of managers in several of the businesses since the time of the case studies. If not otherwise specifically stated, the analysis is based on the case studies, not on information I have had access to in the years after.

Mangaweka adventures	Interview with the business entrepreneur. His wife, who had been involved in the business joined parts of the interview. Interview with the son of the entrepreneur, who presently owns the business together with his wife. His wife joined parts of the interview. Because of time constraints for the next case study, we could not join a rafting trip. The present owners' brother is a friend of mine and I have visited the business on a previous occasion in 1999. That time I paddled (river kayaking) both sections of the river on which they rafted at that time and worked a day as a raft guide for the business at the section that they are rafting today. Their products are in that respect well known to me.
Alpinism and Ski Wanaka	Interview with one of two the entrepreneurs. Both entrepreneurs joined us for the daytrip of skiing. As we (my husband and me) were the only participants, I had much time to talk with both. The business is being run from home and we stayed at their studio for the five days we visited Wanaka and got to know the couple and the way they run their business quite well.
Fox Glacier	Interview with the entrepreneur and his wife who had run the business for 31 years. I did not talk to the present owners, but had an interview with the present Head of guides, who had worked with both the previous entrepreneurs and the present owners. Joined the business' ice climbing trip. As we (my husband and me) were the only participants on that particular trip, the guides were able to talk with us underway.
Explore Kaikoura	For different reasons, the three entrepreneurs of the business were unable to be interviewed during my stay in Kaikoura. Interview with the market director who had worked for six years in the business. Joined their Swimming with dolphins trip and their Albatross encounter trip (although not an adventure tourism product, it was an important extension of their product portfolio). One of the entrepreneurs gave valuable written feedback and additional information as a response to the analysis I sent out for the business to read in the spring of 2014.

In addition to the above, I would highlight the importance of the more informal observations and informal talks with guides and other employees being part of the case studies. To join an activity was a valuable door opener and the trips themseleves was an excellent setting for informal talks with the guide(s). Information from these trips and other informal settings was written in field notes. Just visiting the businesses (or the entrepreneur's home, in the cases where there was no formal "office") enriched the material. Observations of how the tourists are received and how the guides interact give a more nuanced picture of the working of the business.

Staying for a few days in the community also gave other clues important for the case study; seeing what the employees were doing in the afternoon or seeing the neighbourhood of a business provided additional input about the context. We went

to the local bar with the owners of the NZ rafting business, and had a nice evening with people we had met on previous visits to NZ. At the same time, we got a different picture of the employment situation of the business, and on how central the business is for the small community.

In retrospect, I am content with the material I got from each of the cases, but the material would have benefitted from being richer; more interviews and more time spent in each business, especially the NZ ones. At the time of the case studies in NZ it was shoulder season, and while this made it easier to get hold of the entrepreneurs or managers, there were few guides around to talk to in Mangaweka Adventure Company and Alpinism and ski Wanaka. With the challenges of getting access to NZ businesses, one month in NZ turned out to be a bit short for the four case studies.

The information from each case should still be seen in relation to the research questions. If the aim of the study had been to explore knowledge development and innovative processes as these were happening or carried out in the businesses, a more in-depth design with fewer cases naturally would have been chosen. As the study was rather aiming for reflections on these processes and emphasised variations in selection criteria and in adventure tourism activities, having eight cases, with less information from each, was valuable.

A tape recorder was used in all interviews. All respondents in the different cases agreed to being recorded and were informed about how the transcriptions would be used. In addition, a draft of the analysis with the relevant quotes highlighted was sent out to the businesses in the spring of 2014 to correct potential misunderstandings. I simultaneously asked for permission to use pictures from their home pages.

2.3. ANALYSIS OF QUALITATIVE MATERIAL

The analysis of the material was an ongoing process throughout the case studies. Analyses were taking place already during the interviews, as the respondents' answers were elaborated on and tested by follow-up questions in the flow of the conversation. Summaries of initial findings were written after each case, trying to systematize the material before starting the next case study. In that way, findings were tested and elaborated on following the replication logic described by Yin (2003).

The interviews of the case studies were fully transcribed to provide a detailed account on which to base further analysis. Notes from the observational data were important supplements.

While research questions and theoretical pre-understandings provided a useful frame for analysis, the empirical material at times clearly took a lead role, dismissing certain theoretical perspectives. A research question on the role of entrepreneurial motivation in adventure tourism innovation was e.g. abandoned, as

no pattern was discerned in the material. This is not to say that the material does not contain any insight into the question of how entrepreneurial motivation influence innovation in adventure tourism businesses, but the findings were not robust enough to construct valid theoretical contributions.

On the other hand, early research notes on how the entrepreneurial situation differed between those early pioneers of rafting and dolphin encounter in NZ versus those starting up a mountaineering business in an already established industry was left untreated for two years. Then, as a preparation for a course I was teaching, I came across Aldrich's (1999) writing on the evolutionary approach to entrepreneurship, and realized that this could be a fruitful analytic perspective.

The heuristic move between the whole and the parts and between empirical material and theoretical perspectives was instructive throughout the process. Still, one should neither downplay the importance of more coincidental connections; ideas turning up during coffee breaks or hiking trips.

Questions of validity were important throughout the process of analyzing data and writing out the thesis. Common threats to valid research are different forms of bias, misunderstandings, and asking leading questions, as discussed in the previous sections. The above-mentioned triangulation is an efficient way of dealing with threats to validity. Cross-checking findings were undertaken whenever possible in the cases, but at times this was impossible.

An example of this was when entrepreneurial interviews attempted to create a timeline of significant changes (innovations) taken place in the history of the business. With innovation being a major theme for this research, one may e.g. expect entrepreneurs to overrate their business' innovative activity in a retrospective interview. With the large staff-turnover common to small tourism businesses, the entrepreneurial interview could in several cases not be cross-checked with other interviews or sources of information from the same business. There was therefore no easy way around this potential bias. In such instances, validity can only be ensured through reflections on how the material is presented.

The findings of this study underscore the heterogeneity of the adventure tourism activities. This finding can be seen as challenging the analytic generalizability of the study. The cases of this study involve mostly adventure tourism activities which require some form of specialized knowledge to be carried out, such as in rafting, glacier guiding or mountaineering. Some of the theoretical contributions may not be relevant for businesses with less activity-specific knowledge tid to it. Certain adventure tourism activities are e.g complicated to set up, such as e.g. a bungy site, a zip-line or high rope courses. But once these are set up, the daily instruction of customers are very routine-based and structured. The serious leisure perspective (Stebbins, 1982) may e.g. be less relevant for businesses offering these types of activities.

Reliability concerns the consistency of the research findings. Kvale (2001: 164) argues that while reliability is an important aim of any research to avoid arbitrary subjectivity, too much emphasis on reliability can counter creative thinking and variation. Leading questions are e.g. often regarded as a threat to reliability, while Kvale suggests that such questions may provide important insights when used with consideration. In formulating the interview, I usually tried to make the questions open and unbiased. Still, with my background from the adventure tourism industry, there were topics where I had strong presumptions, and in certain instances leading questions were formulated to test and discuss these presumptions. Instead of 'concealing' my own pre-understandings on a given topic, leading questions were used a few times as a starting point for further discussion. These questions were normally formulated with a "this may be a leading question, but ..." to make sure that the informants comprehended the biases.

Johannessen, Tufte and Christoffersen (2010) mentions some of the biases that challenge reliability in qualitative research. The context of the conversation in a qualitative interview, observations that will always be value-laden and dependent on context, and most importantly the researcher being the main research instrument; all issues that are likely to shape nuances of the findings. Reliability can be strengthened by an open and detailed account of the entire research process, something to which this chapter hopefully will contribute.

CHAPTER 3. ADVENTURE TOURISM

This chapter will pursue to review the existing literature on adventure tourism. Being what Beedie (2013) calls a "malleable" concept, it is difficult to draw the defining lines of this literature. The research reviewed here exhibits a wide range of research perspectives and a modern phenomenon that triggers the interest of researchers from several disciplines.

A main aim of the chapter is to contribute to the conceptualization of adventure tourism through a model that defines the field according to the dimensions of commercialization and involvement. The review will reflect this theoretical aim, as the emphasis is on adventure tourism literature discussing the phenomenon of adventure, the background and commercialization processes of the industry and the motives and experiences of adventure tourism. Other aspects of adventure tourism research, such as research aiming to segment different markets for adventure tourism activities (see e.g. Mehmetoglu, 2007 or Tangeland, 2011 for reviews) or themes related to injuries and risk analysis in adventure tourism (see e.g. Bentley and Page, 2008a and b) therefore receive less attention.

First a few words about the scale and importance of adventure tourism. The difficulties of delimiting adventure tourism also make it challenging to estimate its economic value. Small definitional variations produce significantly different numbers. There is e.g. a major economic difference related to whether the numbers include individual travellers with the purpose of non-commercial adventure tourism or if only the commercially organised activities are included. Another difference is if the numbers include so-called fixed-site adventure sports (Buckley, 2010), such as ski resorts and yacht marinas. These are localities with a very different economic scale, raising the economics of the adventure industry dramatically.

While estimates vary widely, there seems to be wide agreement that this part of the tourism industry grows significantly faster than the tourism industry at large (see e.g. Cater, 2013; Buckley, 2010). In an estimate using a wide and including definition of adventure tourism, Buckley (2010) estimates the total annual turnover of the worldwide adventure industry to be around US1 trillion, or about one-fifth of the global tourism and travel sector. Buckley includes both the economics of ski resorts, different forms of safaris and the equipment industry, quickly raising the estimates.

Another measure of the scale of adventure tourism comes from the Adventure Travel Trade Association (ATTA)[6]. According to their 2013 adventure tourism

[6] ATTA classifies a tourism trip as an adventure trip if it involves two of the following three elements: 1) Interaction with nature, 2) Interaction with culture and 3) A physical activity.

market study, growth in the adventure travel market has increased at a 65% yearly rate in the years from 2009 to 2012 (ATTA, 2013). While such number will vary according to definitions used, growth in adventure tourism will have significant effects also because of such products' role in creating attractive destinations (Brendehaug and Aall, 2005) and their ability to increase tourists' satisfaction with the total tourism experience (Viken, 2004). In a regional development perspective, adventure tourism is often contributing to value adding where it is needed most, in peripheral areas with few alternative sources of income.

The remaining of the chapter is divided in three parts. The major part, section 3.1 gives a review of the adventure tourism literature. The review aims to present the major conceptual controversies of the field as well as work that contribute to shed light on the research questions of this thesis. The review starts out (3.1.1) by discussing the elusive concept of adventure; trying to determine some of its central characteristics. Section 3.1.2 moves on to describe the development of adventure tourism. The development is seen in light of societal level changes as well as changes in technology and leisure time practices. Next, section 3.1.3 discusses briefly research on the motives of participants of adventure tourism activities. An important (and maybe obvious) finding of this review is that the answers depend on whom you ask. Motives will vary according to experience levels, skill levels, type of activity, whether you are in charge of the activity yourself or it is commercially organized; the determining factors are many and the different research perspectives today provide a nuanced answer to the big "why" question.

Section 3.2 presents a model based on two dimensions of nature based activities that frequently appear from the literature; level of commercialization and involvement. With this model as a backdrop, this study places itself firmly at the commercial side of the model, looking into issues of knowledge development and innovation in adventure tourism business.

Finally, section 3.3 wraps up the review by looking more specifically into previous research on the business side of adventure tourism. What do we know about knowledge development and innovation in adventure tourism businesses?

3.1. REVIEW OF THE LITERATURE

From a research perspective, the literature pertaining specifically to adventure tourism has been growing in recent years, but the volume is still modest. Adventure can be seen in a wider perspective as incorporating travel, sport and outdoor recreation (Beedie, 2002:203), opening for several overlapping theoretical fields. Before venturing into literature more specifically discussing adventure tourism, these overlapping perspectives are presented briefly.

Beedie (2002) argues that the perspective of adventure education has provided the most robust theoretical and conceptual tools for investigating adventure. A reason for this may be the longer research traditions of this field, where the concepts have

been cultivated through decades under the headings of experiential learning, outdoor adventure recreation or "friluftsliv" in the Scandinavian countries.

A second overlapping field of research is the broad umbrella of 'nature based tourism'. Nature based tourism is in general treated as a broad category within the tourism literature, including all tourism "...primarily concerned with the direct enjoyment of some relatively undisturbed phenomenon of nature"(Valentine, 1992).While adventure tourism can be described as nature based tourism, the latter also includes sightseeing and other more passive forms of travel, indicating a broader approach. Most travels to e.g. Norway could be characterised as nature based tourism, as nature experiences are a main motivating factor for visiting the country.

Research on nature based tourism often emphasizes the natural area where the tourism activities are taking place. The definition of nature based tourism enterprises by Nybakk (2009) demonstrates this place approach: *"Enterprises offering services in wilderness or related to wilderness"*. The businesses of their study offered a range of activities such as accommodation in cottages, adventure activities, fishing and hunting, activities related to food, organization of educational courses and gatherings for enterprises and associations, preparation and sale of cottage building lots and farm tourism. The emphasis is on the rural or wilderness areas in which the businesses are situated.

Research perspectives concerning nature based tourism in a Norwegian context often relates to themes of e.g. rural diversification, environmental, forest or national park management. The commercial adventure tourism activities are seen in relation to e.g. land and farm owners' additional income sources (Nybakk, 2009) or commercial use of national park areas (Aas, Heiberg, Haaland, Christensen and Hagen, 2006).

A third research perspective often overlapping that of adventure tourism is eco-tourism. According to Dawson (2001), ecotourism is a form of tourism which should bring benefits to local communities, protect local natural and cultural heritage and where both tourist and operators are expected to adhere to ethical standards. Fredman and Tyrväinen (2010: 180) call eco-tourism "a normative sub-category" of nature based tourism. The fast growing field of research is followed by practical formulated eco-tourism platforms that businesses follow to become eco-tourism certified. The public institution Innovation Norway is now responsible for this certification in Norway. Among the businesses being certified as eco-tourism operators in Norway, most are adventure tourism businesses (Norwegian Ecotourism, 2013).

A final overlapping research tradition is that of sport tourism. Most adventure activities can fall under the definition of sport tourism, but probably not the other way around. Activity tourism also encompasses events such as bike races, marathons, etc., activities were performance is more important than the adventure.

This quite narrow field of research can contribute to a more thorough understanding of motives for travelling, as people travelling to participant in sport often can be regarded as a "specialist traveller", a concept which will be discussed in more detail in relation to adventure travel below.

While adventure tourism in the following will be treated a distinct field of research, the perspectives above have all contributed to nuance our understanding.

3.1.1. THE PHENOMENON OF ADVENTURE

"We are the adventurers of the earth; our life is crossed everywhere by the tensions which mark adventure. But only when these tensions have become so violent that they gain mastery over the material through which they realize themselves- only then does the "adventure" arise".

Simmel's writings from one hundred years back are still enlightening today. The citation from his essay 'The adventure' (1911), describe adventure as a form of experience driven by inner tensions. The inner experience is not enough for it to be an adventure though; it must be acted upon. In his essay, Simmel relates adventures to the work of artists, to gambling and to love affairs. He is less concerned with the form but more so with the substance and experience of adventure. For Simmel, adventure means dropping out of the everyday life, being absorbed in the present with no thoughts to the past or future. For him, the adventure is defined by its capacity to have meaning and necessity for the involved, and while the experience is torn out of the continuity of life simultaneously *"the whole strength and intensity of life stream into it"* (Ibid.5).

In a recent anthology on adventure tourism, Cater (2013) describes the qualities of adventure in a much similar manner. He too argues that what matters most in adventure is the individual exploration. It is an experience which differs from everyday life. For Cater (2013:11), adventure have much in common with MacCannel's concept of authenticity (1976) in that it *"confirm the undeniable touristic trait of yearning for the untouched, and the associated prestige that goes with the experience of such"*.

The recent theorizing on adventure tourism seems to centre around four core elements; the experience contains elements of difference, uncertainty and risk, while at the same time being a truly personal experience.

Difference

In the quote above Simmel describes adventure as something other than the everyday experiences. The adventure is set apart from the daily flow of experiences. Cater (2013) describes it as a form of escape; an active move away from the routines of modern life. As the experience is set apart from the daily life, it implicitly has a beginning and an end (Ibid). The "letting-go" of everyday practice is time-limited.

Uncertainty

A second core element of adventure is uncertainty (Simmel, 1911; Mortlock, 1994; Cater, 2013). As the adventurer leaves the safe harbour of everyday life, what lies ahead is unknown. There are surely different degrees of uncertainty and the unknown can be related both to the outcome, but also to the process or experience as such. What will happen underway?

The element of uncertainty has led to some controversies regarding the commercialization of adventure. If adventure is being defined as "uncertainty of outcome" (as defined by Miles and Priest, 1999), there is an inherent contradiction when the term is related to the commercial side of adventure tourism. This has been followed up by (Fletcher, 2010) and his notion of public secrecy. By public secret, Fletcher means something that is commonly known but not articulated. By the construction of a public secret, the participants of adventure tourism activities can maintain the contradictory perception of being simultaneously safe and at risk. In a commentary to Fletchers notion of public secrecy, Beedie (2013:26) highlights how an activity can appear adventurous to the inexperienced participant; the adventure tourism providers manages the *objective* risks of the situation, but the participant may still experience a *subjective* sense of adventure.

Personal

One component mentioned by Mortlock (1994) is interesting in this perspective. He highlights the personal responsibility of adventure. It is a voluntarily choice taken (Cater, 2013). The faith of the adventure is therefore not to be placed on anyone else. This is an interesting point in the development of commercial adventure tourism activities, and will be discussed further in section 3.1.2.

In line with Simmel's early argument, Cater (2013:11) highlights the inner exploration related to adventure. He argues that imagination is "an underlying thread to adventure, since the anticipation or within-mind adventure is as important as the adventure itself". In that respect, adventure is highly personal, dependent on the previous experience of the adventurer.

Cater further argues that the inner journey of an adventure is not only about uncertainty, but also about a form of deep reflection or retreat. The peak experiences are followed by calm and the contrasts strengthen the experience. Varley (2006:184) similarly highlights the moments of tranquillity and relates this to personal growth and strong social ties through shared experiences.

Risk

A final element is the element of risk (real or perceived) (see e.g. Cater, 2013; Kane and Tucker, 2004; Mortlock, 1994). Risk can widely be defined as the potential to lose something of value. Adventure is often associated with physical risk, but this definition highlights that what is at stake may be other valued items or aspects of personality such as integrity or self-esteem. The adventurer voluntarily moves into uncertain terrain, with the risk of losing something valuable.

The tension between commercial and non-commercial adventure is again evident, as the participants of commercial adventure tourism products often do not have enough knowledge to evaluate the real risk of a given situation. It is up to the organizer to evaluate the risk level and make sure that while perceived risk may be high, the real risk is kept to a minimum. Following this line of reasoning, Walle (1997) suggests that definitions of adventure tourism, derived from risk-centred recreational models, are inadequate in describing the experience of adventure tourism.

The risk concept is also an important element in what Lipscombe (1995) calls the adventure tourism continuum. The adventure tourism continuum is based on the idea that adventure tourism activities can be places along a continuum from soft adventures to hard adventures. Following Lipscombe, the continuum involves different degrees of: *"challenge, uncertainty, setting familiarity, personal abilities, intensity, duration and perceptions of control"* (Lipscombe, Ibid: 42). Using this continuum, activities such as guided hikes, glacier hiking or guided fishing tours can be placed on the softer end of the scale. Soft adventure requires no specialized skills and there is little risk involved. Activities that are more physically and mentally demanding such as mountaineering, rafting and parachuting are on the harder end of the scale; activities that usually contain some elements of risk. The soft end of the continuum is naturally what attracts most people, and to define risk as the central element in adventure tourism would mean to exclude the whole 'soft' part of the continuum.

While risk by some researchers is seen as the definitional characteristic of adventure (see e.g. Hall 1992:143; Mykletun and Gyimóthy, 2007), this study follows recent contributors who find such an approach to be too narrow (Cater, 2013; Beedie, 2013; Varley, 2006). A broad approach to the concept of adventure is utilized instead, emphasizing the context specific aspect of adventure, where the experience of adventure depends on personality, experience and situation (Varley, 2006:174).

While the elements of difference, risk, personal experience and uncertainty are important in adventures, it is clearly arguable whether these characteristics can be recognized in modern commercial adventure tourism activities. These issues are discussed in the following section.

3.1.2. COMMERCIALIZING ADVENTURE: THE GROWTH OF ADVENTURE TOURISM

In line with Simmel's citation above, Cater (2013) sees how adventure has been a factor throughout all of human development. He argues that the dominant western meaning of adventure has been shaped by decades of European exploration and colonization. From a tourism perspective, Kane and Tucker (2004:219) describe vividly how early travel was adventurous in its own right, with little infrastructure

or means of communication; *"Modern technology has mitigated the inherent adventure in travel, and adventure is now instead associated with destination experiences; the activities or events at the destination"*.

While guided nature experiences have been around since the late 17th/early 18th century, the real growth in adventure tourism should be seen in relation to wider changes in consumption patterns emerging in the 1970s. Lash and Urry (1994) refers to Urry (1990) when they describe how parts of contemporary tourism consists of a cultural paradigm that can be termed "post-tourism":

"Freed from the constraints of high culture on the one hand, or low culture on the other. The post-tourist delights in being able to move easily from one to the other and in the contrasts between the two.. he or she can find pleasure in the multitude of games that can be played and in the paradox of choices between them" (Lash and Urry, 1994:275).

Within this paradigm, adventure tourism activities become one arena for such game playing. It is one of several ways of testing or playing out different roles and experiences. The post-tourist knows that it is a staged experience in which they are engaging, but choose to enjoy the play instead of being disillusioned by this.

What forces or processes have shaped the adventure tourism industry as it appears today? Discussion of these issues has been helped by more general sociological analysis. When e.g. Odden (2008:267) describes changes in the pattern of outdoor recreation, he relates this to cultural and material change processes, described through the concepts of individualization, globalization and reflexive identity formation. Similarly, when Beedie (2013) analyses the development of mountain tourism, he relates this to broader societal changes captured through Beck's analysis of 'the risk society' and Bauman's (1996) analyses of how cultural changes influence identity formation.

In short, the analysis of adventure tourism can hardly be understood other than as part of broader societal changes. Contemporary sociologists such as e.g. Bauman provide insightful analysis of how change processes of our time also influence changes in our leisure time practices. In the following discussion based on Beedie and Hudson (2003), the development of adventure tourism will be related to changes in leisure time practices, technological changes and processes of commercialization and commodification. Clearly, dividing these issues in this way is problematic; these are processes depending on and influencing each other in complex ways.

Changes in leisure time practices

Changes in how leisure time is spent as well as patterns of travelling can fruitfully be seen in relation to processes of individualization; we signal who we are through our pattern of consumption and leisure time practices. From a macro-perspective, the relationship between adventure tourism and identity formation can be grounded in theories of postmodernism and changing social structures, where identity is no

longer given through traditional markers such as family and class. Beedie (2013:19) refers to the writings of sociologist Bauman (1991), when he argues that with postmodernism emerging, *"the clarity and precision commensurate with the modernist ideal has been compromised, and been replaced with an ambivalence predicated on a destabilization of social structures that opens up for a whole host of possibilities for identity formation through the promotion of individualization"*. People are in that sense more 'free' in the late modern/postmodern world to develop their own identity and the leisure arena is an important one for different individualizing projects.

Other aspects of postmodernism shaping adventure tourism are the tendency of fragmentation and specialization. These processes are evident in relation to our working life, where the new technology and international competition create specialized industries where complex processes are fragmented and divided between different work divisions. Similar processes can be seen in the development of outdoor recreation and adventure tourism. As part of wider societal dynamics, both commercial and non-commercial outdoor activities have undergone similar processes of fragmentation and specialization.

With different methodological approaches, Tordson (2003) and Odden (2008) have looked at changes in Norwegian outdoor recreation practices. Both describe how outdoor recreation practices in Norway became increasingly differentiated and specialized during the 1980s. While traditional activities such as hiking and cross-country skiing kept their popularity, Odden (2008) describes how the middle of the decade saw an explosion in the use of alpine skiing, and the introduction of the off-road bike. New activities such as kiting, snowboarding, rafting, backcountry skiing and canyoning entered the landscape, while more traditional activities were fragmented and used in new forms. These fragmentation processes are well documented in the activities of mountaineering (Beedie and Hudson, 2003) and skiing (Hudson, 2000). Beedie and Hudson (2003) e.g. describe how the complex activity of mountaineering was fragmented into sport climbing, ice climbing, via-verrata, rappelling, high-rope-courses[7], canyoning[8], caving, trekking, etc.

The 1980s was also the time of the big wave of alternative tourism. New forms of tourism appeared as reaction to mass tourism. People wanted more than just recreation, they wanted to learn or try out new experiences while on vacation, and through their choices signal their identity. Both researchers of outdoor recreation

[7] High-ropes-courses are challenging outdoor activities used both for personal development and team building. The high elements are often constructed in trees using ropes and wires to create challenging activities.

[8] Canyoning means travelling through canyons using a variety of techniques that may include scrambling, swimming, abseiling, jumping, etc. Canyoning gear includes climbing hardware, semi-static ropes, helmets and wetsuits.

and adventure tourism describe growth as a result of this interaction between processes of individualization and fragmentation.

Technological changes

The processes described above are not possible without a parallel material change, where new equipment lay the ground for new activities and movement patterns (described e.g. by Odden, 2008). In the context of innovation theory, there is a parallel market pull and technology push. New equipment and new outdoor recreation practices seem to be interacting, mutually influencing the development.

While the fragmentation processes described above were to a large part dated to the 1970s and 1980s, Cater (2013) and Cloke and Perkins (1998) highlight the importance of the post-war period for the technological development providing the foundation for the growth of the adventure tourism industry. Cater (2013) refers to the Adventure Travel Society (1999) when he describes how the post-war period was important in terms of technology and equipment for these types of activities. Surplus from the war such as jeeps, rafts and backpacks became available.

He exemplifies this development with the commercialization of rafting. This activity was particularly in debt to the availability of the hardware from the post war period, and *"it was not until the 1970s that the availability of cheap new materials like aluminium, rubber and plastic enabled rafts to be marketed at a reasonable price"* (Cater refers to Maritime Safety Authority, 1995).

Likewise, Beedie and Hudson (2003) describe technological advancement as an important part of what they term the democratization of adventure. They argue that new technology is a mean of making adventure tourism activities accessible to people with little experience. The increasing application of technology in adventurous settings such as e.g. mobile telephones, new GPS technology, clothing and equipment made specifically for certain activities, all make it easier to organise adventurous activities for people with little previous experience. Beedie and Hudson further argue that the increasing role of technology combined with expert systems, where responsibility of risk is transferred to instructors and guides, combines "a cushioning sense of control" making people feel safe as they try out new and thrilling activities.

Processes of commercialization and commodification

Several researchers emphasize and problematize the gradual commercialization and commoditization of adventure (Varley, 2006; Cloke and Perkins, 2002; Beedie and Hudson, 2003). Commoditization can be defined *as "the process by which things (and activities) come to be evaluated primarily in terms of their exchange value, in a context of trade, thereby becoming goods (and services)."* (Cohen, 1988:380).

Beedie and Hudson (2003) describe commercialization processes working on every part of the industry, where promotional media plays a central part. The romantic notion of adventure is ever-present, as alluring pictures and stories are presented on

the internet, in magazines, brochures and posters. While the promotional media tells stories of unique adventures, the underlying message is that this is something in which you can take part.

What happens to 'adventure' in these commercialization processes? Some researchers emphasize what they call the paradox of adventure tourism: that the activity is marketed as an adventurous, exciting experience while at the same time highlighting the specific activity's safety records. Fletcher's (2010:8) concept of "public secrecy" illuminates how *"both providers and consumers discuss their experience as an authentic adventure while at the same time all maintain that the experience is not "really" an adventure at all"*. Still, Fletcher (2010:28) suggests that the aim of adventure tourism may not be to have a real "authentic" experience and that this is reflected in that adventure products are publicly presented and understood as being both adventurous and routine at once.

Other commentators elaborate on the nature of adventure, arguing that the "true" or "original" adventure has clear characteristics that the commercial version cannot match (Varley, 2006). To clarify his point, Varley (2006:173) presents an adventure commodification continuum; a model that shows how adventure tourism products *"range from the controlled, rationalized and risk, managed 'post-adventure' experiences in the shallow end, to those experiences that allow greater levels of commitment, risk and responsibility at the deep end of the model"*.

It is not only the activity itself that changes in response to commercialization and commodification processes; Beames and Varley (2013) use Bryman's (1999) concept of Disneyization in describing how *places* for adventurous recreation gradually are being commercialized. The authors describe how the service industries increasingly have adopted the standardizing processes originally developed as part of the mass-production techniques for material goods. Natural areas are gradually becoming more commercialized.

3.1.3. MOTIVES FOR PARTICIPATING IN ADVENTURE TOURISM ACTIVITIES

A central area of research on adventure tourism has been to examine the motives of people taking part in adventurous activities. The findings reveal that motives vary according to the activity in question and the experience levels of the participants. The variety of motives reflects the variety of practices within a broad understanding of adventure tourism.

Arnould and Price (1993) refer to some concepts that repeatedly appear in research on adventure tourism motivation. The concepts of peak experience (Maslow, 1968), peak performance (Klausner, 1968), flow (Csikszentmihalyi, 1988) and extraordinary experiences (Abrahams, 1986) are often used in relation to different types of adventure tourism experiences. These concepts have been used both to describe people's involvement in highly specialized non-commercial activities (see

e.g. Langseth on surfing, 2012; Mykletun and Gyimóthy on base jumping, 2007) and in the more general commercial adventure activities such as rafting (see e.g. Arnould and Price, 1993). They cover intense and enjoyable experiences characterized, according to Arnould and Price (1993:25), by *"the merging of action and awareness, attention or clear focus, personal integration, personal control, awareness of power, joy and valuing, and a spontaneous (uninhibited) letting-be of process"*. Such experiences seem to be a common aim for people taking part in adventurous experiences, again shaping their motives for future participation.

Literature emphasizing the risk element of adventure tourism (see e.g. Mykletun and Gyimóthy, 2007) also argues for the relevance of psychological research on personality differences to understand participation in adventure activities. Mykletun and Gyimóthy refer to Eysenck (1967) and Zuckerman (1979) when relating personality traits such as extroversion and sensation seeking to people with a high tolerance for tension or excitement. The relationship between personality and practice is still contested. Recent research (Langseth, 2012) on the sociology of risk-subcultures instead emphasizes how individuals are being socialized into practices involving risk. Langseth's study looks at participants being engaged in an activity over a prolonged period of time, meaning that they will have qualified perceptions of the real risk inherent in the activity. People participating in a commercial adventure tourism activity rarely have the knowledge necessary to judge risk levels.

A valuable addition to the discussion of why people take part in adventure tourism activities is provided by Mykletun and Gyimóthy (2004). With empirical material from a multi-day dog sledging trip in the Arctic, they emphasize the role of play in adventure tourism. Play is seen as an important part of the activity and as a central part of the participants' motivation. The adventure tourism framework provides room for the construction of an illusionary world, where one can engage in non-purposive and playful activities (Ibid.).

Based on research from a two-week river kayaking package trip to the West- Coast of New Zealand, Kane and Tucker (2004) also emphasise play as an important part of the adventure tourism experience. For Kane and Tucker though, the play-concept seems to have quite a different meaning. They describe how play for their participants is seen in relation to the roles of being both skilled kayakers and partaking in a commercial package tour. For the participants, play *"provided the ability to imagine, playing with their tourist experience, the roles played and the images presented"* (Ibid: 230).

Research on motives in adventure tourism has to a large degree centred on the more extreme activities, while soft adventure activities have received less attention. Studies from the field of outdoor recreation in Norway have looked into people's motives for basic outdoor recreation activities (Wergeland, 2009, Vaagbø, 1992). These studies find that the main motives are related to the experience of contemplation, silence and harmony with nature, socializing with friends and family

and physical exercise. The study by Wergeland (2009) is a follow up of Vaagbø's (1992) study and while the findings concerning the main contemplative motives have not changed over the years, physical exercise has become a stronger motivational factor in the follow-up study. As the real, large group of adventure tourists participates in 'softer' activities, perhaps more attention should be given to this type of product development?

A quantitative study by Tangeland (2011) looks specifically at the purchase motivation of adventure tourists. He surveyed participants in organized mountain hiking, organized glacier hiking, rafting and bicycle touring in a nature area and organized fishing trips, and identified four purchase motivation factors. These were quality improvement (different aspects of how the commercial organizer ensures quality improvement of the experience in comparison to trying to organize it on your own), skill development, new activity and social (meeting and being with people). His study shows how people who join a commercial activity believe this will improve the quality of the experience as compared to trying it out on their own, it will provide an opportunity try something new and to learn new skills, and an opportunity to socialize and meet new people.

Tangeland's study highlights that people who buy commercial adventure tourism products are a diverse group with several different motives for purchasing the activity product. His study further identifies five different market segments. Mehmetoglu's book on Nature based tourism (2007) provides a thorough review of different attempts to segment the nature based tourism market and illustrates well the complexity in this field of research. Together with the qualitative approaches described above, the consumer research perspective gives a more nuanced perspective on the motives for taking part in adventure tourism activities.

3.2. A MODEL OF ADVENTURE TOURISM

The review has revealed that research on adventure tourism covers a wide variety of practices. This section will suggest a way of systematizing these practices according to two dimensions frequently occurring in the literature. The first dimension concerns degree of commercialization and the second concerns what will be termed as degree of involvement. The systematization will be useful when issues concerning knowledge development and the relationship between leisure activities and work will be dealt with in the following chapters. Figure 1 below places all nature based practices according to the dimensions of commercialization and involvement. In the following, the model will be elaborated on and discussed in relation to the aims of this research.

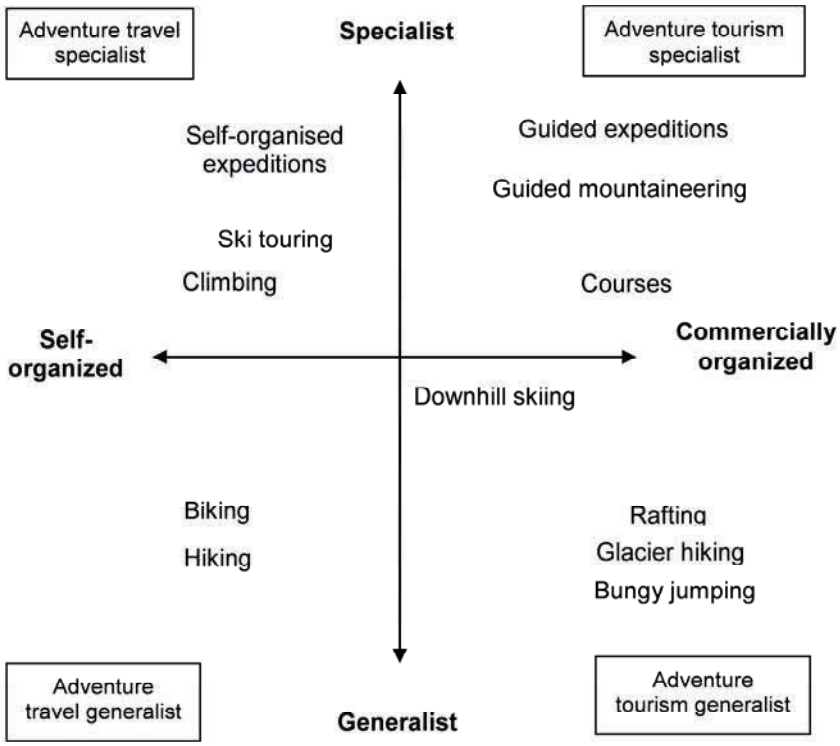

Figure 1 *Adventure activities can be placed according to the degree of commercialization and level of involvement. Own making*

The horizontal line of the model places nature based activities according to level of commercialization. This is in line with Tangeland (2011), who describes 'free' outdoor recreation and 'commercial' tourism as 'end points' on a continuous leisure scale. On the left hand side, you find activities that people organize on their own while on vacation. While being self-organized the activities may still require the use of tourism infrastructure such as public transport and accommodation. For conceptual clarity the people organizing the activity on their own are called adventure travellers, while participants of commercially organized activities are called adventure tourists. The adventure tourists on the right side of the model join commercially operated activities, where there are commercial actors taking care of every aspect of the activity; equipment, guiding/instruction, transport, etc. The continuum recognizes that the level of commercialization is gradual; in the middle section of the model, you will find people renting equipment for their activity, or using ski lifts; activities that are paid for but in which you are otherwise in charge of yourselves as there are no guides or instructors involved.

The definition of adventure tourism chosen for this study reflects the emphasis on the commercial side of adventure. As elaborated on in chapter 2, adventure tourism businesses are in the following understood as businesses offering adventure tourism activities taking place in an outdoor setting involving the physical engagement of the participants and interaction with a guide or instructor organizing the activity.

The definition of adventure tourism used for this research was developed by Bentely, Page and Laird (2001: 32) in their work on accidents in the adventure tourism industry of New Zealand: *"… Commercially operated activities involving a combination of adventure and excitement pursued in an outdoor environment"*. The experience emphasis is placed on excitement instead of risk as argued in the previous section.

While this research will focus on adventure tourism businesses catering to tourists at the right hand side of the figure, theories from the left hand side of the figure will be relevant for parts of the empirical analysis. Several researchers (see e.g. Pomfret, 2006; Beedie and Hudson, 2003; Weber, 2008) highlight the close relationship between the adventure tourism and outdoor recreation. Pomfret (2006:116) sees this as a consequence of how tourism and recreation*"use the same resources and facilities, have similar impacts, and evoke similar psychological and social responses among participants"*.

The dimension may also be relevant in understanding knowledge development and innovation in the industry. From the perspective of mountaineering, Beedie and Hudson (2003) e.g. describe how adventure tourism activities often are a result of processes of fragmentation and specialization of traditional non-commercial activities. Changes in traditional mountaineering open for new commercial products involving skills and technology developed by the models' adventure travel specialists. In that respect, one may argue that the border area between outdoor recreation and commercial adventure tourism activities is rich in innovation potential.

The second dimension is defined by the vertical line of the model. This dimension relates to the degree of involvement in the activity and has its starting point in Tauer's (2006) theorizing on special interest tourism, but is also present in adventure tourism literature. Building on Stebbins (1982, 1997), Tauer describes a specialization spectrum, moving from a "serious" side of leisure and recreation specialization, to what she calls "casual leisure". Involvement is a central concept of her theorizing, where three dimensions form the underpinnings of involvement (Tauer, 2006: 191):

- An affective component; the importance and enjoyment attributed to a product or activity.
- The sign- or self-expression value; the statements perceived to be made to others or self about self-identity through purchase and/or participation.
- Centrality; which concerns how important to an individual the activity, product or experience is.

The activities at the low end of the spectrum can be characterized as what Stebbins (1997:18) calls casual leisure: "immediately, intrinsically rewarding, relatively short-lived pleasurable activity requiring little or no special training to enjoy it".

In an adventure tourism context, these will be activities that require little or no training to partake in the experience. The guides or instructors are responsible for the safe deliverance of the experience. Examples are bungy jumping, glacier guiding, rafting or sea kayaking. The casual leisure activity can also be self-organized, such as hiking trips, renting a boat to fishing, or biking. Such different casual leisure activities can be important motives for travelling, but as the level of involvement is low, the activity is not the main reason for travelling or for visiting a specific destination.

At the other end of the spectrum, Tauer (2006) utilizes Stebbins concept of serious leisure, defined as: "... the systematic pursuit of an amateur, hobbyist, or volunteer activity, that is sufficiently rewarding despite the costs, such that participants find a career there in the acquisition and expression of a combination of its special skills, knowledge, and experienceits special skills and knowledge"[9]. (Stebbins, 1997:17)

Central to the concept of serious leisure is the enduring commitment or involvement and the associated knowledge development. According to Tauer (2006), the development of a special interest was first examined in relation to recreation specialization, but has gradually been adopted also by researchers of tourism. In an adventure tourism context, the issue of involvement is brought up by Beedie (2013) in relation to mountaineering. He argues that it is important to understand the differences between different adventure tourism products, as they exhibit very different meanings to the participants involved:

"One of the crucial differences between climbing as an adventure tourism product and activities such as bungy jumping and white water rafting is the progression that is built into the activity. Put simply, there are more opportunities for progression, advancement and (adventure) career development in activities such as climbing,

[9] In his 1982 article, Stebbins argues that a more firm definition of serious leisure will require more systematic research. He rather aims at conceptualizing it to a degree of clarity so it can serve as an analytic and sensitizing concept. Stebbins also stresses that the adjective "serious" should be associated with "earnestness, sincerity, importance, and carefulness, rather than gravity, solemnity, joylessness, distress, and anxiety" (Ibid:258)

mountaineering and kayaking than there are in the intense 'buzz' experiences of absailing, bungy jumping and zip-wires/aerial ropes courses" (Beedie, 2013:28).

Beedie seeks explanations for this in the historic traditions of these activities and in the resistance of those who strongly identify with being a climber, a mountaineer and so forth. He argues that the inherent difference between these activities can be described as a sliding scale: *"At the left side there are individualized experiences of manufactured adventure, commonly short-lived but adrenaline surging ... moving to the right end of the scale means to engage with high-risk activities that are problematic to sell as a commercial product because of the scale of the undertaking, the skill and fitness level required, the location and the objective dangers of the setting."* (Ibid:28-29).

Beedie's scale has much in common with Trauer's but with more attention to risk. This should be seen in light of the activity he is discussing, mountaineering, which inherently include high levels of risk as you move to the right side of his scale. Trauer's model has no mention of risk, and the model presented here follows her reasoning; the emphasis is on involvement and skills acquisition.

High level of involvement can characterize both commercial and non-commercial activities. Non-commercial activities can be seen when people are highly engaged in outdoor recreation activities such as climbing, mountain biking or surfing. Perhaps the most refined line of research following up on Stebbins' perspective of serious leisure is sociological and more phenomenological approaches to such non-commercial leisure activities, conceptualized as voluntary risk taking or sport subcultures (see e.g. Donnelly and Young, 1988; Wheaton, 2000; Langseth, 2012). This line of research has looked into the subcultural aspects of such activities, where the participants through long-term commitment and socialization processes identify with the activity and develop strong social ties to the community of individuals sharing the same passion for the activity. This field of research is further elaborated on in chapter 6, as it is argued to provide a background for understanding processes of knowledge development in adventure tourism businesses.

The Commercial parallel is activities that require some previous experience and competencies and that in that sense has an inherent progression built into it. People taking part in commercial mountaineering or expeditions are examples of this type of activity. Commercial activities requiring high levels of involvement and specialized skills are also described in relation to river kayaking (see Kane and Tucker, 2004; Kane and Zink, 2004 and Buckley, 2004). This literature describes experienced participants who are experienced but who lack either the specialized skills or the time needed to organize the activity on their own. The involvement and commitment is there, and as Beedie and Hudson (2003) describe, participants in this type of specialized adventure tourism activities are often recurrent customers who set increasingly higher or more difficult aims for their next commercial trip.

The social aspects of this involvement are also highlighted by Beedie (2013). He describes the forming of what he calls *ad-sociations*; social groups forming around certain activities. Beedie argues that the short duration of the casual leisure activities (casual tourism activities) leaves little chances for such sociations to form.

In his early writings, Stebbins (1982) argued that the vast majority of participants take part in casual leisure activities, while the minority take part in activities at the serious leisure part of the spectrum. This is in line with more recent findings from the context of adventure tourism, where increase in an activity's skill demand is associated with declining number of participants (Buckley, 2004).

The model above may have several implications both for nuancing research on adventure tourism, but also practically in terms of organizing nature based tourism destinations according to activity patterns. In terms of research, the model may contribute to a more systematic approach to understand the motives and experience of people participating in adventure tourism activities; experienced downhill bikers independently travelling around Europe with their bikes surely have a different understanding of the activity than a person trying out bungy jumping for the first time.

The model may also provide a useful tool for tourism planning as it identifies four different groups that often will require different forms of arrangements. Looking at destinations that have succeeded well with the development of e.g. biking, these are destinations that make sure that there are trails and commercial arrangements suited for all four user groups, both for the casual and for the specialist, the non-commercial and the commercial.

This section has elaborated on a model that aims to position the adventure tourism businesses of this study within the broad array of adventurous activities in which people are taking part. People's adventure practices can be described as varying according to degree of commercialization and involvement. The adventure tourism activities of this study are firmly placed on the right side of the model. Here, the level of involvement can vary from casual activities tried out as one of several activities during a vacation, or it can be the main reason for travelling. The model illustrates the close relationship between outdoor recreation and adventure tourism and can hopefully contribute to a more nuanced understanding of the interchange between the two 'types' of leisure. The cases of this study primarily offer activities for the adventure tourism generalists. The exception is the mountaineering businesses, which serve a narrower specialist market.

3.3. THE BUSINESS SIDE OF ADVENTURE TOURISM

While the above illustrate how adventure tourism is a growing field of research, literature on the supply side of adventure tourism is still sparse. With this study's emphasis on knowledge development and innovation in adventure tourism business, there is little previous research to shed light on the findings. This review and a

review by Buckley (2010) find few references describing the dynamics of adventure tourism businesses. Adventure tourism businesses are rarely theorized as an own entity, but have been used as cases showing the development of niche products (Huijibens and Helgason, 2007; Ateljevic and Doorne, 2003), in cases illustrating innovation systems in Nordic tourism (Hjalager et al., 2008), and in discussing the role of a tour operator as a driver of tourism innovation (Rønningen, 2011).

There is little research specifically on knowledge development and innovation in adventure tourism businesses. This section will provide a brief overview, while the literature will be further presented and elaborated upon in the following chapters.

Shaw and Williams (2004) did a qualitative study on entrepreneurship in surf businesses. Seen together with a study of businesses offering commercial horseback riding in Iceland (Helgadóttir and Sigurðardóttir, 2008), they provide examples of how the entrepreneurs' and employees' often common interest in the activity in question may shape entrepreneurial attitude, product development and social relationships in ways affecting business development in different ways.

Two Norwegian studies have looked into issues concerning entrepreneurial attitude, use of social networks and innovation in the wider context of nature based tourism businesses. Nybakk, Vennesland, Hansen and Lunnan (2009) did a study on the role of networking and innovation[10] in Norway. They found a small positive relationship between networking and innovativeness in what they term Norwegian nature-based recreational companies. They would still emphasize internal factors as most important for creativity and innovation and see this in relation to the small size of the businesses in the industry. Their finding also indicated that the businesses networked most with neighbours and other small businesses and customers; actors that are equal in size and nature. They also found a positive relationship between innovativeness and performance.

In another Norwegian study from 2008, Nybakk and Hansen looked at the entrepreneurial attitude of nature based tourism operators. Entrepreneurial attitude was measured in relation to responses on a) respondents' willingness to take a high degree of risk when looking for opportunities and b) if they were thinking about offering new services and products because they thought those could increase their income (Ibid:475). They found a positive connection between entrepreneurial attitude and innovation in nature-based, tourism micro-businesses*: "The more risk-seeking enterprises were more likely to change the way products/services are supplied, change the way they market their products and services, and change the*

[10] The respondents of Nybakk et al. were farmers and/or forest owners and landowners. Their research was conducted on the businesses offering commercial services in addition to the forest/farming. The most common economic activity was related to the sale of cottage properties, farm tourism, economic activity in connection with hunting and fishing, arranging seminars/gatherings, activities related to food and adventure tourism activities. Their approach is therefore broader than in this study.

way they organize the enterprise and find collaborators" (Ibid: 477). A positive connection between entrepreneurial attitude and performance was also recognized.

The guide or instructor of adventure tourism businesses has also received more attention in recent years. While the approaches differ, the research nuances our understanding of the knowledge and motives of adventure tourism employees. Filho (2010) analyses the relationship between work and leisure for rafting guides, using lifestyle as an overarching concept. Beedie vividly describes different aspects of being a mountain guide, and the role of the mountaineering guide in choreographing the commercial mountaineering experience.

While not looking specifically at processes taking place in individual businesses, Buckley and Ollenburg (2013) discuss how adventure tourism leads to transfer of tacit knowledge between international visitors, adventure tourism expatriate guides, and local residents in developing destinations. Motives for learning included financial rewards and job opportunities, social status and individual enjoyment. Their tentative findings can be seen in relation to knowledge transfer through labour mobility in adventure tourism, an issue discussed in more detail in chapter 10.

The close social ties between people sharing a commitment for a certain outdoor recreation activity is as mentioned above both described through research on sport subcultures or voluntary risk taking (see e.g. Wheaton 2000, Langseth, 2012) and in an adventure tourism context (Kane and Zink, 2004; Kane and Tucker, 2004; Shaw and Williams, 2004). As Shaw and Williams' study on surf tourism points out, these social ties can be valuable in business matters. In this research, the close ties will be tied to Boschma's (2005) concept of proximities, as factors potentially facilitating knowledge transfer in the industry. His conceptualizations are further elaborated on in chapters 10 and 11.

In addition to the work described above there are research undertaken on adventure tourism entrepreneurship with more descriptive aims, drawing attention to challenges and possibilities within this part of the tourism industry (see e.g. Furunes and Mykletun, 2012).

Chapter summary

In this chapter, adventure has been described through the central elements of uncertainty, difference and risk (not necessarily physical), while at the same time being a highly personal experience. To what degree the 'core' of adventure can be commercialized is contested. The growth of activities marketed as adventurous is growing, though, spurred by processes of commodification and commercialization, new technology and changing travel patterns.

Two dimensions of nature based tourism activities have been combined in a model showing how such activities vary according to level of commercialization and involvement. This research recognizes the close relationship between the commercial and the non-commercial side of such activities, but defines adventure tourism strictly as commercially operated activities. The model may be useful to

nuance findings of why people take part in adventure tourism activities, as it conveys that level of involvement will shape both how an activity is experienced and the meaning associated with it.

The chapter rounds up by looking into the scant literature on the business side of adventure tourism that will be further elaborated on in the following chapters.

CHAPTER 4. TOURISM INNOVATION

In a rapidly changing tourism industry, the ability to adapt to changing circumstances and develop new products is increasingly important. The growing body of literature on tourism innovation illustrates not only the relevance but also the complexity of the topic. Industry change involves processes at different levels, both taking place in the individual business, within the industry, and in relation to other forces of society. Innovation involves the creation of something new and includes processes of organizational learning and knowledge development with the aim of increasing market share or reducing costs. Due to this complexity and the multi-levels dimensions, innovation has been described as a valuable and meaningful way to understand the dynamics of the tourism industry (Hjalager, 2010:1).

Quantitative measures of innovative activity in the tourism industry show quite various results. A study described by Rønningen (2009) from the Norwegian tourism industry shows high levels of innovation, in contrast to other studies (Solberg and Wendt, 2012: Jensen, et al., 2001) indicating lower rates of innovation than in other industries.

The heterogeneity of the tourism industry affects such surveys. The pattern of innovation will vary with business size and business type. The amount of innovative activity is e.g. in general found to be low and even non-existent in the small tourism businesses (Sundbo et al., 2007; Hjalager, 2002; Jensen et al., 2001). This has been explained mainly by a lack of capital and human resources. The differences in products also lead to different conditions for innovation. A recent study of innovation in tourism businesses offering experience products found a high level of innovation (Clausen and Madsen, 2014), perhaps indicating that innovation of experience products are less resource demanding.

As described in chapter 3, there is little research on organizational aspects of adventure tourism businesses. The businesses are most often categorized together with other small tourism businesses. Still, when innovations are referred to in tourism research, examples are often drawn from the adventure tourism industry (see e.g. Hjalager et al., 2008, Ateljevic and Doorne, 2000). In the following theoretical discussion, existing theoretical contributions from the context of adventure tourism are included when possible.

Adventure tourism activities are experience products. Experience products can be defined as *"mentally and/or bodily memorable experiences"* (Alsos, Eide and Madsen, 2014:14). Added to this is the commercial aspect. Research on experience products highlight the emotional aspects of experience products, as well as the interaction between provider and customer, where the customer can be seen as a co-creator of the experience.

Literature on experiences has been growing rapidly since Pine and Gilmore published their book on "The experience economy" (1999). Alsos, Eide and Madsen (2014:14) describe the experience economy as a trend characterized by *"the significant increase in the demand for and consumption of experience products and the increase of organizations (…) innovating, producing, and selling experiences as their main product"*. Recent contributions on experience innovation can be seen as an extension of this research (see e.g. Clausen and Madsen, 2014; Sørensen and Errebo, 2008). As the research questions of this thesis address relationships between knowledge resources and innovation, with little emphasis on experience production per se, the more general framework of service innovation will be discussed in the following. Findings more specifically from experience innovation will be included when appropriate/relevant.

Section 4.1 elaborates on the innovation concept, starting out with the Schumpeterian tradition. Innovation is then seen both in relation to developing something new in an existing business, and as the entrepreneurial process of starting a new business based on an innovation.

Previous research has established how service production differs from production in goods-producing industries and the following section 4.2 will examine how this in turn influences innovation. These characteristics also influence how innovation in services are categorized, here a division is made between product, process, marketing and organizational innovations. These types of innovation are seen in relation to the context of the small tourism business.

Innovation in small tourism businesses and adventure tourism businesses more particularly are finally seen in relation to the different driving forces of innovation, taking a model developed by Sundbo and Gallouj (1998) as a starting point.

4.1. DEFINING INNOVATION

Changes are introduced to an industry either through entrepreneurship as new businesses enter the industry or through innovation in existing organizations. The Austrian economist Joseph Schumpeter (1883-1950) has been credited for bringing emphasis to the role of entrepreneurship and innovation in economic development. Schumpeter saw innovations as a major driving force in economic and social development. In his view economic development could be seen as a process of qualitative change, driven by innovation (derived from Fagerberg, 2005:6).

In his classic book "The theory of economic development" (1934), Schumpeter explains how the entrance of an innovation causes a period of disturbance, in which some elements in the economy are phased out in a process of creative destruction, while others are forced to change. During and after the period of disturbance, the economy is adjusting itself until a new equilibrium is reached. For Schumpeter innovations were something qualitatively new; combinations of existing resources that had never been seen before. In his study of the manufacturing industry,

Schumpeter distinguished between five different types of innovation: New products, new methods of production, new sources of supply, the exploitation of new markets and new ways to organize business.

While recognising the importance of creating something new for economic development, later innovation theories have come to realize the rareness of a Schumpeter-type of innovation and found it necessary to expand the innovation concept. The gradual, incremental changes taking place as an industry evolves have received more attention, with recognition that such changes are of vital importance both for the individual business and for social and economic development (Rosenberg, 1985).

While innovations can influence the development of the single business, the more significant consequences are not recognised until diffusion processes have spread the innovation to other businesses or parts of society. Diffusion is thereby an important aspect of innovation and through processes of imitation and diffusion; the innovation is adapted to changing environments and/or improved upon (Rosenberg, 1972).

These processes also show the complexity of defining innovation. The borders between imitation and innovation are blurry, and the question of "new to whom?" is not straightforward to answer. Schumpeter distinguished between radical innovations that can create major changes in an industry, and incremental innovations that are more continuous processes of change.

When defining innovation in tourism, the context of the service industry needs to be considered. As will be described below, services have several features setting it apart from the goods-producing industries. Hjalager (2002) thereby argues that a broad definition of innovation is needed to describe change processes in the services. This study will use the OECD definition from the Oslo Manual (2005:26):

An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.

This definition includes both the radical innovations and the incremental innovations where new elements are added to already existing products. Sørensen (2004) emphasises that in business development all the different types of innovations deserve attention. The gradual, incremental product and process innovations will help the short-term development of the business, while the more radical innovations are associated with long-term survival. Sørensen stresses that the business will be more robust by emphasising both forms of development.

Both ideas that are new to the market as well as ideas borrowed from others are covered by the definition. Considering the scale and nature of adventure tourism businesses, this research does not expect findings of innovations that are new to the tourism market, but rather innovations that are new to the business in question.

During the interviews the entrepreneurs were asked to reflect upon *significant changes* in the history of their business.

This is in line with the OECD's minimum requirement for an innovation defined in the Oslo manual where the changes must represent something that is "new (or significantly improved) to the firm" (p.46). The minimum requirements means that there must be a significant degree of novelty, but the innovation can be acquired from other destinations through diffusion processes.

For this study it is also relevant to highlight innovation in relation to entrepreneurship. In entrepreneurship theory, a distinction is made between reproducer organizations and innovator organizations (Aldrich, 1999). The reproducers and innovators can be seen as opposite ends of a continuum. Reproducers are organizations that are started in an already established population, and thereby can make use of already existing competencies and routines. Innovative organizations are based on significantly new routines and competencies (Ibid: 80).

From a knowledge perspective, Aldrich refers to Anderson and Tushman (1990) when distinguishing between competence-enhancing and competence-destroying innovations. Competence-enhancing innovations are based on improvements of existing competencies and routines and can therefore be adopted by existing organizations. Competence-destroying innovations on the other hand require the development of new routines and competencies to develop the new product. This distinction will be discussed in relation to the evolutionary perspective in chapter 9.

4.2. CHARACTERISTICS OF SERVICE INNOVATION

The production of services has some specific features distinguishing it from the production in goods-producing industries. Sundbo and Gallouj (1998) summarize some of the features that they argue in turn shape innovation in the service industries.

For one thing, it is hard to standardize service products. As there is some form of communication or interaction involved, at least parts of the service transaction are always unique. The interaction also gives the client or customer an important role in the production of services. He or she can influence the service encounter and in so doing shape the outcome of the service product and again provide feedback on this.

While other industries usually make a distinction between product and process, this is often difficult in the services. Production and consumption of the service product take place simultaneously in the interaction between supplier and customer. This "co-terminality" involves a blurring of product and process; creating a new service product will also most often involve changes in process.

A final feature mentioned by Sundbo and Gallouj is that trust and quality are particularly important in services. Especially the more intangible services are difficult to externalize; to express the relationship between the competencies of the

provider and the eventual service product. While the services increasingly utilize different forms of quality stamp, the relational aspects still leave trust as a central element.

The characteristics of services have implications for innovation. For one thing, the innovative activity in services tends to be a continuous process, consisting of a series of incremental changes in products and processes. While gradual and continuous improvements are important in any industry, this is especially so in services (Miles, 2005; Jacob et al., 2003). The high level of contact between the supplier of services and the client contributes to easy access to feedback on the services being provided as well as information on further quality demands, and this opens for continuous small changes in the efficiency of the service encounter or in how the services are presented. Such changes can be regarded as incremental innovations if they are resulting from systematic changes in organization and presentation. In the tourism industry customer demands are regarded as being important triggers of innovative activity (Hall and Williams, 2008).

Related to the above is the ad hoc character of service innovations. Gallouj and Weinstein (1997:549) define ad-hoc innovation as *"the interactive (social) construction of a solution to a particular problem posed by a given client"*. It is created in the interaction between the tourist and the service provider, usually in the process of service delivery and as a response to specific challenges. Innovation is in that respect not the result of strategic planning processes.

What distinguish ad hoc innovations from ordinary problem solving are the processes following the specific service encounter. Following Gallouj and Weinstein, the service encounter must be followed up with some kind of formalization process where the specific elements of the solution are codified so that they may be reproduced in the future. For the service experience to turn into an innovation it must be reproduced and turned into a standard used in subsequent service encounters.

The characteristics of service innovations have several implications. For one thing, it is difficult to measure and compare the amount of innovation with that of other industries. As services are intangible and innovation in services to a large degree is characterized by change in behaviour rather than more clear-cut technological changes (Sundbo, et al., 2007), it is hard to measure the output of innovation quantitatively through productivity measures, or detect changes by qualitative measures (Gallouj and Weinstein, 1997).

The value of distinguishing between different types of innovations may also be questioned in the services, as they are harder to separate than in the goods producing industry. The close relationship between product and process was described above. In addition, innovation in one part of the business usually leads to changes in other parts, as when e.g. a new service product involves changes in the process of delivery and simultaneously leads to the opening of a new market. The

measure of different types of innovation in the service industries may therefore be considered with caution.

The intangible part of services also makes service products hard to patent. The transparency of services makes innovations diffuse quickly, leading to high levels of imitation. This can make the identification of innovations in services more complicated, especially as the innovations to a large degree are characterized by changes in behaviour rather than more clear-cut technological changes (Sundbo et al., 2007; Sundbo and Gallouj, 1998).

The characteristics described above make innovation in services more "fuzzy" than in manufacturing and high technology industries. The ease of imitation and the importance of incremental innovation make it challenging to separate innovation in services from more spontaneous changes taking place in the daily service provision. Sørensen (2004) argues that innovation must be the result of something that can be controlled within and by the firm; one must be able to reproduce the change (Sundbo and Gallouj, 1998). If the guide on a glacier hike spontaneously brings his ice axes and lets the tourist try climbing, it is an extra service but the activity cannot be regarded an innovation until it is part of a product standard.

4.2.1. TYPES OF INNOVATION

In addition to the characteristics of service innovation described above, some more particular aspects of the tourism industry need to be addressed. For one thing, while the division between different types of innovation in tourism are blurry and interdependent, the categorizations is presumed to reflect differences in resource needs and are therefor relevant for this study. While categorization varies in research on innovation in tourism (se e.g. OECD, 2005; Weiermair, 2004; Sundbo and Gallouj, 1998), the main difference from Schumpeter's typology is the focus on the process of service production and delivery. Related to this, sources of supply are downplayed. This research will follow the four most commonly referred to categories in tourism innovation research: Product, process, marketing and organization.

Product innovations relate to the introduction of new or improved products. As 'product' in the tourism industry usually refers to services, product innovation will include significant improvements in how the services are provided, the adding of new elements to already existing services, or the introduction of entirely new services (OECD, 2005).

The start-up of an adventure tourism business often means a valuable addition to the product range of a given destination. In an already existing adventure tourism business, innovation does not necessarily require heavy investments. In a rafting business, much the same equipment and guides can be used if the entrepreneur decides to extend the product portfolio with a new multiday trip in a remote area, or a short family rafting trip on an easy section of the river. The relatively low

investments required to add new products could mean that product innovations are more common within adventure tourism businesses than in other parts of the tourism industry. In their study of innovation in the Balearic Island, Jacob, Tintoré, Aguiló, Bravo and Mulet (2003) found that the tourism sub-sector of leisure and recreation had low levels of innovation but a relatively high level of product innovation.

Buckley (2010:216) has observed three international trends in the development of adventure tourism products, indicating commonalities in product innovation. This includes the development of *"larger and more complex multi-activity product portfolios and combo product packages"*, the offering of increasingly more upmarket luxury products, and a growing number of tours marketed as expeditions or explorations. While the latter are sold in low numbers, being able to organize such trips symbolizes experience and professionalism (Ibid.).

Process innovations involve initiatives to increase efficiency and reduce costs, either by new or improved service production or in distribution and delivery processes (Jacob et al., 2003). In this research, significant changes in safety routines will also be regarded as process innovation, as this is an important part of the service delivery.

Common process innovation in the tourism industry includes the introduction of new technology such as booking systems or more efficient communication systems. In the adventure industry, technology in the form of satellite telephones and GPSs are also important and efficient tools to increase safety.

Organizational innovations include both new forms of management and new ways of organizing the business. While organizational innovations may not be visible to the tourist, it could mean changes in skills and knowledge resources in the firm, quality improvements and increased efficiency. Since organizational innovations change structures either within the business or in the business's relationships with external actors, these changes often imply other types of innovation, especially product and marketing innovations (Sørensen and Errebo, 2008:22).

External alliances and partnerships can be a valuable way for micro tourism businesses to increase their resource bases. Jacob et al. (2003:284) distinguish between internal and external organizational management, where innovation of external management relates to *"establishment of new relationships with other agents, such as strategic alliances, new types of interfaces, etc., or enlarging the business operations of firms to an international scale"*.

As adventure tourism businesses often are part of a wider tourism experience involving other tourism services, one would expect to find adventure tourism businesses collaborating with e.g. hotels, tour operators and other activity providers. A study by Jakobsen and Espelien (2011) found that experience providers in the tourism industry of Norway are becoming increasingly more central in the coupling of tourism businesses.

Market innovations involve the implementation of new marketing methods leading to significant changes in design or packaging, product placement, pricing or promotion (OECD, 2005). The new marketing methods are aiming for either improving sales in existing markets or opening up for new markets.

In their research on innovation in small experience-based businesses, Sørensen and Errebo (2008) found low levels of marketing innovation. The researchers relate the findings to the relatively high expenses in this type of development. A study of adventure tourism businesses in Norway found that the businesses spend few resources on marketing and that they were rarely part of marketing organisations (Yttredal, 2005). The costs of joining tourism organisation could be one reason for this, another could be that a large portion of the Norwegian adventure tourism businesses are aiming for the incentive market (Aas et al, 2006; Yttredal 2005), which is not a main priority for the tourism organisations in Western Norway.

While these findings indicate lack of resources or little interest in market innovation at business level, a growing number of tourism destinations have begun to market themselves as an adventure capital (Buckley, 2010; Cater, 2006) or are actively using adventure activities in their destination marketing. Destinations such as Cairns in Australia, Chamonix in France and Voss in Norway have succeeded in using adventure as a marketing tool, and more destinations are following their trail. Such destinations often use the adventure tourism activities to get increased media attention and thereby to strengthen the image and branding of the destination (Cater, 2006). At a national level, Cloke and Perkins (2002) have written an interesting account on how adventure in NZ has been used as a marketing strategy to make the country stand out as a destination offering unique opportunities.

The distinction between the different types of innovations may seem arbitrary. When e.g. a traditional ski destination decides to develop their products and services to become a summer destination, this will most likely lead to a bundle of innovations both in individual businesses and in the form of new alliances in product development and joint marketing. A categorization is still valuable to get a better picture of important focus areas for innovation, and an impression of the resources needed for making changes within these areas.

4.2.2. DRIVERS OF INNOVATION

The complexity of change processes means that there are no simple answers as to whom or what influences innovation. The literature on tourism innovation has not yet established a thorough understanding of drivers of innovation in the industry (Hjalager, 2010). Sundbo and Gallouj (1998) have developed a model of the driving forces of innovation in the wider context of services. Their model illustrates how innovation in services is driven by both business internal and external forces. In the following these driving forces will be presented and seen in relation to the small tourism businesses. Understanding more about how these forces interplay with the

available knowledge resources of the adventure tourism business is central to this study.

External driving forces

Sundbo and Gallouj divide the external driving forces into trajectories and actors. Trajectories are described as *"ideas and logics that are diffused through the social system"*. They are diffused through society and influence industry in various, often subtle ways. Sunbo and Gallouj have identified five such trajectories: The service professional, management ideas, technology, institutional and social trajectories. While such trajectories influence and shape innovation in adventure tourism businesses, they are not emphasized in the case studies and will not be further elaborated on here.

Actors are "persons, firms and organizations whose behaviour has importance for the service firm's possibilities for selling services and therefore for their innovation activities" (Ibid: 9). Important actors are customers, competitors, suppliers and the public sector.

Customers. The importance of customers in service innovation is described above. Market demand is a major driving force for innovation (Sundbo and Gallouj, 1998; Hall and Williams, 2008). Picking up new trends and new demands is therefore crucial for an innovative business. Small businesses with scarce resources for market research instead emphasise customer feedback through daily face-to-face interaction, often leading to incremental innovations (Sørensen and Errebo, 2008). When bigger tourism businesses are found to be more innovative than the smaller ones, Rønningen (2009) see this in relation to bigger organizations' ability to gather and make use of market information. Bigger businesses can have people employed in positions that are more specialized, working in sales and marketing. The systematic gathering of market information provides important knowledge for the development of new products or adaptations to new markets.

Competitors. Competition is a major driver of innovation in the tourism sector (OECD, 2006). Facing competitors, even risk-aversive businesses may find themselves forced to innovate. Competition in the tourism industry exists both within destinations and between destinations, and the levels of competition are found to be highly uneven (Hall, 2008). The co-location of similar businesses in a geographical area is one factor that increases competition, as similar products or services are being sold based on the same resources (Michael, 2003). In the case of adventure tourism the resource base will be natural elements such as a rafting river or an arm of a glacier suitable for commercial hiking tours.

Hall and Williams (2008) points out several mechanisms through which competition influences innovation. For one thing, constant competition will lead to an increased pressure to reduce costs, bringing forth process and organizational innovation to become more competitive. The entrepreneur may also try to out-compete the competitors through product and process innovation, leading to new or

improved products. Such innovations can give the business "first mover advantages", where it is easier to charge higher prices and capture market share. Rafting businesses with a strategic aim of rafting a new and more technically difficult river will work to improve the skills of their guides. When the new product is launched, there will be a considerable time-delay before potential competitors can offer the same.

The importance of competition can be seen by looking at destinations where the competitive environment is weak. Studies of innovation in tourism SMEs have found that the incentive to innovate is reduced substantially at such destinations, exemplified by research from a traditional coastal tourism region in England (Shaw and Williams 1998) and in the island of Bornholm in Denmark (Ioannides and Petersen, 2003).

Suppliers. A third group of actors in Sundbo and Gallouj's model seen as driving innovation in services is suppliers. Suppliers of e.g. new technology can be important initiators and partners in innovation processes.

The total tourism product or experience usually consists of the services of several different providers and intermediaries. A large body of research has documented how innovation in services often involves cooperation and network processes. While some of these actors cannot be regarded as suppliers, they may play important roles as drivers of innovation. A recent study by Rønning (2010) e.g. demonstrates the role of a tour operator as a driver of innovation in small experience-based businesses.

Much of the recent literature on tourism innovation highlights the importance of a systemic perspective (see e.g. Rønningen, 2010; Sørensen, 2007; Pechlaner, Fischer and Hammann, 2005). Hall and Williams (2008) suggest that smaller service businesses depend relatively more on external knowledge sources such as competitors, customers and suppliers as mechanisms of knowledge transfer than do larger organizations and argue that the constrained situation of small tourism businesses make external actors even more important for the small businesses. To carry out bigger change processes may require more resources than the business can manage on its own, making collaboration a more viable solution. Through inter-organizational cooperation, the innovative capacity increases (see e.g. Rønningen, 2009) and the risk is shared by several actors.

In a situation of high levels of replacements, external actors may actually contribute to consistency; cooperative projects and destination development plans may outlive several generations of managers and ownership changes.

The public sector. A final actor mentioned by Sundbo and Gallouj is the public sector. The authors describe this as the least important actor, rarely directly involved in innovation processes. Findings from a Norwegian tourism context may question this. Rønningen et al. (2009) examined factors influencing innovation in

the tourism industry of Norway and found that public support was one of the factors leading to increased innovation.

Internal driving forces

The internal driving forces of innovation are (following Sundbo and Gallouj) divided into business management and strategy, employees and research and development departments. As small tourism businesses rarely have research and development departments and make little use of external R&D as sources of innovation (see e.g. Jakobsen and Espelien 2011; Rønningen and Lien, 2014), this is not described further here.

Business management and strategy. Management in the small tourism business often means an owner-manager and or a manager. (McKerchner, 1998) suggest that small tourism businesses often lack clearly defined strategic plans. As described above, innovations in services are often ad hoc; adjustments are often made according to e.g. customer feedback. With few people full time employed, the entrepreneur or manager is usually in control of most parts of an innovation process. The entrepreneurial motivation is thereby an important determinant of small business innovation. Tourism research shows examples of strong entrepreneurial orientation (see e.g. Atejevic and Doorne, 2000; Shaw and Williams, 2004) and examples of entrepreneurs being content with status quo and with little motives for change (see e.g. Shaw and Williams, 1998; Bredvold, 2003; Ioannides and Petersen, 2003).

Employees can be considered as important driving forces in tourism innovation. For one thing, the front-personnel are important as receivers of customer feedback. In an industry characterized by high labour turnover, one may also assume that employees are bringing with them ideas and information for imitating other businesses' ideas and products. A study by Ericsson and Hagen (2012) discusses how employees' involvement in innovation processes depends on the receptive capacities of the business; knowledgeable employees are of little use in innovation processes if their ideas are not paid attention to and tried out. Rønningen (2009) has documented how businesses that involve employees in innovation activity show higher levels of innovation.

The above illustrates that innovations are created through several different internal and external forces. An aim of this research is to learn more about how these forces are shaped by the resource situation of the adventure tourism businesses. The following chapter will examine central challenges for knowledge development in small tourism businesses.

Chapter summary

This chapter has defined the concept of innovation and discussed characteristics of service innovation in relation to small tourism businesses. In this study, the term "significant changes" is used during the case studies.

The chapter has also looked into different types of innovations, as these will be discussed in relation to businesses resources in the analytical chapter 10. Business resources are shaping capacity for innovation and the discussion of different types of innovation and the driving force of innovation have tried to emphasise the small business persective and the specific qualities of the adventure tourism businesses. Both types of innovation and the different driving forces of innovation have been seen in relation to the context of the small tourism business. In the following chapter this context is dealt with more particularly, as it looks into the knowledge resources and potential for knowledge development in small tourism businesses.

CHAPTER 5. KNOWLEDGE AND THE CONTEXT OF SMALL TOURISM BUSINESSES

Innovation theory has established the crucial role of knowledge and competencies in creating new ideas and bringing these to the market. Producing and transferring new knowledge is seen as the core of innovation (Asheim and Gertler, 2005).

This chapter will start out by discussing knowledge and typologies of knowledge relevant for this study (5.1). The main division relevant for this study is that between explicit knowledge, which can be easily transferred, and knowledge containing tacit elements making the transfer challenging and dependent on trust and proximity.

Theories of organizational knowledge are most often developed through research on large, stable organizations. Much of the present theorizing on organizational knowledge therefore needs to be adjusted for the micro and small tourism businesses. Section 5.2 reviews characteristics of small businesses, and tourism businesses more particularly, and examines how these characteristics may influence available knowledge resources.

Innovation depends on knowledge development and the transfer of knowledge both within the business and with external actors. Organizational routines can be seen as building blocks for this development. In small tourism businesses, lack of consistency due to staff turnover and seasonality may challenge even the development of basic organizational routines. Section 5.3 discusses different aspects of knowledge development through the building of organizational routines and knowledge transfer and again relates this to the context of the small tourism business.

5.1. KNOWLEDGE

Knowledge is a complex concept that has been approached from several different disciplines. Following Argote (2013), knowledge will here be understood both as a stock, or something you possess, and as a process. Knowledge understood as a stock means that knowledge can be regarded as a personal resource that can be accumulated over time. This should not be understood in a static sense. Knowledge is tied to mechanisms of learning and remembering, constantly changing as we experience and interpret our surroundings. This means that knowledge is very personal, as what we learn and experience is always interpreted and understood in

relation to our previous knowledge. In that respect knowledge is something more than information and data as it involves interpretation.

Knowledge can be widely shared, and knowledge as a process indicates that it flows and changes as it is communicated between actors. Orlikowski (2002) highlights the active and social aspect of knowledge. She uses the active form knowing and describes it as *"not a static embedded capability or stable disposition of actors, but rather an ongoing social accomplishment, constituted and reconstituted as actors engage the world in practice"* (Ibid:249).

The wish to increase our understanding and enrich analyses of knowledge processes has led to the development of different knowledge typologies. Perhaps the most well-known and fruitful in theories of organizational knowledge has been the division between explicit knowledge, which can be articulated and transferred, and tacit knowledge containing elements that are hard to verbalize. The division was early conceptualized by Michael Polanyi (2000, Norwegian edition of the 1966 original).

Polanyi's starting point was the observation that we can know much more than we can express verbally. A classic line from the book "The tacit dimension" is "we can know more than we can tell". As examples, he shows how we can recognize a face without being able to say how we are capable of recognizing it.

Polanyi's analysis of tacit knowing is related to the gestalt psychology. The gestalt psychology holds that we are able to know something as a whole by integrating our familiarity with the parts, even though we are not capable of identifying these parts. However, whereas the gestalt psychologists describe a process where perception of a whole is arranged spontaneously, Polanyi describes this as a process of actively forming experience to reach knowledge. It is through forming and integration, this tacit ability, that we discover knowledge. The tacit knowledge is thereby integrated into our ability to integrate different elements to a conscious whole, and Polanyi finds this structure both in intellectual knowledge and in more practical knowledge.

Polanyi's concept of tacit knowing has greatly influenced theories of organizational knowledge and innovation (von Krogh, Ichijo and Nonaka, 2000). It implies that different types of knowledge require different channels or methods of transfer. While e.g. explicit knowledge today can be considered as being easily accessible though new communication technology and knowledge institutions, tacit knowledge associated with skills and know-how require a different approach to transfer processes.

Tacit knowledge is e.g. central in Nonaka and Takeuchi's theory of innovation through knowledge conversion (1995). They argue that tacit knowing in itself does not lead to the creation of something new. Their point is that new knowledge is created and expanded through a social interaction between tacit and explicit knowledge. In this conversion and reforming, which they call knowledge conversion, something new is created.

From an economic perspective, Lundvall and Johnson (1994) developed another knowledge typology relevant for this study. They found it useful to distinguish between four broad categories of knowledge, a taxonomy being close to the language people use about knowledge in their daily lives.

The first knowledge category *Know what* refers to knowledge about facts, and is in that respect close to what is often referred to as information. *Know why* includes an analytic level and can be understood as scientific knowledge. *Know who* refers to social relationships. Lundvall and Johnson argue that, as innovation is an interactive process, knowing who can do what is important for innovative processes. In the context of small tourism businesses, know-who may be critical for knowledge development, as the businesses often do not possess the necessary resources to develop specific knowledge themselves, they need channels to relevant knowledge resources outside their location. Finally, *Know-how* refers to skills. The authors see know-how as the core of the economic process, often involving a tacit component.

The taxonomies provide useful conceptual tools for describing knowledge processes in organizations. As executing adventure tourism activities usually involves tacit, embodied knowledge, the know-how is particularly relevant when examining knowledge development in this part of the tourism industry.

5.2. KNOWLEDGE IN SMALL TOURISM BUSINESSES

The empirical material for this research is gathered from small adventure tourism businesses, and the analysis will primarily focus on how change is experienced within the boundaries of the individual business. Theoretically, the term business and organizations will be used interchangeably in the following, trying to establish what characterizes small tourism businesses as organizations.

An organization can be defined following Aldrich (1999:2) as *"goal-directed, boundary-maintaining, and socially constructed systems of human activity"*. These characteristics set the organization apart from other social institutions such as the family or a group of friends. While there traditionally has been a bias towards theory development based on the study of large organizations (Ibid: 8), the body of research on small businesses is growing. Some of the particularities of the small tourism business appear when they are seen in relation to Aldrich's definition above.

Aldrich first describes organizations as goal-directed, where the activities of the organization are designed to lead towards that goal. Organizations are in that sense purposive, although the individual members of the organizations may have very different feelings towards these goals (Ibid: 3). In a business context, profit may be seen as an expected over-arching aim.

Research on small tourism businesses has found that entrepreneurs often have very different aims with their start-up. Motives related to being one's own boss, being in

control or pursuing a certain lifestyle are important drivers for starting and running a tourism business (Bredvold, 2011; Ateljevic and Doorne; 2000; Shaw and Williams, 1994).

Dewhurst and Horobin, 1998) have developed a model where the small tourism business owner-managers can be placed on a continuum between on the one end commercial goals and strategies, and on the other end lifestyle-oriented goals and strategies. The model displays that there is an alternative set of motives and thereby alternative ways to understand "business success". In this perspective, success is not necessarily measured in commercial and growth terms, but rather seen in relation to whether or not the entrepreneurs manage to pursue their chosen lifestyle. Ateljevic and Doorne (2000:381) describe this way of conceptualising entrepreneurship as being revolutionary, as it implies that the concept of entrepreneurship *"comprises social and cultural values as 'success' factors, rather than just 'development and business growth'."* (Ibid: 381). When an organization is described as being goal-directed, it should therefore be understood in a wide sense.

The second characteristic of organizations mentioned by Aldrich is that they are boundary-maintaining. This means that there are some forms of distinguishing features for being a member vs. a non-member; people are employed, receive a monthly paycheck, wear a uniform, etc. In the small tourism business these boundaries are often blurred as organizations are family owned, run as a part time businesses and draw on voluntary help on busy days. Even when the employment situation is more regular, small business employment has some specific features. Jameson (1998) describes the close, personal vertical relationships between e.g. managers and front-line staff as distinct aspects of social relationships in small businesses. Another aspect is the close relationship between employees both during work time but also during leisure time in the tourism industry (Ibid: 185). With reference to Price's (1993) study from hotels and restaurants, she uses the term 'one big happy family'. Jameson further warns that this harmonic model of the small business may mask other features of the industry; low wages, long hours, high labour turnover and low levels of union organization (Ibib: 185).

To some extent, the boundaries between work and leisure time, family and work relationships, paid and unpaid work, can be seen as more fleeting and informal (Ibid.186). Boundaries may instead be maintained through the more emotionally processes of being involved in a small business; a sense of trust, community and loyalty.

Finally, Aldrich (1999) describes organizations as characterized by socially constructed activity systems. These are ways to organize work to get things done, involving different and interdependent roles and sets of routines (see e.g. Nelson and Winter, 1982). In the small tourism business, the systems may be vaguer and the entrepreneur or owner-manager has a wider set of roles and different priorities from those running larger enterprises (Beaver, Lashley and Stewart, 1998:171).

Owner-managers of small tourism and hospitality businesses must lead the way in most parts of business development.

With a wide range of functions, findings still indicate that these small business managers lack industry-specific expertise or experience in business ownership (Dewhurst and Horobin, 1998). Experience is rather built gradually through trial and error, problem solving and processes of discovery (See e.g. Deakins and Freel, 1998). In their daily interaction with the surrounding environment the entrepreneurs are forced to alter their behaviour through experiential learning (Ibid. pp 146).

Another feature concerning tourism organizations as socially constructed activity systems is the relatively high staff turnover in the industry. Staff turnover is in general found to be higher in the tourism and hospitality industries than in other sectors, with wages being an important explanatory factor (Hjalager, 2005:178). Her findings indicate that tourism businesses with low value added systematically experience a higher labour turnover than businesses which perform better; a relation differing from other sectors where the relationship between turnover and profitability is u-shaped. She sees this as a support of the idea that *"tourism utilizes numerical flexibility to a considerable degree, and that strict, even Tayloristic, work management pays better than many firms like to admit"* (Hjalager, 2005:179).

Level of turnover should also be seen in relation to type of job in a diverse industry. Lashley (2005:2008) has found that certain parts of the tourism industry including cultural activities, travel agencies, recreational activities, sports and tour operators have quite good staff retention. The difficulties in filling jobs within sports and recreational activities were related to positions for maintenance and catering staff, not for the more specialized service positions (Ibid). Lashley's study indicates higher staff retention in the more specialized part of the industry. As safety requirements and quality demands in adventure tourism businesses can be quite high, these findings are very relevant for this part of the industry.

A final feature of tourism businesses as socially constructed activity systems is training. There has been identified a lack of skills both among the entrepreneurs and employees of tourism businesses (Hjalager, 2002; Jensen et al. 2001; Shaw and Williams, 1998; Ioannides and Peterson 2003; Bredvold, 2003). Research findings indicate that most entrepreneurs in tourism SMEs have no education in tourism studies (Ioannides and Petersen, 2003; Bredvold, 2003) and that formal education is not something entrepreneurs in small businesses see as necessary (Emmelin and Johnsson, 1989, Bredvold, 2003), as the entrepreneur learns through his or her profession and thereby develops necessary skills. The ability to provide good service and work long hours has been found to be more important.

The low education level among employees in tourism businesses is neither seen necessarily as a problem. A Danish study found no relationship between performance of tourism businesses and proportion of staff with a formal education (Hjalager, 2005). High performance was rather connected to the ability to organise

and manage efficiently a large number of unskilled employees. This may suggest that in most part of the tourism industry informal competencies and personality traits are sufficient. This pattern is reflected in a limited focus on training.

Research on training in small service businesses has shown ambiguous findings, and the training is in several ways found to be different than in bigger, more formal organizations. Reviewing the literature on skills and training in the UK tourism and hospitality industry, Dewhurst et al finds that *"… training is often patchy, informal and reactive rather than proactive"* (Dewhurst, Dewhurst and Livesey, 2007:136).

The informality of the training is also mentioned in a study by Moore (2005). He describes formality as "... the importance placed on training by the organization; how this importance is conveyed to staff by the unit management; the regularity of staff appraisals; and the type of training records used"(s.208). He argues that training in SMEs as often being ad hoc, and thereby never gaining the impression among staff of being a priority and an important organizational function.

There may be several reasons why the general demand for training is lower in small businesses. In their study of training and motivation to train in small firms, Kitching and Blackburn (2002) list some of the factors influencing low investments in training. For one thing the small businesses' uncertainty about the future may lead the entrepreneurs to stick with investments that have a short time horizon, and therefore be less willing to invest in training. Other reasons are related to the costs of training, courses that are not tailored well enough to fit the needs of employees in small companies and the difficulties of seeing a demonstrated effect of training provision on business performance. The alternative value system of many small business entrepreneurs may also influence attitudes to training.

While the level of training seems to be low in the tourism and hospitality sector, there are important differences. Business size has been found to be an important determinant of the attention given to training (Kitching and Blackburn, 2002) (Moore, 2005). In a study of staff training in the South-East Wales hospitality industry, Moore (2005) found a marked contrast between the large (more than 20 rooms) and the small hotels, with the larger hotels expressing a progressive approach towards training. Moore's research indicated that amongst the small hotels *"there is little evidence of formal induction, on-going training or career enhancement strategies, such as encouraging staff to study for further qualifications"* (Ibid:204).

Another factor influencing training routines is juridical instruction, playing a particularly important role in the restaurant sector. Within adventure tourism, safety regulations and industry standards play a similar role. These regulations vary both from country to country and according to the activity in question. Such variations will naturally influence the emphasis placed on training in the individual business.

Based on the above, it is evident that many of the theories of organizational knowledge based on large, goods producing organizations will need to be reframed

in the context of the small tourism business. The intangibleness and complexity of knowledge also make operationalization challenging. The interview guides will emphasise issues described in this section; recruitment situation, staff turnover and training. Additional aims are to capture the potential knowledge needs recognized, and how the entrepreneurs experience their business' knowledge resources.

While this section has emphasized knowledge-related features of small tourism businesses, the following section will examine more in depth how these features influence knowledge development and knowledge transfer, seen as prerequisites for organizational change and innovation.

5.3. DEVELOPING KNOWLEDGE RESOURCES IN SMALL ORGANIZATIONS

The close relationship between organizational knowledge development and innovation is well established. However, what are central mechanisms of knowledge development and how are these played out in small tourism businesses? Again, general findings of organizational knowledge development will be presented before relating these to the context of small tourism businesses.

Knowledge development in an organization is primarily social processes. It is dependent on the coupling of the knowledge of individuals through communication and interaction. For organizational knowledge development to occur, the knowledge must be spread and somehow lead to changes in the organization. If knowledge development at the individual level is about changes in cognition and behaviour, then organizational knowledge development means similar changes at the level of the organization.

Knowledge must also be somehow shared and stored at the collective level for future generations of employees. There seems to be wide agreement that organizational routines are crucial for developing and storing organizational knowledge. In their classic book on evolutionary theory, Nelson and Winter (1982:14) see routines as "*all regular and predictable behavioural patterns of firms*". Becker (2004) describes routines as recurrent patterns of activity, drawing a parallel to the habits of individuals. Such collective "habits" describe people's behaviour and interaction, but can also be related to cognitive patterns or regularities such as standard operating procedures, heuristics, rules and standards (Ibid.). Routines are thereby related to stability in both a group of people's actions and how they cognitively meet their daily tasks.

Becker (2004) emphasizes however, that change and variation is inherent to routines. Inefficient routines will gradually become more efficient, routines must change when circumstances change, and routines that do not lead to the stated aims are rejected. In this way, routines represent continuity but also the organizations' potential for change.

Routines are developed in a specific organizational context and the tacit knowledge underlying the routines is therefore embedded in the organization and cannot simply be 'moved' to a different context. This means that much of the procedural knowledge of the organization is bound up in the routines, making them important repositories of organizational capabilities (Nelson and Winter, 1982).

Knowledge embedded in businesses may also constrain development. People learn efficient ways of dealing with the daily challenges of the business, and become "stuck" in routines and mindsets (Fagerberg, 2005). This can also lessen the will and capacity to learn from other economic actors. To avoid this tendency, businesses need to extend their knowledge base, by either searching for new knowledge in close proximity to the company's existing knowledge base or by strategically working towards a more diverse knowledge base (Ibid).

Most research on routines and organizational knowledge development takes its starting point in well established, bigger organizations. As described in section 5.2, the situation is very different in the small tourism businesses; building up and maintaining routines are clearly a challenge. More common is a large number of new staff each year, with much energy spent on training new employees up to the competency level of last year's staff.

Staff turnover influences the development of efficient organizational routines, and influences the transfer of knowledge. As knowledge has become a source of competitive advantage, it has meant increased attention to processes of knowledge transfer, both within the organization and between the organization and the outside world.

Following Argote and Ingram (2000: 151), knowledge transfer *"is the process through which one unit (e.g. group, department, or division) is affected by the experience of another)"*. While important knowledge development processes occur within businesses, it is well- established that external sources of knowledge and information are vital for business development. In a recent review of organizational knowledge transfer, Argote (2013) argues that knowledge can be transferred by several different channels: *"by moving people, technology, or routines to the recipient organization or by modifying the people (e.g. through training), technology, and routines of the recipient organizations"* (Argote, 2013).

Which factors influence knowledge transfer? One aspect relates to the existing knowledge resources of the business. Cohen and Levinthal (1990) use the concept of absorptive capacity to describe how a business' ability to absorb and utilize knowledge depends in parts on the business' prior knowledge resources. If the business already has knowledge within the field, it will be more efficient in transferring and absorbing new knowledge. As employees become more knowledgeable within a field, they also become better at recognizing the *"value of new information, assimilate it and apply it to commercial ends"* (Ibid: 128).

Again, referring to some of the challenges of small tourism businesses, building up absorptive capacity is not straightforward. High staff turnover and limited training lessens the capacity to learn. Those businesses managing to build up their knowledge base over years, will also increase their absorptive capacity; the ability to absorb and utilize new knowledge. For a small tourism business, one may imagine there being a "critical level" where the business has developed internal knowledge resources and can enter a more positive spiral of knowledge development and transfer.

Another aspect influencing knowledge transfer is the type of knowledge in question. As argued in section 5.1, it is challenging to transfer knowledge involving major tacit components. Research from economic geography (See e.g. Boschma, 2005; Gertler, 2003) argues that tacit knowledge *can be* transferred, but that efficient transfer demands geographic proximity and interaction. Skills and practical knowledge can be transferred with the use of examples and demonstrations, in a knowledge conversion process Nonaka and Takeushi (1995) called socializing.

Practical know-how is in that respect tied to proximity and locality. Being context specific, the tacit knowledge is seen to be more place dependent or "sticky" (Gertler, 2003) than explicit knowledge. There must be a close interaction between the actors for the transfer of tacit knowledge to occur.

The place dependency of tacit knowledge is increasingly seen as a source of competitive advantage. While new communication technology more or less has made explicit knowledge available to all, the tacit dimension becomes increasingly influential in the creation of new products and unique capabilities (Asheim and Gertler, 2005). Being located closely not only favours transfer of tacit knowledge but also the sharing of industry-specific knowledge, coherence and trust among the actors involved, creating what Amin (2000) calls an industrial atmosphere.

One line of research has shown that being close geographically is not sufficient for efficient knowledge transfer. Boschma (2005:63) highlights that geographic proximity cannot be seen in isolation from other types of proximities; simply being geographically close is not enough for knowledge transfer to take place. He introduces five different types of proximity; organizational, cognitive, social, institutional and geographical, and discusses how these can enhance interactive learning and knowledge transfer, and also how different types of proximities can have detrimental effects through lock-in mechanisms.

For this particular study, the concept of proximities is interesting as it may be a way of bypassing some of the knowledge constraints faced by small adventure tourism businesses. Half of the cases chosen for this study are based in what will be termed adventure tourism communities. By definition, these businesses will be in geographical proximity to other enterprises with similar types of activity products, but also cognitive and social proximities may be relevantin this context. These issues are more thoroughly discussed in chapter 6.

Knowledge can become available through different channels. One such channel of new knowledge is being organized in chains, franchises or formal networks. In her review of knowledge transfer in organizations, Argote (2013) describes how being embedded in such relationships can affect knowledge transfer positively, as it eases communication and increases motivation. Hjalager (2010) brings in the same argument from a tourism perspective. She refers to studies showing higher levels of knowledge transfer and innovation in tourism businesses that are part of chains. In such relations, the communication is more open, as there is less competition involved.

The independent small tourism business lacks these channels of knowledge transfer. While local tourism organizations and other formal and informal networks can have similar knowledge benefits, the social bonds of businesses related through chains or franchises have knowledge transfer benefits such as shared understandings and objectives. In the context of adventure tourism businesses, common industry associations, such as sea kayak operators associations, rafting associations, etc. may serve similar purposes. These associations gather rules, norms and experiences from the individual businesses and in this respect facilitate knowledge transfer between businesses that have much in common.

A mechanism linked to the reasoning above is that transfer happens easier if the contexts are similar. Argote (2013 argue that the more elements two actors have in common, the more efficient knowledge transfer. This can also be seen in relation to absorptive capacity, as there is a "fit" between the prior knowledge of the business and the knowledge being transferred.

A second channel of knowledge transfer mentioned by Argote (2013) is through personnel mobility. People come with knowledge resources, but they are also capable of restructuring knowledge to a new context, and to transfer both tacit and explicit knowledge to a new organization (Ibid). If tacit knowledge is needed for product development or imitation, then labour mobility can be crucial for development.

From the tourism context, Hall and Williams (2008:78) refers to Riley et al. (1983), when arguing that labour mobility perhaps is less significant in tourism than in other industries because of: *"the casualization of the tourism labour supply and the structural and socio-psychological features of the labour market"*. While this may be true for large parts of the industry, there may be important variations within a wide industry.

As adventure tourism businesses often demand specific competencies, it can be argued that labour mobility actually may be more important in this part of the tourism industry. Guides anywhere in the world develop very specific competencies tied to certain natural elements such as glaciers, mountains or rivers independent of geographic borders. These competencies will have a high degree of overlap whether you work on a glacier in Argentina, in NZ or in Norway, providing a common

ground and a certain degree of cognitive proximity independent of geographical distance. In this respect, distant knowledge providers can be efficient sources of knowledge, as they already 'speak the same language'.

Finally, Argote (2013) argue that research based knowledge is an important way of transferring knowledge. In goods producing industries different forms of research and development programs are important for knowledge development, often including external organizations. Research based knowledge is an integrated part of the organization's development and expenditure on research and development programs is a much used indicator of innovative activity. Research findings from the Norwegian tourism industry (Jakobsen and Espelien, 2011), show that tourism businesses have little contact with research institutions and that most business owners regard tourism research programs as having little relevance for their business.

External research consultancy or technical advice may still be important components of the business' innovative activity. This may be even more so in adventure tourism businesses, where there is a high dependency on specialized knowledge and technology. One trend in the adventure tourism industry according to Buckley (2010) is the gradually moving towards higher, faster, steeper or more remote commercial activities. Such activities often involve highly technical and advanced equipment. Developments within the wider outdoor industry can for the most part cater to advanced clothing and technical devises, but the specific needs of a company in a given context may in addition require external research assistance involving research based knowledge.

Chapter summary

The above has outlined some central characteristics of knowledge and knowledge development in small tourism businesses. To begin with Polanyis division between tacit and explicit knowledge was presented, as well as Lundvall and Johnson's (1994) more economically oriented division into four broad knowledge categories; know what, know why know how and know who. The chapter has then aimed at presenting challenges of knowledge development in small tourism businesses.

A central finding from the literature review is that high staff turnover and low levels of training may inhibit knowledge development in these businesses. In such situations, it is both challenging to develop efficient organizational routines important for storing and developing knowledge, and to increase absorptive capacity. Most research on knowledge related issues in small tourism businesses have empirical material from the hotel and restaurant parts of the tourism industry. The study by Lashley (2005) indicates that there may be important differences within a diverse industry.

This and the the previous chapter have provided a theoretical background for this study, by reviewing literature related to knowledge and innovation in small tourism businesses. The following chapter will present three different theoretical approaches

that can enlighten our knowledge about these processes in adventure tourism businesses. While recognizing the importance of external actors in innovation processes, this research will examine innovation from the perspective of the individual business. Hjalager (2010: 9) argues that our understanding of how innovation processes take place in tourism businesses is incomplete. While external actors surely will be mentioned, emphasis is on the relationships between innovation and the internal knowledge resources of the business. The three perspectives are all concerned with the resources available to the business, and how the resource situation shapes innovative capacity.

The first theoretical perspective takes its starting point in the individual business. While the research above describes bigger businesses and businesses incorporated in chains as being more innovative than smaller businesses, little is known about *how* the pattern of innovation changes with size.

The second perspective looks at how location and the proximity of other adventure tourism businesses shape innovation. The research above describes competition as an important driving force, and collaboration as a way of increasing innovative capacity. Are such factors recognized as important for innovative activity by these businesses or are there other important aspects of location that are equally relevant?

Finally, the review above describes innovation both from the perspective of the individual business and from a more systemic perspective. However, is there also a 'time-perspective' that is relevant here? Adventure tourism products consist of a wide variety of nature based activities. Placing a new activity on the market (or bringing it to a new market) can in many cases be regarded as a radical innovation, as it involves new knowledge structures and an ignorant market and related industry. How does the maturity of the specific activity in question influence innovation? The three perspectives are discussed in the following chapter.

CHAPTER 6. KNOWLEDGE DEVELOPMENT IN ADVENTURE TOURISM BUSINESSES: THREE PERSPECTIVES

The previous chapters have provided a theoretical background for this research by defining central concepts and providing a review of literature on innovation and knowledge development in the context of small tourism businesses. This chapter will focus more specifically at adventure tourism businesses and look into three different theoretical approaches that may contribute to our understanding of change processes in this particular part of the tourism industry. The approaches do not build on each other, but rather represents different perspectives or "lenses" though which these processes can be understood.

The chapter starts by looking at adventure tourism from the level of the single adventure tourism activity. It is argued that each activity has its own activity-specific know-how that makes the employees capable of delivering a certain activity in a safe and entertaining way. Businesses offering the same adventure tourism activities are thus based on the same natural resources and have similar knowledge requirements. Section 6.1 elaborates on how the industry maturity of a specific adventure tourism activity influences processes of knowledge development and innovation. Businesses based on a "young" activity will have different challenges tied to these processes than businesses based on a well-established adventure tourism activity. Building in part on population ecology (see e.g. Hannan and Freeman, 1987) and Aldrich's (1999) evolutionary theory of entrepreneurship, the section focus on the challenges of developing efficient organizational knowledge and of building legitimacy around the new economic activity. With few and often small providers of each adventure tourism activity it is argued that challenges related to "newness" may linger over a long period of time and consequently shape pattern of innovation.

Section 6.2 discusses innovation in relation to business size. The previous chapters have brought up some challenges of knowledge development in small tourism businesses. This is further elaborated on here, emphasizing how the resource situation influences innovative activity. It is argued that the close relation between outdoor recreation activities and adventure tourism may positively inflict on industry resources. The concept of serious leisure (Stebbins, 1982) is introduced to

descibe how a wider outdoor activity milieu may have positive effects on processes of knowledge development and transfer in adventure tourism businesses.

Section 6.3 elaborates on the role of co-location in adventure tourism. The section starts out by referring to theories of embeddedness, discussing how external relations influence business development. This research will examine how such relationships influence knowledge transfer and innovation in agglomerations of adventure tourism businesses. While Porter's concept of clusters is taken as a starting point, the concept and its related mechanisms need to be adjusted to the context of the small tourism business. Both the concept of legitimacy (from section 6.1) and serious leisure (section 6.2) are again relevant when discussing knowledge development at locations with several adventure tourism providers.

Finally, the theoretical part of this thesis covers a wide range of research fields. Section 6.4 give a short summary of this material, and describe the build-up of the remaining empirical part of the thesis.

6.1. INDUSTRY MATURITY AND THE EVOLUTIONARY PERSPECTIVE

The adventure tourism industry consists of many different types of adventure tourism experience products. New activities seem to appear every now and then; activities that may not be new to the world, but new to the country or region. As the provision of many of these activities require quite specialized knowledge, it is interesting to see how the 'industry age' of the specific activity influences knowledge development and innovation. Such an evolutionary perspective may shed light on the knowledge related differences between being a pioneer of a new adventure tourism activity and starting up a new enterprise within an already established industry. The empirical chapter 9 will examine whether and potentially how 'industry age' shapes the direction and pattern of knowledge development and innovation in adventure tourism businesses.

Different evolutionary models have been exercised previously in tourism research. The most well-known use of an evolutionary perspective in tourism is Butler's (1980) tourism area life cycle model (TALC). Butler's model is related to the general economic models on the life cycle of products. Butler argues that the tourism destination can be understood as a product and that the development path of the destination mirrors the life cycle curve of any product: The initial growth is slow, followed by a rapid development, which then eases off and eventually declines. The model posits several stages of development: Exploration, involvement, development, consolidation, stagnation and then either stagnation or rejuvenation before entering a new cycle. While Butler emphasise the destination level, the evolutionary perspective will be tied to the business level in the following.

Drawing on Darwinian concepts and taking in perspectives such as population ecology, organizational ecology, and organizational learning, Howard Aldrich developed an evolutionary framework within the field of entrepreneurship research in the late 1990s. According to Breslin (2008) the evolutionary approach to entreprneurship grew out of the wish to develop more theory driven research in this field, with more rigorous models of the entrepreneurial process and emphasis on process and context. Aldrich's influential book "Organizations evolving" (1999) brings in several aspects of organizational theory and relates them to evolutionary concepts of variation, selection, adaptation and retention. This study will focus on only part of this framework.

The population level of organizations is central for the following discussion. Populations can be defined as *"groups of organizations with similar products and/ or processes"* (Aldrich and Fiol, 1994:646). The population both says something about the resources required in a specific niche, and how the niche itself can contribute to knowledge being transferred to new generations of businesses. In a review of the evolutionary approach to the field of entrepreneurship, Breslin (2008:404) refers to Brittain and Freeman (1980) when he describes how the population of organizations requires the same resources, and this collective resource base is an advantage for new foundings[11].

The importance of this analytic level was highlighted by the population ecology perspective (See e.g. Hannan and Carroll, 1992). In their book on the "Dynamics of organizational populations" (1992), Hannan and Carroll looked changes in populations of organizations over a long period of time. They were interested in empirical findings showing that during the early phase of a population, the number of new organizations first grows slowly, then surges at some point and reach a peak before it declines a bit. It then fluctuates "in a fairly narrow range for protracted periods" (preface) – leading to an inverse U-shaped relationship between organizational density and the rate of foundings.

Based on these findings (and e.g. Hannan and Freeman, 1987), Aldrich argues that the slow initial growth of new populations are related to challenges of knowledge development and legitimacy. In an article on the institutional context of industry creation, Aldrich and Fiol (1994) describe the difference between pioneering a new industry "from scratch" and starting up a new enterprise within an already established industry, where the product is well known to the public, standard work routines are established and a regulatory system is in place.

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[11] In his analysis of the growth of new industries, Aldrich (1999:224) argues that "industrial economists typically associate "industry" with patterns of consumption whereas ecologists associate "population" with sets of potential competitors in a production system" (Ibid:199:224). In the context of this study emphasis is not on the consumption of adventure tourism activities, but rather on the knowledge processes taking place at the production side.

They argue that founders within a new industry are *"navigating, at best, in an institutional vacuum of indifferent munificence and, at worst, in a hostile environment impervious to individual action. In addition to the normal pressures facing any new organizations, they also must carve out a new market, raise capital from sceptical sources, recruit untrained employees, and cope with other difficulties stemming from their nascent status"*. (Aldrich and Fiol,1994: 645).

Aldrich (1999) argues that entrepreneurs in nascent population are confronted with two main challenges: To develop efficient organizational knowledge and build legitimacy. Dealing with these issues is fundamental for a new population[12].

The pioneers of a new population must develop effective routines and competencies with no role models and "under conditions of ignorance and uncertainty" (Ibid: 228). Any new business faces challenges related to newness, but in an established population entrepreneurs can learn vicariously and copy other successful organizations; there are role models to learn efficient routines from and there is a pool of a competent work force upon which to draw. It may take several generations of businesses to develop the efficient organizational knowledge and efficient routines.

Aldrich further refers to Hannan and Carrol, 1992, and Stinchcombe, 1965, when he describe how the entrepreneurs must cooperate with an environment "that might not understand or acknowledge their existence" (Ibid: 28). The founders of a new population lack external legitimacyt. Zimmerman and Zeit (2002) define legitimacy as "*a social judgment of acceptance, appropriateness, and desirability, enables organizations to access other resources needed to survive and grow"*. Developing legitimacy means to create closer ties to the environment which may facilitate resource flows. It also means a general acceptance that opens for collective action to fend off challenges. Legitimacy can in that respect be seen as a resource for the new business.

Aldrich and Fiol (1994) distinguish between two different types of legitimacy. The first is cognitive legitimacy, which relates to how taken for granted a new form is in the public. Cognitive legitimacy is about how knowledge about the new economic activity is being spread. Following Aldrich and Fiol cognitive legitimacy can be seen both from a producers perspective and from the consumers perspective. From the producers perspective it means that newcomers to the economic activity will copy the organizational form of the already existing organizations in the population.

[12] While highlighting knowledge and legitimacy it is evident that these are only two factors critical for the survival of a population. Factors such as entrepreneurial competency, competition from related industries, economic conditions, etc. will always be at play. While those factors will continue to influence the developing population, initial organizational knowledge development and legitimacy are seen as being especially critical for foundings in a new population.

There is no need to experiment. From the consumers perspective cognitive legitimacy means that people are knowledgable users of the product or service.

The second is socio-political legitimacy, which can be understood as *"the process by which key stakeholders, the general public, key opinion leaders, or government officials accept a venture as appropriate and right, given existing norms and laws."* (Ibid: 648). Cognitive legitimacy is about being accepted and fitting in with recognized principles. In Organizations Evolving (1999), Aldrich argues that cognitive legitimacy is more pressing for new populations than the socio-political.

In *Organizations Evolving,* Aldrich (1999) describes different strategies to build cognitive and socio-political legitimacy. These strategies are carried out at different levels involving knowledge development and sharing. Different forms of collaboration through e.g. the creation of associations and standard setting bodies are encouraged, both within the population and across populations. In an adventure tourism context, it means for a rafting business to not only cooperate and form associations with other rafting businesses, but also with providers of other types of adventure tourism activities and other parts of the tourism industry.

The gradual development of a knowledge base is an important part of legitimizing the new industry both within the organization and externally towards the market and the socio-political environment. Significantly for this research, it varies considerably how long the dual factors of inefficient organizational knowledge and lack of external legitimacy challenge a new population. Aldrich (1999:225) refers to Klepper and Graddy (1990) when describing how the amount of time passing from the first start-up in a population until it reaches stability varies substantially across populations. The number of organizations and the size of the organizations are critical factors for how much time a population will use to reach the carrying capacity. The carrying capacity depends on the resources available, and is reached when the population stabilizes or starts to shrink.

The population perspective is interesting in relation to adventure tourism businesses. In this research, entrepreneurs within a specific commercial adventure tourism activity, such as rafting or mountaineering will represent a population. It is clearly arguable how a population should be defined in adventure tourism. While similarities exist between the different adventure tourism activities, this research will emphasise the heterogeneity; each activity has its own procedures and routines, develops their own associations and has to follow certain activity-specific regulations. These niches of organizations share common knowledge resources and require similar resources to develop their product[13]. The term population will be

[13] There will naturally be overlap between different activities, were some have more in common than others do. Glacier hiking is e.g. a product that has much in common with mountaineering when it comes to competency demands. Still, the activities have turned into products that are marketed towards very different markets. In this research, it has been more important to identify the differences of these activities than the similarities.

used also because the term "the adventure tourism industry" is already well-established, while emphasis here will be on adventure tourism *industries*. The population term highlights that the adventure tourism industry consists of several different populations, such as the population of mountaineering businesses, the population of rafting businesses etc.

In the context of adventure tourism the number of actors within each population is few; the businesses are small and many only operate for short seasons. These factors contribute to make legitimacy a major issue for the businesses for a long period of time. If there e.g. are only two micro businesses offering sea kayaking along a coastline, it will take a long time for the wider tourism industry to recognize the potential value of this activity for regional tourism. New activities in many cases spend decades developing into a population - if they ever do. Businesses in this situation face challenges related to "newness", even though there may have been several generations of fragile businesses trying their luck with this particular activity.

With the population perspective nothing can be said about the success or failure of the individual business. In a well-developed population in the adventure tourism industry, there will most likely be both successful and less successful businesses. However, in a well-developed population, knowledge will be institutionalized or embedded, such as in product standards, guides certificates, insurance requirements, population organizations, etc. Such institutionalization will function not only as a reservoir of knowledge but also as a way of gaining legitimacy as a population both towards the market, potential cooperation partners and the public in general.

While the population level is most relevant for this research as the empirical material mainly refers to processes at this level, it is also important to point to Aldrich term organizational community (1999). The term organizational community can be used to denote the adventure tourism industry at large. Following Aldrich an organizational community is *"a set of coevolving populations linked by ties of commensalism and symbiosis"* (Ibid: 298), referring to the cooperation and competition taking place between units that are similar, and the interdependencies of the dissimilar units. As the entrepreneurs and managers usually referred to processes taking place at the population level, the community level is downplayed in the analysis of this material. While not being central in the analysis of this study, the strength and maturity of the overall community surely will affect processes of knowledge development and the building of legitimacy of each population.

It is argued that the evolutionary approach can be fruitful in understanding adventure tourism innovation. Business being at an early stage of development will have a very different approach to innovation than businesses in a mature population. Their knowledge dynamics are different as well as their competitive situations. Studies from population ecology show findings that when the density of

organizations increases, competition increases and disbanding rates rise (Breslin, 2008). A central question in this research is to examine differences in approaches to innovation between businesses at an early phase of the population with those of an established population. While research on tourism innovation usually highlights the systemic nature of innovation (see e.g. Hjalager et al., 2008), looking at how businesses develop innovation through networking (Hjalager, 2010; Novelli et al., 2006; Sørensen, 2004), or focuses on measuring amount of innovation taking place in a business (see e.g. Rønningen, 2009), this research will take the population perspective into account.

This research argues that it is necessary to pay attention to the historical context of the specific adventure tourism activity in question to discuss knowledge processes and innovation in adventure businesses. Activity maturity will influence knowledge development and innovation. The evolutionary aspect is also thought to have effects on the issues of business resources and co-location discussed in the next two sections.

6.2. BUSINESSES RESOURCES AND THE SERIOUS LEISURE PERSPECTIVE

This section will follow up on the two previous chapters and examine issues related to how business resources affects innovation. Adventure tourism businesses in Norway and NZ are mostly small and micro sized businesses (Aas et al. 2006; Ytredal, 2005; Page, Bentley and Walker, 2005). Shaw and Williams (1994) explain the resource constraints of small tourism businesses by the low entry barriers of the industry and the high rates of firm start-ups. As little experience, capital and skills are needed to start a small tourism business; low resource levels are not surprising.

As knowledge is considered important for a business's competitive advantage, one might expect better performance and higher levels of innovation among bigger organizations. Such a positive correlation can be seen when examining national reports on innovation sorted by number of employees in the firms (Wilhelmsen and Foyn, 2009). Higher levels of innovation in larger firms are explained both by the firms having more human and financial resources available, but also that these businesses usually have a broader spectrum of products and processes and therefore greater potential for innovation in at least one area (Ibid.).

The relation between firm size and innovation mentioned above has also been documented in tourism research. Empirical findings indicate that innovation capacity correlates with the size of the enterprise; the bigger the enterprise the more innovation is taking place (Sundbo, Orfila-Sintes and Sørensen, 2007; Jensen et al., 2001). More available capital and more staff that work full would be part of the explanation. In a study of innovation in Balearic hotels, Jacob et al. (2003) found considerably more innovation in big hotels than in smaller hotels (measured by

number of beds), and that hotels that are part of a chain were more innovative than independent hotels. The researchers tentatively explain their findings by the larger range or scale of activities in the bigger units, opening for more possibilities for innovation.

As mentioned in chapter 5, the small and micro sized businesses often struggle with high staff turnover, where it is challenging just to develop and maintain efficient organizational routines. Hjalager (2002) argues that the staff turnover prevents knowledge transfer and that in such a context it is difficult to apply theories about the learning organizations where everyone in the business is supposed to contribute to the innovation processes.

Building up necessary skills and competence is therefore a major challenge for the adventure tourism businesses, which not only requires a minimum knowledge of how to run a business and maintain service quality, but also requires guides or instructors with technical outdoor skills and knowledge of risk management. The skills of e.g. a trained mountaineering or rafting guide take years to develop. Training and retaining skilled guides are therefore a continuous challenge especially in peripheral areas where tourism is often only a seasonal source of employment.

There is little research on the human resources in adventure tourism businesses, but in a study on surf tourism in England, Shaw and Williams (2004) found that the vocational backgrounds and education of entrepreneurs in these businesses differed from what they had encountered in previous research of entrepreneurs in tourism SMEs in coastal resorts (Shaw and Williams, 1998). The entrepreneurs in the surf business either had education within the fields of business or management or had worked in similar fields. Their background was therefore more in line with the role of being an entrepreneur. The surf tourism entrepreneurs were skilled surfers but they were also eager to learn more and develop a profitable business. Both knowledge profile and motivation differed from the non-entrepreneurs and constrained entrepreneurs identified in Shaw and Williams' previous findings (see Shaw and Williams, 1998).

These tentative findings may have several different explanations. The surf entrepreneurs were much younger on average than the entrepreneurs from the coastal resorts; they were in different phases of life and had different motivations than their older colleagues. Another explanation may be found in the concern for tradition and continuity often expressed among entrepreneurs in small rural tourism businesses. Several studies indicate that preserving a traditional way of life, e.g. keeping and running the lodge or farm as it always has been, is a major motivation for many owners of small tourism businesses (Bredvold, 2003; Ioannides and Petersen, 2003). The surf entrepreneurs could be less bound by such motives.

Shaw and Williams' findings indicate resources and motivations more in line with the "real" entrepreneur; more open to embrace opportunities and take risks, based on a higher level of either professional experience or relevant education. Surely, no

general conclusion on the knowledge base of the adventure tourism entrepreneurs can be drawn from this sole study, but it suggests that it is worth looking more into the heterogeneity of the tourism industry and avoid over-generalisations on low knowledge and skill bases.

A few studies have looked into the motivation of adventure tourism guides, showing characteristics that may indirectly influence the knowledge base of adventure tourism businesses. The studies indicate that the guides have a very strong intrinsic motivation for working in the outdoors. While the wages are low, working in the outdoors and arranging for clients to have strong nature experience is described as being highly rewarding and meaningful (Vereide, 2008; Løvehaug, 1999). Such strong motivational factors could influence the knowledge base of the business in several ways.

A research perspective related to these motivational factors is Stebbins' (1982) concept of serious leisure as described in chapter 3. The idea of leisure involvement where people develop their outdoor leisure activity into 'leisure careers', with an associated lifestyle, may shed some light on knowledge development within the adventure tourism industry. Following Kane and Zink (2008), the particularly strong commitment to a specific form of recreation was first theorized by Bryan (1977). His framework described a process in which people progressed to higher states of involvement in a leisure activity over time (Ibid).

Bryan's theorizing was followed up by Stebbins (1982), who conceptualized the theory of serious leisure. In short, the theory describes how a leisure activity becomes an integrated signifier of the person's identity. Following Stebbins, people commit to a certain activity and identify with it in much the same way as others commit to their work. The social worlds of the participants in serious leisure have *"unique sets of norms, values, beliefs, styles, moral principles, performance standards, and similar shared representations"* (Stebbins, 1999:71).

The concept of serious leisure has previously been related to the demand side of tourism. Kane and Zink e.g. used the concept to illustrate how participants on a two-week river kayaking package tour to New Zealand placed their experiences on a tourism career ladder. This research will consider whether the concept may have relevance also for the supply side of tourism. The close relations between recreational activities and commercial adventure activities may have several consequences.

When applying the concept of serious leisure to the supply side of tourism, several potential consequeces for knowledge development appears. The leisure activity may for one thing affect the *know-how* of people who work in the industry. Developing know-how requires personal experience and training. Instructors or mentors can play important roles in aiding the process through demonstration and face-to-face interaction (see e.g. Polanyi, 1966; Gertler, 2003). There are activity specific courses and more general outdoor recreation educations in both Norway and NZ,

still, most of the niche knowledge required of being a guide or instructor must be developed through either personal interests in the outdoor activity, or through gradually gaining experience in a work situation by e.g. starting out as an assistant guide. To acquire this competence is time consuming and therefore a challenge in an industry with short seasons and high job turnover rate.

Shaw and Williams (2004) describe how the surf entrepreneurs were skilled surfers when they started their businesses. The know-how was already in place. Being able to surf more was also an important motivational factor to the business start-up. The study illustrates how the skills and associated knowledge for delivering a specific adventure tourism experience can be developed in relation to leisure time.

Shaw and Williams (2004) also documented the importance of the network of other surfers for business development. This was in opposition to their previous study of tourism seaside resorts (Shaw and Williams, 1998) where family dominated as important actors for business development.

The social aspects of the wider outdoor communities may translate into the previously mentioned concepts of social and cognitive proximities. In his discussion of different types of proximities in relation to knowledge transfer, Boschma (2005:63) highlights the importance of cognitive proximity for the ease of communication, understanding and processing of new knowledge. Cognitive proximity means that people share the same knowledge base and expertise. The transfer of knowledge is made easier through having a common cognitive platform, increasing the absorptive capacity of the recipient organization.

In the context of adventure tourism, this means that knowledge transfer will occur efficiently between actors who have similar expert knowledge of a certain natural element or a certain activity. Rafting guides will communicate well with river kayakers and mountaineering guides will efficiently share their experiences and learn from recreational alpinists, regardless of nationality or cultural background. They share intimate knowledge about the element and the activity, use common concepts and frames of understanding.

Another type of proximity related to this is social proximity. Boschma refers to theories of embeddedness and the importance of strong, personal ties in knowledge transfer (see e.g. Granowetter, 1985). He argues that trust-based relationships facilitate the exchange of knowledge transfer and he defines social proximity "*in terms of socially embedded relations between agents at the micro-level. Relations between actors are socially embedded when they involve trust based on friendship, kinship or experience*" (Ibid: 66).

One assumption based on the serious leisure literature described above, is that the common experiences of people involved in a certain outdoor recreation activity or a related adventure tourism activity will not only lead to cognitive proximity but also develop social trust-based ties. A reason for this may be the risk aspect of these activities: the nature of the activity implies that you have to trust climbing or

kayaking partners when both involved in the activity and on advice of conditions, levels of difficulties, etc. (see e.g. Magnusson, 2012; Beedie, 2013 on the forming of what he conceptualize as ad sociations). More importantly is probably the common experience base related to the specific activity; whether this means the joy of mastering certain skills, being cold and wet, exhausted, thrilled, focused or frightened. The literature on serious leisure portrays activity specific communities of practice characterised by strong social ties.

The transfer of knowledge, both tacit and explicit, may therefore be facilitated through the social small worlds of a relevant outdoor recreation milieu. Knowledge flows easily between people with similar interests, values and expertise. This may also influence the labour market of the adventure tourism industry. The threshold for travelling and working abroad may be lower when you know that both while at work and in your spare time you will be surrounded by people with similar interests and (sub) cultural values.

It is important to note that Boschma (2005) also warns against the negative effects of these proximities. He argues that too much cognitive proximity will lead to a lack of novelty, as the actors all have the same competencies. Too much focus on the social aspects of proximity may also be detrimental in an economic sense, as there is little economic rationale in the transactions.

It is also important to keep in mind the heterogeneity of the adventure tourism activities. While the serious leisure perspective may be fruitful in activities requiring quite specialized skills, less demanding activities may lack this relation between commercial activity and knowledge developed through leisure time involvement.

6.3. EMBEDDED KNOWLEDGE AND THE ROLE OF LOCATION

The entrepreneurs and the business resources are always embedded in a social world where the interaction between business and the social environment has consequences for economic development and innovation. For small, resource strained businesses the contact with external actors is especially crucial, potentially providing access to important information, valuable competencies and business contacts. This section will look at how businesses are embedded in different social contexts and how the interaction with actors outside the business can influence business development. Theories more specifically of economic agglomerations are then related to the context of locations containing several adventure tourism providers.

Granowetter's (1984) article on "Economic action and social structure: the problem of embeddedness", has been an influential source in theories of embeddedness and economic development. In this article, Granowetter claims that the structures of

social relations need to be taken into consideration to understand economic actions. He opposes economic research based on an atomized view of actors behaving on their own outside the social context, but he also refutes the opposite, over-socialized perspective of actors following prescribed roles. A balanced understanding of economic action needs to see *"actors' attempts at purposive action as embedded in concrete, ongoing systems of social relations"* (Granowetter, 1984:487). The perspective means paying specific attention to the social context of economic action; how individuals or organizations interact, and how such relations influence performance or patterns of development.

Granovetter (1974, 1984), distinguishes between weak and strong ties in peoples' networks. He describes weak ties as those between acquaintances and strong ties as the ones between friends. The strength of ties is in that sense related to both the frequency of contact between the actors, and how close they are emotionally (Burt, 1992). The different types of ties serve various functions. From an entrepreneurial perspective, strong ties representing high levels of trust and emotional closeness are valuable in the initial business formation (Aldrich, 1999). In furthering business development, a diversity of ties has been found to be more beneficial. The people with whom you are emotionally close often share similar characteristics with you, and this similarity does not lead to new information (Aldrich and Martinez, 2001). Having weak ties to different groups outside the local community can mean increased access to new types of information and knowledge, increasing the potential for innovation. For adventure tourism businesses often located in rural areas and small communities, such weak ties may be particularly important.

While this study will not contain a comprehensive network analysis, it is aiming for an understanding of which external actors are being experienced as important for business development and innovative activity.

The realization that innovation is related to the flow of knowledge, information and technology between actors at different levels, has led to much emphasis on the systemic level in innovation theories. The innovation system approach tries to capture how the role of organizations, institutions, and structures such as the legal or educational system influence innovation. A system of innovation can be defined as "*all important economic, social, political, organizational, institutional and other factors that influence the development, diffusion and use of innovations*" (Edquist 1997:14).

The concept was first used to explain differences in levels of innovation between different nations, leading to theories of National Innovation Systems (See e.g. Nelson, 1993). The innovation system approach has been further developed as Regional innovation systems and Sectoral innovation systems. Common to these approaches is the understanding of innovation as a process involving the interaction of several actors often at different levels. While systems of innovations at a national level are important for setting up framework conditions for the tourism industry at large, the dynamics of destinations and local communities may be argued to be of

higher importance for the daily operation and gradual development of small tourism businesses.

The social context of entrepreneurship and innovation is particularly evident in the tourism industry. Different actors are involved in providing the tourism experience, and the development of well-functioning destinations requires cooperation and coordination from a variety of service providers.The importance of collaboration as described in chapter 4, is well-established.

While the value of interacting is evident, studies also point out challenges related to cooperation for the smallest businesses. High costs (Pechlaner, et al., 2005) and lack of awareness of their product being part of a larger tourism experience may lead to less interest in common development strategies and networking. Sundbo et al. (2007) found that external actors played a minor role in innovation in the smallest tourism businesses due to their constrained nature. The businesses are too small, with low income levels and little time and resources available for engaging in bigger innovation processes with external actors.

This and the previous chapters have described the importance of interaction and collaboration for knowledge transfer and innovation and, in chapter 6, competition was mentioned as a major driving force of innovation. The third research question wants to explore the experiences of businesses that are exposed to competition and increased possibilities for collaborations through co-location. The idea being that if resource constraints hamper close interaction with other business actors, then co-location may be a way of getting around this. For a micro- sized adventure tourism business located at a distance from other providers, collaboration will be more time and resource consuming. Research question three therefore wants to examine what potential effects businesses experience by being located in agglomeration with other adventure tourism businesses.

Businesses agglomerations within a limited geographical area have been studied from different theoretical perspectives. This research will take its starting point in Porter's concept of industrial clusters. While the underlying concept of cluster, agglomeration economies, dates back to Alfred Marshall in the late 1800s, Michael Porter popularized the cluster concept with his book "*The competitive advantage of nations"* (1990).

Porter (1990:78) uses the concept of industrial clusters, defined as: *"Geographic concentrations of interconnected companies and institutions in a particular field"*. In Porter's view, clusters can promote both competition and cooperation. There will be competition between businesses offering similar products and services, but there will also be considerable cooperation. The cooperation will often be vertical, where businesses from different parts of an industry's supply chain cooperate. While such inter-firm alliances are important, how embedded and integrated the businesses are in the local community has also been found to be crucial for cluster development (Ibid). In a successful cluster, the flow of information and knowledge will increase

human resources both in the individual business and in the cluster. (Brechi and Malerba, 2005:4).

It has been questioned whether the cluster perspective can be transferred to more sparsely populated areas. Isaksen and Onsager (2004) provide an interesting discussion of whether the cluster perspective is relevant for analyzing regional industry development in Norway. The cluster perspective has been developed based on analysis of international successful clusters such as Silicon Valley and Northern Italy, while the context is very different looking at regional development in Norway. Isaksen and Onsager argue that not only are the districts sparsely populated, but the distance to major customers and markets are great, the businesses are few and one-sided, there is a greater dependency on national institutions and a higher degree of resource based industries with low levels of research and development.

It is also clearly arguable whether the perspective is relevant for small and micro sized businesses within the tourism industry. Agglomeration may still have positive effects. In a study where tourism development in four Australian towns was compared within a cluster perspective, it was found that "*the presence of the prerequisites for cluster development… varies, with those areas displaying the strongest presence being the most economically successful"* (Jackson and Murphy, 2006:1032). Hall (2005:161) describes this as micro-cluster development and relates the positive effects to knowledge accumulation and the formation of formal and informal networks. One may in other words not expect the full mechanisms of an industrial cluster, but benefits of co-location may still lead to increased capacity for innovation.

As argued when describing different forms of proximity in chapter 5, being located close in a destination does not necessarily mean that businesses have strong social relations. Sørensen (2007) argues that being close geographically does not mean that businesses are economically and culturally close. Big hotels may find it more natural to relate to destination organisations, hotels in their chain and other bigger actors than building up social relationships with small activity providers. A study of small tourism businesses within the bed and breakfast sector in New Zealand (Hall and Rusher, 2004) found poor formal linkages with tourism industry associations, regional tourism associations and other sectors of the tourism industry. Similar findings have been observed among adventure tourism businesses in Norway (Yttredal, 2005). Hall and Rusher tentatively explained this lack of connectivity by the different goals of small businesses within tourism networks; the lifestyle goals of many tourism entrepreneurs may be at odds with some of the profit maximization goals of other entrepreneurs within a tourism destination. (Hall, 2005:180). This fit well with another observation made by Yttredal (2005), where hotel owners admitted it was difficult to cooperate with the adventure tourism providers due to their lack of professionalism.

While findings from Norway indicate little formal networking among adventure tourism businesses (Yttredal, 2005), the research mentioned does not look more in depth into the social networking activity of the adventure tourism businesses. The previously mentioned study by Shaw and Williams (2004) on surf tourism in England, found that the social networks of these businesses differed from those found in their previous research on coastal resorts in Britain. Family relations (Bredvold, 2003; Shaw and Williams, 1998) often dominate the social networks of small tourism businesses. In the surf businesses, Shaw and Williams found that family networks were less important. Instead, networks of other surfers were important social support for the entrepreneurs. Some of the network differences could possibly be explained by the entrepreneurs' young age, as many of them were in their early 30s and did not yet have a family of their own, but it could also reflect a culture where it is just as easy to ask other surfers for advice or help. The common motive of surfing within the community of surfers could therefore mean that other networks are important for the development of adventure businesses. The concepts of cognitive and social proximities (Boschma, 2005) are again relevant.

The adventure tourism industry is an interesting context for discussing effects of co-location. The increasing number of adventure tourism agglomerations internationally shows the benefits of local networking and knowledge sharing; places like Chamonix in France, Queenstown in New Zealand and Voss in Norway. Marketed as adventurous places with a wide option of commercial activities, an image of excitement and adventure is created. Cater (2006) suggests that much cooperation in successful adventure destinations are grass roots-based, involving actors with similar interests. He argues that these social networks are vital in the development of existing and new activities, as product development happens in an environment with appropriate knowledge.

Cater also draws attention to some of the commonalities found at adventure tourism destinations. These places are characterised both by a natural environment which is accessible, long traditions of tourism in the region and a related infrastructure and facilities for tourism, often related to the ski industry. He sees the large number of outdoor recreation enthusiasts, cooperative marketing effort and "*an active après adventure scene*" (Ibid: 442) as elements that tie the destination together. By already being a ski destination, the infrastructure is there as well as the wish to expand the season by offering alternative activities. Entrepreneurs with ideas for new commercial activities will therefore be met with well-established networks within the destination.

This study will look at potential differences in innovation activity between businesses that are located in adventure tourism agglomerations and those that are not. Agglomeration benefits such as knowledge sharing, development of tacit skills and knowledge and availability of skilled employees suggest a different potential for innovation than that of individual businesses and may affect what types of innovation are taking place.

Referring again to the evolutionary approach to entrepreneurship, it is plausible that a primary effect of co-location in peripheral areas is growth in legitimacy. Several small adventure tourism businesses located close means they can be taken more seriously as an industry locally as economic actors, by tourists who can choose between different adventure tourism products, and by other parts of the tourism industry looking for cooperative projects. Legitimacy will grow as the density of businesses grows. A micro-sized adventure tourism business located on its own may struggle to gain the same local approval.

6.4. SUMMARY OF THE THEORETICAL CHAPTERS AND LOOKING AHEAD

The previous chapters have given a theoretical background and framework for this research. Innovation theory has been seen in light of the service industries and the context of the small tourism business. The change processes in services are described as being more characterized by continuous incremental innovations, often taking place as ad hoc solutions to customer feedback. In addition it is more difficult to distinguish between different types of innovation in the services, as the borders between product and process are blurry and the different types of innovations are interdependent. The division between product, process, marketing and organizational innovations are still maintained for the purpose of this study, as it is expected that small tourism businesses' approach to these types will reflect the resource situation of the business. A broad approach to innovation is chosen, and during the case study interviews the term *significant changes* is used, following OECD (2005). In the context of small and micro sized adventure tourism businesses radical innovations are not expected, but rather significant changes that are new to the business in question.

This research will explore how innovation in small tourism businesses is affected by the knowledge resources available to the business. The micro and small tourism businesses is characterized by having few year round employees, with the majority of staff employed only for the main season and quite high rate of staff-turnover. This pattern challenges knowledge development, as building efficient organizational routines is hampered by volatile work capacity, there is limited administrative capacity and few people in specialized positions. While the pattern has been found in studies of small tourism businesses in general, this research looks into the knowledge resource situation specifically in the context of adventure tourism businesses. With quite specialized knowledge needs and close linkages to outdoor recreation activities knowledge dynamics may be a bit different.

To get a comprehensive overview of these dynamics the relations between knowledge resources and innovation is explored through three different perspectives. The perspectives represent "lenses" through which dynamics of change can be explored.

The first perspective looks at knowledge at the level of the specific adventure tourism activity, and how knowledge processes are dependent on the maturity of the activity in question. Following Aldrich (1999) evolutionary perspective on entrepreneurship, challenges related to organizational knowledge will vary according to the maturity of industry in question; a "new" industry will have different challenges than an industry based on a well- established product. The concept of *population*s will be used to denote "*groups of organizations with similar products and/ or processes"* (Aldrich and Fiol, 1994:646), which in an analysis of adventure tourism will be delimited to a specific adventure tourism activity. The concept of *community* is used to conceptualize *"a group of coevolving populations linked by ties of commensalism and symbiosis"* (Aldrich, 1999: 298), which in this study will refer to the overall adventure tourism industry. Aldrich and Fiol (2004) and Aldrich (1999) argue that the central challenges for a new population are to establish efficient organizational knowledge and external legitimacy. These concepts will be central in chapter 9 when knowledge development and innovation in the adventure tourism businesses will be seen in relation to the maturity of the specific activities in question.

The second perspective concerns the internal knowledge resources of the adventure tourism businesses and how this in turn shapes capacity for innovation. In the context of small tourism businesses it is argued that quite basic indicators of knowledge resources such as recruitment patterns, numbers of full time employees, staff training and entrepreneurial competencies is useful to learn more about the interdependencies of resources and innovation. In addition it is argued that the close relation between commercial adventure tourism and certain outdoor recreation milieus (as illustrated in figure 1, chapter 3) can create knowledge benefits for adventure tourism businesses. The concept of serious leisure (Stebbins, 1982) is used to illustrate how peoples' involvement in a specific leisure activity may influence where they choose to live, and the lifestyle and job they choose. How knowledge related to a certain leisure activity may affect knowledge development in adventure tourism businesses is explored in chapter 10.

The final perspective is concerned with how knowledge resources and innovation is affected by location. Theories of economic agglomerations anticipates that being several providers of a specific economic activity within limited geographical area create knowledge benefits. While transferring theories of industrial clusters (Porter, 1998) to the context of small and micro sized adventure tourism businesses is controversial, certain aspects of such theorizing may still be valuable. Hall (2005) e.g. emphasizes the accumulation of knowledge and formation of formal and informal networks in what he calls micro-clusters. The increased competition found between close competitors is regarded as an important driver of incremental innovations (Weiermair, 2004). In addition agglomerations of adventure tourism businesses may lead to increased legitimacy; micro sized adventure tourism businesses located on their own may struggle to achieve legitimacy both in the market (s) and in the overall tourism industry (see e.g. Aldrich, 1999). The concept

of serious leisure may again be relevant in this perspective. More businesses mean more opportunities for employees to interact and learn from each other. Boschma's (2005) concept of social and cognitive proximities is relevant here. He argues that efficient transfer of knowledge, specifically knowledge which to a large degree is tacit in nature, require more than geographical proximity. Knowledge transfer is facilitated by cognitive and social proximity: when people share not only a common knowledge base and expertise, but are also embedded in trust-based relationships. How being located close to several other adventure tourism providers affects knowledge development and innovation is explored in chapter 11.

The model below illustrates how the three theoretical perspectives from different angels shed light on relations between knowledge development and innovation in adventure tourism businesses. Each perspective has its own loose analytical framework as described above.

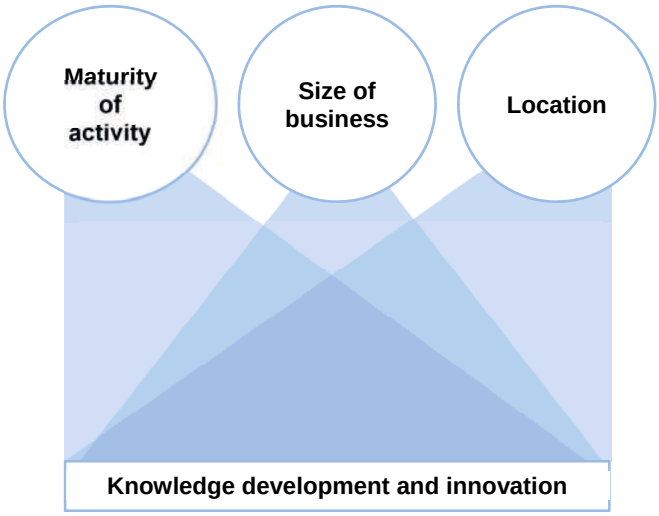


Figure 2 *Knowledge development and innovation in the adventure tourism businesses is seen in relation to the maturity of the specific activity, business size and location.*

The remaining chapters of this thesis revolve around the empirical material. Chapter 7 briefly examines the national contexts of the case studies. While the case studies are carried out at the level of the individual adventure tourism business, the social and economic environment surrounding the businesses clearly shapes industry development. While a comprehensive comparison between tourism in NZ and Norway is beyond the scope of this thesis, the chapter will provide an overview of the tourism industry and the role of adventure tourism in the two countries.

Chapter 8 gives a short presentation of the eight businesses of this study. For clarity the presentation revolves around the businesses' start-up stories, main products, business size and structure, main season and markets.

The main analytical chapters are built up around the three research perspectives described above. Chapter 9, 10 and 11 concerns the evolutionary, the resource and the location perspective respectively. While the chapters all describe issues related to knowledge development and innovation, the chapters do not build on each other progressively but rather complement one another. The aim is that the three perspectives seen together will contribute to an increased understanding of dynamics of change in adventure tourism businesses.

Chapter 9 looks at knowledge and innovation from an evolutionary perspective (see e.g. Aldrich, 1999). The empirical analysis suggests that the maturity of the adventure tourism activity in question influence knowledge resources in the adventure tourism businesses. The findings follow Aldrich (1999) in that "young" activities have different challenges related to organizational knowledge and legitimacy than the more established activities. The analysis extended previous research (Aldrich and Fiol, 1994; Aldrich, 1999) by dividing the development into three overlapping phases. Organizational knowledge and legitimacy is gradually being developed through phases named the experimental phase, the defining phase and the mature phase. The flexibility of the pattern is highlighted; the skills of the entrepreneurs and how well the product is received by the market are e.g. shaping these processes.

Chapter 10 is divided into two main parts. The first part of the chapters explores the knowledge situation of the adventure tourism businesses in terms of recruitment and retention challenges, staff training and entrepreneurial competencies. Findings are discussed in relation to the concept of serious leisure, as factors tied to leisure and lifestyle is found to affect knowledge resources in this part of the tourism industry.

The second part of the chapter present and discuss the innovative activity identified in the businesses. The material is divided into product, process, marketing and organizational innovation as the findings indicate that type of innovation frequently can be tied to the resource situation of the business. The second part of the chapter in that respect builds on the first as innovation is seen in relation to the available resources of the businesses.

Chapter 11 explores how the role of location affects knowledge development and innovation. The first part of the chapter describes characteristics of what here will be termed "adventure tourism communities": The (mainly rural) communities which can offer a variety of commercial adventure tourism products and which make a coordinated effort of branding themselves as excellent sites to partake in nature based activities. Four of the cases are located in such communities.

The chapter then moves on to explore how location affects recruitment and retention through the identification of certain social place qualities identified. The pattern of competition and collaboration is then discussed, revealing complexity and a diverse adventure tourism industry. It is also discussed how location may affect knowledge development and innovation more subtly through cognitive and social proximities (Boschma, 2005). The businesses are not only located close but staff were found to share similarities in leisure interests and lifestyle motives leading to social and cognitive proximities. Finally the effects of co-location should not be overstated. Findings indicate that adventure tourism businesses may well manage on their own as long as the product is robust, and a single bigger business may experience many of the same knowledge benefits as a group of smaller providers.

Chapter 12 summarizes the findings and tries to draw some connections between the different perspectives. Findings that are recurring in the three analytical chapters are the heterogeneity of the adventure tourism industry, the role of certain milieu factors as indicated by the concept of serious leisure as well as certain variations due to differences in national contexts. These issues are briefly discussed, as well as how this study may contribute to research on adventure tourism and tourism innovation.

CHAPTER 7. THE ROLE OF ADVENTURE TOURISM IN NORWAY AND NZ

The cases of this study are selected from Norway and NZ. In the outset these countries have a lot in common; similar geographical size, low population density and a rich and varied nature. Norway has 5 million inhabitants, NZ has 4 million. While Norway stretches itself over 385 000 km^2, the Island of NZ in total covers an area of 268 680 km^2.

This chapter will give a short overview of the tourism industries of Norway and NZ and try to summarize literature concerning more quantitative aspects of the countries' adventure tourism industries. The compilation reflects that the available sources in the two countries. The chapter will emphasize recent statistics and trends. A more in-depth look at how historical forces have shaped these differences is beyond the scope of this research.

Section 7.1 and 7.2 gives a brief overview of the tourism industries of Norway and NZ respectively. Section 7.3 and 7.4 presents statistics and findings which attempts to describe the scale and importance of the adventure tourism industries of Norway and NZ. Finally 7.5 summarize the findings and give a brief comparison of the context for running an adventure tourism business in Norway and in NZ.

7.1. THE NORWEGIAN TOURISM INDUSTRY IN BRIEF

The varied landscape of characteristic fjords, glacier and mountains and rich cultural history, has always been Norway's main attractions. Norway is regarded as a country with high potential as a tourism destination. Based on numbers from Statistics Norway (SSB), the tourism industry in Norway today accounts for 3,3 % of the country's gross national product (Granseth, 2012). It is estimated that 50% of the total tourism consumption in Norway comes from Norwegian households, foreign tourists accounts for 30 % while corporate travel accounts for 20% (Auno and Sørensen, 2009). More numbers are presented in table 3.

Maintaining a vital tourism industry in Norway has proved to be a continuous challenge as documented in recent statistics. Numbers of international *arrivals* in Norway are hard to quantify due to the free access to Norway for people representing member countries of the Schengen Agreement (Flognfeldt, 2013:173). Statistics Norway has over several years measured the number of international overnight stays in the peak tourism month of July. Their recent graph shows that

there were 21% less international overnight stays in July 2013 than in July 1998. While the numbers have been fluctuating with growth periods from 2004-2007 and from 2010-2011, there is a long way up to the 1998 level (Revold, 2014).

Tourism is designated as a priority area for national industry policies, and it is also a field of great interest for local and regional authorities (Nærings- and handelsdepartementet, 2012) because of the industry's potential in promoting growth in rural areas. The last governmental report on tourism, "Destinasjon Norge-Nasjonal strategi for reiselivsnæringen" (2012:16) establishes that the development of the tourism industry in Norway *"has not been good enough"*. While the urban areas are doing reasonably well, the regional districts are struggling with lower volumes of both domestic and international tourists.

From a historical perspective, Støre, Singsaas, Brunstad, Ibenholdt and Røtnes (2003:13) argue that certain characteristics and challenges have persisted in the Norwegian tourism industry:

- The nature has always been the main attraction, especially the fjords and mountains, northern lights and the cold winters.
- The Norwegian tourism industry has persistently fought internal divisions and an un-systematic or absent political attention.
- Both the strength and vulnerability of the Norwegian destination is that it is out of sight and mind with many of the foreign target groups.
- The Norwegian hosts persistently struggle to win the enthusiasm of the travelers through high quality services.

With a more recent view, Menon Business Economics (2010) describe how the high wages and high price levels is giving the tourism industry in Norway a disadvantage when competing both for the Norwegian and foreign tourists. This is especially problematic in an industry as labour intensive as tourism. Flognfeldt (2013) describes recruitment of employees as being the main challenge of the Norwegian tourism industry. The labour intensive industry has a hard time competing with other jobs paying higher wages than hotels and restaurants.

With these challenges as a backdrop, the recent Tourism strategy (Nærings- og handelsdepartementet, 2012:10) points out some signs of improvements of the industry: the industry is becoming less fragmented, the concentration of ownership increases, competency levels are increasing and there is a reduction in problems related to common goods.

The tourism industry of Norway is today the responsibility of the Ministry of trade, industry and fisheries. The ministry is responsible for providing and assessing the foundation for political resolutions affecting the tourism industry. The operational execution of the policy is handled for the most part by Innovation Norway, different directorates and agencies.

Innovation Norway is the governmental agency working instrumentally to increase innovation and development of Norwegian enterprises and industries. The tourism section of Innovation Norway is responsible for marketing Norway to the international markets. A recent important step in this work has been the upgrading of the its web portal and to improve the booking solution adjacent to this. So far this work seems to be a success with significant increase in traffic and several international prizes for content and design. Their recent slogan being campaigned is *Norway. Powered by nature*.

7.2. THE NEW ZEALAND TOURISM INDUSTRY IN BRIEF

As in the case of Norway, New Zealand's nature is regarded as the country's major attraction, with a rich natural variety including volcanic activity with hot springs and inactive volcanic peaks, rich endemic flora and native forests. Recent estimates show that the tourism industry of NZ contributes directly to 3.7% of its GDP, and an additionally 5% indirectly (MBIE, 2014), while employing 5.7% of the total workforce.

There has been a gradual increase in the number of tourism arrivals in NZ, now counting more than 2.7 million visitors annually. Numbers from 2014 shows an annual growth of 5%. According to recent statistics (Ministry of Business, Innovation and Employment (MBIE), 2014), the annual outbound departures have seen an annual growth of 2%. When commenting on a slight downward trend of the NZ domestic market, Treloar and Hall (2005:102) relate this to the deregulation of air services, which have created a greater ease of New Zealanders to travel internationally.

The economic situation in NZ is highly dependent on export industries and thereby the exchange rates. As these for the large part has remained low, NZ is in a different competitive situation than Norway. Treloar and Hall (2005) see the tourism growth in NZ since the turn of the 21st century as a result both of the relative value of the NZ dollar compared to other international currencies, the two successful staging of America's cup regattas in Auckland, the filming of The Lord of the rings in NZ and the stability of the country through a time of international instability. Growth in tourism to Australia has also helped forth the NZ numbers, since a great percentage of visitors to Australia also visit NZ.

The tourism industry of New Zealand is today the responsibility of the Ministry of Business, innovation and employment (MBIE). The ministry is divided into eight branches, where the Tourism, events and consumer affairs branch provides policy advice and undertakes research within the fields of tourism, major events and consumer issues. The tourism strategy group is included here (MBIE).

Within the MBIE the Tourism Policy Unit provides advice on tourism policy for the Minister of Tourism. The unit also works with other Government departments on

tourism research, statistics and policy advice. The unit advises and evaluates government investments in tourism.

The governmental agency Tourism New Zealand is responsible for marketing New Zealand to the international markets. They describe their main tool to do so as being the 100% pure New Zealand campaign (Tourism New Zealand, 2014). Tourism New Zealand is led by a Board of directors appointed by the Ministry of Tourism and has 13 offices around the world[14].

A governmental agency that is especially relevant in the context of adventure tourism is the Department of conservation (DOC). The agency manages all conservation land and waters of New Zealand and the recreational opportunities of these areas (Department of Conservation, 2014). The conservation land covers in total a land area covering one-third of New Zealand's land. As a lot of the adventure tourism activities in NZ take place on public conservation land, interaction with the agency is commonplace, and often regularly since ongoing concessions need to be renewed every third-fifth year according to the activity in question. Any business that wishes to use public conservation land for their activities must get permission in the form of a concession from the DOC (Department of Conservation, 2014). The process of attaining a concession permit is complex, involving among other things a thorough environmental impact assessment, a safety plan/ qualmark certification, concession fee and the application itself which e.g. serves to document the experiences and qualifications of the applicant.

A final NZ institution mentioned here is the Accident Compensation Act important for the adventure tourism industry. The act ensures that anyone who has suffered an injury in NZ receives financial compensation regardless of the way they incurred the injury. The no-fault basis of the act the person who has been injured has no right to sue the party at-fault. While accidents in the adventure tourism industry still will harm the industry at large, the act makes the individual business more robust.

The table below summarizes some key tourism statistics of Norway and NZ

[14] Other governmental agencies working on behalf of the industry are (Tourism New Zealand, 2014):

- the New Zealand Maori Tourism, which incorporates 13 Maori Regional Tourism Organizations
- i-SITE Visitor Centers, which is New Zealand's official Visitor Information Network covering 80 location around the country
- Qualmark New Zealand, which is the official quality assurance agency

Table 3 *Key tourism statistics of Norway and New Zealand. Author's compilation. Sources: Statistics NZ and Statistics Norway*

	Norway (Granseth, 2012)	**NZ (MBIE, 2014)**
Tourism exports	No comparable number was identified	16,1% of total export earnings
Tourism contribution to GDP	4,5 %	3,7% direct contribution[15]
Tourism employment	6,5%	5.7% of the total workforce
Number of international arrivals	No statistics covering arrivals	2,752,257
Key international markets	Germany, Sweden, Denmark, Netherlands, USA and Asia	Australia, China, UK, USA, Japan

7.3. ADVENTURE TOURISM IN NORWAY

Knowing Norwegian tourism well through decades of research, Flognfeldt (2013:177) describes adventure tourism as a growing, but still small niche market in Norway. There are few quantitative measures of the importance of adventure tourism in Norway. A recent mapping of nature based tourism businesses in Norway estimates that there are about 3,000 businesses (Apon, Grubben and Stensland; 2013)[16], but the report says nothing about there being a decline or growth. A study of businesses offering tourism services in and around national parks in Norway found indications of a positive development (Aas et al. 2006): *"…even though there are still obvious differences both related to the scale and width of assortments of nature based commercial activities in Norway and other countries, this study indicates that there is a clear development in direction of the situation in for example Great Britain, Northern-America and Australia/ New Zealand"* (Ibid: 32).

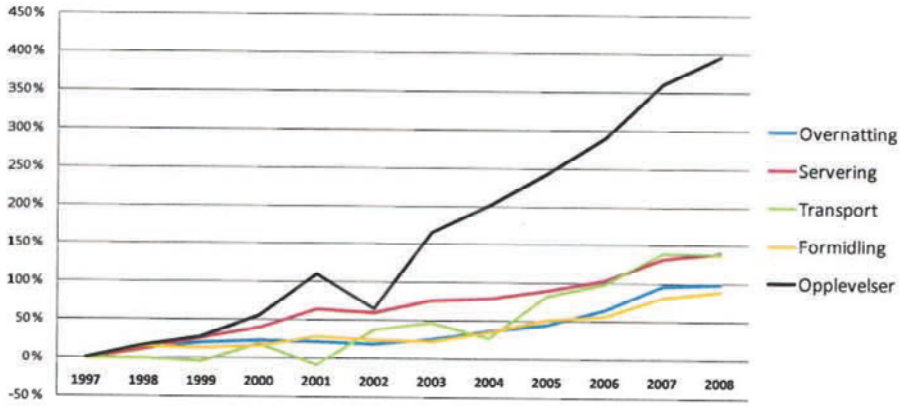
An older study from 1999 found that 12.1 % of the population had paid for an organised trip or nature experience at least once (Teigland, 2000). The most popular activities were guided glacier hiking (3.5%), organised hiking in the mountains and

[15] A further $9.8 billion (or 5.0%) is estimated to be indirectly contributed

[16] In defining nature based tourism Apon, Grubben and Stensland (2013) refer to Fredman et al. (2009:24): *"Nature-based tourism is human activities occurring when visiting nature areas outside the person's ordinary neighborhood. The nature-based tourism industry represents those activities in different sectors directed to meet the demand of nature tourists"*.

guided horseback riding (3.1%), all traditional activities which the whole family can participate in.

The closest one gets to look at the development trends in adventure tourism in Norway may be to look at the development of the bigger "bag" consisting of the tourism industry's experience providers. In a report from 2011, Jakobsen and Espelien describe the productivity of the Norwegian tourism industry since 1997. They see value-adding distributed by five groups of the industry; accommodation, food and beverages, experiences, transport and interpretation. While experiences contribute little (8%) to the total value adding, the growth in productivity in this group has been considerable since 1997 as indicated in the black line in the graph below (Ibid: 2010:46).



Blue line is accommodation, red line is food and beverages, green is transport, yellow is interpretation and black is experiences.

Figure 3 *Indexed growth in value adding among the main groups of the Norwegian tourism industry. Derived from Jakobsen and Espelien, 2011.*

The graph shows a strong increase in the value adding of the experience providers since the turn of the century. The increased importance of the experience part of the tourism industry is also displayed, as their 2010 findings show that all groups of the industry have seen a strengthened coupling to the experience and cultural actors as compared to their 2002 study (Ibid: 60). The experience providers are in other words more integrated in the wider industry than it used to be. While commercial adventure tourism businesses may be a small part of this picture, one may assume that they are part of this trend.

A study of the adventure tourism businesses in the county of Møre og Romsdal draws a picture of a very vulnerable industry, with micro sized businesses often run part time as an extra source of income during the tourist season (Yttredal, 2005).

Seventy-eighty percent of the businesses had a yearly economic turnover of less than 300,000 NOK. Ytterdal argues that with such small size, marketing becomes too costly and time consuming. The links to bigger actors and travel organisations were weak or non-existing. Flognfeldt (2013:178) argues that it is difficult to establish economic sustainable businesses based on outdoor activities that are appropriate for all four seasons. The main summer season is short and most adventure tourism businesses make all their income through these few summer months. Recent trends of biking (see e.g. Odden 2008) and commercial mountaineering (see e.g. Kleiven, *Dagens Næringsliv*, 30.11.2012) are both activities attracting the domestic market with possibilities for prolonging the season.

Tangeland, Aas and Odden (2011:2) argue that especially in developed country with high costs such as Norway, the domestic market is an important, yet often underestimated basis for nature based tourism. They refer to Auno and Sørensen (2009) showing that nearly 74% of all accommodation and tourism activities are purchased by the domestic market. This goes well with the findings of Aas et al. (2006) study of businesses operating in and around national parks, where 70% of the visitors were Norwegian tourists.

A big actor relevant for the field of outdoor recreation and adventure tourism in Norway is The Norwegian Trekking Association (DNT). DNT is the largest outdoor life organization in Norway with more than 240,000 members, covering the whole country and all age groups. The main activity of the member associations is to arrange tours for their members. For that purpose they train and qualify leaders for both summer and winter tours. According to their websites DNT now arranges more than 4000 tours, courses and other activities annually, drawing more than 100,000 participants; *"DNT leads the country in offering mountain sports and adventure activities ..."* (The Norwegian Trekking association).

The extensive activity of DNT has caused debate among the adventure tourism entrepreneurs. While all agree that DNTs main activity is positive as they contribute to ease people's access to nature, the line between the non-commercial and the commercial becomes blurry and the business owners have called for increased cooperation (see e.g. Henningson in Dagens Næringsliv, 27.01.2010).

7.4. ADVENTURE TOURISM IN NZ

While adventure tourism is described as a growing, but still small niche market in Norway (Flognfeldt, 2013), the NZ International visitor survey from 2010 shows that half of the international holiday tourists did some sort of adventure tourism activity while in NZ (Tourism New Zealand, Insights, 2013, refers to MBIE,

2012)[17]. Their numbers dating back to 2004 show that the market for adventure tourism in NZ has been quite stable were the percent of tourists taking part in adventure tourism activities have varied between 51% and 55%. The activities are particularly popular in the Australian and Western markets. The report concludes by remarking: *"Adventure tourism is a mainstream New Zealand product that helps to generate a significant proportion of New Zealand's tourism related expenditure"*(Ibid:16).

The table below presents the most popular activities:

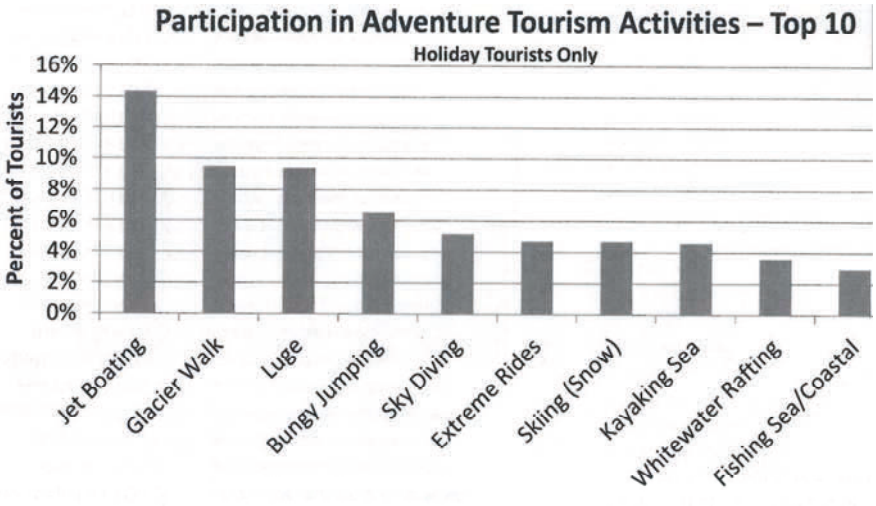


Figure 4 *Participation in adventure tourism activities in NZ. Source: Tourism New Zealand, insights, 2013.*

When using the wider definitions of nature based tourism and numbers from MBIE surveys in the years from 2002-2006, Hall (2009) describes how participation by international tourists has generally been increasing. The portion of tourists who have participated in at least one nature based activity while in NZ has remained high and stable at around 71%. This number includes both commercial and non-commercial activities such as going to beaches, scenic boat cruises and hiking. While the number of international tourists has remained high, participation by

[17] The report uses a list of adventure tourism activities for their research purpose. Adventure tourists are defined as anyone that did these activities while in NZ. The list contains 25 activities, including traditional commercial activities such as rafting, bungy jumping and glacier walks in addition to activities that are harder to categorize as they often come in both commercial and non-commercial forms such as surfing, skiing, sailing, snowboarding and fishing.

domestic tourists has been decreasing. Hall relates this to the decline in domestic tourism over the same period.

With quite a high number of visitors, the businesses serving the adventure tourism activities are still primarily micro businesses (as defined in this study as having less than 5 full time equivalents, see chapter 2). Page et al. (2005:157) found an average of two fulltime employees in the adventure tourism businesses, and only 5-10 employees in 27% of the businesses. These businesses were found to be situated in remote rural areas and adjacent to the most popular circuits for international and domestic tourists (Ibid: 158). They also found main adventure centers in New Zealand as being Queenstown, Wanaka, in and around Auckland, Rotorua, Taupo, Nelson and the West Coast

The value of adventure tourism in relation to the total income from the tourism industry in NZ should also be noted. Adventure tourism is a central component of the branding of NZ. Cloke and Perkins (2002) describe New Zealand as leading the way in place-promotion. The 100% pure campaign is considered a success (Ibid). The campaign is based around several symbols of NZ, but the adventurous and thrilling nature of the place has a central role in it.

While a deeper analysis of the causes of the success of adventure tourism in NZ is beyond the scope of this thesis, Cloke and Perkins (2002:533) highlight five factors as being significant to understand the rise and commodification of adventure tourism in NZ:

1. A first factor is the important position of the outdoor recreation traditions in NZ. These rich traditions have "provided opportunities for the extension and commodification of domestic activities which today are also sold to overseas visitors" (Ibid: 532).
2. A second factor is the relatively large part of land set aside for public management, both for the purpose of conservation and recreational use.
3. A third factor is important innovations in transport and technology. Both bungy jumping and jet boating was developed with great success as commercial products in NZ. Looking at the table above, these activities are two of the most popular adventure tourism activities today.
4. A fourth factor is the marketing and branding of NZ where adventure tourism activities have acted as important signifiers of the NZ brand.
5. The final factor mentioned by Cloke and Perkins is the increasing concern about the environmental impacts of tourism growth. Issues such as crowding have led to a certain resistance to the development, which will also shape the future of the industry.

While these factors are important to understand the growth and commodification processes in the adventure tourism industry of NZ, they should also be seen in

relation to the elements described above such as low exchange rates, high average length of stay and relative long tourism seasons.

7.5. SAME ACTIVITIES, DIFFERENT CONTEXTS

Based on the findings above, this section will attempt to draw some comparisons between the adventure tourism industries of Norway and NZ. While NZ have managed to develop and market activities such as jet boating and the luge which are not to be found in Norway, most other activities are similar in the two countries. Different historical, cultural, climatic and economic contexts have shaped the industries in various ways. The following analysis is deemed to be superficial, as an in-depth analysis will go beyond the scope of this thesis. The factors discussed are seasonality, differences in markets and differences in marketing.

Seasonality

Both Norway and NZ can be described as having tempered climates, while parts of the North Island of New Zealand can be regarded as sub-tropical. The tourism seasons of the two countries still differs, were New Zealand's main season is considerably longer than in Norway. The following graph, based on recent month-wise accommodation statistics from statistics Norway and statistics NZ illustrates this:

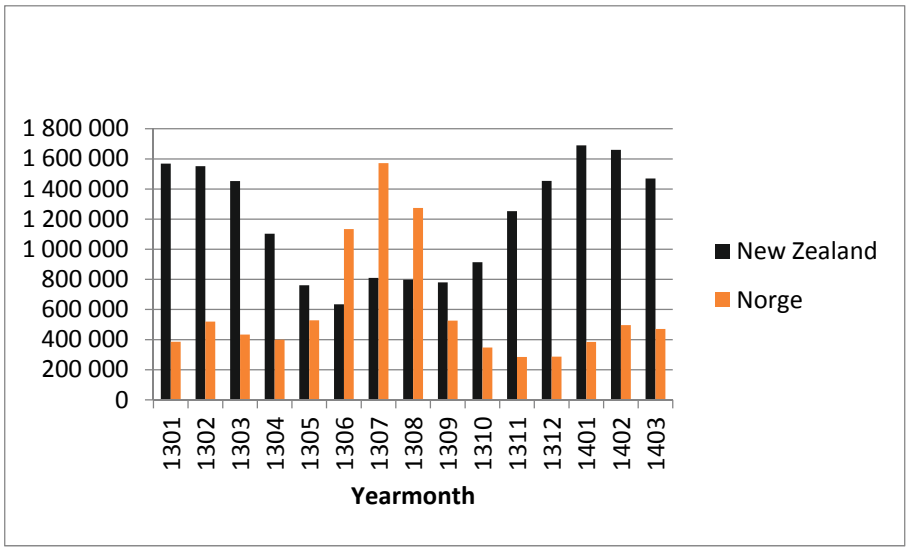


Figure 5 *International overnight stays in New Zealand and Norway 2013-2014. Source: Statistics Norway and Statistics NZ.Numbers compiled by Rolf Dahl for the purpose of this thesis.*

The graph shows both the longer main season of NZ and also how the year-round traffic is higher in New Zealand than in Norway. The lowest number of overnight in New Zealand is June with about 630 000 overnights. This would be the fourth best month in Norway.

The graph illustrates differences highly relevant for the adventure tourism industry. The short summer season in Norway make it challenging to make a sustainable income. The businesses also become more vulnerable when most of the income must be made in the few months of summer; bad weather or particular incidences such as a closed road or a cut-down in public transport services will have greater impact on the total income. It is also more challenging for the businesses to develop a regular staff; full time employees will rarely be found in adventure tourism businesses following the main tourism seasons. As Flognfeldt (2013) observes, the main growth potential in Norwegian adventure tourism businesses is to develop products which prolong the seasons by e.g. being popular in the domestic market, which is less characterized by seasonality.

The longer main tourism season in New Zealand makes it easier not only to increase yearly income, but also to employ more people full time. One of the reasons for choosing NZ businesses for the case studies is to see how more full time employees influence potential for knowledge development and innovation. Being able to run adventure tourism businesses at least nearly full year round is likely to influence competence levels.

Market differences and differences in average length of stay

The international market has been growing steadily over decades in New Zealand, and it is the growth in these markets which have accounted for the growth in adventure tourism. This may also be seen in light of the average length of stay in NZ, which is 20 nights. New Zealand can be described as a geographical outskirts, so the visits tend to be longer. This leaves much time not only for seeing the country but also for taking part in different nature based activities, both commercial and non-commercially.

No average length of stay was found from international visitors to Norway, but the recent visitor survey (Innovation Norway, 2013) give numbers from some of the main markets; Netherland:15 nights, Germany:14 nights, Scandinavian counties: 7 nights. The numbers are from Norway and NZ are not directly comparable as they are based on different measurement methods. The NZ data are based on visitor arrivals/ departures, while the Norwegian numbers are based on data collection from commercial accommodation providers.

While the domestic market is important for the adventure tourism industry of both countries, the home market is more crucial in Norway. Tourists from Norway have been found to account for about 70% of total amounts of participants (Aas et al, 2006).

The differences must be seen in relation to the costs of visiting Norway and New Zealand. The high prices of Norway surely will scare a large portion of tourists from attending to commercial activities; the budget is rather spent on food and accommodation. Commercial activities must be seen as a supplementary product, which will be dropped in a tighter economic situation. The continued well-being of the Norwegian economy makes the domestic market both the biggest but also the more robust to go after.

The average age of the visitors differs widely between the two countries, a factor which one may assume influences the adventure tourism industry. The age of international visitor to New Zealand is evenly split in four groups between the ages of 20-60 years, accounting for 70% of all international arrivals (Ministry of tourism, 2009). These are: 20-29 years (18%), 30-39 years (18%), 40-49 years (17%) and 50-59 years (17%). The groups below 20 years and from 60-69 are quite the same (13% and 12 % respectively). The median age is 33 years. In comparison the average age of international visitors to Norway is quite high. In the biggest markets counting Germany and the Scandinavian markets the average age is above 50 years. The youngest market is the Chinese with an average of 43 years.

Statistics from NZ, in which adventure tourism is defined as the participation in a long list of specified adventure tourism activities, find that the younger age groups are more likely to participate in adventure tourism activities. The age groups from 20-29 is most likely to participate, and the older the tourists get the less likely they participate in one of the listed activities (Toursim New Zealand, 2013). It should be kept in mind though that relations between age and participation are very dependent on the definitions of adventure tourism being used.

The marketing of adventure

Cloke and Perkins (2002) describe how the relation between New Zealand, adventure, the outdoors and excitement have been promoted consistently since the 1990s. The national campaigns such as *100% pure* have also been followed up through local and regional promotion. NZ has been promoted as an adventurous place, and this has had a wider effect than just for the adventure tourism providers. Cloke and Perkins (2002:544) describe how the promotion of New Zealand as an adventurous place *"is an important pointer to adventure as a signifier which moves beyond a particular experience to characterize a place or even a nature"*. The associations created have served both to promote New Zealand as an adventurous destination and simultaneously to develop adventure tourism activities into a mainstream tourism product.

Nature has always been central in the marketing of Norway, especially with references to the fjords combined with mountains and glaciers. Nature based activities have only recently been brought specifically forth in marketing campaigns. The recent campaign manual exemplifies this shift in emphasis:

Norway's unique selling point is its beautiful landscape, but research shows that this alone is not enough to attract tourists to Norway. In the Campaign manual 2014 we have sharpened our focus. We will talk about both nature AND culture. We have shifted the focus from talking about looking at beautiful nature to participating in it. We will also move away from showing images displaying the remote to images filled with people and activities" (Innovation Norway, 2013).

The effects of this campaign remain to be seen. The slogan following the campaign above; *Norway. Powered by nature*, gives associations to clean energy (hydropower is a main electricity source in Norway), sustainability and energy; associations quite similar to the one in the successful 100% pure New Zealand slogan.

This chapter has briefly tried to outline some characteristics of the tourism industries of Norway and NZ, and to examine some findings the scale and importance of the adventure tourism industries in both countries. A general finding is that adventure tourism still is regarded as a narrow niche within the tourism industry of Norway, while it has been an integrated part of the marketing of NZ since the 1990's and has gradually become mainstream tourism products. This is also refelected in the well developed statistics on the adventure tourism industry of New Zealand, and more research undertaken specifically on this part of the industry.

Referring back to Aldrich's concept of organizational community, adventure tourism as an organizational community of populations seems to be more mature than the corresponding one in Norway. The adventure tourism industry of NZ seems to have higher legitimacy than it does in Norway; the value of the industry is recognized by both the markets and the industry at large.

CHAPTER 8. CASE DESCRIPTIONS

The cases of this study vary according to business size, locations and type of activities. In the following the eight businesses are briefly presented with emphasis on the early start-ups of the businesses, types of adventure activities on offer at the time of the case studies, business size and structure and main markets. The presentations are mainly based on interviews with the entrepreneurs and/ or managers. The case descriptions are supplemented by images to illustrate the main adventure products and business facilities.

Case 1: Heidal Rafting, Norway

Figure 6 *Rafting on the Sjoa River and Heidal Raftings hostel in Heidal. Source: Heidal Rafting. Used with permission*

Heidal rafting is located in Heidal, a side valley of Gudbrandsdalen in the county of Oppland. There are three other rafting businesses in Heidal as well as a river kayaking business.

When rafting first was introduced in Norway in the late 80s, Sjoa, the river running through Heidal, was soon discovered to be a suitable river for commercial activity. The entrepreneurs of Heidal rafting were the third actor starting up. They had no experience with rafting but had been running a hostel in Heidal since 1938, and felt a need to diversify. To lessen the risk of the start-up, they cooperated with two other small-business owners in the valley and organised the business as a limited business. Together they came in touch with an experienced rafting guide from one of the other businesses. He had just finished a student paper at a private business school on the topic of running a rafting business and was interested in trying this out in practice. He became the first manager of the business. The lack of rafting experience from the owners' side was thereby less important, and the business had its first season in 1992. The present owner manager is the son of the early entrepreneur and had previously been a share-holder. After a bankruptcy in 2005, he bought the business and merged it with the hostel into one business.

Rafting has been the main activity throughout the years. The business runs daily tip on a grade III section of the river, but also operate on two sections of grade IV. In addition different activity packages have been developed and been an important part of the business since 1992. While they are now offering riverboarding and canyoning themselves, they have deals with other operators of suitable package activities such as horseback riding, glacier hiking, caving and musk ox safaris. In addition they have several partners on accommodation for customers who want other options than the hostel.

Heidal Rafting is run only through the summer season, from May to October. A safety manager is responsible for the practical river activity, there is one, and in busy times two persons working with customer contact in addition to the staff needed on the river and to run the hostel. Most of them are foreign guides who have been returning for several seasons. In 2010 they were about 16 employed during the main season. The rafting guides needs to go through a raft guide course and work as an assistant until the necessary experienced is in place. At the time of the case study the business had several highly experienced international guides. The owner manager is not involved practically with the rafting himself but does “everything” else, including sales and marketing.

Due to the hostel, the majority of their customers are international. While there are most independent travellers in the main season, Norwegian school groups dominate in the spring, while groups from the incentive market mainly come in the fall. During the last few years the owner manager has tried to develop more product packages for the family market.

Case 2: Folgefonni Breførarlag, Norway

Figure 7 *Glacier hiking at Folgefonni and Juklafjord, Folgefonni Breførarlags office in Jondal. Source: Folgefonni Breførarlag. Used with permission*

Folgefonni Breførarlag is located in Jondal, a small community by the Hardangerfjord in the county of Hordaland in western Norway. The Hardangerfjord area has historically been a popular tourism destination and the first guided glacier trips on the Folgefonni glacier took place back in the late 1800s. At the time of the

case study there were two businesses operating on the glacier, but one only sporadically. In addition The Norwegian Trekking Association (DNT) runs some trips and glacier courses every year.

Folgefonni Breførarlag was started up in 1994. A new ski lift was opened up at the Folgefonna Glacier and the school principle thought it was a good idea to offer more activities in connection with the ski centre. Two locals, who were student at the time, thought it could be a fun summer job. The first few seasons they borrowed equipment and guided trips occasionally. The business grew slowly, and as the entrepreneurs finished their studies and got other jobs, one of the entrepreneur's brother took over the management of the business.

At the time of the case study (Aug. 2010), an old, wooden building had been restored and the business had opened their glacier guiding base with a cafe, a tourism information centre and a national park exhibition in the summer of 2010. The tourism information centre and exhibition was part of private-public cooperation. The top floor is now housing the guides working there in the summer season while the owners consider having kitchen facilities and a dining room in the ground floor. The business owners are locals and both the entrepreneur and the owner manager highlight interpretation of local culture, history and geography as an important part of their product. For that reason they also prefer guides from the region.

The business today offers daily trips on the Juklavassglacier, a glacier arm of the Folgefonna. Parts of the season they also have daily guided tours crossing the glacier along a historic route. In the spring when the glacier is still covered with snow they arrange trips crossing the length of the glacier on skis. Other glacier tours, climbing, sea kayaking and ski touring are also on their product list, but are only run occasionally.

At the time of the case study the business had no full time employees. The owner manager works as an engineer in the off season. The business had recently employed a person to work with customer contact during the season; in addition they have 3-4 guides available for guiding at a daily basis through the summer months, plus additional guides to call upon on busy days. The guides can start out as assistants but needs to go through formal guide qualification courses.The experienced guides with more training get increasingly more responsibility and more specialized trips. The entrepreneur is still engaged in the business, as he has been involved with the national park exhibition and other development projects and occasionally makes use of the area and facilities in his present job as a Professor of geology.

The business operates from May to October. Their daily five hour trips are dominated by international tourists, many from Germany, Netherlands and Great Britain; mainly independent travellers. Both of the longer glacier crossings

(crossing the whole glacier is done by skis in the spring) have mostly Norwegian customers.

Case 3: Norgesguidene, Norway

Figure 8 *Mountaineering and ski tourism with Norgesguidene. Source: Norgesguidene. Used with permission.*

Norgesguidene is a mountaineering business based out of Jostedalen, a small community at the innermost part of the Sognefjord. Jostedalen is surrounded by mountains and have been a popular tourist destination for more than a century due to the easy access to the Nigardsglacier. The small community hosts a glacier guiding business, two mountaineering businesses and a business which offers both rafting and a combination of sea kayaking and glacier guiding.

The business was initially started by four friends in 2001, with a fifth owner following soon thereafter. One of the entrepreneurs had had ideas of such a business from an early age, even knowing what he would to call it. The entrepreneurs had all been working as glacier guides and were all certified glacier instructors through the standards of Norsk Fjellsportforums (NF)[18] . Four of them also either had or were finishing up their UIAGM qualification. A sixth owner was included in 2008. A major motive has been to use their competencies to create the type of work they personally want to work with; taking small groups and having a varied programme throughout the year. While they had varied ideas for what the business would be the first few years, an early agreement with the traditional climbers' hotel Turtagrø in Western Jotunheimen, an hour away from Jostedalen, was important for getting the business started.

At the time of the case study Norgesguidene operate year-round and are not geographically tied to Jostedalen in their product offerings. In the summer months daily mountaineering trips departing from Turtagrø is an important part of the

[18] NF is an open cooperative organization for different mountaineering associations. Their main function is to develop a national qualification standard for instructors, guides and course organizers of mountaineering.

business income. In addition the business offer mountaineering trips and climbing courses in other mountain regions in the summer, ski touring and avalanche courses in the winter, and glacier courses in the shoulder seasons. While operating year-round, the months of October to December are very slow, as there are few hours of daylight and the ski season has not started yet.

Today the entrepreneurs show different levels of involvement, ranging from the full time mountain guides to those working partly outdoors and partly with administration and to passive ownership. In addition they have a manager and hire in several guides when needed. On most jobs the business requires that the guides either are IFMGA[19] certified or in the process of certification.

Compared to the other adventure tourism products of this study the mountaineering products are quite expensive with low guide to client ratio. The vast majority of Norgesguidenes customers are Norwegians with previous experience from outdoor activities. Referring to figure 1 the business is aiming for a more specialist market.

Case 4: Norske Opplevelser, Norway

Figure 9 *River snorkeling and team-building activities in Hemsedal. Source: Norske Opplevelser. Used with permission*

Norske Opplevelser mainly offers business arrangements based on outdoor activities from its base in Hemsedal, three hours north of Oslo. The small community Hemsedal was developed into one of Norway's most popular ski destinations during the 1980s. As most ski destinations the community is very busy during the winter months, and struggle to increase visitor numbers in the summer.

Norske Opplevelser was started in 1992 by two young enthusiasts who both wanted more all-year-round activity in Hemsedal and a fun summer job. The entrepreneurs were from the start-up aiming for the business and conference market, and were the first in Norway to develop a team building concept, inspired by ideas from Finland

[19] The IFMGA is an international association of mountain guides associations from all over the world. The international certification of the guides follows the IFMGA guidelines.

and Sweden. While the business at an early stage could offer horseback riding and dog sledding, this ended up being too expensive and time consuming. While outdoor adventure activities for the incentive market always have been the business main product, both product content and ownership have changed over the years. At the time of the case study Norske Opplevelser is a limited business with the manager also being the main shareholder.

Their business arrangements usually include team building trails, high ropes courses or other forms of problem solving games, often packaged together with other outdoor activities, meals etc. As they have been dependent on the business and conference market they were hit hard by the financial crises. At the time of the interviews they had been struggling for nearly a year, trying to reorient themselves towards the traditional ski and summer tourists. The winter activities of snow shoeing, sledging in the evenings using the ski lifts and winter via verrata were all new for the winter 2009/2010. They are also in charge of the bike rentals in Hemsedal in the summer season as well as summer camps for kids. In addition they offer canoeing, via verrata, river snorkelling and climbing.

At the time of the interview the business had three full time employees; a manager, a sales and marketing coordinator and one responsible for the practical organization of the outdoor activities. In addition they have a long list of people to call on for the different arrangements. While the owner manager wants experienced facilitators for being in charge of the team building activities, there are no formal qualification requirements for working with their activities. Many of their guides or instructors have other part time jobs in Hemsedal. At the time of the case study they were just about to move into new office facilities close to the ski lift in Hemsedal.

With about 70-80% of the turnover tied to the business and conference market, their main seasons have been different from other activity providers, with a peak season from September through November. They have always been a year-round business, but at the time of the case study they’re main seasons are changing as they are turning more to the tourist markets, consisting of both Norwegian and International independent travellers.

Case 5: Mangaweka Adventure Company, NZ

Figure 10 *Rafters in front of Mangaweka Adventure Company's facilities in Mangaweka, and rafting on the Rangitikei. Source: Mangaweka Adventure Company. Used with permission*

Mangaweka Adventure Centre is situated in the small community of Mangaweka along highway 1 in the Waikato region. The township of 200 inhabitants is situated close to the Rangitikei River which runs through the central parts of the North Island. While there are no other activity providers in Mangaweka, there is another rafting business and a bungy site further upstream in a side valley.

The business was started by three local farmers. On of them had by coincidence met an American rafting guide and so they got the idea of starting up a business in Magaweka. The activity was still very new in NZ, but with the help of the experienced rafting guide they bought two boats and got a business set up. While rafting has always been a main product, the business has gone through changes both in ownership structure and in range of products; for several years they were also offering bungy jumping. A gas station which for many years were part of the business is now redone into a café were they also have a booking desk for the rafting. The early entrepreneurs also got the idea of buying an old DC-3 aircraft when an opportunity turned up. This is placed outside the old gas station, and has become a well-known landmark along Highway1.

Their main activity products are short 1 hour and half day family trips on a grade two section of the Rangitikei River. Kayaking courses and multiday trips are done occasionally. In addition the couple runs the café and a campground.

The main rafting season is from November until about Easter. In the main season there are about four-five, mainly foreign, guides including the owner. The guides are mainly foreign In addition several people who used to work as guides now lives permanently in Mangaweka, and can help out at busy days. As the section of the river is quite calm, they want experienced guides, but emphasise the social aspects of guiding people of all ages.

The majority of their customers are New Zealanders. In the main tourism seasons these are mainly independent travellers. As the rafting is quite calm, the trip is well

suited for the family market. In the spring and early summer season their main customers are schoolgroups and NZ work groups.

Case 6: Alpinism & Ski Wanaka, NZ

Figure 11 *Mountaineering with Alpinism and Ski Wanaka and their apartment for customers in Wanaka. Used with permission.*

Alpinism & Ski is a mountaineering business located in Wanaka, a fast-growing community in the Otago County on the South Island. Wanaka has been a well-known ski destination in NZ for years, but have gradually gained much popularity as an outdoor destination also in summer through activities such as sailing, hiking, biking and climbing. There are two more mountaineering businesses in Wanaka, and a rich variety of other adventure activity providers.

The business was started in 2000. The entrepreneurs both had extensive experience from the tourism industry. One is an internationally certified mountain guide, and at the time of the case study president of the NZMGA. He had worked several years as a head guidie for a bigger mountaineering business. His wife, born and raised in Switzerland, has broad experience from working in the tourism industry. They run the business from their house in Wanaka, with a garage full of equipment and a spare room and a studio for rent for customers or guides helping them out in the main season.

Their main products are multiday expeditions to higher peaks in the region, with Mt Cook and Mt Aspiring being the most popular tours. Throughout the year they also offer ski touring, avalanche and climbing courses and shorter mountaineering trips.

The couple spend 3-4 months in the European Alps each NZ winter, arranging mountaineering trips, climbing and glacier courses there.

The first few years both worked part time with other jobs, gradually building their customer base. At the time of the case study both work full time with the business; one is doing the guiding, the other being in charge of the administrative work. She is also doing guiding recreational tours for tourists who want easier hikes in the Wanaka area. In addition they hire in guides when needed. They want the guides working for them to be either qualified IFMGA guides, or in the process of certification.

Their customers are mainly from NZ, both the North and the South Island. Another big market i the Australian. As in the case of Norgesguidene the products are quite expensive with a low guide to client ratio, serving quite a specialist market. As parts of their trips are taking place in Europe, they also have European customers and bring some of their regular NZ customers to climb in Europe.

Case 7: Fox Glacier Guiding, NZ

Figure 12 *Glaicer hiking at Fox Glacier and Fox Glacier Guidings facilities in town. Source: Fox Glacier Guiding. Used with permission.*

Fox Glacier Guiding is situated in the small community Fox Glacier on the West Coast of the NZ South Island. Guided glacier hiking tours have long traditions in Fox Glacier; the first hotel opened in 1928 and offered trips on the glacier. Today the tourism industry is the main employer in Fox Glacier in addition to farming.

The business was started in 1974 when a mountain guide from Mt Cook Village was sent over to Fox Glacier to do some guiding for the hotel. He ended up being in charge of a new guide business, where the main shareholders were a former

manager of the mountaineering business in Mount Cook Village, as well as the hotel owners and himself. In the first years they were on the hotel land, leasing the boot room from them. The business grew and in 1985 they invested in new buildings. At the time of the case study the main building includes a cafe, a souvenir shop with a big desk for booking activities and large rooms were the tourists get their equipment in the morning before the trip.

The entrepreneur's wife ended up working full time in the business, which they ran together until 2005 when additional shareholders joined in. The business is at present a limited company.

While daily glacier guiding trips has been their main product throughout the years, new products such as scenic helicopter flight and ice climbing have been added. The original glacier trip is today divided into a full-day trip and a half-day trip, with helicopter flights and ice climbing being smaller but important niche products.

The business runs year round. In the main season there are 60 staff in total, counting frontline sales, café, management and about 35 guides. New guides have to go through a hard ice program. As in the Norwegian glacier guiding business the experienced guides with more training get increasingly more responsibility and more specialized trips. Most of the guides are from NZ but the entrepreneurs highlight the significant international mobility, were their guides often work abroad for a period, or foreign guides come and work for the business.

The market for glacier guiding has changed throughout the years. While initially big tour busses carried almost all the tourists, the amount of independent travellers has increased. The vast majority of customers at Fox Glacier Guiding are international tourists.

Case 8: Encounter Kaikoura, NZ

Figure 13 *Encounter dolphins in Kaikoura and Encouter Kaikoura's facilities in town. Source: Enkounter Kaikoura. Used with permission*

Based in Kaikoura, in the Canterbury region of the South Island, Encounter Kaikoura offers their customers close encounters with dolphins. Historically Kaikoura has been known for its fisheries, but today the tourism industry dominates with businesses offering whale watching, diving, seal swimming and sea kayaking in addition to several possibilities of watching the wildlife from helicopters and sea planes.

Ecounter Kaikoura was started in 1989 by two young friends. They had tried to jump off their boat to swim with the dolphins and saw the commercial potential of the activity. When the business started they had not heard about anyone else offering a similar activity, but the business grew steadily and after a few years a brother of one of the entrepreneurs and his wife joined the business. Up until 1999 they were four partners, but then one of the initial entrepreneurs left the business and the married couple bought his shares. The three owners are local and although several actors have been interested in buying the business, the owners are determined to keep the business locally owned.

During the first years the business was run out of a tiny shop in town, with little room for equipment and changing rooms. In 2003 the entrepreneurs decided to

lease an old supermarket with a nice view of the beach. The building was fully restored into a modern activity base with a souvenir shop, booking desk, a cafe, conference facilities and a big area for equipment and changing rooms.

At the time of the case study the business offered two main products. The Encounter Dolpin tour runs twice daily. On these trips the customers are eqipped with wetsuits and snorkels and when the skipper has found a pod of dolphins the swimmers jump in the water and get a close encounter with the dolphins. The second product is guided albatross watching boat trips along the same coastline. The product was introduced in 1999 when a local fisherman made the owners aware of the big amount of pelagic birds, including several albatross species, feeding off the coast. Following the definitions of this study, the product is not considere an adventure tourism product.

The business today has 25 full time staff and then employee numbers are doubled in the summer. Though having quite an international staff today, they try to hire New Zealanders whenever they can and preferable people from the region. In the case of guides for the Encounter Dolphin product, they want guides preferable with a degree in a topic relevant for the marine environment, and in addition look for experience from wildlife, customer service etc. When there are vacant positions the business receives applications from all over the world.

Dolphin swimming is popular with backpackers and other independent travellers. The business also has deals with several tour operators arriving regularly.While dolphin swimming tends to attract younger customers; the albatross encounter has more of a specialist market, with older travellers, photographers and birdwatchers. International tourists dominate on both activities.

CHAPTER 9. KNOWLEDGE AND INDUSTRY MATURITY

One aim of the case studies was to get an overview of the significant changes that had taken place throughout the histories of the eight businesses. The interviews revealed the ups and downs of running a small business and with histories spanning over 10 to 30 years, the early entrepreneurs could offer the most comprehensive stories.

This chapter takes its starting point in a pattern identified in the start-up stories. The more entrepreneurial start-ups, based on an adventure tourism activity that either was new to the market or based on an early imitation, clearly differed from the start ups of businesses in an already well-established adventure tourism activity. This pattern is well known from entrepreneurship and innovation theory as in e.g. Aldrich's (1999) distinction between reproducer and innovator organizations. The cases could be placed on very different parts of this continuum; while some represented innovator organizations that had to develop new organizational knowledge, others were reproducers and could mainly follow the routines and competencies of existing businesses. This will be elaborated on with examples below.

A new adventure tourism activity on the market can be seen as a major product innovation. The cases showed examples of both competency-enhancing and competency-destroying innovations. The entrepreneur of Heidal rafting describes how the business introduced river boarding[20] to their list of products in the 1990s. This activity could be adapted based on the general river competencies of the guides and was in that respect a competency-enhancing innovation. When the entrepreneurs of Encounter Kaikoura started to have tourists swimming with dolphins out on the ocean, they had no role models for this product and had to develop the necessary competencies and routines themselves. This can be regarded as a competency-destroying innovation (Anderson and Tushman, 1990)

The entrepreneurs did not so much refer to other parts of the adventure tourism industry, but defined themselves according to the activity in question; they were first and foremost rafting businesses or mountaineering businesses. Interestingly for this thesis, when the entrepreneurs and/or business owners described their business history, the stories of knowledge development and innovation often involved processes related to the maturity of the activity in question - and not just their own

[20] In river boarding, the participants lie on high-flotation boards with fins on their feet. In commercial river boarding, a guide is following the group, instructing them on how to use the equipment and navigate down the river.

business development. The entrepreneurs and/or owners e.g. talked about the creation of local interest organizations (C1) or activity specific associations (C5), creation of instructor training programs (C7), improving the conditions for guides in the industry (C3) or lobbying for increased attention to the specific features and value of commercial mountaineering (C6).

These stories of collective action within the different adventure tourism activity made an analysis of the aggregate level of each adventure tourism activity interesting. The challenges related to knowledge development and external acknowledgement seemed not to be related only to the specific business in question but to be related to the level of maturity of the activity in question. Literature on knowledge development following quite radical innovations is scarce on research on small tourism businesses.

The initial findings were informed by what Aldrich (1999) termed the evolutionary approach to entrepreneurship. His emphasis on knowledge development at the population level of organizations provided useful theoretical tools for analyzing findings from the case studies. Drawing on theories from the population ecology perspective (see e.g. Hannan and Carrol, 1992), Aldrich (1999) argues that two central challenges for a new population is to develop efficient organizational knowledge and legitimacy.

In *Organizations evolving* (1999), Aldrich describes this as general challenges of new populations, and discusses different challenges to overcome lack of efficient organizational knowledge and legitimacy. This research will explore how these challenges are met in adventure tourism businesses. Aldrich (1999) refers to Klepper and Graddy (1990) when arguing that the most important determinants of how fast a population reaches maturity is the density and size of businesses. A more successful population will reach maturity faster. In the case of adventure tourism businesses, which at least in a Norwegian and NZ context have been described as mainly micro and small, it is expected that this issue related to newness will shape knowledge development and capacity for innovation over an extended period of time. The empirical analysis will examine how organizational knowledge and legitimacy develops over time, using a model consisting of three phases.

The model illustrates the different “knowledge worlds” of the entrepreneur within a nascent activity with that of the entrepreneur in an established industry. The phases are named as the phase of experimentation, the defining phase and the mature phase. In the following, the three phases will be described in relation to the empirical material, paying attention to the knowledge processes and issues of legitimacy linked to each phase. The three phases should be understood more as parts of a continuous development than as distinct phases.

Section 9.1 gives an introduction to the empirical model and the rationale behind the three phases. The next three sections then discuss issues of knowledge and legitimacy development in each phase; section 9.2 the phase of experimentation,

section 9.3, the defining phase and section 9.4, the mature phase. Finally, section 9.5 summarizes the findings and relates the three phases to innovation.

9.1. KNOWLEDGE AND LEGITIMACY: MODELLING ACTIVITY MATURITY

A recurrent finding in the empirical analysis was that the innovative processes taking place in the adventure tourism businesses were not only oriented towards the growth of the individual business. Innovative activity was also aiming to strengthen the specific commercial activity in general. Whether this was materialized in creative marketing efforts, cooperative efforts to create activity specific organizations or cross-activity organizations, the development of guide manuals or improving guides working conditions, it meant efforts to create and maintain a certain knowledge base and to make the *activity*, and not necessarily their specific business only, known to the public.

These findings seemed to indicate that what Stinchcomb (1965) called 'liabilities of newness' either were relevant for many of the businesses at the time of the interviews, or *had been* major issues as revealed in the historical business biography. Their specific adventure activity was or had been struggling with the issues of creating efficient organizational routines and legitimacy; issues Aldrich (1999) describe as being major challenges for new populations.

It was apparent that the knowledge and legitimacy situation was very different from those early founders (mainly imitators) struggling to define a new commercial activity, to the conditions faced by entrepreneurs in mature adventure tourism activities. This does not necessarily mean that it is 'easier' to run a business in a more mature industry, but the challenges are different and less related to newness. In the following a model is presented which describe the development of legitimacy and organizational knowledge development in three phases.

Before exploring the model further the product life cycle needs mentioning (see e.g. Kotler, 2000:303), as it also describe the development following the introduction of a new product. The product life cycle describe the development of a product as a cyclical development from the introduction of a new product, through a growth and maturity phase and then eventually decline. Butler's (1980) Tourism Area Life Cycle (TACL) is based on the product life cycle, but sees it in relation to how a destination changes over time. Both models emphasise the development of a product or destination and see this in relation to the market. Butler's model also draws in social and environmental carrying capacity in explaining eventual stagnation. The model below instead emphasises the knowledge associated with the production of the service product, and how the initial challenges of organizational knowledge development and lack of legitimacy ceases as the population matures. The population may struggle and stagnate in the mature phase of this model, but

this will be mainly due to other conditions such as changing markets, and not issues related to newness.

In the following, the development of adventure tourism populations will be described in three phases based on the empirical findings. While the phases clearly overlap, the model points out how some of the specific issues related to knowledge development and innovation changes as an activity, or population, matures. The model below describes the three phases as the experiential phase, the defining phase and the mature phase. The phases relate to issues of knowledge and legitimacy development.

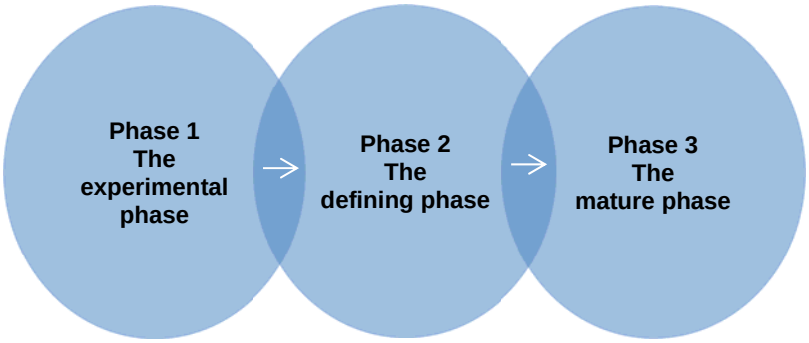


Figure 14 *Threee phases in the development of an adventure tourism population's organizational knowledge and legitimacy. Source: Own making*

9.2. THE EXPERIMENTAL PHASE

This phase is initiated with a product innovation, as a new adventure tourism activity is introduced to the market. Referring to the discussion in chapter 4, such innovation may be seen as competence-destroying (Anderson and Tushman, 1990), as they require new knowledge and organizational routines to develop and produce the service (Aldrich, 1999).

While several of the businesses of this study started up in an early phase of the industry, the clearest example from the period of exploration is the product innovation resulting in the start-up of the Encounter Kaikoura business. When the entrepreneurs started to have tourists swimming with dolphins, they had not heard of anyone else doing the same, neither in NZ or anywhere else in the world. Initially, their business had a focus on fishing and scuba diving, but their first encounter with the dusky dolphins proved a turning point. The reaction from their clients in regards the interaction whit the dolphins signalled to the young entrepreneurs that the dolphin encounter was going to be a hit, as long as they could find the dolphins. Despite a lack of business or tourism experience, they took up the

challenge of developing a completely new product for the visitors now flocking to Kaikoura.

While all commercial marine activities today are regulated by the Department of Conservation, initially the department was sceptical about the chances of this new venture succeeding and the two friends had to prove that their venture was going to work. The entrepreneurs were free to define and organize the product as they pleased. This freedom was tied to the major challenge of getting their name out there, and to introduce a new activity to the tourism market.

While the dolphin encounter can be regarded as a radical innovation, some interviews with stories of early imitation had several similarities. The entrepreneur of Mangaweka Adventure Company in NZ felt very much like a pioneer when he bought his first rafts in 1981, even though rafting had already been a commercial activity for some years in the USA. It was new to NZ, and in the pre-internet world there was little information circulating internationally about the activity.

The same entrepreneur was also quickly following in the footsteps of H.A. Hackett, who introduced bungy jumping to the world. Hackett and his crew were trying out the idea in 1987 with great success on a bridge crossing a section of the river used by the rafting entrepreneur.

"But I remember I said to this chap Ron who was rafting up there for us. And he was kind of watching what was going on. And I said to him; couldn't we do that Ron? Why couldn't we do that? We got bridges as good or better down here. Why don't we do that? (C5,1).

While the story of the dolphin encounter is about a radical innovation, the stories of rafting and bungy jumping in NZ are about activities based on imitation. Still, the narratives contain similar challenges and issues associated with the sense of newness.

The initial phase includes both the initial innovation and the first period thereafter where the entrepreneur(s) and early followers define the boundaries of the new commercial activity, decide which market the activity is suitable for and how it should be presented to that market. As there is little former activity specific knowledge to lean upon, the knowledge processes of the entrepreneurs are characterised by experimentation (Aldrich, 1999).

In the following, the commonalities will be examined and divided into challenges of knowledge navigation and issues of legitimacy.

9.2.1. THE EXPERIMENTAL PHASE: KNOWLEDGE NAVIGATION

In this early phase, the entrepreneurs offering a new adventure tourism activity have to produce and navigate in a new knowledge landscape. They start out businesses based on an idea that this activity could work as an experience product, but with

little associated knowledge. Both the *knowing what* and the *knowing how* of producing this particular commercial adventurous activity must be developed. With a totally new activity, as in the case of Encounter Kaikoura, the entrepreneurs are basically on their own is this process. In early imitation there is an urgent need for localizing knowledgeable resource persons.

Both in the sense of business and knowledge development this is a period of exploration, where the new activity has to find its specific expression. The entrepreneurs have to find out what the activity is all about, or what they want it to be all about. In addition, there are all the practical questions to be answered: Where and when can you find the dolphins, and how do you approach them? How do you steer a raft and which section of the river is suitable for commercial rafting? What part of the experience should be highlighted, and what is it imperative to avoid? Where do you get hold of guides or instructors for this type of activity and what kind of training do they need? What equipment and transport is necessary?

With no manuals or guidelines to follow, knowledge development happens through experiential learning, trial and error. The Mangaweka Adventure entrepreneur describes it as learning by doing:

"But it was learning by doing really. No one really knew what they were doing a lot of the time. They thought they did, but things went wrong occasionally".

The early phase of Encounter Kaikoura is described in a similar manner by the marketing director:

"But back then there was no, there were no routines (…). Back then they were really just trying things out, to see what worked at the time".

In addition to the business side of it, the embodied knowledge necessary to offer these activities must be developed. With no course manuals and few if any experts to turn to, a lot of trial and error is the only option. The phase is in that respect characterised by informality, testing and learning by doing.

While the challenges above mainly relate to the *knowing how* of how to skilfully provide the adventure tourism activity, there are also important elements of *knowing what* concerning the development of a new commercial activity. When the Mangaweka Adventure entrepreneur and his colleagues from the rafting wanted to start out with bungy jumping, there was a different set of challenges facing them. The technical details of the bungy cord and the safety set-up are not at all self-evident, and as can be imagined, must be well thought through! The following interview extract shows how they got their first information about the technicalities of the bungy cord:

"And he says; well yeah. I suppose we could do that, but he said, we don't know where to get the rubber and stuff from. And I said no, but maybe we can work it out. And it's incredible, you are not gonna believe this, but we went up there on…when

they weren't working and picked up scratches of rubber off the ground. To see what it was. Little strands" (C5:1).

Aldrich (1999) highlights the importance for early entrants to a new industry to converge around a dominant design. Without such early agreements, the organizational knowledge will be 'fleeting' (Ibid:235) and the boundaries of the population remain ambiguous. While clearly competition may hamper such cooperative initiatives, being able to agree on standards and designs will both make it easier for new entrants as they to a higher degree can base their business on imitation, and raise the credibility of the population in relation to the external environment (Ibid).

The Mangaweka Adventure entrepreneur describes early initiatives of cooperation:

"Really right from the start it wasn't long before there was an outcry wanting some sorts of control over the thing. I sat down at the first meeting there ever was of, kind of aspiring rafting businesses in 1981 (...). I remember there were 8 entities that sat down at this meeting. And we tried to put together some guidelines for how to do it. But it was impossible to reach an agreement I think. And it was pretty wild for a few years" (C5:1).

When the Mangaweka Adventure entrepreneur sits down with the early rafting founders in NZ, it is a way of strengthening rafting as a business. They know that they are competitors but as their product is imitable anyway, cooperative action is thought to pay off. While the addition of more businesses offering the same product means stronger competition, it also means that more people become aware of the product.

In the explorative stage, there is a lot to learn and the businesses struggle to develop routines and well-functioning businesses. In addition to the challenges of developing knowledge resources *within* the businesses, there is little support to gain from the surroundings; the activity lacks legitimacy both as a tourism product and as an industry locally.

9.2.2. LEGITIMACY: "WHO WOULD BE INTERESTED IN DOING THAT STUFF?"

The entrepreneurs starting up businesses in the late seventies and early eighties offered activities that at the time were foreign to the general tourism industry, tourists and locals. The activities of rafting, swimming with dolphins, and bungy jumping are activities with no traditional grounding; they are modern activities with no other purpose than excitement and fun. Educating the market, the public and potential industry partners of what these activities are all about is therefore essential. Aldrich and Fiol (1994:650) describe how entrants to a new population "*must interact with extremely sceptical customers, creditors, suppliers, and other resource holders, who are afraid of being taken for fools"*.

When the Mangaweka Adventure entrepreneur started up, the idea of rafting was new and an unknown experience for most people: "… literally people said; who's gonna..who would be interested in doing that stuff? Nobody will wanna do that. Seriously they did" (C5, 1). Neither the locals, the market or other actors in the tourism industry knew what rafting was all about. Building legitimacy is about establishing ties with an environment that does not understand or acknowledge their existence (Hannan and Carroll, 1992; Stinchcobe, 1965).

While glacier guiding as a commercial tourism product in Norway has its roots back in the early 1800s (see e.g. Horgen, 1999), Folgefonni Breførarlag met similar ignorance when they started out in 1994. Back then there was already well-established glacier guiding businesses adjacent to the Jostedals glacier further north. Still, the local community in the small community of Jondalen had little understanding of what the young entrepreneurs were up to:

"No, this was very unfamiliar to the people in Jondal. So the first few years no one really understood what we were doing" (C2: 2).

The young entrepreneurs' answer to this was to invite locals on guided trips to improve their understanding of the glacier-guiding product.

"When you walk up the ski slope then you get up there and a different world unfolds. And not that many in Jondal knew about this world. They go skiing there during Easter, but then everything is white up there … So they don't go down towards the edges, and don't realize what is down there in the blue ice" (C2: 2).

In addition to bringing locals on guided trips, the entrepreneurs did a lot of local marketing. They early on became members of the local tourism association, Reisemål Hardanger, talked to people and spread posters and brochures at the local tourism informations. Good interpersonal relationships with people at the Barony of Rosendal were helpful in the first phase, as they received customers from there. The importance of local networks of trust (Aldrich, 1999) and the ability to mobilize personal and interpersonal resources (Aldrich and Fiol, 1994) are important in these first efforts to legitimate the new undertaking.

How quickly commercial activity builds legitimacy depends on several factors. How well it is received by the market is crucial. Encounter Kaikoura, although only having very limited visitors in their first season, firmly believed that their activity was worth pursuing.

In addition, other, less obvious factors may help build legitimacy around a commercial activity. Encounter Kaikoura started up in 1989, and in 1990 the entrepreneurs approached the Department of Conservation for marine mammal permits. Encounter Kaikoura got the first Department of Conservation Marine mammal permit solely for swimming and watching dolphins and seals. Whale watching permits had previously been issued to the two whale watching businesses.

While the timing seemed coincidental, getting a quality stamp from such an institution at an early stage clearly brought awareness to their product.

Another more common way of making the activity known is through the use of media. An advantage of adventure activities is their photogenic nature. The action, fun and excitement of adventure tourism activities make good stories and pictures for the media. The Mangaweka Adventure entrepreneur vividly expresses the important role of media in spreading public knowledge about rafting. He highlights the role of one of his early competitors in attracting media attention in the promotion of the new and unknown activity:

"... he started a business that he called Riverrunners. NZ Riverrunners, and he was gonna boat everywhere in NZ. He sort of did for a while. But he did a lot of promotion, lot of publicity; he devoted his entire time to it and put the game on the map. Quite a lot really, it did get a lot of publicity" (C5,1).

The popularization of the activity through media was an important step in getting people's attention. Through the media, people could get an understanding of what the activity was all about and thereby marketing was made easier for the individual business.

The phase of experimentation is about knowledge navigation and first attempts to bring attention to the activity product. Bringing a new product to the market means dealing with what Stinchcomb (1965) calls liabilities of newness.

The characteristics of being in this phase of development influences processes of knowledge development and innovation in the businesses. The strategies to develop organizational knowledge and legitimacy can be seen as innovations in their own right; the pattern of innovation is geared towards publicity and creating repositories of knowledge, as well as the wish to imitate and learn from any role models out there.

9.3. THE DEFINING PHASE

The differences between starting up a business in phase one and phase two can be exemplified by the two mountaineering businesses of this study. The manager of Norgesguidene was asked whether there were other businesses running this type of activity when they started up:

"Not that I know of. But then at the time of the start-up it was very unclear what this would turn out to be. And there might have been other similar businesses which were equally small and undefined at that time" (C3:1).

The business started up with few role models. One of the entrepreneurs (C3:2) mentions a few more or less successful attempts, but these all had to include bigger groups from the incentive market to survive, something that the entrepreneurs of Norgesguidene tried to avoid:

"They were also doing … to make money … a lot of arrangements for businesses, were you send people across the river and that kind of stuff. It was the kind of job we were trying to avoid".

The early entrepreneurs did not have a clear idea of what the mountaineering business would be when they started up, somewhat between phases 1 and 2 in the model. Four of them were international certified mountain guides (IFMGA) certified) but had no professional businesses to show them how to utilize their qualification.

The situation was different for Alpinism and Ski Wanaka, which started up in NZ in 2000. The male entrepreneur is qualified as a NZMGA guide (the NZ branch of the IFMGA) and had already been working for a big mountaineering business for eight years when they decided to start up on their own. He had been a lead guide and through the job learned not only about how to deliver good mountaineering experiences, but also learned much about the market, which products pay off and how to price mountaineering products. In their new business, they could build upon the work of mountaineering businesses before them, offering the same trips with similar itineraries. The female entrepreneur sees their business as part of a long tradition of mountaineering:

"Like mountaineering companies they.. all over the world , it's like they summit certain peaks, they go on expedition, they go on trekking trips and have instruction courses: avalanche courses, climbing courses. So it's similar, it's just different wording, different photos, different guides, but it's pretty much the same all over the place, really. Especially with the IFMGA qualification, that's the standard" (C6:1).

In a population ecology perspective, both businesses are offering similar services and have similar qualifications, but as the New Zealand mountaineers have been better organized for a longer period, the issues they are facing are different. Norgesguidene has to define suitable mountaineering products, educate their market(s) and create working standards for their guides. Both businesses seem very development oriented, but as they are in different phase of activity development, their challenges differ.

New entrants to the industry in this phase have the advantage of role models, and can base their business to a large degree on imitation. If the first attempts are successful, it may be tempting for others to follow. The Mangaweka Adventure entrepreneur saw a rapid growth of businesses:

"...a lot of people thought that it was a lot of money in it. Which it wasn't. There was masses of businesses trying to do stuff for a few years, but they didn't last. I have no idea how many there are now, there is quite a lot, but there were more during the mid 80s" (C5:1).

This observation could indicate what Hannan and Carroll (1992) found to be a pattern in a population as it matures; That after a certain point in time when competition within and among populations rise, founding rates will fall and mortality rates rise.

There is no clear-cut end to one phase and beginning of the next. In the second phase, the adventure tourism products are more defined and there are other businesses to look to as role models. When the Folgefonni Glacier team started up, the activity was new to the region, but the entrepreneurs had contacts with a well-established glacier guiding business further north:

"I have had collaborations with Jostedalen Breførarlag, I know some of the people working there. And they have clearly been a source of inspiration for us, since they have been a big business much longer than us. And the way they have managed things has been an inspiration for us" (C2:2).

All the businesses of this study can either be characterized as being in this phase at the time of the interviews, or that they had been there but gradually moved into phase three.

While there is less exploration in the second phase, there are still other challenges related to knowledge and legitimacy development.

9.3.1. THE DEFINING PHASE: FORMALIZING KNOWLEDGE

As the activity product becomes more defined, the associated knowledge gradually becomes more formalized. In the histories of the businesses, a common theme was how knowledge in different ways was structured or formalized either within the business in the form of improvements of routines or externally in cooperation with other activity providers in the development of e.g. guide programs or product standards. The motives as well as the methods for this knowledge development varied.

In Norgesguidene, the Norwegian mountaineering business, a motive for improving routines was to attract and maintain qualified staff. By improving work conditions and increasing predictability, they will appear more professional and be a serious alternative for guides with the IFMGA qualification:

"… everything can still be improved, and we are still far away from being the kind of workplace which I picture the company must be, and which I think is missing in mountain-Norway. Mountain guides, with the increasing wish from those who goes through the Nortind education, that they wish to live off being a mountain guide. Then there must be real alternatives to working in the oil. And there aren't today. So that is, in a way, my vision: that this company should be that" (C3:1).

For Norgesguidene, this has meant to stick with and develop products with which the entrepreneurs and the contract guides want to work, increase guide wages and to

organize good working conditions and schedules for the guides (C3:1). The Norwegian mountaineering community is small and such information spreads easily. When Norgesguidene work to professionalize commercial mountaineering, they will be role models for other businesses following suit. New entrants to this transparent industry have the advantage of observing the routines of others and coping the useful and efficient once.

Another way of structuring knowledge is through the organization of a guide or instructor education system, such as rafting guide courses or glacier guiding courses. In the process of developing curriculum, a lot of knowledge previously tacit and embodied has to be made explicit. That is, the general principles have to be systematized and made explicit; the actual carrying out of the activity must still be learned through experiential learning, often under the guidance of more experienced guides or instructors. The entrepreneur of Fox Glacier Guiding was instrumental in the creation of a NZMGA glacier guide program. He describes this development as motivated by recognizing the skills of the guides:

"... I think the first course might have been in 97 or 98 and they went through and we officially recognized glacier guides on the NZMGA list of guides. And that's been really good you know. To recognize those skills, but its very specialists. They are not, their qualification is quite difficult to apply elsewhere" (C7:2).

With the exception of Norske Opplevelser, all the cases had some form of formal requirements for the guides or instructors of their business. There has been a specialization and formalization of the activities since they were first introduced to the markets. This in turn sharpens the impression of a heterogeneous adventure tourism industry.

The gradual emerging of industry associations and other overarching institutions in this phase also serve the function of being knowledge reservoirs. In populations with relatively few and small businesses, the activity specific associations may serve as knowledge reservoirs where product quality and industry standards can be agreed upon and formalized.

An overarching institution that came up frequently in the NZ cases was the Department of Conservation. Experiences with DOC and opinions regarding its functions clearly varied in the cases. In the evolutionary perspective, DOC can be seen as an environmental force influencing knowledge development of the industry. The communication between DOC and the industry, and the ensuing standards and qualification requirements may have served as important drivers to formalize knowledge within the different adventure tourism activities.

The different forms of knowledge externalization and formalization are followed by a gradual increase in legitimacy.

9.3.2. THE GROWTH PHASE: BUILDING LEGITIMACY

Issues concerning legitimacy were frequently brought up in the interviews, from different angles and levels. The entrepreneurs were concerned about making the market and the public aware both about the specific activity in question but also of the importance of adventure tourism products for the tourism industry in general. The latter point was argued by Norwegian entrepreneurs (C1:1, C4:1).

NZ have some well-established mountaineering businesses, and the tradition of NZMGA certified guides started back in 1974. The female entrepreneur of Alpinism and Ski Wanaka still finds that features of this type of business are not acknowledged in NZ. Being from Switzerland, she was asked whether it was the same being a mountaineering guide in NZ as it is in Switzerland or France, where mountaineering has long traditions:

"No, it's not the same, and I have been complaining about that for years. That in NZ, not just individuals who hire a guide, but actually The Tourism Industry Association and the NZ government, which includes the Department of Conservation, accident compensation, I mean many different departments, they are not aware of how highly it is respected elsewhere and I am trying to, you know together with some other guides, trying to bring awareness" (C6:1).

Why is it so important for her to make these institutions aware of the qualities of the mountaineering guides? For one thing, the IFMGA qualified guides have been through a three year education; being "put in the same bag" as activity providers with a very different background may therefore be frustrating. One should in principle think that qualification and specialized skills would be recognized on issues such as e.g. insurance. Another part of the answer may be that the tourism industry does not value the niche character of the mountaineering business. There is little understanding of the special interest tourism concept with high willingness to pay, small guide to client ratio, etc.

Legitimacy is not only about public awareness of the activity in question, but also just as much about what it *is not*. While Mangaweka Adventure was in a tough period economically at the time of the interview, the entrepreneur (C5:1) describes an industry that is quite "settled", both when it comes to operational plans and guide qualifications. But while the rafting industry has come quite far in its development internally, he observes that the public and certain institutions still have a tendency of associating rafting with what he calls "fringe" activities; activities that are quite similar to already existing products, but which define themselves outside of the norms and standards set by the established industry. At the time of the case study, there had been a recent accident at an operator of sledging, an activity which has a lot in common with rafting: *"I think from what I get it from Paul; the operators of those sort of "fringe" shall we say, activities, kind of fancy themselves as not rafters. They try to stay outside of the controllers. And they are a bit of a problem"* (C5:1)

He tells a similar story about an accident with bridge swinging, which in the public opinion may be seen as the same as bungy jumping:

"They made a fatal mistake and the rope wasn't attached or it was too long or something; she hit the deck and that caused a major.. I mean it has nothing to do with bungy jumping. In the public perception it sort of is. Why isn't he.. well he wasn't controlled at all. There are no standards for bridge swinging" (C5:1).

The operators clearly do not want to be associated with activities or businesses that are less organized and regulated. They have worked hard to bring the industry to where it is at today, but cannot prevent that their own activity is associated with similar activities when accidents happen, etc. In the public mind the activities are seen as the same.

Accidents involving amateurs or non-commercial actors can have the same negative effect on business; the public associates the accident with an activity and does not distinguish between commercial operators and amateurs. This had previously been a challenge for the rafting businesses at the Sjoa River in Norway. Tragic accidents involving recreational paddlers and foreign rafting teams caused a decrease in rafting customers the following seasons. As these incidents concerned all of the rafting businesses in the valley, the owners agreed to cooperate through Sjoa Elveeigarlag, the local association of landowners adjacent to the river. A media strategy was developed in which one entrepreneur is in charge of all media enquiries, and where they focus on distancing themselves from the recreational rafters.

When another tragic accident happened in 2010, the businesses were prepared. Four rafters from Ukraine drowned in a section of the river that never has been used for commercial rafting. The Sjoa Elveeigarlag reacted fast and the tragedy was presented as an unorganized rafting accident that *"had nothing to do with the responsible, established Norwegian rafting businesses in the area"*[21] With this quick and coordinated effort, the commercial businesses were not affected by the accident.

Being a fragile industry in which risk is an element, it is vital to appear professional. While customers want excitement and fun, they naturally want to stay clear of real risk. Educating the public both about the activity and the safety standards set by the industry is an important part of legitimizing the industry.

Another aspect of legitimacy in relation to new populations of organizations was brought up by Norske Opplevelser. It relates to the basic understanding of the role of activities for the overall tourist experience. While hotel owners and tour operators have heard of adventure tourism providers, they do not necessarily relate this to their own product. It takes time to develop the basic notion of activity as an

[21] The accident and the coordinated effort of the entrepreneurs was described in an article in Aftenposten (Sandvig, 2010)

important part of a destination. The entrepreneur of Heidal Rafting (C1:1) similarly describes how the local tourism associations had been very slow at recognizing the value of rafting for the tourism industry of the region. At the time of the interview, he felt that they were finally getting this recognition regionally.

The main shareholder and manager of Norske Opplevelser has been trying to ground this understanding for years. When the business develops new products, they see these as important products for the whole destination:

"Which really is important for the whole valley- that they are there. Because it is really important; if we had not been there, Hemsedal would have a much poorer tourism product. Getting the industry to realize this.. and it has taken years- for them to understand this" (C4:2).

The way he sees it, there is a gap between what people from other parts of the tourism industry learn at conferences and seminars and how this is carried out in the daily practices:

"At all types of tourism conferences I have joined in Norway, I have heard this through ten years; everyone talks about how now is the time for activities, but it is not until now people are really beginning to realize this (…). Because people first believed that the guests were happy if they had a nice room and a good bed and then that was it. But.. the customer doesn't come here for that, it is just given that those things are in place. So to get an acceptance on that our products and product development is enriching Hemsedal ..." (C4:2).

The development he describes as a slow but increasing emphasis on the experience part of the Norwegian tourism industry has also been documented in research. As described in chapter 7, Jakobsen and Espelien (2011) found that the experience providers of the tourism industry are getting an increasingly more central role in the interconnections of tourism businesses. In a previously study (Jakobsen and Espelien refers to Jakobsen et al. 2002) the accommodation businesses as had been identified as the commercial core of the tourism industry, as they had stong couplings to the other parts f the industry. In their follow up in 2011, the accommodation providers were still central, but in addition, every branch of the tourism industry had stronger connections to the experience providers in 2011 than in 2002.

From an innovation perspective, the adventure tourism activities in the defining phase are not necessarily "new" in terms of years in business any longer and there are several providers of the same adventure tourism activity. Still, the lack of awareness and acknowledgement is seen as challenging growth. In terms of legitimacy, this section has shown how this may be seen both in how the businesses work to develop routines and professionalism internally, and delimit their activity towards less organized activities. However, lack of legitimacy is also seen in relation to official agencies and the tourism industry at large, as the business owners describe lack of awareness both of the importance of adventure tourism activities

for the tourism industry and lack of knowledge about the heterogeneity of adventure tourism activities.

9.4. THE MATURE PHASE

A central argument of the population ecology perspective is that the time elapsing between the start-up of a new population until it reaches a 'maturity level' differs widely from population to population. With bigger and more organizations, gaining legitimacy and efficient organizational knowledge is gained faster. Characteristics of the market and how well received the product is on the market therefore influences how quickly the population matures.

The final evolutionary phase describes a situation where 'liabilities of newness' have ceased to be an issue for the population. At this stage it is 'business as usual' with a product well known to the market and the overall tourism industry, product standards and the associated knowledge are in place and new entrants to the industry can base their knowledge base on imitation and adaptation of already existing organizational forms.

The model is based on findings of different challenges related to building efficient organizational knowledge and legitimacy. In the third phase, these issues have been solved, and the entrepreneurs are more concerned with other aspects of developing their business. In terms of efficient organizational knowledge and legitimacy, the specific activity *"has come as far as it can get"* (C5:1 describes rafting in NZ).

At this stage, the activity is a well-established part of the tourism industry, well known in the public and embedded in an institutional framework. Routines and procedures are formalized, there are fewer providers on the market, but of these many are bigger and more robust. The activity providers have reached agreement on standards and certifications and there are overarching organizations overseeing the industry. In the following it is discussed what it means in terms of knowledge development and legitimacy to run a business providing a well establish adventure tourism product.

9.4.1. KNOWLEDGE IN THE PERIOD OF STABILITY

What does it mean in terms of knowledge processes that an adventure tourism activity has matured? Before elaborating further on this question, it is important to note that while an activity may reach a phase of stability in terms of knowledge and legitimacy, it does not mean that the individual business have no challenges with knowledge development. Micro businesses struggling to survive challenged by short seasons and high guide turnover will have problems related to develop efficient routines and gain legitimacy as e.g. an industry partner.

The difference is that in the period of stability, these issues are not due to 'liabilities of newness' (Stinchcombe, 1965). In this phase a new entrant to the population will

have role models upon which to mould knowledge base and routines. The *knowing what* and *knowing how* necessary to run a business based on this specific activity is already established. The formalization and standardization process taking place in the previous phase is brought to an end, or at least settled for the most part.

Knowledge is now stored in different repositories of knowledge as described in the previous phase. Organizational routines are not only established, but often also formalized in procedures and manuals. The formalization facilitates the transfer of knowledge from one generation of employees to another, and acts as an ideal measure to compare with if something goes wrong and there is an accident. The lead guide at Fox Glacier Guiding has been in the business for more than a decade and has experienced how the business has gradually matured:

"And that's where it has changed, from being a small company focused… kind of company family to a lot bigger and having more systems and everything written down. There are procedures, whereas we didn't have that ten years ago" (C7:1).

In the period of stability the specialized knowledge required still has to be developed by the individual employee, but now there are role models serving as mentors and instructors. There are courses, standards and manuals saying something about the level of expertise required. These manuals have often been debated over years by different actors, both commercial and non-commercial, before reaching agreements on content and practice. Such processes were described in both Folgefonni Glacier Team and Fox Glacier Guiding.

Adding to this, both activity-specific and cross-activity specific organizations serve as repositories of knowledge. The existence of these types of organizations was most well developed in NZ, reflecting the size and number of the businesses within each activity population. Different activity specific organizations such as the NZ rafting federation or the Nortind in Norway can be seen as repositories of activity-specific knowledge, while the active role of DOC in NZ perhaps best illustrates the role taken by a public organization in regulating and stating demands on the industry.

The different repositories of knowledge represent an accumulation of quite specialized knowledge. An interesting finding of the case studies was examples of the public becoming gradually aware of this specialized knowledge. This could e.g. be seen in the accumulation of knowledge in Encounter Kaikoura. Over the years, the business has built up a wealth of knowledge not only of dolphins, but also about the marine life of Kaikoura in general. Their skippers e.g. systematically gather information on their commercial trips, which are then shared willingly with the scientific world:

"We've got one of the biggest data bases in the world of behaviour and population numbers of the dusky dolphins. So for researchers its heaven. We collect GPS, pod sizes, movement behaviour; all of that information on every tour, so for a researcher to come in and have this huge data base just sitting there" (C8:1).

A lot has happened since the young entrepreneurs first experimented with swimming with dolphins in the late eighties. Now the accumulated knowledge is shared and appreciated by scientists.

Another example is how some of the guides working at Fox Glacier Guiding later have moved on to jobs in the Antarctic based on their specialized knowledge:

"… say they were assessed at a fairly high level and they became the guides that had done you know five years of guiding and gone through all that training and actually became very competent… And that has been reflected in the fact that they have been popular in Antarctica. You know a lot of them have been snapped up by the Antarctic programme" (C7:2).

Likewise, the Norwegian mountain guides are getting well-paid job doing access work in the oil industry (C3:1). The particular niche knowledge is gradually being integrated to broader domains. These examples illustrate how the knowledge has been developed and refined since the first exploratory attempts at creating a new adventure tourism activity. The acknowledgement and diffusion of this knowledge to other domains clearly signals how these initial tourism activities have gained legitimacy in the public.

9.4.2. LEGITIMACY IN THE PERIOD OF STABILITY

At some point in time the adventure tourism activity has reached a certain maturity level where issues of legitimacy are less present. In their article on the institutional context of industry creation, Aldrich and Fiol (1994:648) argue that the highest form of cognitive legitimation is achieved *"when a new product, process or service is taken for granted"*. In the case of an adventure tourism activity, the activity is at this point acknowledged and taken for granted both by customers and by the tourism industry at large.

While such a stage cannot be clearly defined, some of the interviews reflected a well-developed industry where the entrepreneurs could pay attention to other parts of business development. This was probably the biggest difference between the Norwegian and the NZ businesses, where the NZ businesses reflected more mature industries. While this impression to some extent could be due to the impression given by the big and well-developed glacier guiding and Encounter Dolphin products, the smaller NZ businesses also represented activities that were well established.

Mangaweka Adventure described a well-defined rafting industry where it seemed like most of the issues of cognitive and socio-political legitimacy were settled: Rafting, as the elder entrepreneur sees it, is now an activity that has *"gone as far as they can go with control and that really"* (C5:1). The activity has evolved over thirty years in NZ, with several large actors spread out both on the North and South Island.

Having gained legitimacy as an industry also means that the business will be treated as any other economic actor in case of incidents. The lead guide at Fox Glacier Guiding describes a growing amount of paper work to make sure the business is robust if there is an accident:

"And then there is all sorts of things like with legislations that has come in from the Department of labor, health and safety. Were they want you to pin off all the hazards and all that kind of things. So those, those sorts of, the compliance issues have grown a lot. And particularly in the last five years. Well the legislations been there, but the last 5-10 years that's where we have done a lot of work on to make sure that we are really robust and, we are doing everything we are supposed to as a company. Because that's where things tends to fall apart; something goes wrong and you have an investigation" (C7:1).

At this stage it is more difficult for new entrants to the industry. According to the u-shaped curve of the population ecology perspective (Hannan and Carroll, 1992), there are now less new entrants to the population. The entry barriers are higher, as the already existing businesses have developed both their human and material resources over time. New entrants to an adventure tourism activity are likely to copy an existing organizational form, rather than experiment with a new one (Aldrich, 1999).

Aldrich and Fiol (1994) argue that from a consumer's point of view, cognitive legitimacy means that people are knowledgeable users of the product or service. The adventure tourism activity in question is well known, the customers may have tried it out already somewhere else and know what the experience is all about. This is in line with how the Heidal Rafting entrepreneur describes changes in the market during his years in charge. Whereas customers previously were excited to come to Heidal and try out this new activity, he now receives more complex enquiries where customers want packages including rafting and one or two other activities during a weekend (C1:1). As the customers learn about the rafting product, they become more particular in how they want to combine the activity with other types of experiences.

9.5. CHAPTER SUMMARY

This chapter has described the development of an adventure tourism activity through an evolutionary perspective. Based on theories from the population ecology perspective (Alrich 1999) and Aldrich and Fiol, (2004) argues that two central challenges for new populations is to develop organizational knowledge and to build external legitimacy. This chapter has extended their theories by dividing the development of a population into three overlapping phases.

In the experimental phase, knowledge is characterized by exploration, as there are few or no role models to turn to. There is also little knowledge of the activity in the

public and in the overall tourism industry. The activity lacks legitimacy, and must make initial effort to raise awareness.

In the defining phase, efforts are made at formalizing knowledge; building routines, developing industry standards and certificates and embedding knowledge in population organizations and higher level institutions. To gain legitimacy the providers must define and signal clearly what the activity is all abou and for whom. The entrepreneurs were also eager to signal what the activity is not; to delimit their activity from other actors who follow different standards. The need of grounding the importance of activities as part of the tourism experience were mention by Norwegian entrepreneurs (C4:2, C5:1).

Finally in the mature phase knowledge is embedded in routines, industry standards and population organizations; the framework is in place and the activity is taken for granted by customers and the tourism industry at large.

The three phases above describe a loose pattern emerging from the case studies. It is important to note the flexibility in this pattern; if the market responds well to the product and the entrepreneurs are clever at developing both external legitimacy and efficient organizational routines internally, issues concerning newness will vanish quickly. The businesses within a population may also experience development differently. An activity may e.g. experience little legitimacy in the regional tourism industry due to historical emphasis on other attractions of the region. The same activity may have little difficulties in building legitimacy in a region already housing several adventure tourism providers. The concepts and model may therefore be seen more as a useful framework to understand development patterns and the forces shaping these, and not as a rigid predictable sequence.

The evolutionary perspective may contribute to more emphasis on time dimensions of tourism innovation. When a new adventure tourism activity enters the market, issues related to newness may linger over longer periods, beyond the first pioneering businesses. Following a competency destroying innovation part of the resources for development must attend to challenges of developing efficient organizational knowledge and building legitimacy. Building trust is essential in developing ties to an environment that has little understanding of the new activity. Lack of legitimacy may inhibit potential collaborations and common development initiatives.

Developing repositories of knowledge is an important part of the defining phase. These may be created through the forming of different associations, the creation of manuals, guide courses, etc. Knowledge is being formalized and stored. While these changes are mainly taking place ‘backstage’, the increased formalization makes it easier for other parts of the tourism industry to relate to the products. In combination with increasing legitimacy, this opens for new types of cooperation, both within and across populations.

CHAPTER 10. KNOWLEDGE RESOURCES AND INNOVATION

This chapter will explore the knoweldge resources available to adventure tourism businesses, and see this in relation to their innovative activity.

While the businesses of this study in many cases would broadly be considered as small tourism businesses, there were evidently major resource differences between the micro businesses of this study and the bigger businesses, especially the two biggest NZ businesses. These bigger actors had not only excellent facilities for the specific adventure tourism activity, but also offered additional services such as accommodation, souvenir shops or cafes (C1, C7, C8). The biggest businesses also had more resources in the form of more staff and importantly more staff in specialized positions. Having a person working specifically with sales and marketing was e.g. not an option for the smallest businesses. Fox Glacier Guiding and Encounter Kaikoura both run year-round, thereby being able to provide full time work for a large part of staff. Surely, the bigger organizations had different dynamics leading to different potentials for innovation.

With this in mind, it is also important to note the activity specific differences. The mountaineering businesses are not aiming for big groups with site-specific activities. They take small groups, often on multiple day trips and to different geographical locations. The need for investing in large scale facilities are therefore less.

Different activities also have different knowledge needs. Some of the commercial activities have high competency requirements of the guides; in particular the mountaineering businesses that follows international certification standards. Knowledge needs was found to depend both on the specific activity in question but also the quality standards of the entrepreneurs. There were e.g. large differences between the Norwegian and the NZ rafting businesses when it came to the skills they wanted from their guides. Operating on a grade 2 section of the river, the Mangaweka Adventure entrepreneur emphasized soft people skills: *"someone who can relate to a 80-year old and a 10-year old.."* (C5:2). On the opposite hemisphere, Heidal Rafting with their main trip being on a grade 3 section, but also operating on grade 4, need guides with more technical rafting skills. Such differences influence both recruitment patterns and emphasis on training and knowledge development.

While issues of employment and training will be treated mainly at business level in the following, clearly macro-financial issues set important frame conditions for the industry. This was interestingly brought up by the entrepreneur of Norske Opplevelser (C4:2) who had been to NZ on an excursion arranged by the publically

supported ARENA programme Innovativ Fjellturisme[22] (ARENA, 2014). He highlighted how the wage level created big differences in running an adventure tourism business (or in that respect, any other service business) in Norway and NZ. The NZ businesses were able to hire people working with sales, as drivers or photographers to an extent not possible in Norway. The price levels of adventure tourism activities are by comparison not that different. Such macro conditions create different premises of product development and innovation.

Section 10.1 explores case study findings illustrating a close relations between work, leisure and lifestyle values. While adventure tourism businesses primarily are small tourism businesses with the associated challenges described in chapter 5, the relation between work and leisure was found to have effects on some of the knowledge-related aspects. Stebbins' concept of serious leisure (1982) is used to theorize this relation.

The major section 10.2 explores different aspects concerning knowledge resources in adventure tourism businesses: entrepreneurial resources, recruitment patterns, challenges of staff retention, staff training, international labour mobility and linkages to external actors. The knowledge foundations described here provide the basis for exploring the innovative activity of the businesses in section 10.3. The change processes are devided into different types of innovations as findings indicate that there is a relation between the types of innovations and their resource needs. Finall section 10.4 give a summary of the analysis.

10.1. RELATIONS BETWEEN WORK, LEISURE AND LIFESTYLE

The intertwining of work and leisure emerged frequently in the interview, both in relation to motives for business start-ups, motives for working in the industry, and in lifestyle descriptions. As described in chapter 6, the concept of serious leisure advocates a leisure career ladder, where people gradually become more involved in a leisure activity, through engagement both in the activity and in the social milieu surrounding this activity. This implies that the specific leisure activity is not just something one casually tries out in one's spare time; it involves active engagement to the point that the leisure activity becomes part of a lifestyle influencing other aspects of life such as which job one chooses and where one chooses to live. For those being committed to an activity, it may not be enough to live in a bigger city and carry out the favoured activity only on weekends and vacations. Living close to

[22] Following the ARENA programs website, the aim of the program is the promotion of innovation through collaborations between businesses, the public sector and research and development institutions. The Innovative Mountain tourism project was part of this program, and at the end of the project period, it was continued as a private enterprise owned by 9 destinations.

the mountains, the ocean or the river means that the activity can be carried out more on a daily basis. Getting a job with the specific or a related activity may be a way of learning more and being more in line with the lifestyle associated with the activity.

Some of the entrepreneurs and most of the guides or instructors of this study mention lifestyle qualities and a specific activity as reasons for getting involved in an adventure tourism business. For some it represented a preferred way of life and working in the outdoors for the summer, for others it was more of a commitment and a lifestyle that they see themselves enjoying for years, or even as a career path. The quote below from the Alpinism and Ski Wanaka female mountaineering entrepreneur describes the lifestyle that they chose when they decided to start their own business. Having extensive experience from the industry, they both knew what they were getting into. She talked about the business being a lifestyle, and I asked what she meant with "lifestyle":

"Lifestyle compromises many things. A mountain guide will never be rich.. So we knew that. And then we both like mountains, mountaineering, climbing and dealing with people who like the mountains. We also, part of the decision was also that we were not going to have any kids.. We knew that we wanted to travel, we talked about South America and so on, so you know having a family and a guiding business.. you just cannot do everything. We wanted to travel, and we liked the freedom of.. maybe going to South America, back to Europe, maybe to the Himalayas one day. So that's part of the lifestyle, to travel around and visit different mountaineering areas. What else is part of the lifestyle? It's not a 8-17 job. We actually organize our own time and that's part of the lifestyle" (C6:1)

This is quite similar to the motives mentioned by the Argentinean rafting guide working at Heidal Rafting. He has worked as a raft guide in several countries, among them Iceland: *"..also a big motivation of travelling around these countries is that I love kayaking as well. And since I started doing this sport I always saw photos and movies from these countries.."* (C1:3). An important reason for choosing a specific country to work in is the kayaking opportunities; knowledge he has gained e.g. from kayaking photos and videos.

These are examples of people who are really committed to certain activities and a certain lifestyle and who have for that reason chosen to work full time within the adventure tourism industry. The cases also showed examples of people who had chosen this lifestyle for some years, but who were now involved in the adventure tourism industry only in the summer season, while having a different job in the winter (e.g. the entrepreneurs at Folgefonni Breførarlag (C2:1, C2:2), the safety manager at Heidal Rafting (C1:2) and some of the entrepreneurs at Norgesguidene (C3:2).

In addition to the motives reported in interviews, the importance of leisure activity was also apparent in the participant observation part of the case studies. During the trips, the guides and instructors talked about other hiking and climbing possibilities

in the area; trips they had done or wanted to do, both locally and internationally (field notes from the trips with Alpinism and Ski Wanaka, 12.10.2010 and Fox Glacier Guiding, 20.10.10).

The close intertwining of work and leisure can also be illustrated by other settings of the case study. Alpinism and Ski Wanaka run their business from home and their clients often come by and even stay for a night in connection with trip arrangements. Their house, where the interview with the entrepreneur was taking place, is full of pictures of the couple's own trips, of mountains and of antique mountaineering gear.

The intertwining of work and leisure among staff create a common ground that has received scarce attention in research on small tourism businesses. People have a common interest in a specific activity, and travel a lot to pursue this passion both in their leisure time and as professional guides or instructors. There are relatively few people being actively involved in the commercial activity in each country so they will always meet someone who knows someone they know. In that sense, there is a sense of community or of a small world, as you can travel across the globe and meet and work with people who have the same competencies and interests as you; sharing concepts, values and to some extent language (as the technical concepts used within an activity are international).

Thus, the case studies revealed a high degree of overlap between work and leisure, with employees working with specific outdoor activities and doing related activities in their leisure time. This tendency naturally varied in the cases, where e.g. some of the entrepreneurs had little experience and personal interest for the actual activity in question (e.g. the Norwegian rafting entrepreneur and the older NZ rafting entrepreneur). A deeper understanding of the socio-psychological processes related to this work-leisure relationship would require more in-depth case studies, but the empirical material of this study suggest a few specific consequences for knowledge development.

10.2. KNOWLEDGE RESOURCES

This section wil explore issues related to the knoweldge resources of the businesses. The research moves beyond quantitative measurements of employees, and instead looks into the motives for working in the industry, issues of recruitment and retention, knowledge needs and approaches to training, and relationships with important external actors. This broad exploration is then used as a basis for the following discussion of innovative activity.

a) Entrepreneurial resources

Small business research has pointed out that the entrepreneurs or managers of small businesses have a wider variety of roles and different priorities from those running larger enterprises (Beaver, Lashley and Stewart, 1998:171). With multiple roles and

functions, the resources and motives of the entrepreneurs and managers are crucial for small business development. Previous research on small tourism businesses have identified low levels of innovation and associated this with the entrepreneurs' lifestyle motives and contentment with the status quo (Shaw and Williams, 1998; Ioannides and Petersen, 2003).

This research in contrast revealed development oriented entrepreneurs. While economic growth was not necessarily an aim for all business (the manager of Norgesguidene clearly stated other aims than economic ones, C3:1), plans for new products and quality improvements in both services and facilities were repeatedly highlighted in the cases. While there is always the bias of positive self-reporting as described in chapter 2, actually seeing the businesses' new facilities and taking part in the activities to experience how the services were executed was a way of at least in part controlling for this bias. Some of the change processes was neither a result of a creative wish to develop, but rather necessary moves in a time of financial difficulties (C4:2, C5:2). In addition, the businesses of this study were not randomly chosen. Even the smallest businesses of this study employed one full time equivalent, thereby ruling out the smallest businesses being run as a part-time job. Perhaps you must be adaptable to survive and build up a business within this seasonal industry.

The motives of the entrepreneurs are reflected in how they approach investment in management training and collaborative projects. Several of the entrepreneurs of this study mentioned courses or seminars and different tourism projects that had been useful in the course of their business development. Courses and seminars can provide valuable new knowledge that otherwise is hard to access at the rural destinations.

Being located in Wanaka, one of the entrepreneurs at Alpinism and Ski Wanaka appreciates the availability of short courses suited for small business owners that are being held locally. The form of these thematic courses can be fit into an otherwise busy schedule, and the themes are relevant for the small business. With years of experience from the tourism industry in her home country Switzerland, she still found it useful to learn more about the conditions for running a small business in NZ; *"...coming to NZ I did follow a few business courses, just to get used to the Kiwi style of running businesses. The tax is different; you know different ways of doing businesses, so you always try to keep up with what's going on"* (C6,1).

For the smaller businesses with few resources to hire or employ specialists, courses and projects offered by tourism organizations related to the use of IT in marketing and bookings were especially popular. The fast development during the last decades has made it challenging to keep up to date on how to best present products and most efficiently deal with bookings and roistering.

The entrepreneurs at Folgefonni Breførarlag were pleased with the possibilities opening up though a project regarding a common booking system, but he also expresses some of the challenges of such projects:

"So it is a bit of a judgment with this kind of projects; I am a bit reluctant because it demands a great effort and follow-up from us and we need to have emphasis on our own products and operation. It is a bit of a problem for us, the small businesses, to have resources to follow up … (on these projects, authors comment)" (C2:1).

Courses and projects need to be suited for the realities of running a small tourism business.

While there is no quantitative data indicating that adventure tourism operators stand out from the rest of the tourism industry in their participation in external courses and projects, the entrepreneurs of this study seemed to engage quite a lot in external courses and projects to develop their own competencies. Still the degree of engagement varied among the entrepreneurs, and the activity also varied throughout the individual business's history. With more experience the entrepreneurs become more selective in what they choose to engage in.

b) Recruitment

Recruiting enough guides was in general not seen as a challenge in the eight businesses. The interviews still revealed challenges related to develop qualified staff. The following describes how recruitment issues are related to differences in activity-specific knowledge needs.

In the glacier guiding businesses, no qualifications are required to start working as an assistant. Still, to lead groups on the daytrips guides need to have completed qualifying glacier guides courses. In Folgefonni Glacier team, the season is short and the turnover is quite high, so getting enough guides through the qualification system to have a set of qualified guides is challenging. The business also highlights the interpretive part of the product, emphasizing local history, geology, etc.: *"And this is our greatest challenge: To maintain the quality on our trips by having somehing to tell and convey"* (C2:1). While the challenge is not recruiting *enough* guides, quite an effort is put in to train new guides each season.

The recruitment situation is different for the mountaineering businesses as they only employ guides that are either in the process of finishing their IFMGA qualification or who are already qualified. A challenge for the mountaineering businesses is the changing seasons, where there may not be enough guides in the busiest part of the seasons: *"We have enough customers. Especially nowadays* (in June, authors comment*) she* (the manager, authors comment) *is answering no to something like twenty e-mails per day"* (C3:2). There is a lack of guides in the busiest months of July and August.

Encounter Kaikoura and Heidal rafting had good access to qualified staff. The marketing director of Encounter Kaikoura was asked about the quality of the applicants to the positions for the encounter dolphin product: *Incredible applicants! From all over the world. I probably receive about five CV's a week throughout the year"* (C8:1). She further describes the applicants as very varied when it comes to age, experience levels and qualifications.

Heidal rafting has had a stable staff the last few years, and if they lack a guide, the foreign guides often recommend people they know (C1:2). The safety managers otherwise have enough to choose from: *"We get a lot of applicants each year… I get about 25 to 35 e-mails every winter from people interested in working here"* (C5:2).

Mangaweka Adventure Centre and Norske Opplevelser had low formal requirements from their guides. In Mangaweka, the owner would have liked to see more NZ guides, but *"it is hard to get New Zealanders (…) because it is only grade two it is hard to get someone who is really excited about that"* (C5:2). They end up hiring mostly foreign guides and call in some local, part-time guides on bigger trips.

Norske Oplevelser has few people regularly employed, but has a long call list for bigger assignments. As these assignments seldom require any formal qualifications, they have few problems recruiting enough people at the ski destination.

The above illustrate that that the challenge for these adventure tourism businesses is not recruiting enough guides, but to develop a competency level needed for their specific products. When asking about why people became in involved in the adventure tourism businesses, motives related to lifestyle, being in the outdoors and specific outdoor recreation activities frequently came up.

Many of the guides at Folgefonni Breførarlag are e.g. recruited specifically from outdoor recreation milieus in Bergen. The owner and manager mention employees from Bergen turlag (the regional branch of The Norwegian Trekking association) and BSI (the student sport organization in Bergen). This is reflected in the glacier guides' answer to why they choose to work on the glacier: *"It is just a wonderful mix of different people each day, I can be outside, I can.. I guess the nature experiences are just as strong for me as for the participants, every single day. There is a lot to it"* (C2:3). The nature of the work attracts people to the guide work, even though, or rather because, it involves living in the small community of Jondal and working up on the glacier.

The social milieu of a specific activity may also be an important source of recruitment. The safety manager of Heidal Rafting explains how the guiding culture in the business changed in the late 1990s:

"And back then there were a lot of kayakers employed in the business. They had a bit different motives; they would rather work and finish up with the job and then go

out kayaking. (...) Simultaneously they were very clever on the river, they were the kind who worked year round with rafting" (C5:2).

The example from Heidal Rafting fits well with Shaw and William's (2004) study of entrepreneurship in the surf industry of Cornwall. They describe how staff is recruited from the surfing community. The researchers compare these findings with their previous research, where staff in small tourism businesses to a large degree is derived from family and friends.

The ease of recruiting staff to adventure tourism businesses can thus be seen in relation to the serious leisure perspective described in chapter 6 as motives for working in the outdoors in general and more to specific motives related to certain outdoor recreation activities was identified. The engagement in an activity and the associated lifestyle influence where you want to live and the work you choose. While surely the level of involvement varies, the concept can still be useful for understanding recruitment patterns in adventure tourism.

c) Retention

The main challenge for developing needed competencies is staff turnover. Retaining staff is important both for the quality of the products and for a more efficient utilization of resources. While staff retention was not quantitatively measured in this study, several cases were concerned by challenges related to high job turnover. Keeping staff for several seasons, long enough to develop their guide competencies, was a challenge.

While retention was an issue in both countries, it was most noticeable in Norway where short seasons give the guides the opportunity to study year round and guide during summer vacation. The economic gap between being a guide and the jobs you can get with an education pulls people away from the adventure industry. The difficulties of keeping Norwegian guides are well summarized by the safety manager at Heidal Rafting:

"No, I guess it is… mostly about economy. It is not very… very well paid, and it is quite a short season. So it is often, with the Norwegians that work here, that they work for a few seasons and then they decide to study and get a sweetheart and a house and better paid jobs. And disappear little by little" (C1,2).

The same pattern was found in NZ, but to a lesser degree; the industry can offer more year round jobs, and businesses are bigger, offering opportunities to work more administratively for the experienced staff.

Having run the business for 31 years, the entrepreneurs of Fox Glacier Guiding reflected on their experiences on how to make the guides stay longer. The entrepreneur, himself having a background as a mountaineering guide, emphasized the importance of acknowledging the complex motives for guides to come to work in the small community of Fox Glacier. Understanding this is vital in the search for

the right tools for making them stay longer. In his view, these motives include a wish to travel and work in other parts of the world:

"one of the key things is not to ... or to hold a very light line, you know you don't try to be too dictatorial and force them to stay and be, you know ... punish them if they don't, because it is the sort of people they are, they like to have a lot of freedom and they like to go off travelling and they.. you should treat them like that. Don't make it difficult for them to do that sort of stuff, then they will come back" (C7, 1).

The opportunity to work abroad in the off-season was in itself found to be a motivating factor for staff to remain with the activity for more seasons (C1,3) (C7, fieldnotes, 2010.10).

Another motive for wanting to be a glacier guide at Fox Glacier Guide is the opportunity to climb and explore the mountains of the west coast. For the entrepreneurs such restlessness in their staff was seen as a bonus, as it eventually would lead to more experienced and motivated guides: *"And we really liked to see them getting out and about, was the other thing. If people said they wanted to take four days off and climb Mt Tasman or something ... we really liked that. And it wasn't hard to organize it. It was give and take"* (C7:2).

In that respect the wish to being in the mountains or on the river may lead to less staff turnover. That being said, the guide manager of Fox Glacier Guiding also emphasized that the business has quite competitive wages and making the guides return for more seasons: *"So we are getting a lot of old, senior, experienced guides that come back. And part of that is the fact that we do pay well"* (C7:1).

In the eight cases of this study, the businesses with the highest qualification levels also had the least challenges with staff turnover. This is in line with Lashley's findings (2005) indicating that there is more staff retention in more specialized positions. The mountaineering businesses had access to full-time guides and Heidal rafting had a stable crew of mainly foreign highly qualified guides. In these cases the guides had committed to full time jobs in the industry.

d) Training

The tacit skills needed to deliver several of the activity products takes time to develop. Various strategies are being used to make sure that the skills are in place, either through stating competency requirements when new guides are being recruited, or by having training periods where the new guide work as an assistant until the competency level is high enough either to start guiding or to be accepted at qualifying courses. Some of the businesses also offer products requiring different levels of difficulty, where the new guides work at the basic activities, while the more experienced guides are in charge of the more specialized products. In e.g. Fox Glacier Guiding, the new guides work mainly for the short glacier hiking trips, while the experienced guide run the longer, more technical ice climbing trips.

In addition to this, the businesses to a various degree offer different types of training. The amount and organization of training varied in the case studies, both reflecting the variety of products offered, the qualification requirements and the ambitions of the owners or managers.

With demanding mountaineering trips as their main products, the mountaineering businesses e.g. follow standards of recruiting only guides that are either in the process of becoming or are qualified as IFMGA guides. While some coordination work is still inevitable, the need for specific activity specific training is less.

Similarly, certain activities such as rafting have an international labour market where it is easy to recruit highly qualified guides (C1:1). In such cases, lack of internal employee training does not necessarily mean a poorer product. The following extract from the safety manager at Heidal Rafting illustrates an informal approach to training. The rafting business usually has some training trips for the guides at the start of the season, especially now when they have started to raft the technical Åmot section. As the guides are full time guides and have been rafting on Sjoa for years, the safety manager has seen less need for such training the last few years:

"We may train before the Åmot trips, or we kayak, many has been.. before the water has dropped enough (for taking a raft down Åmot), you may have been down the Åmot section 40-50 times in a kayak. It is a bit different with a raft, but then at least you know the section well" (C1, 2).

Training therefore seems more based on the safety managers' perceived needs than on set routines. Now that he has a competent team of guides, there is less need for arranging common training sessions. Such a pattern of patcy, need based training was also found in Folgefonni Breførarlag and Mangaweka Adventure Centre.

The two biggest businesses of this study had the most set routines on staff training. Fox Glacier Guiding had both new guides training and different courses and assessments for the more experienced staff who e.g. wanted to work on the ice climbing trips (C7:1). The guide manager explains how the guide courses could be seen as important rewards for the guides, tempting them to stick with the guide position. At the time of the interview, the guide manager was in Wanaka with a group of second season guides as part of a yearly three day training programme: *"And three days paid training away from work; no clients. About eight of us. It's a big investment, but it's good fun.It is part of team building"* (C7:1).

The market director of Encounter Kaikoura similarly describes comprehensive training at the start of the season, providing training for all their new employees:

"Oh yes, lots of training. For any new guides or skipper there is an intensive four-week training program. So they learn everything from the history of the company and its mission statements and the ethics behind the business, all the way through to

the specifics of their role. It has actually been broken into training modules". (C8:1).

Such comprehensive preseason training was an exception. Training was found to be patchier and more need-based in most of the businesses, often with the aim of improving the skills of new guides to make them qualified for new work responsibilities or qualifying courses. Informal short training sessions at the start of a new season was common and only if the entrepreneur or manager saw it as being necessary.

Kitching and Blackburn's research (2002) found that the entrepreneurs of small tourism businesses prefer to provide in-house resources for training of employees, both due to lower costs, convenience and to ensure relevance. The adventure tourism businesses showed a mixed pattern on this area, as much of the qualifying courses and mandatory courses, such as search and rescue in Heidal Rafting, were organized by external actors. The more patchy need-based training, often directed towards specific products, was carried out within the individual business.

In addition to this pattern, the empirical material suggests that much knowledge development is following more informal channels, also taking place during leisure time activities. The safety manager at Heidal Rafting describes how the employees go kayaking in the afternoons, and the parallel is seen at Fox Glacier Guiding, where different forms of mountaineering are the natural choice of leisure activity. In the mountaineering businesses, the parallel is self-evident, as becoming a guide requires an extensive immersion in alpinism, climbing and skiing over years as a leisure activity before reaching the level when one can enter the IFMGA program. Again, the serious leisure perspective is relevant, where knowledge highly relevant for the job in adventure tourism is being developed during leisure time. Employees who go kayaking or climbing in their leisure time learn skills that improve their technical work related abilities.

As described in chapter 5, the transfer of tacit knowledge is best achieved through personal interaction and close supervision. The small worlds of rafting guides, sea kayakers or mountaineers are good arenas for such knowledge transfer. With similar motivation and willingness to learn, and possibilities for learning both while at work and in spare time, conditions for learning should be good. Factors related to the social milieu in that respect represents a channel for knowledge development, nearly independent of business management.

Serious leisure may also influence employees' motivation for training. Especially for the employees new to the activity, getting training and certificates are important motivational factors. The entrepreneur at Norgesguidene tries to explain the role of their neighbouring glacier guiding business:

"The majority of the people working here (in the glacier guiding business), take some kind of course or further education … for those who want to work in the mountains; who have this dream from youth or childhood, have few other entry

points to try this out than here in Breførarlaget (the glacier guiding business)"(C3:2) .

In the glacier guiding business, they can start out as assistants, with little previous knowledge, and find out whether this is something they will continue doing. If they want to move on to other jobs in the outdoors, they need training and certificates.

The serious leisure concept thus allows for a broader understanding of skill acquisition and training in adventure tourism businesses. Through personal interest and commitment to a specific activity, guides and instructors improve their skills also through related leisure time activities.

e) International labor mobility

Related to the findings above is the role of labour mobility in adventure tourism. While the tourism and hospitality labour market has been described as being heavily reliant on the secondary *local* labour market (Jameson, 1998:177), recruiting staff from other regions and countries to get the competencies needed was common in most of these eight case studies. The international character of the adventure tourism businesses was a clear thread throughout the interviews. Entering small businesses in rural areas, the international atmosphere was at times striking. The guides and entrepreneurs in e.g. Fox Glacier Guiding knew the names of Norwegian glacier arms and glacier hiking businesses, and asked if I knew this or that guide who had been working in both countries. Similar knowledge was exchanged both in the mountaineering businesses and at Heidal Rafting.

With businesses situated in small towns and communities, several entrepreneurs mentioned the value of international labour mobility (C1:1, C5:1, C7:1). Compared to other parts of the tourism industry, these are niche products, with little associated knowledge to be found locally; there are few local role models to look to for comparison and information. An issue such as product quality is easier to discuss when similar products have been experienced at other destinations. The niche character of the different adventure tourism products therefore makes labour mobility particularly valuable.

Hall and Williams (2008) argue that labour mobility between firms in different regions or countries can be driven as much by tourism aims as by employment. They use the example of the ski instructor whose main aim is to be in the European Alps and the southern alps of NZ in their respective winter sport seasons, with the particular job being secondary. This is in line with some of the lifestyle motivations mentioned by employees from these case studies (e.g. C1:3, C4:2 and field notes from C7).

In a study from Norwegian skiing destinations, the role of the mobile seasonal employee was explored in relation to tourism businesses' innovative capacities (Ericsson and Hagen, 2012). Their findings indicated that mobile seasonal workers can play a role as carriers and intermediaries of knowledge between different destinations (Ibid: 97). The mobile seasonal workers represent a knowledge depot

that may have a bigger potential for utilization. Their research indicates that the probability of being involved in innovation and improvement work increases strongly if the workers have experience from similar destinations, preferably better developed than the Scandinavian ones. With similar characteristics, it is easier to transfer knowledge. Following Ericsson and Hagen, the value of labour mobility is clearly depending on the receptive capacities of the business in question.

Each commercial adventure activity has its own labour market and its own challenges regarding competency development. Rafting is an example of an activity where, depending on the difficulty of the river in question, it takes several seasons to develop competent staff. The solution for Heidal Rafting has been to hire foreign guides. Nearly all of their guides today either are or have been full-time guides working on different rivers throughout the world, moving with the summer season. Only two of their regular guides are Norwegian, the others are from Argentina, Chile, South Africa and Tasmania (C1:2).

While these guides cannot provide the local knowledge of the area, they have years of experience from different rivers and are very professional in their job. While the owner-manager of the business would have liked to have more Norwegian guides, he is very happy with the situation as it is today. He has had the same group of highly competent guides coming back for four years in a row; *"It is truly fantastic! An it is so easy you know when you're starting up another season; that simply from the first day … everything run by itself"* (C1, 1).

The guides working internationally can also be valuable sources of new knowledge. Local guides travelling off to work at other destinations come back inspired by new ways of doing things, ideas of how to improve routines or other ways to present the adventure tourism product. The early entrepreneur of Mangaweka Adventure clearly highlighted the importance of the local guides working on rivers abroad:*"... It is so valuable for the guides from here to interact at your place (Norway), or America or.. it's really cool eyh..? Because they all think a bit different and they've all got a different idea of something"* (C5:1).

Hjalager (2002) argues that if the reception capacities for new ideas are favourable, highly mobile and qualified employees can be a source of knowledge transfer and innovation. The cases show several examples of international labour mobility being crucial for efficient imitation and spreading of new adventure tourism activities or new procedures to new destinations. The networks created by mobile workers also contains know-who information that can be valuable in the development of more specialized adventure tourism products. An example of this is when the Heidal Rafting wanted to develop a new canyoning product. Mediated by one of their own guides from South Africa, they got hold of a skilled canyoning entrepreneur from South Africa who then helped Heidal Rafting develop their product (C1:1).

The elder entrepreneur of the Mangaweka Adventure (C5:1) had as mentioned previously also been involved in developing a bungy operation. He highly

appreciates the value of international knowledge exchange, and gives an interesting example of the opposite. On a private trip to Nepal, he visits a bungy site operated by local Nepalese. While staff was friendly and it was an "*incredibly high"* gorge, *"you could have created a lot better experience than what it was"*. He saw this as a result of lack of knowledge exchange: *"They are isolated, they don't get to mix. They are not allowed to travel, or else they haven't got the money. They are poor; they can't just go to Norway or NZ"* (C5:1).

Labour mobility and the outsider perspective may lead to increased access to ideas and competencies. While tourism businesses in general have been found to mainly "copy the neighbour" (Weiermair, 2004), a skilled international labour force may lead to a quicker internationalization, especially valuable for the small rural communities.

This much being said about labour mobility in tourism, there were important exceptions to this pattern. The mountaineering businesses mainly hired guides regionally and nationally. In addition, Folgefonni Breførarlag, highlighting the local particularities of their glacier guiding products, wanted more local guides and recruited mainly from the Bergen region.

f) External linkages

Weiermair (2004:8) argues that co-operation, alliances and/or networks are the most promising vehicle for innovation. While no network analysis was carried out in this study, the entrepreneurs and managers were asked about major cooperation partners, and who had been important for the development of their business. While cooperation with local tourism businesses, tour operators and tourism associations at different levels had been important for the development of all the businesses, the answers indicated that the bigger businesses were more embedded in local organisations and, important for their business, had more formalised cooperation agreements with both tour operators and accommodation providers. For the bigger businesses these formalised agreements usually involves commission. There is a high share of bus tours including adventure tourism activities in NZ. This was reflected in the cases where both Fox Glacier Guiding and Encounter Kaikoura have a major part of their income through such regular arrivals of bus groups (C7:1, C8:1).

The entrepreneur(s) of the smallest businesses is in charge of most roles in the business. This provides little time for more strategic work. Resource constraints may therefor be one reason for the identified difference between the larger and the smaller businesses. The bigger businesses of this study were also relatively old organizations. Trust is an important mechanism in economic transactions and cooperative work, and these organizations have had time to develop a common history of cooperation. Legitimacy is another related mechanism. The knowledge of the specific adventure tourism activity has had time to develop. It is easier to go for deals when the activity has proved itself to be well received by the market.

Another external source of knowledge to adventure tourism businesses is naturally the customers. Stamboulis and Skayannis (2003:38) argue that interactions with customers provide an interface within the tourism industry at which strategies and innovations can evolve. While these researchers are referring to the daily interaction between customers and service providers, entrepreneurs of this study specifically emphasized recurring customers who over time had become more like valuable friends and business mentors than customers. This type of informal mentorship was most clearly described by the mountaineering businesses.

The entrepreneur of the NZ mountaineering business, Alpinism and Ski Wanaka, describes the value of their returning customers who have turned into friends and mentors:

"... it is hard to be objective and see from the outside where we are at, because we are always so busy, we got so many projects and never enough time, so we lose the big picture. So people like that are extremely important" (C6,1).

Such mentors can take different roles. The above-mentioned mentors had become friends of the entrepreneurs and were helping them out with advice on different issues over time. For them this consistency was valuable as it takes time for the mentors to fully understand the situation of the small business and their specific market position.

With quite high-end products, the mountaineering entrepreneurs find that many of their customers have business and management experience. In both mountaineering businesses, the entrepreneurs themselves work as guides and can therefore build valuable relationships through the time spent with such 'business experts'. With a small guide to client ratio and often multiday mountaineering trips, there is more time for exchanging business ideas and discussing strategic choices than what would be the case with a rafting or glacier guiding product of shorter duration. On their mountaineering trips they spend days with their guide, with plenty of time to discuss business matters. The time factor of the extended service encounter as well as the common passion for mountaineering probably makes the creation of mentorship more likely.

There is little reference to this type of mentorship in the tourism literature. The importance of external sources of information is as mentioned in previous chapters well covered in organizational literature using concepts such as weak ties (e.g. Granowetter, 1973) or pipelines (e.g. Bathelt, Malmberg and Maskell, 2004). For the businesses that highlight external mentors in this study, the informality and not-committing character of the relationship was appreciated. Through informal business advisors, they could get knowledge input and an objective view of their business without having to strain limited time and resources.

This section has given an overview of issues related to the knowledge resources of the eight businesses. With this broad background, the following section will look

into their innovative activity, and relations between innovation and available resources.

10.3. INNOVATION AND BUSINESS SIZE

In a typical innovation survey, the manager or entrepreneur is asked about how many significant changes the business has been through e.g. over the last three years. This provides a measurement of innovative activity that then can be compared with other industries or provide a baseline to look at how the innovative activity changes over time. For further information the businesses is asked about which type of innovation they are undertaking; whether these are product, process organizational or marketing innovations.

With a qualitative approach, this study aims to examine what lies behind these numbers. What types of changes are taking place in small tourism businesses, and how does the pattern change as the business grows? How does adventure tourism business of different sizes, and accordingly in different resource situations, approach innovation?

In the following discussion innovative activity is divided into product, process, organizational and marketing innovation, as the size-related differences was found to vary according to the type of innovation in question.

The fuzzy lines between different types of innovation were clearly observed in his material. A new product will e.g. lead to organizational changes and a new market, and small changes in how a service is delivered can over time end up being a product innovation. While some may disagree with how this is defined in the following, the emphasis is on how the changes are affected by the resource situation of the business.

With very few exceptions, the majority of the innovations found were adopted from other businesses and/or product differentiations. This is in line with previous research on tourism innovations (Volo, 2005; Weiermair, 2004). Weiermair (2004:9) describes small tourism firms as being: *"..Usually imitators, poaching innovation or product changes from across the street or across the region (rarely across the country, the continent or the world)"*. While this fits well with the findings of this study, the material also contains several instances of ideas derived from other regions or countries. Labour mobility and the nature of the adventure tourism product, often being tied to specific natural elements, probably increases the probability of "borrowing" ideas from further afield.

Product innovation

As described in the previous chapter, some of the businesses of this study were based on either an innovative new activity or an early adaptation of an activity. Both as innovators and as early adapters, they added new products for the adventure

tourism market, and the start-ups of their businesses can in that respect be seen as innovative processes necessitating the building of new knowledge and legitimacy.

Several other product innovations came up in the case studies, but most of them can be seen as being "new to the business" rather than new to the market. A study by Jacob et al. (2003) found that the leisure and recreation part of tourism had low levels of innovation but a relatively high level of product innovation. Although based on a qualitative material, this study seems to support these findings: product innovation did not necessarily mean big investments and while some businesses (e.g. Norske Opplevelser) were forced to make bigger product changes to reach new markets) customization and product differentiation was common. In the introductory chapter, adventure tourism was argued to be a part of the tourism industry that has potential for being flexible and adaptive, as changes in the product portfolio does not necessarily involve heavy investments.

In a more exploratory framework, two patterns seemed to emerge from the empirical material concerning product innovation.

The first pattern relates to openness to new product development or product experimentation. Two situational factors seemed to contribute to a high motivation to develop new products, even products based on knowledge not covered by the business' core competencies. Businesses in weak competitive environment and businesses facing crises were found to be creative and open in their testing of new products.

The start-up of Norgesguidene illustrates how lack of competition influences product development. The entrepreneurs started up in a very weak competitive environment where mountaineering still was not a well-developed adventure tourism product in Norway. Their first business plan contained a long list of activities. These activities covered the personal interests of the entrepreneurial team, spanning activities such as diving, taking photos, fishing and sailing as well as the more traditional mountaineering activities. Some of these activities never made it passed the business plan, some were tried out the first season and some lasted in their product portfolio for a few years. The initial idea was to create a business based on the entrepreneurs' broad range of personal interests in the outdoors, but soon developed into a more strictly mountaineering business.

The story was quite similar also for Norske Opplevelser and for Folgefonni Breførarlag. Both businesses started up with no local competitors and tried out a wide variety of activity products during the initial years. This initial product experimentation would probably not have been possible in a more competitive environment in which the entry barriers were higher.

Facing crises also seemed to push some of business towards openness to major product changes. At the time of the case studies, both Mangaweka Adventure and Norske Opplevelser were in situations where they felt a need to create something new to survive, even if this meant radically changing the course.

The main market for Norske Opplevelser was the incentive market, making the business very vulnerable when the market collapsed in the winter of 2008. As times had been good previous to this, the business had funding to keep them going for some months even with a negative result, and at the time of the interviews they were in the middle of several change processes. The owner-operator expressed how the business in such a pressed situation had two basic alternatives:

"Either to just sit here and lay off with the breaks on, or rethink and develop and hope that it (the economic problems, authors comment) will vanish. So now we can afford to reinvent and try to be clever and hope that we can land this" (C4:2).

By developing new products such as snowshoeing and winter via-verrata and adjusting their marketing strategies, the business now aims more for the winter tourism market at the ski destination. In this respect, the changes are leading to adjustments in the yearly routines, with potential for greater sales year round if the incentive market picks up after the crises. The financial challenges have led to vital changes in every part of the business, mainly based on existing knowledge being used in new ways.

With these situational factors in mind, there seems to be less room for major product innovation, as the specific activities mature and the businesses are facing stronger competition. With increasing competition, the businesses rather emphasise quality improvements of their main activity product and instead develop complementary services to keep up with competitors.

This gradual specialization can be illustrated by an extract from the interview with the entrepreneur at Heidal Rafting. He describes his business as being change oriented, but that he makes sure that changes should be taking place within the core competencies of his business. *"Spreading out on too many activities just to, … I think that would lead to dilution and the delivery of poor quality on everything "*(C1:1). For the mature rafting business, product development mainly means differentiation of the already existing river-related activities. In addition, the business has cooperation partners who offer additional adventure tourism activities for tourists who want packages that are more diverse.

The second pattern concerning product innovation is a natural consequence of growth. Significant changes for businesses experiencing growth was the diversification of the business; from being built on the provision of an adventure tourism activity with very basic facilities, growth means investments in infrastructure and a diversification of the services provided. While this could be seen also in the smaller businesses, the pattern can be exemplified by the growth pattern of the two biggest businesses of the study, Encounter Kaikoura and Fox Glacier Guiding. Both came to a point in time where they realized that further growth would require investments. The owners of Fox Glacier Guiding decided to build an activity base while the owners of Encounter Kaikoura leased and restored an old supermarket.

Both businesses ended up with activity bases housing their booking desk, a café, a souvenir shop and a spacious area for equipment. While such multifunctional bases are common for bigger adventure tourism businesses in NZ today, that was not the case in 1985 as noted by the entrepreneur's wife and co-owner: *"And probably at that time that building was built it was one of the first activity ... activity businesses that had the food and retail all as a one stop shop thing. I don't think there was anywhere else in NZ that was doing that at that stage, it was a bit of an idea of yours a wasn't it*? (C7,2).

Such investments mean a fuller tourism product, as more services are included. For the business, it means a different financial situation with higher risk and the reorganizations of staff and the workings of the business. Tour operators often ask for such facilities, and it also means that potential competitors face higher start-up barriers. This pattern should clearly be seen in relation to the activity product offered. The mountaineering businesses working with small groups and operating over wide geographical areas have different needs than the more standardized activities.

One main debate in innovation literature has been between the innovative capabilities of small vs. larger business. In short, bigger businesses have the advantage of running research and development departments and building up highly specialized knowledge resources. In contrast, Rothwell (1983) argues that smaller businesses have the advantage of being adaptable; they do not have a big organization in which to implement changes. The creative elements can therefore come to the fore.

As described in chapter 6, the innovative capabilities of micro sized businesses are limited due to resource constraints. In terms of product innovation, this study questions whether this counts for adventure tourism businesses. Especially during their first years and businesses with little competition may seem innovative, as they have ideas for and experiment a lot with new activity products. Such experimentation usually does not require heavy investments. Still, this study suggests that over time the businesses settle on fewer activities and instead emphasise quality improvements and product differentiation.

Marketing innovation

Marketing was the part of the business where most of the companies reported lack of resources and skills as a brake on development. In a micro or small business, it is challenging to find the time to develop the necessary skills in-house and hiring in services is expensive. In a study on Norwegian adventure tourism businesses in the county of Møre and Romsdal (Yttredal, 2005), a majority of the businesses reported lack of visibility and access to the market as the main challenge to increase profitability.

Three of the businesses of this study had a person working specifically with sales and marketing, and these were the three largest businesses. In the other smaller

businesses the entrepreneurs had to do their best to work with issues of marketing on their own.

Business size was clearly affecting the businesses' potential for marketing innovation. The smallest businesses had to focus on the operational aspects of creating new brochures or leaflets or having an up-to-date web page. Naturally, all of the businesses had their own website now, and all had been through renewals of their homepage at least once. However, especially for the smaller businesses it is challenging to keep the page up to date. The entrepreneurs at Alpinism and Ski Wanaka, which is on their fourth webpage in ten years, were finally convinced by some of their customers who had turned into friends and business mentors, that they needed professional help with their pages. They ended up having professionals create the templates, while they were completing the text themselves (C6:1).

The entrepreneurs at Folgefonni Breførarlag have also made the first rounds of web pages themselves, and now consider redoing their entire visual profile; *"Everything from logo to website to.. everything, to be more professional. But it is a priority. You have to walk some miles on the Juklavassglacier to cover that"* (C2:1).

While this was a major concern for the smaller businesses, it was not brought up in the bigger businesses having their own marketing departments.

Another well-known way of presenting tourism products to the wider tourism industry is by going to trade fairs and expositions. How active the entrepreneurs were on this arena varied, with the bigger businesses being more active.

While all businesses of this study were members of the local destination associations at the time of the case studies, the involvement in destination and regional marketing work varied considerably. A pattern identified in both countries was that the bigger businesses were more involved and spent more time at these arenas than the smaller businesses. This can probably be seen in relation to the more constrained nature of the smaller businesses, as involvement requires both time and economic resources. A quote from the entrepreneur of Fox Glacier guide illustrates how a bigger adventure tourism actor could actually take a lead role in these processes: *"We started going up to Auckland and meeting the agents and… and the sort of slow grind of being part of tourism promotion groups and… because most of these things didn't exist, we had to play a reasonable big role in getting them going on the West Coas"* (C7:2).

The size related differences could also be seen in how engaged the businesses were in the gathering of marketing data. In a national survey of innovation in the tourism industry in Norway, Rønningen (2009) found that bigger businesses were more innovative and that the findings could be partly explained by the bigger businesses' ability to collect market data. The systematic collection of market data opens a pool of ideas for how to improve and adapt the business for the specific market.

As mentioned above, market research is an area for which the smallest businesses seems to have little time and resources. The more systematic gathering of marketing data was also in this study found in the bigger businesses. Encounter Kaikoura e.g. had systematized customer feedback.

This difference between innovative capacity between micro and small businesses in a marketing context was also recognized in a study by Rønningen (2010). He looked at the role of a tour operator as driver of innovation in small nature based tourism businesses. The tour operator was very valuable for the innovative capcity of the smallest businesses, but had less to contribute with in the more complex development processes of the bigger and more professional businesses. In the smaller businesses the tour operator could contribute with knowledge and processes which would be the domain of specialized staff in a bigger business.

Also in the marketing side it is worth noting how product differences may affect marketing approaches. The mountaineering businesses aiming for specialist markets both emphasized the importance of word-by-mouth; providing high quality services was most important in terms of getting returning as well as new customers.

Organizational innovation

Bigger businesses have more strings to play and accordingly more organisational changes are taking place here. As mentioned above, the two biggest businesses in the study were reorganised when they expanded their business to include souvenir shops and cafes. While the adventure tourism product is still central, the additional services require staff with other competencies. For Encounter Kaikoura, the reorganization meant dividing the business into different departments with separate businesses all lead by the three entrepreneurs. Similar changes were taking place at Fox Glacier Guiding, but the changes were more gradual as the building was expanded in several steps over a longer period.

Structural changes were naturally most evident in the bigger businesses. At the time of the case study, Fox Glacier Guiding had just finished a process of changing the structure of the staff working on the glacier. They had previously had a lead guide and an assistant lead guide, and an operation manager and an assistant operation manager. This system was very dependent on tight cooperation between the two managers. After some years of restructuring, the business now has one chief guide with six people under him in senior jobs with their own area of responsibility. There is more of a succession plan now, were someone else can be brought in if someone leaves and the ones in the senior positions can change jobs amongst that line (C7:1).

Changes also occur within existing structures. An example is a reorganization of staff at Encounter Kaikoura, were newly employed are buddied up with permanent staff members. One of their exit interviews revealed that it would be valuable if the newcomers to the company had someone as a support during their first season. The owners responded by organizing a fully supported liaison system; *"...so they will*

always have someone that they can go to if they have questions, or team them up with someone who's got more experience in a team" (C8,1).

Making such an organizational change means that the newcomers in this relatively big and busy company feel more comfortable and learn faster. It also means that the experienced employee can follow the progress of the newcomers and make adjustments accordingly.

Such reorganizations are less relevant for the micro businesses. In these businesses the most important organizational change mentioned by several entrepreneurs was when they first were able to pay someone to answer the phones and the emails. Adventure tourism businesses, as most other small tourism businesses, start out very small with the entrepreneur being in charge of most or all business processes; customer contact, service delivery, logistics, marketing, etc. Being in charge of everything is naturally challenging when you have to spend a large part of the day out on the ocean, on the river or on the glacier with customers.

The process of leaving responsibility to someone else is described as being a big relief, as it means more time for either customer contact or strategic work, but giving away responsibility is also a bit of a challenge; *"it took some time to get over that you actually dare to afford having someone sitting there managing things while you are doing what you want to be doing* (C3,2).

The manager at Norgesguidene started answering the phone in 2003 and gradually increased her job percentage every year as the business was able to pay more. Such a reorganisation meant both that the owner-entrepreneurs could focus their efforts on the mountaineering trips and that the business could offer better service towards their customers through increased availability (C3:1).

The entrepreneurs at Folgefonni Breførarlag tell a similar story. They could reorganise their business the year before the case study after they got an activity base and took over the local tourism information. A person is now hired both to be in charge of the tourism information and to answer phones and emails for the glacier guiding business. The manager is still in charge of this in the evening, but he can now be on the glaciers during the day without worrying about losing customers (C2:1).

For the smallest business, another constraint on the possibility of organizational innovation is the lack of staff consistency. Hjalager (2005) found that businesses with lower productivity have the highest labour turnover rate, and this was reflected in these case studies. The smallest businesses had to spend relatively large amounts of resources each new season on training new personnel. In such a situation, building up knowledge and routines is perhaps more stressing than in bigger reorganizations.

Organizational innovation also involves new organizational methods in a firm's external relations (OECD, 2005). Few such innovations were mentioned in the

business biographies. With the importance of collaborations and networks described above, this finding was unexpected, but can perhaps at least partly be explained by the entrepreneurs not counting on this type of changes in their biographies. As described above, partnerships, networks and cooperative projects seemed important for all the businesses, but the bigger businesses seemed to have more formal agreements (often involving provision-based cooperation) with e.g. tourist operators or local hotels, are part of more formalized networks and have more formal roles in destination development projects. If or how these different form of cooperation manifested themselves as organizational innovations was more coincidentally mentioned, as with the new festival being arranged in Sjoa as a cooperation between the different rafting businesses in the valley (C1:1).

Process innovation

Process innovation is about making adjustments or quality improvements in existing products and services, and the borders between the different types of innovation mention above and process innovation are blurry. In addition, as with the other types of innovation; with a bigger range of services the bigger businesses were also found to have more room for process innovation.

As mentioned in the section on product innovation, the bigger businesses seem to focus on product developments within their core competencies, rather than experimenting with new activity products. In line with previous findings (Weiermair, 2004), product differentiation, where activity products are adjusted to new markets, were more common. Such product differentiation in the literature on tourism innovation has been linked to increased innovation: *"Entrepreneurs who offer differentiated products and services have a clearer picture about their target segments' needs and thus are more innovative in creating new customer values"* (Pikkemaat and Peters, 2005).

Heidal Rafting has developed rafting products both for families, on one section of the Otta River, and for the more experienced on a short but technical grade 5 run on the Sjoa. Fox Glacier Guiding has developed an ice climbing product for the more experienced. For such developments to succeed, intimate knowledge of the specific market segments is needed, but it does not require major investments or alterations in how the business is organized.

Competition was found to be a major incentive for such process innovations. Businesses offering the same activity in close geographic proximity had developed very similar itineraries and range of extended services. The effect of competition will be described further in the following chapter.

The micro businesses of this study were again more concerned about improving the more operational side of the business, such as improvements of web pages and the creation of efficient booking systems. This requires either the skills and time to develop it on their own, or the resources to get someone else to do it for them.

Norgesguidene has developed their own booking system and this involved a steep learning curve for the entrepreneur who was responsible for the development; *"... then he in the first round made an advanced XL sheet which was the booking system, which then later has become an internet-based database booking system which is really advanced, in a class of its own I think, in Norway"* (C3,1). For a buisness operating specialized trips and courses with several different guides in various geographical areas, a good booking system has *"practically great importance"* (C3,1) for the businesses.

This section has provided an overview of patterns of innovation identified in the empirical material. Naturally, in stories of business development the entrepreneurs have emphasized different parts of the development and many of the bigger changes that were brought up can more be seen as natural effects of growth, than innovation. The analysis still reveals a good potential for product and process innovation in the adventure tourism businesses, and that marketing and organizational innovations are more rarely seen in the smallest businesses.

10.4. CHAPTER SUMMARY

The findings of this study seem in most parts well in line with previous research on issues of knowledge development and innovation in small tourism businesses. The close relation between adventure tourism, outdoor leisure activities and lifestyle motives are still argued to inflict on these issues in the context of adventure tourism businesses.

The businesses of this study did not have major problems recruiting enough staff, but to build up the necessary competence was challenging, as the required knowledge takes time to develop in a seasonal industry. Staff retention was an important challenge for most of the businesses, in line with previous findings. The issue was less pressing in the businesses offering the more competency demanding activities. Within these niches there are guides or instructors who have chosen to work full time with guiding, thereby developing high competency and more predictability for the employers.

The emphasis on guide training varied considerably in the cases, something that should be seen in relation to the activity product in question, the required guide qualifications and the attitudes and ambitions of the entrepreneur or manager. The two biggest businesses of the study had the most systematic training plans. Both issues of recruitment, staff turnover and training can also be seen in relation to serious leisure. Motives linked to certain outdoor activities and the related lifestyle was important for several entrepreneurs and for the staff. This attitude seemed to influence recruitment and competency levels, as people also were engaged in the activity or a related outdoor activity in their spare time.

Related to this was the high importance placed on labour mobility by some of the entrepreneurs. International guide mobility was highlighted especially by the rafting

and glacier guiding businesses, which found international mobility to be an asset both for recruiting competency not found locally, and for enhancing the experience base for the guides locally trained. Again the heterogeneity of the industry was evident, where the labour market differed widely for the different activities.

Concerning external relations the case studies indicated that the bigger businesses were more embedded in local organisations and, important for their business, had more formalised cooperation agreements with both tour operators and accommodation providers. As embeddedness depends on trust (see e.g. Granowetter, 1973), it can be questioned whether the findings should be related to the size of the business or rather that these businesses had a longer history of cooperation.

Turning the attention to innovation, the business biographies gave context to stories of innovation, with motives, resources and consequences interwoven in retrospect. Most of the stories were about imitation; copying products or processes seen elsewhere. While Weirmaier (2003) argues that tourism businesses to a large degree imitate businesses in close geographical distance, the empirical material suggests that the adventure tourism businesses often seek ideas in other regions of the country and often internationally as well. The structure of the industry, with relatively few operators offering the same activity in each country, and a high degree of labour mobility may at least partly explain this.

The capacity for innovation is naturally different in a bigger than in a smaller business, and this was reflected in the interviews. The bigger businesses were not necessarily more innovative (the study can reveal little about the quantity of innovation), but they seemed to have the capacity to work more systematically with business development. It was the bigger businesses that utilized feedback forms and did exit interviews to obtain information of improvements to be made. They seemed to work more strategically to reach new markets and had a very conscious, market-based approach to product development.

In line with previous findings, product development was mainly found to occur as extensions or differentiations of already existing products. The activity products offered are based on quite specialized knowledge, and the entrepreneurs naturally want to keep new product variations within the core competencies of the business. Offering a wider variety of activity products is not necessarily the best way to go if it means watering down the quality of the core products. In addition, extensions of services, such as in the provision of a café, a souvenir-shop or accommodations were common in businesses experiencing growth. More radical product development was identified in businesses either at times with little competition or as the businesses faces crises and must make major changes to survive.

While the rate of product innovation has been recognized as being low in the tourism industry in general (Volo, 2005), the material indicates that the potential for product and process innovation is relatively good in this part of the tourism

industry. New products can often be introduced with little risk as compared to other parts of the industry.

The debate about business size and innovation has been two-sided in the literature. While several studies have found a positive relation between size and number of innovations, others have argued that smaller businesses are more flexible and able to change course if necessary. While not being able to say anything about the quantity of innovation taking place, this research found indications of both arguments. Bigger businesses seemed to have more strings to play in relation to innovation, and were capable of making changes to all aspects of the business. The more constrained smaller businesses had fewer resources for resource demanding innovations such as marketing innovations, but seemed quite open to bigger product changes (but still within their core competencies).

Businesses that have been in the game for some years tend to limit themselves to process innovation and not make major changes in products, instead focus on developing their core competencies and rather differentiate their main product to different user groups. This does not mean that the businesses are less innovative, but they emphasise their core knowledge and main activity products and rather develop other parts of their business.

CHAPTER 11. ADVENTURE TOURISM COMMUNITIES: EFFECTS OF CO-LOCATION

While the previous chapter emhasisezed internal business resources, the attention is in the following turned to effects of location. This chapter examines how being located adjacent other adventure tourism businesses affects issues of knowledge development and innovation. Four of the cases in this study were localized in quite small-scale adventure tourism agglomerations. Co-location of businesses offering similar services in a limited geographic area can be described as horizontal clustering. Michael (2003: 138) describes how such co-location pools the potential customer base to increase total sales. Other positive benefits of co-location that may be generated are *"advantages in terms of product availability, labour supply, shared information and infrastructure to reduce costs or the effects of externalities"* (Ibid.). For small rural businesses, such scale-related benefits may be important for survival. This study aims to explore how adventure tourism entrepreneurs and employees experience location effects. The starting point is therefore the individual business and how location is experienced to affect business resources and innovation.

The term adventure tourism community will be used to describe the communities with several adventure tourism providers. To provide a context for the following discussion, the chapter starts out describing some attributes of these communities in section 11.1; how do these communities present themselves to travellers, how do they differ from other rural communities and how is the adventurous image indicated? The description provides the backdrop for the next sections that discuss effects of co-location emerging from the case studies.

Section 11.2 looks into how localization influences access to staff. Both the bigger and the smaller adventure tourism communities were found to be popular places to work for adventure tourism professionals. Which qualities are pulling people to these rural communities?

Being several businesses located close may further competition, an important driving force for innovation. Section 11.3 discusses the businesses competitive situation, and how this may influence the pattern of innovation.

Section 11.4 discusses issues of cooperation in relation to co-location. The section also follows up the evolutionary perspective and deliberate how being several activity providers in one area strengthens the legitimacy of an industry consisting of

small businesses. By being co-located, the activity image of the destination may create a "reason to go", which is hard to establish for businesses settled on their own.

In section 11.5, the concept of serious leisure is again brought in, and issues of social and cognitive proximity are discussed in relation to co-location.

The chapter is summarized in section 11.6, where also some contradictory findings are presented. The positive effects of co-location may to a certain extent be nuanced by these findings.

11.1. "PLACES OF DOING": BRANDING RURAL COMMUNITIES

The growth of what is here referred to as adventure tourism communities can hardly be understood without reference to the ongoing restructuring of rural areas in the industrial world. Globalization processes and the gradual transition from an agricultural and industrial economy towards a service economy fundamentally change the economic structure and conditions in rural areas. In these processes, the tourism industry, capitalizing on the natural environment, is regarded as one of few development opportunities (see e.g. Williams and Copus, 2005).

The communities of this study have been and still are heavily influenced by such rural change processes. Both in Norway and in NZ, the communities face structural changes in traditional industry sectors such as farming and fisheries, and (to various degrees) embrace tourism as an important part of necessary diversification processes. The two adventure tourism communities from NZ have at least partly success coping with these changes as they experience population growth and growth in the local tourism industry[23]. The two Norwegian communities both experience declining population numbers.

The path to become what is here reffered to as adventure tourism communities is different for each location. A common characteristic is some specific features of the environment well suited for specific adventure tourism activities; mountains (Wanaka, Jostedalen), a peninsula rich with marine life (Kaikoura), a good rafting river (Heidal) or an accessible glacier arm (Jostedalen). How this natural resource has been developed and to what degree the local community is engaged in the development, varies from place to place.

Previous research (see e.g. Cater, 2006) has used the term "adventure tourism capitals" to describe some specific destinations with a worldwide reputation for

[23] Kaikoura has seen a growth from 2172 inhabitants in 2006 to 3555 in the 2013 census. Wanaka has grown from 7008 in the 2006 census to 7320 in 2013. Jostedalen has seen a gradual decrease in inhabitants from 431 in 2006 to 404 in 2012 (SSB). Relevant numbers were not obtained from Heidal, but the community's web page describes the population as decreasing.

their offering of a wide range of adventure tourism activities. While well suited to describe a few specific destinations, the word "capital" implies some sort of exclusiveness; the list of world adventure tourism capitals should not be too long, and the term can hardly be used to describe several destinations within the same country. In New Zealand, the towns of e.g. Queenstown, Wanaka and Rotorua have similar connotations in terms of marketing and number of activities on offer, but the concept of adventure tourism capital has only been used for Queenstown.

This research instead uses the phrase 'adventure tourism communities' to conceptualize the commonalities found in the communities containing several adventure tourism providers. While the concept will be further elaborated on below, adventure tourism communities will here be understood as (mainly rural) communities that can offer a variety of commercial adventure tourism products and that make a coordinated effort of branding themselves as excellent sites to partake in nature based activities.

The impressions from these communities were formed through interviews, informal meetings, marketing material, and simply being a tourist in the community over several days. While different in size and structure, the four communities all had a few things in common building up around an active and adventurous image.

The following table briefly presents the four adventure tourism communities of this study:

Table 4 *The four adventure tourism communities of this study.*

Business	Community/ town	Inhabitants	Character of the local adventure tourism industry
Heidal Rafting, Norway	Heidal	1600	Small farm community with four rafting businesses, one kayak school and a kayak shop
Norgesguidene, Norway	Jostedalen	420	Small farm and tourism community with six activity providers all offering different products related to climbing, skiing, glacier walking and kayaking
Encounter Kaikoura, NZ	Kaikoura	3780	Traditional sea harvesting community, now offering a wide variety of activity and sightseeing products, such as whale watching, dolphin encounter, sea kayaking, seal swimming, diving, etc.
Alpinism and ski Wanaka, NZ	Wanaka	5037	Traditional ski destination that has grown rapidly fuelled by the adventure industry. Activities covering skiing, mountain biking, mountaineering, climbing, horseback riding, rafting, skydiving, etc.

The definition above is based on commonalities identified in the empirical material. For one thing, the communities all use outdoor activities in their marketing. The advertising material both in print and on the web is dominated by verbs; biking, hiking, rafting, diving, climbing – and richly illustrated by pictures. Trying and experiencing are highlighted at the expense of seeing. This pattern was clearly most evident in the two bigger destinations, Kaikoura and Wanaka, which offers a wide variety of activities. Adding to this, the use of big posters and signposts are in general more prevalent in NZ than in Norway.

While activities and adventure are advertised, there are also drawn links to a certain lifestyle. Wanaka has made this association a central part of their marketing strategy, as the community defines itself on the official tourism website as the world's first "lifestyle reserve". Alluding to other types of reserves such as wildlife reserves and national parks, the concept of lifestyle here "*combines spectacular scenery with a genuine sense of community, where operators are passionate about sharing their way of life, environment and what they do*" (Lake Wanaka, 2013a).

This is elaborated on in the official tourism Charter:

"Welcoming you to Lake Wanaka is about showing you a place most of us have made a conscious choice to call home, drawn by the outstanding beauty of the area and the opportunity to indulge in our favourite outdoor activities every day. So there's no hard sell. We're genuinely excited about sharing our local knowledge so you can make the most of your time and come to love Lake Wanaka as much as we do" (Lake Wanaka, 2013b).

Similar language is used when Jostedalen tries to attract newcomers to the valley;

Are you dreaming of a more and intense outdoor life in steep slopes and white valleys? Jostedalen has no ski lifts, no big resorts, 420 locals and more snow than you can dream of. Do you wish to live the dream (Jostedalen, 2013)?

Apart from marketing, there are other visual impressions from being in an adventure tourism community. In the farming community of Sjoa, the traditional old wooden farmhouses steal the attention and the adventure tourism image is less apparent. The importance of the activity on the river is spotted by the passing of busloads of people carrying helmets and life jackets, trucks with colourful rafts and meeting cars with kayaks on the roof racks. These visual elements set the valley apart from other rural communities.

Such symbols are naturally stronger in the bigger and more compact community centres such as Kaikoura and Wanaka. The following extract from the field notes shows how the visual impression of the community is signalling activity and "doing":

"Kaikoura is a small town where the inhabitants have been capable of making use of the rich possibilities offered by its coastline. Traditionally a fishing community, with a great number of dolphins, other whale species, seals and a rich variety of birds. Driving through the town's main street this is very apparent. There is whale watching, swimming with seals or dolphins, sea kayaking and several businesses offering wildlife watching by seaplanes. In addition restaurants and accommodation providers have names such as "The green dolphin" and "The fish tank". Images of great whales and life beneath the sea surface are found on walls throughout the town. You are always reminded that you are by the coast. The town is simultaneously small and intimate. The tourism industry is highly visible, and at the entrance of the main street there is a tourism information Centre showing what you can do both in Kaikoura and in the other towns of the county" (Field notes, 24.10.09).

In the literature on adventure tourism capitals, some of the defining characteristics are the presence of sport shops, cafes and an après ski setting. These elements are found in the ski destinations Wanaka and Hemsedal.

A more subtle feature is the amount of young people and people dressed for outdoor recreation; fleece and hard shell jackets, hiking shoes and colourful hats. In combination with the advertisements and visual outdoorsy elements, this creates an

image of "doing", which is in marked contrast to the regular rural community. Remembering the figure in chapter 3, both what is there labelled as adventure tourists and adventure travellers are found in the communities. The adventure travellers pursue activities on their own, and are certainly an importane part in creating the adventurous impression of these rural communities: River kayakers from all over the world can be found in Sjoa during the summer months, and climbers, bikers and skiers meet up in Wanaka.

This study suggests that certain rural destination can be described as "places of doing" or adventure tourism communities. Other places may have the same amount of activities for offer, but it is not communicated in the same manner. Combining elements of market communication, several activity providers in combination with sport equipment outfitters and the presence of people going to and from different outdoorsy activities, leave an impression of the community being first and foremost a place dominated by activity and "doing". For the tourist to such a community the question is not whether you have seen this or that as in classical sightseeing, but whether you have tried this or that activity yet. An extract from the interview with the female entrepreneurs at Alpinism and Ski Wanaka illustrates this emphasis on activity and play:

"Wanaka has grown extremely fast, and many, many tourism operators are offering you know you can start a day with 1500 dollars so you get a helicopter lift up there, a glass of champagne and then you go on a boat trip, then you do a little hike and you know ... you can spend 4000 dollars per day per person just by whatever you want to do"(C6:1).

Gyimóthy and Mykletun (2004) emphasize *play* both as an important element in adventure tourism activities and as an important motivational factor for choosing to take part in such activities. Similarly, Cater (2006) uses the notions of 'places to play' and 'adventure playground' in his description of the adventure tourism capitals. The emphasis on fun, voluntariness and play is evident in the communities of this study as well; both in the ways the products are presented, in destination marketing and in respondents' description of why they work as guides or instructors. When dolphins are swimming and playing in front of the boat in Kaikoura, we (the tourists) are running around on deck enthusiastically with our cameras to get the best shot of a playful dolphin. This happy scenery makes the instructor exclaim: *"This is why I love this job!"* (Field notes, 24.20.10)

Four of the cases of this study are situated in adventure tourism communities. How does that influence knowledge development and innovation?

11.2. URBAN RURALITY- RURAL COMMUNITIES ATTRACTING STAFF

To attract and keep qualified staff is a challenge in rural areas, independent of the industry in question. The case studies from the adventure tourism communities revealed that a major positive side of being located in such a "hub" of activity providers was the ease of attracting staff. More people want to work there and people want to stay longer. Why is it so?

Certain characteristics were repeatedly highlighted as positive by employees of the industry. Three of the businesses in this study are part of bigger destinations in a rural context: Encounter Kaikoura in Kaikoura (3780 inhabitants), Alpinism and Ski Wanaka in Wanaka (5037 inhabitants) and Norske Opplevelser in Hemsedal (774 inhabitants). Quite similar descriptions were given of the location qualities of these three destinations. The interviewees described factors related to the lifestyle and social life made possible at "their" destination.

An example of this is given by the marketing director at Encounter Kaikoura. She used to work in London, and was travelling with her boyfriend when they discovered Kaikoura and ended up staying there. At the time of the case study, they had lived there for four years. She highlights the way of life in Kaikoura as being special:

"Just living in this community, it's an amazing environment. I used to travel an hour and a half each way to get to my job in London, and now I travel 5 minutes. And then yesterday I went home and we all, a group of friends went snorkelling and caught some fish and then we had a barbeque on the beach. And there is not many places in the world where you can live that kind of lifestyle" (C8:1).

The marketing director at Norske Opplevelser tells a similar story. He and his wife both liked skiing and outdoor recreation and decided to move from Oslo when job opportunities turned up in Hemsedal. Their decision was made not only based on the opportunities of skiing:

"We found that Hemsedal was … You may say it is a tiny town in a rural area. I think Hemsedal is unique … If you look at the people living there compared to any other village with two thousand inhabitants, then … Plus that it's close to Oslo, which is important for us. And then there are the mountains and all that" (C4:2).

The ski destination Hemsedal has some qualities setting it apart from most other rural communities in Norway. It has many newcomers and quite an international work force, both young people working in the tourism industry and people of other vocations who combine work with an outdoorsy lifestyle. It has cafes and restaurants and a compact community centre. The marketing director describes Hemsedal as being something different from the *normal* rural community, and that the combination of urban and rural elements was central for their decision to relocate.

The social dynamics are also important for the marketing director at Encounter Kaikoura. She shows a similar enthusiasm about the inhabitants of Kaikoura, where she describes a young and international community: *"A lot of young people, and there is a lot of immigrants as well. And we've got a really big English community here in Kaikoura, and also Dutch and German and some Americans as well"* (C8:1).

In addition she finds the local community to be welcoming, and this openness is something she recognizes as being special for such a small community: *"A lot of our friends are people who are born and bred in Kaikoura. And apparently in other small communities in NZ, that sometimes doesn't happen. They don't mingle so much with the newcomers"* (C8:1).

The dynamic rural community is central, and a variety of backgrounds and the openness of the locals are described in positive terms. The social aspects are clearly important for their decision to stay and work at these destinations.

In tourism literature, there is a tendency to focus on the negative side of tourism employment: The seasonal workers and high labour turnover of the industry adds little if any value to the local communities. Interesting in this respect is a recent Norwegian study on mobile seasonal workers in the tourism industry (mainly ski resorts) (Ericsson and Hagen, 2012). The researchers oppose this negative view, instead suggesting that the large replacement of workforce in the tourism industry create an industrial dynamic missing in most other regional industries.

The material from this research supports Ericsson and Hagen; the industry creates a dynamic attracting more likeminded people, drawn there by the mix of rural and urban elements, outdoor activities and a welcoming atmosphere.

The urban elements of the destinations are also brought in when the female entrepreneur at Alpinism and Ski Wanaka is asked to describe how it is to recruit guides in Wanaka as compared to a small place such as Mount Cook Village, where they lived before:

"And here it has a lot more to offer, like the lake, biking options and all. And it's the same with the guides; here is a big town, so you know for the male mountain guides it is easier to find a girlfriend (laughs). They need a tiny place, and their girlfriends need a few boutiques and you know the cinema. So yeah, it's all connected. Gary would have some good answers for you. He always jokes about that; that guides want to live here rather than in Mt Cook village. More options to find partners and have a good time and parties. You know just more people"(C6:1).

The above-mentioned businesses are situated in, or close to, quite compact town centres. The other two destinations where there are a bundle of activity providers, Heidal and Jostedalen, are smaller and more widespread farming communities. For being such small communities, there are many foreign guides working on the river or at the glacier in the summer months. Interviewing the safety manager at Heidal

Rafting, we discussed the amount of international guides in the valley. I asked whether he thought the high Norwegian wages was the main reason why so many international guides want to work there:

"No, I don't thing wages is that important. I think it is mostly because Sjoa is quite well-known internationally. Norway is well-known internationally, so people want to come here (...). I think it is mainly the river which pulls people here, and then maybe that there are several businesses here and quite a lot of foreigners" (C1:2).

Guides are drawn to places where conditions are good for doing their job and there is a good social work environment with other international guides.

The manager at Norgesguidene decided to move to the small Jostedalen community with her husband and two children when she got a new job there as principal of the primary school. In an interview in the local newspaper, she elaborates on the urban character of this small community, with its *"great café-life and nice people"* (Rogne, 24.11.2010).

Williams and Copus (2005) discuss the different economic performances of rural areas and how some areas seem to be better than others at embracing change and the opportunities presented by globalization. They suggest that this pattern cannot be fully explained by comparative advantage and competition, *"but rather in certain imperfectly understood and difficult to quantify (socio-cultural) environmental characteristics known as 'regional milieu'"* (Williams and Copus, 2005:307).

The economic performance of the adventure tourism communities of this study varies. Still certain milieu factors seem capable of pulling employees to these communities; a crucial quality for rural regions and rural businesses.

11.3. THE ROLE OF COMPETITION IN ADVENTURE TOURISM INNOVATION

While attracting and retaining staff is seen more as prerequisites for knowledge development and innovation, competition is established as being a major driver of innovation (see e.g. Sundbo and Gallouj, 1998). As described in chapter 6, one of the mechanisms of industrial clusters is the innovation pressure created by competition. To describe the adventure tourism communities of this study as clusters would inevitably lead to misconceptions, but the mix of adventure tourism businesses nevertheless create interesting patterns of competition leading to increased pressure to strengthen service quality and innovate. This section will describe how the competitive situation of the businesses in different locations was experienced to influence innovation.

The pattern of competition and cooperation was found to be complex. The eight businesses of this study are aiming for different markets, categorized broadly as the

generalist adventure tourism market, the special interest and the incentive market. This categorization may be a useful starting point to describe the competitive situation of the different businesses.

The rafting and glacier guiding businesses of both countries and Encounter Kaikoura all aim mainly for the generalist adventure markets; the bottom right of figure 1, chapter 3. The markets consist to various degrees of individual travellers and groups, both domestic and international tourists. As described in chapter 3, these activities are usually of short duration and require no previous experience.

In these cases, competition was particularly strong between businesses located close and offering the same activity to the same market (s), exemplified by Heidal Rafting and Fox Glacier Guiding. The case study from Heidal rafting, where four rafting businesses operate on the same section of the Sjoa river, contains several examples of at times fierce competition, where the stories include a lawsuit (which did not involve Heidal Rafting) (C1:1), and a period of *"... bars and padlocks and that sort of things"* (C1:2).

The entrepreneurs at Fox Glacier Guiding downplay the competitive element in the interview. The one other glacier guiding business on the west coast of the south Island is located 23 km north. Both businesses lay on the main west coast road, meaning that they serve the same groups of tourists. Still, competition was not experienced strongly: *"there was enough business for us both so we didn't need to compete all that hard against each other"* (C7:1).

Encounter Kaikoura is in a different situation. Acquiring two other dolphin encounter businesses in Kaikoura made them the only provider of a dolphin encounter product in Kaikoura. The adventure tourism community contains several businesses aiming for similar markets though, so the competition is sharp: *"We are all competitors, and we are very honest about it. We are all competing for the tourists, that's the truth of it, but if you are very clear with people about what you have to offer that is unique, then there is no aggressive competition"* (C8:1).

The marketing director at Encounter Kaikoura describes the competitive situation in Kaikoura in positive terms, as a good balance of competition and cooperation. She compares it to the situation in Queenstown: *"It's terrifying down there! I go to a lot of different places for marketing, and every time I go to Queenstown it shocks me how aggressively competitive it is down there"* (C8:1). In Queenstown, there are more businesses offering the same activity and a larger group of businesses overall.

Folgefonni Breførarlag and Mangaweka Adventure have few local competitors for their products today.

The two mountaineering businesses are aiming for special interest markets. Both businesses are located in adventure tourism communities, but do not see themselves as competitors to the adventure tourism businesses aiming for the generalist adventure tourism market(s). Their competitors are other mountaineering

businesses. For Alpinism and Ski Wanaka the competition is strongly felt, as there are two other and bigger mountaineering businesses in Wanaka offering similar itineraries as them. At the time of the case studies the competitive situation was less pressing for Norgesguidene. There is another mountaineering business in the region, but as the major challenge for the businesses is to meet demand in the busy seasons, the competitive element is downplayed (C3:1).

Norske Opplevelser has traditionally been aiming for the incentive markets, with businesses from Oslo being their primary customer groups. They have no competition locally but quite tough competition from businesses in neighbouring regions. Their main competitor is an activity provider at the neighbouring ski destination, an hour's drive away from Hemsedal. As the main market for both businesses are the bigger enterprises in the Oslo region, they monitor each other's products and services (C4:2). Other providers of adventure tourism products in the local community are seen more as an asset, as they may offer complementary products that can be included in tailor-made packages.

Competition was found to be most profoundly expressed by actors having several providers of the same activity close by. At destinations where there was more of a mix of activities, the entrepreneurs emphasised how the variety of available activities strengthened the destination as a whole, leading to a solid base of products and good opportunities for cooperation.

A main effect of being located close to important competitors is the ease of comparison. Heidal Rafting can e.g. follow the development of their competitors continuously through informal and formal meetings, "local gossip", feedback from suppliers and tourists, etc. In addition the guides from different businesses meet both on the river with tourists in their rafts, and in their leisure time (C1:2, C1:3) and can in that respect be valuable sources of information.

This location effect is well known from previous research. In a study of knowledge development in regional clusters, Bathelt et al., (2004) find that the advantages of agglomeration is related to the comparing and continuous monitoring taking place. As they are located closely, their production conditions will be quite similar, making it easy to compare performance with their competitors.

The monitoring may still not mean higher levels of innovation. Bathelt et al. (Ibid: 36) argues that the rivalry created through comparison mainly serves as incentive for product development and variation. It is important to be in front of or at least keep up with competitors, but bigger changes also means higher risks. In the context of tourism, Pikkemaat and Peters (2005) refers to Keller (2000) and Weiermaier (2002), when arguing that neither too much nor too little competition is a driving force for innovation. In a situation with fierce competition, there is more risk involved in making bigger changes.

Weirmair (2003:9) argues that competition can be seen to enhance process innovation as opposed to product innovation: "A combination of high cost and risk

of innovation and the existence of intensive if not ruinous competition make cost (and price) reduction through process innovation the more interesting innovative avenue".

Small, stepwise changes and quality improvements are safer ways to keep up with competitors. Weirmair (2003:8) further argues that competition in mature markets leads to pressure to add more experience to already established products. This is in line with the reasoning of the experience-economy literature (see e.g. Pine and Gilmore, 1999).

In Heidal this can be seen when the four rafting businesses gradually extend their services, with lunch as part of the trips, pictures from the river-experience, hot tubs waiting after the trip, etc. While the total range of products offered by the businesses is slightly different, it is imperative not to fall behind the competitors in such development.

Product differentiation and improving service quality is quite a safe path to follow. Alpinism and Ski Wanaka gives a vivid example of how local competition influences service. The entrepreneurial couple run their business from home, while two big mountaineering businesses have their offices in town. Keeping up with the service level of the two bigger businesses is vital for their survival:

"We get inquiries sometimes you know, when they just say: 'To Alpinism & Ski, Aspiring Guides, Mountain Consultants..', they contact every guiding company. So it is imperative to answer as quickly as possible, and as good as possible. I have found in the past that we scored clients because I answered very quickly" (6:1).

The competitive situation increases the service level. To keep up with their bigger competitors they highlight service quality and the personal manner of their business.

In the discussion of innovation described in the previous chapter, product experimentation was most clearly pronounced in businesses either in low competitive environments or in a crisis where change is needed to survive. Businesses with little or no competition regionally are freer to experiment with new activity products. With less pressure from competitors the risk is lower when testing out new products.

To summarize, competition was expressed most clearly in the businesses situated in adventure tourism communities with several other providers of the same activity. They are aiming for similar market(s) with the same product. In line with Weirmaier's (2003) findings, competition was found to foster process innovation, strong focus on service quality and extensions of additional services.

While being strong competitors, even the businesses offering similar activities had developed different forms of cooperation. In line with Aldrich and Fiol's (2004) theorizing, making such connections may be an effective way of building legitimacy for a new or weak industry. Cooperation is discussed in the next section.

11.4. COOPERATION AND THE BUILDING OF LEGITIMACY

Tourism research has since long established the importance of cooperation for knowledge development and innovation. As the tourism experience most often involves the coordination of different services, the opportunities for improvements and innovation are many. This study reflected previous research in that development projects and innovative activity based on cooperation were plentiful in the case studies. Such projects were found in all aspects of business development, from common guide training programs (C7), arrangement of festivals (C1,3 and 8), cooperation to develop bike tourism (C4), cooperation to become a National Park village (C2) or to provide activity packages (e.g. case 1). Most commonly seen were formalized agreements of common marketing and deals with accommodation providers and tour operators. As described in the previous chapter, the bigger businesses seemed to have more formalized agreements than their smaller counterparts have. The only difference one may discuss from a location perspective is that the businesses located in adventure tourism communities seemed to cooperate more with other activity providers. The emphasis on activity is stronger at these locations; leading to what Aldrich (1999) conceptualizes as cooperation within-populations and between-populations. Such alliances may give legitimacy benefits and be valuable starting points for innovation.

In literature on clusters the coexistence of competition and cooperation is highlighted to be important for knowledge development and innovation. While the competitive elements were discussed in the previous section, even the communities characterized by at times fierce competition had developed different cooperative projects over time. While the competitive edge naturally always will be there, certain issues over time come up, furthering cooperative initiatives. The development reflects previous research on trust between organizations in the same population. Aldrich (1999:236) refers to Uzzi (1997) when arguing that strong trust-based ties may arise between organizations from patterns of collective interaction over a long time span. A common history and a common understanding of the situation gradually build trust-based relationships.

An example of such gradual increasing cooperation is mentioned by the female entrepreneur at Alpinism and Ski Wanaka. While being frustrated of the lack of cooperation initially, she sees positive tendencies now. People are starting to see the benefits of working together at issues of mutual concern such as insurance and dealings with DOC:

”... so in the last years I think people are more open now to work more together that way. To compare notes and, because we defend at the end of the day I think everybody is realizing that we are defending the same industry. And there is only that much work and only that many guides and we have to improve it for us” (C6:1).

The benefits of collective action are many, but in an otherwise competitive situation cooperation must be based on trust. An example from Heidal Rafting exemplifies how trust building is not given. The rafting businesses in Heidal has over the years seen the benefits of cooperation, both in relation to more efficient use of staff in shoulder seasons, common marketing, in dealing with issues of land-owner rights and in handling media when incidents happen on the river (C1:1). In most of these collaborations, only three of four businesses take part. As the entrepreneur explains, *"there are several reasons for this being so"* (C1:1). While there are evidently more versions to such stories, the main point is that lack of trust inhibits collaboration between all actors. Disputes and mistrust may seriously hamper cooperative action.

The positive attitude to cooperation reflects that the operators see the benefits of being several activity providers in one geographical area. The increased total sale due to co-location and the pooling of potential customer base recognised by Michael (2003) seemed to be well understood and appreciated in the cases. Several entrepreneurs described how the positive side of being several providers co-located outweighed potential negative sides of competition. This can be illustrated by a quote from one of the entrepreneurs at Norgesguidene: *"Most people are afraid of competition. I think activity leads to more activity. So when there is a lot, there is room for much more, I really think so"* (C3:2).

The same point of view is elaborated upon by the marketing director at Encounter Kaikoura: "It is our belief, as is the same with most tourist operators in Kaikoura, that if you show people how much Kaikoura has to offer, they stay here for longer and they'll enjoy their time here and they will tell other people about it" (C8:1).

The marketing director continues with an example of practical everyday cooperation: *"We all work really well together. If there is marine mammals, dolphins or whales, in a certain place we will radio each other and tell each other and that is really good cooperation… we really encourage that"* (C8:1).

With a rich amount of activities to choose from for the tourist, the total quality of the destinations is strengthened. The businesses realize this is a good starting point for collaboration. Still, the quotes above are from destinations where the businesses offer different activities. In destinations with several businesses offering similar activities, such as in Heidal and Wanaka, the cooperation seemed more specified to certain projects.

The benefits of collaboration can also be seen in relation to issues of legitimacy as examined in chapter 9. While a micro or small business may be neglected when located on its own in a small community, the location of 7-8 such businesses at a destination make it easier to be heard and gain influence as economic actors. Aldrich (1999) suggests within-population strategies to gain legitimacy. He highlights the importance of collaboration to create standard setting bodies, foster perception of reliability and to present a united front to political and government

officials. Such strategies may be easier to commit to when the actors are gathered geographically close. Micro businesses scattered over large geographic distances may find it harder to follow up on such collective aims.

From a tourism perspective, being several adventure tourism providers located close means that the adventure tourism products become a natural part of the destination's image building. Entering the tourism information centres of Kaikoura or Wanaka, the "things to do" section is highly profiled. In such settings the adventure tourism activities are main ingredients of what the destination has to offer, while the same activity may end up as an odd sideliner when being the only provider at a destination.

To gain legitimacy as a sole adventure tourism actor in an area is demanding, but by no means impossible. Fox Glacier Guiding is one of two big glacier- guiding businesses at the west coast of the South Island. A main issue for the tourism industry at the West Coast has been to coordinate marketing efforts to become a viable alternative route for travellers to the South island. In these efforts the female entrepreneur at Fox Glacier Guiding felt that they, as activity providers, played a central role: *"Yeah, well we were probably big players on the coast. So people did pay attention"* (C7:2).

Probably due both to the success of these two businesses and to the historical fame of glacier guiding at the west coast, the glacier guiding businesses are regarded as legitimate actors of the tourism industry regionally. As Aldrich (1999) points out, both number of business in a population *and* business size matters in terms of legitimacy.

11.5. SERIOUS LEISURE, ADVENTURE TOURISM AND KNOWLEDGE DEVELOPMENT

The previous sections have discussed how co-location of adventure tourism businesses influences knowledge development and innovation through easier access to staff, increased competition and more possibilities of collaboration with other adventure tourism businesses. This section will examine how the more subtle mechanisms of cognitive and social proximity may influence knowledge and innovation in adventure tourism communities. As in the previous chapter, the concept of serious leisure is used to denote that a majority of the people associated with these adventure tourism activities have certain characteristics in common leading to high degrees of cognitive and social proximities. As the concept of serious leisure was elaborated on in the previous chapter, it is sufficient here to relate the issue more specifically to the geographical dimensions of adventure tourism communities.

Literature on clusters and industry agglomeration highlight the knowledge benefits of being located close. The positive effects have been conceptualized as

"knowledge spillovers" (see e.g. Porter, 1990) or "local buzz" (see e.g. Bathelt et al., 2004); denoting that industry specific knowledge diffuses and is being developed, both intentionally and at a more informal basis, among business actors located geographically close. As these concepts have been developed mainly based on large-scale industry development, it is difficult to adopt these concepts uncritically.

As mentioned in chapter 6, the literature on geographical agglomerations argues that the transfer of tacit knowledge depends on geographical proximity, and is facilitated by other types of proximities as theorized by Boschma (2005). The intertwining of work and leisure described in the previous chapter is very much relevant here, where staff from different businesses both meet in relation to work on the river or in the mountains and mingle in their leisure time. When employees in the various cases describe kayaking, mountaineering, barbequing and skiing in their spare time with other employees of the industry, it illustrates a cultural closeness. These are people with much in common, having chosen this type of work and this location, and having similar aims for their leisure time. Following Boschma's concept of proximities, transfer of knowledge is facilitated under such conditions.

The feeling of community among adventure tourism operators can be illustrated by a quote from the manager at Norgesguidene. In a network project aiming to develop the regional ski tourism, she finds it challenging to cooperate with other parts of the tourism industry such as the accommodation sector:

"*But it would have been so much more rewarding if it was only for people like us. If only parts of the program was aiming for us. And to be with the accommodation businesses ... it makes things very slow and tedious, because they have such, not only incompatible interests, it may have something to do with them having more of a history of working with this type of projects. And from a different culture. We are more alike, we have more similar thoughts on how to continue on something"* (C3:1).

She uses "us" and "we", when talking about activity providers, and feels that they have more in common than with other actors from the general tourism industry. She relates this not specifically to differences in product, but to cultural differences.

The connectivity is also strengthened by the sense of 'small world', where employees within one activity have a good overview of the activity worldwide. Being not that many actors nationally, international labour mobility is common and the know-who of the industry is well developed.

In combination with the geographical proximity, cognitive and social proximity may ease the sharing of ideas and knowledge transfer. In some instances this cultural closeness was found to surpass the competition between the businesses. The female entrepreneur at Alpinism and Ski Wanaka talks about how competition halts cooperation and information flow among the businesses in Wanaka, but that this does not influence communication among the guides working in the mountains:

"Gary has definitely an excellent relationship with the guides in the mountain huts. You know, they come together and it doesn't matter who they work for. Because there is a solidarity feeling between mountain guides in the mountains".

There is a flow of information about changing weather patterns, snow conditions, new equipment or alternative routes from other guides, not restricted by business boundaries.

In the adventure tourism communities, the combination of more actors and cognitive proximity eases the flow of knowledge, through informal information exchange, observation, imitation and exchanges of employees, etc. The element of dedication described by theories of serious leisure (Stebbins, 1982) indicates a willingness to learn; these are activities that people identify with at a personal level.

As described in section 11.2, one advantage of being located in adventure tourism communities is easier access to staff. The empirical material also suggests that the place qualities of these communities contribute to staff staying longer. Based on these observations, one may imply that the adventure tourism communities have a head-start when it comes to knowledge development and innovation compared to businesses located on their own in rural areas. As one of the entrepreneurs at Norgesguidene argues when describing the advantages of being located in Jostedalen: *"And another thing is that you have … the specialist environment … you have someone to talk to about how something should be done and what are sensible ways of dealing with people and group sizes and things like that…"* (C3:2).

More businesses in a community mean more people with whom to discuss business related issues. In his description of the world adventure capital Queenstown, Cater (2006:433) argues that many of those managing and operating adventure tourism businesses will have similar interests, and that the social networks between the operators *"are vital for the development and promotion of existing and new activities"*.

Section 11.1 describes how large parts of the staff in the adventure tourism communities are newcomers. The cases also showed examples of strong local ties, where the concept of social proximity is highly relevant. The grounds for cooperation is described as being very good in Kaikoura and the marketing director at Encounter Kaikoura explains this partly as resulting from the small size of the community:

"We work very, very closely together, because it is such a small community. First of all, most people are related to one another (…). So our admin manager here, who does all the accounts, she is the mother of the lady that runs seal swim. So then Gary, who is the albatross encounter skipper, he is the father of one of the top skippers of the whale watch. So it is such a small community" (C8:1).

The family ties described here were exceptional in this study. While family relationships are commonly found to be crucial in small tourism businesses (see e.g.

Shaw and Williams, 1998), the pattern identified in these businesses more reflected Shaw and Williams' (2004) study of surf tourism in Cornwall, where employees to a high degree were recruited from social networks of other surfers.

In addition to the employees of the adventure tourism businesses, the adventure tourism communities also contain a wider circle of people with a common interest in the outdoors; people in other jobs who are highly involved in outdoor recreation activities in their spare time or visitors who come to engage in an activity on their own. While not necessarily being knowledgeable about the running of an adventure tourism business, these people may have considerable technical skills and up-to-date information of conditions in the mountains or on the river.

For the businesses not located in such adventure tourism communities, the difference can be envied. When the entrepreneur at Folgefonni Breførarlag describes how few of the locals are interested in glacier work, he contrasts this with the bigger glacier guiding business in Jostedalen: *"I e.g. envy the situation in Jostedalen where there are many people with a lot of competency living in the valley, and who stays there during winter"* (C2:1).

While the above observations indicate close milieus where knowledge sharing and development is facilitated, concrete effects are hard to measure. This study has few concrete examples of how serious leisure and social proximity influence knowledge development and innovation. Whether or not the knowledge circulating in the adventure tourism businesses leads to business development and innovation must be further investigated.

An interesting observation regarding knowledge development was the significant role played by a few relatively big adventure tourism businesses in knowledge development. The evolutionary perspective is again drawn in, as certain "mother businesses" serve both the role of developing skilful guides and instructors and act as role models for new ventures.

While Fox Glacier Guiding see themselves as small in comparison to their competitor further up the road, the business has trained a considerable number of guides through their years of operation. The entrepreneur is a certified mountain guide and has always encouraged guide training, and he has been involved in developing guide manuals. In retrospect he recognizes that several of their previous guides have reached a high level of qualification and some of them have moved on to establish their own businesses:

"And a lot of the guides who worked here, you know Gary is a good example; he started off here and eventually moved on and carried on with his training, became a guide and created a business and it is probably...at least a dozen guides around now probably, high guides who started off here. It was a good beginning for them" (C7:2).

Another example is the Norgesguidene in the tiny community of Jostedalen in Norway, where three of the mountaineering entrepreneurs started their guiding careers. The importance of the glacier business for knowledge development is recognized by the entrepreneur:

"Most of the people working here take some kind of course or further training. Like in the set (of guides) that started Nortind this winter, there are ... Many have a connection to Breførarlaget and Jostedalen. And it is in a way natural that so many come from there, because those who want to work in the mountains, who have this dream from youth or childhood, they have few other entry points to begin or try it out than here in Breførarlaget ... Here (in Breførarlaget) you can start working as assistants without having particularly much previous knowledge. So clearly they gather here, those who do not have any Nortind or NF courses, and then maybe they start doing courses while working here" (C3:2).

Both quotes show how young people with an interest in the outdoors start out as glacier guides and gradually improve their skills and move on to further jobs in the outdoors. In that sense there is a form of "career ladder" followed by those glacier-guiding aspirants who eventually end up being internationally certified mountain guides can be seen as exceptions to this pattern. Living and working in an environment with likeminded people is an important part of this development.

11.6. CHAPTER SUMMARY

Due to findings of certain commonalities, the phrase 'adventure tourism communities' is used, meaning (mainly rural) communities that can offer a variety of commercial adventure tourism products and that make a coordinated effort of branding themselves as excellent sites to partake in nature based activities. The concept shares several characteristics with Caters descriptions of Adventure tourism destinations (2006).

An aim of this chapter was to examine how location affects knowledge development and innovation in adventure tourism businesses. With four cases being located in adventure tourism communities and four in more 'remote' settings, certain suggestions can be made.

For one thing, the findings indicate that being co-located with other adventure tourism businesses eases access to staff. This material suggests that co-location is positive both for attracting staff and for staff retention. Social place qualities were emphasized in the interviews; both general qualities of openness and inclusiveness, and there being a larger group of people working within the outdoor industry. Qualities often associated with more urban areas such as an international milieu, openness and the presence of cafes and restaurants were highlighted. In a rural setting, access to qualified staff is an important framework condition for further knowledge development and innovation.

Second, the material suggests that the increased competition found in adventure tourism communities leads to a constant monitoring and a pressure to develop and keep up with competitors. This study suggests that such local competition increases process innovation.

While competition was found to be a driver of innovation, the importance of cooperation was also highlighted. Businesses in adventure tourism communities seemed to a larger degree to engage in cooperation with other local adventure tourism businesses. This study argues that such within-population collaboration strengthens the legitimacy of the population, an important element in an industry dominated by small and micro-sized businesses.

Co-location may also affect knowledge development and innovation through not only geographical but also social and cognitive proximities. While evidence of close inter-firm interaction was identified in all adventure tourism communities, it is difficult to say anything about how such soft factors influence knowledge development and innovation. The disadvantages of too much proximity, as described by Boschma (2005), should also be kept in mind.

The co-location of micro and small businesses of this study in some respects can be seen as a downscaled and rural version of the cluster, and the effects must be seen in a rural and industry specific context. Central themes were the communities' ability to attract staff, increased competition leading to continuous incremental innovation and increased industry legitimacy. The empirical material suggests that these communities may have certain soft factors making them robust in times of rural change.

The effects of co-location should still not be overstated. Businesses with a successful adventure tourism product may surely manage well by themselves. The entrepreneur at Fox Glacier Guiding overall finds several positive sides of being one of few adventure tourism businesses on the West Coast of the South Island:

"And there is a lot to be said for having a business which is a little bit off the road and not in the high profile places. It is much better being in there quietly cruising along, invisibly doing quite well because it means that you don't have people who are trying to compete with you to the same degree. And the rents are low and all that sorts of things. So our shops were probably fairly profitable and there are high profile shops in Queenstown and no one notice them" (C7:2).

Co-location and high level of competition may be valuable in terms of innovation and the total revenue generated from the industry, but it also means tough conditions for new entries to the industry. Bigger businesses such as Fox Glacier with a large crew may also be able to create similar milieus as the ones described above; co-location should not be seen as the only answer to knowledge development and innovation in adventure tourism businesses.

CHAPTER 12. KNOWLEDGE AND INNOVATION IN ADVENTURE TOURISM: SOME TENTATIVE CONCLUSIONS

A starting point for this research was a cry for innovation in the Norwegian tourism industry. On the one hand there were the tourism strategies asking for renewal and change within nature based tourism, while on the other hand research has documented that businesses offering nature based adventure tourism activities in Norway are mostly micro sized businesses with limited resources for development work (Aas et al., 2006; Yttredal, 2005). With empirical material from adventure tourism businesses, this study has focused on the relations between knowledge resources, knowledge development and innovation. The relations have been explored through three different perspectives, which all are expected to affect knowledge development and innovation. The three perspectives concern a) industry maturity of the adventure activity in question b) business size and c) location.

The research questions were examined through a multiple case study at the business level. Eight cases were chosen based on the main selection criteria of business size and location. As there were few bigger actors within the adventure tourism industry of Norway at the time of the case studies, half of the cases are New Zealand businesses. The eight cases provided insightful information about change processes both in relation to the natural growth of an adventure tourism business and the more innovative processes.

Based on previous research on adventure tourism a model has been developed (figure 1, chapter 3), where activities are placed on a continuum according to level of commercialization. On the one hand you have adventurous activities that people organize on their own while on vacation; on the other hand you have commercially organized activities.

The adventure activities can also be placed along the dimension of involvement (following Trauer, 2006), where generalist activities imply low levels of involvement and specialist activities imply high levels of involvement. The eight businesses of this study mainly offer activities for the generalists, the exception being the mountaineering businesses offering activities for a more specialist market. The two dimensions may contribute to a more nuanced debate on adventure

activities, as the meanings and experiences vary considerably along the two dimensions.

This concluding chapter is organized around the research questions. In the following (sections 12.1, 12.2 and 12.3) the findings from each research question are presented in brief and seen in relation to potential implications for adventure tourism innovation and contribution to previous research. In section 12.4, the relations and common themes between the three perspectives are presented and discussed in relation to previous research on tourism innovation.This final section also describe research contributions and some of the weaknesses of the study.

12.1. THE EVOLUTIONARY PERSPECTIVE

The first research question takes its starting point in initial observations of how processes of knowledge development and innovation seemed to be related to "the age" of the specific adventure tourism activity in question. When the entrepreneur of Mangaweka adventure Centre started up as one of the first rafting businesses in NZ, his situation was very different from the entrepreneurs of Alpinism and Ski Wanaka, who started their business in a well-established mountaineering industry. While building up a new business is always challenging, the issues are different in a new industry, where the public and the rest of the tourism industry do not know the product, and there are no product standards or organizational routines available to imitate. Howard Aldrich's evolutionary perspective on entrepreneurship (see e.g. Aldrich, 1999), provides a framework to understand such processes of developing an industry from scratch. Research question 1 explores how differences in industry age may influence knowledge development and innovation in adventure tourism businesses.

Aldrich (1999) argues that central challenges for a new population (for this purpose a new adventure tourism activity) are to develop organizational knowledge and external legitimacy. Based on observations from the cases exemplifying different ages of a specific commercial activity (different populations), this study suggest that the evolutionary path of a population can be described as a development in three phases.

The first exploratory first phase can be illustrated by the introduction of the dolphin encounter product and the development of rafting in Mangaweka (based on early imitation). These can be seen as competency destroying innovations, where the initial businesses lack efficient organizational knowledge and legitimacy both from potential partners in the industry and from the market(s). The businesses need to define their product and for whom it is suitable, establish new organizational routines and make their specific adventure tourism product known to potential customers. The interviews in these two cases display how ignorant the surroundings are to such early developments.

The phases clearly overlap, but in the second phase there are more providers of the activity and the elements of exploration gradually ceases. All of the businesses of this study either were in or had been in this phase. The interviews reveal how the businesses take steps, both within the business and collectively with other businesses of the population to agree on quality and safety standards and create more awareness in the market. This is seen e.g. when the rafting businesses take steps to organize an early rafting association (C5) or a common river owner association (C1), Fox Glacier Guiding initiates a glacier guide program, or the owner-manager of Norske Opplevelser is lobbing to get the tourism industry to recognize the value of activity providers.

The population reaches the third phase when the activity is well- known both in the markets and in the tourism industry at large. When the entrepreneur of Mangaweka Adventure Center argues that the rafting industry has *"come as far as it can get"* (C5:1) in terms of regulations, or when the skills of the glacier guides are used in Antarctica programs, it illustrates a mature industry. The activity is taken for granted and the associated knowledge is acknowledged. The model says nothing about the growth in visitor numbers or the success rate of the businesses. In the well-established rafting industry of NZ, the NZ rafting business of this study was in a financially tough period at the time of the interview.

Based on findings from population ecology (see e.g. Hannan and Carroll, 1992) Aldrich (1999) argues that the size and numbers of new businesses of a population influence how fast a population develops organizational knowledge and legitimacy. This is relevant for understanding the growth pattern of new adventure tourism activities. When the businesses within a population are small and few, one may expect a longer development phase. Both the owner-manager of Norske Opplevelser and the entrepreneur of Heidal Rafting (C4:2; C1:1) point out that it has taken a long time for the regional tourism industry to recognize the value of their adventure tourism products for regional tourism. This seems to be particularly evident in the Norwegian cases. The empirical material of this study is not sufficient to describe relations between population sizes and pace of development. This would be interesting to follow up in future research.

Bringing evolutionary theory into research on tourism innovation means more emphasis on the time dimension of change processes. In this thesis, it has meant to focus on the processes following the introduction of a competency destroying innovation; of building up the necessary organizational knowledge, of standardizing the service product and achieving legitimacy both in the market and in the overall industry as the innovation diffuses. Lack of legitimacy may hamper external collaboration, as potential partners lack trust and understanding of the new activity. Due to low density and small businesses, it is expected that new populations of micro and small adventure tourism businesses will take time to develop, and perhaps policy instruments should increase their emphasis on strengthening these processes; of supporting the formation of industry associations and other

cooperative initiatives and of facilitating growth in legitimacy around a new economic activity.

This study developed a three-stage model based on findings from different adventure tourism activities in different stages of evolutionary development. It would have been fruitful to do an in-depth case study of a specific adventure tourism activity over an extended period of time to learn more about how a population develops.

Aldrich (1999:258) calls for more research on the early years of new populations; on foundings and disbandings, patterns of contact between entrepreneurs in the early phase and efforts to create vehicles for collective action. More information is also needed *"on how other groups of organizations- possible competitors, regulatory agencies, local governments and so forth- responded to the first new ventures in a fledgling population"* (Ibid:258). Populations within the tourism industry may provide good cases for this type of research, as the small size and transparency of the industry make processes readily observable.

12.2. BUSINESS SIZE

Research question two takes its starting point in research showing that bigger tourism businesses are more innovative than smaller ones, explained mainly by access to more financial and human resources and bigger organization with a wider spectrum of products and processes to potentially develop (Sundbo et al., 2007; Jacob et al., 2003; Jensen et al., 2001). Research question two explores the relation between available resources and innovation in the context of adventure tourism businesses and examines whether lack of resources acts as barriers for innovation.

The knowledge resources of adventure tourism businesses are affected by both internal and external factors. Internal factors of recruitment, retention situation, qualification requirements and training varied considerably among the businesses, according to the activity product in question and business size. Recruiting enough guides was not difficult for any of the businesses, but several had challenges with developing the needed competencies. This was especially challenging for the Norwegian businesses, where seasonality was most prominent. While e.g. the two glacier guiding businesses of this study had quite similar competency needs, the guides at Fox Glacier Guiding could work year round and thereby achieve a certain competency level much faster than the glacier guides in Norway working only short seasons cound achieve.

Developing staff competencies were achieved through different means. While the mountaineering guides are already fully qualified when they are being hired (C3 and C6), the rafting and glacier guiding business have training periods where the new guide works as an assistant until the competency level is high enough to either start guiding or to be accepted at qualifying courses. Some of the businesses also offer products requiring different levels of difficulty, where the new guides work at

the basic activities, while the more experienced guides are in charge of the more specialized products. In addition to this, the businesses to various degrees offer different types of training. The amount and organization of training varied in the case studies, both reflecting the variety of products offered, qualification requirements and the ambitions of the owners or managers. The bigger cases of this study had better routines for staff training, especially the two biggest NZ businesses. International labour mobility was frequently highlighted as important. Especially the rafting businesses (C1 and C5) and the New Zealand glacier guiding business (C7) found international mobility to be an asset both for recruiting competency not found locally, and for enhancing the experience base for the guides locally trained.

Findings from the case studies suggest that the employees' strong engagement with being in the outdoors and/or of being involved in a specific outdoor recreation activity such as climbing or kayaking influence knowledge development in adventure tourism businesses. Such motives both helped recruit new guides, were important reasons for keeping the job and for learning the skills associated with the activity. Knowledge relevant for the industry was being developed both during work and leisure time. Stebbins' concept of serious leisure (1982) was used to denote how people's leisure time interest can be a knowledge resource for adventure tourism businesses. Knowledge in adventure tourism businesses has received scarce attention in tourism literature; further studies are needed to explore employment and knowledge development in adventure tourism businesses.

The business biographies revealed development-oriented entrepreneurs. While bigger innovations were rare, quality improvements, growth related developments and improvements of the work situation for guides were common themes in the interviews, revealing different attitudes than the non-entrepreneurship described in previous research on small tourism businesses (Ioannides and Petersen, 2003; Shaw and Williams, 1998). Several of the businesses were started up either based on a major product innovation (the Encounter dolphins product) or early imitation of a product (rafting in NZ, and team building activities for the Norwegian incentive market, Norske Opplevelser).

Most of the adventure tourism products offered by the cases are based on quite specialized knowledge, and the entrepreneurs naturally want to keep new product variations within the core competencies of the business. Apart from entrepreneurship based on an innovative new adventure tourism activity, innovative product developments departing from the core knowledge of the business were seen either in the businesses faced with little competition or in businesses at time of crises. These businesses are either free to experiment with different product ideas as there is little risk involved, or forced to do so through economic hardship.

Size related differences were mainly seen in marketing and organizational innovations. The bigger businesses had more possibilities for internal organizational changes, and more capacity to work with external relations. The smallest businesses

had limited capacity and resources for marketing work and had less emphasis on systematic customer feedback than their bigger counterparts had. More market knowledge is associated with higher levels of innovation (Rønningen, 2009).

Being experience products, many of the products offered could be adapted to new markets relatively easily and at low costs. Such product differentiation, quality improvements and incremental innovations were therefore preferred. Another pattern observed was a natural consequence of growth as businesses over time developed facilities such as a café, a souvenir-shop or accommodations to extend their services.

A recent study from experience producers in Norwegian tourism shows high levels of innovation (Clausen and Madsen, 2014). While this study has no quantitative measures, findings of development-oriented entrepreneurs and low investment requirements for product differentiation and innovation in this study can be seen to support Clausen and Madsen's findings. Efforts to strengthen relations between adventure tourism businesses and other less innovative parts of the tourism industry may therefore be a way of rejuvenating the industry. While this may be needless to say in the case of NZ were the adventure tourism is regarded as *"..a mainstream New Zealand product.."* (MBIE, 2014:16), it is still highly relevant for the Norwegian tourism industry.

This study revealed significant organizational differences between the micro businesses, where the entrepreneurs are in charge of most business processes, and the small businesses who can afford a few full time employees. Small steps in administrative capacity have consequences both in terms of service quality and for the capacity of networking, joining projects and more strategic work. Policies aiming to increase innovation according to this should be sensitive to the structures of the relevant businesses. Larger actors in collaborative projects must be prepared to take the role as drivers of innovation when micro businesses are involved.

Strategies for developing the tourism industry tend to highlight the role of product innovation; that being able to provide continuous new experiences are essential. The findings suggests that as adventure tourism products require quite specialized skills, delivering a high quality product within the core activity of the business is essential. Differentiating the products for different markets may therefore be a fruitful option. To do this thoroughly requires in-depth market knowledge. Systematic market research has been found to be a challenge for small businesses both in this study and in others (Rønningen 2009; Yttredal 2005). Perhaps more policy efforts should be placed on the market work of adventure tourism businesses, especially those being too small to have full time employees working with sales and marketing.

12.3. LOCATION

Literature from research on cluster (see e.g. Porter, 1998) and micro-clusters (Michael, 2003) suggest that co-location of businesses working in the same industry will have benefits in terms of knowledge development and innovation. Four of the cases of this study are located in adventure tourism communities, while four are not. Research question three explores how entrepreneurs and employees of adventure tourism businesses experience location and the associated potential for cooperation and/or competition, and how this may influence innovation.

The term adventure tourism communities was used to portray these communities that offer a wide variety of adventure tourism activities and that make a coordinated effort of marketing themselves as an excellent place to participate in nature based tourism activities.

Access to labour was highlighted as an important asset of being situated in an adventure tourism community. More adventure tourism businesses mean more employees creating an environment that attracts newcomers. Location characteristics were also drawn forth as a reason to come back to the community. Retaining staff was less of a challenge for the businesses of this study located in adventure tourism communities. The employees highlighted certain features of the communities attracting them to the place. For one thing, it was the possibilities of taking part in their favourite outdoor recreation activity. In addition, features related to a welcoming atmosphere, an urban feel, and a good mix of locals and newcomers were important.

Competition is regarded as a major driving force of innovation (see e.g. Sundbo and Gallouj, 1998). Competition in the eight cases of this study should be seen in relation to the businesses' main products and markets. Businesses located close, offering the same activity and aiming for the same market(s) naturally experienced the strongest competition. The interviews at e.g. Heidal Rafting documented at times fierce competition with the other rafting businesses in the valley. Competition was seen as changing over time and overall the businesses that were in a strong competitive situation seem to recognize this as a driving force for incremental innovations and quality improvements. The ease of comparison keeps the businesses on the alert. Competition was also experienced at destinations with a mix of activities, but here the entrepreneurs emphasised more how the variety of available activities strengthened the destination as a whole, leading to a solid base of products.

Being several adventure tourism providers of different activities seemed positive for a cooperative environment. The businesses located in adventure tourism communities seemed to cooperate more with other activity providers. The emphasis on activity is stronger at these locations; leading to what Aldrich (1999) conceptualizes as cooperation within-populations and between-populations. Such alliances may give legitimacy benefits and be valuable starting point for innovation.

Collaboration was also taking place between strong competitors. The gradual building of trust and realization of common challenges has led to cooperative initiatives both described by Heidal Rafting and Alpinism and Ski Wanaka. While the competitive edge is still there, a specific collaborative project is undertaken.

The benefits of being located together can also be seen in relation to issues of legitimacy. The geographical co-location of several adventure tourism businesses may make it easier to be heard and gain influence as economic actors of the tourism industry and to political and government officials.

Literature on geographical agglomerations argues that the transfer of tacit knowledge depends on geographical proximity, and is facilitated by other types of proximities as theorized by Boschma (2005). This study suggests that the intertwining of work and leisure and the common interest of outdoor recreation activity creates cultural proximity, which may facilitate transfer of knowledge. Again the serious leisure perspective is relevant. Employees from different businesses meet both at work and in their leisure time and describe climbing, skiing or barbequing together. While the effect of this knowledge sharing was not directly observed in this study, it is still argued that such milieu factors may benefit the adventure tourism industry through the creation of specialist environments and spreading of ideas and knowledge. Whether or not such knowledge development leads to business development and innovation needs further investigation.

The above indicate some of the benefits of co-location. One of the cases of this study, Fox Glacier Guiding, maintained that there also were benefits of being located more in the periphery. Lower costs and fewer competitors gave them more freedom to develop their business as they wished. Being quite a big actor at the West Coast also gave them legitimacy in the industry and a big crew creating similar milieus as described above; co-location need not be the only answer for knowledge development and innovation in adventure tourism.

This research may contribute to a better understanding of how location influences innovation in the tourism industry. Variations in factors such as access to staff, level of competition and the availability of potential collaboration partners in geographical proximity may shape the pattern of innovation both at the business and destination level. As the location of adventure tourism businesses usually follows natural resources such as rivers, mountains or glaciers, businesses will often be located in rural areas. Recognizing place contingencies may improve our understanding of tourism innovation.

Further studies investigating knowledge processes at the level of adventure tourism communities are recommended. It is suggested here that also the wider outdoor recreation milieu can be important for knowledge development.

12.4. FINDINGS ACROSS THE THREE PERSPECTIVES

The three perspectives serve to provide a different entry to relations between knowledge and innovation in adventure tourism businesses. This section will discuss findings with implications across the three perspectives.

First, the heterogeneity of adventure tourism was a recurring theme. As showed in the introduction, adventure tourism can be described according to both degree of commercialization and degree of involvement. This variation was even more pronounced when the population level was used to look at development within the individual adventure tourism activity. While surely the businesses that e.g. aim for the generalist adventure tourism market have much in common, each of the activities of this study had their own knowledge requirements, guides qualification systems and different labour markets. While adventure tourism often, and rightfully so, is treated as one category, this study illustrates the variety inherent in these activities.

This variation is also important to keep in mind in research of tourism entrepreneurship and innovation. Previous studies have e.g. portrayed small tourism business entrepreneurs as little entrepreneurial and more concerned with lifestyle motives (Shaw and Williams, 1998; Ioannides and Petersen, 2003). The entrepreneurs of this study seem more in line with the entrepreneurs described by Shaw and Williams in their study of surf tourism (2004) both when it comes to motives, use of networks and entrepreneurial attitude. While surely you will find less change-oriented adventure tourism entrepreneurs too, this study indicates that there is a rich variety of entrepreneurial motives among small tourism entrepreneurs, and that typologies may simplify this variety.

The heterogeneity may also influence tourism innovation. This study follows Clausen and Madsen's (2014) findings on experience innovation in that product innovations and product differentiation seem to be quite prevalent in this part of the tourism industry. Product innovations did not necessarily mean large investments in the adventure tourism businesses; with the right competencies in place, product differentiation could be achieved quite easily. Recognizing the heterogeneity of the tourism industry may benefit research on tourism innovation. In that respect, the recent the recent emphasis on tourism experience innovation is a step in this direction.

An issue that came up throughout the analysis was the implication of what can be termed as milieu factors. The concept of serious leisure was drawn in to describe how people's leisure interest could be seen as a resource for adventure tourism businesses. The study suggests that the common interest in outdoor activities may help attract staff and competencies to the businesses. The common interest can be seen in relation to Boschmas's concept of cognitive and social proximities (2005), which facilitates knowledge transfer. The wider outdoor recreation milieu can in

that respect be seen as a potential knowledge resource for adventure tourism businesses.

Such milieu factors may also be relevant in the production of other types of experience products. People highly involved in a specific leisure activity can be valuable resources in the development of particularly special interest experience products such as gardening, bird watching, music or geo-tourism. The milieu factors may provide important sources of knowledge relevant for the production of different types of experiences. Further studies are needed to learn more about how such "soft" factors influence product development in tourism.

Finally, differences related to nationality came up throughout the analysis. The study was not designed to be a comparative study of the tourism industries of the two countries, and the material has not been analyzed from a comparative perspective. The following paragraphs will summarize a few findings of national differences with relevance for knowledge development and innovation occurring in the three analytical chapters.

The context of entrepreneurship naturally varies from case to case, but some of these differences can also been ascribed to national and geographical differences. Figure 5 in chapter 7 illustrates the differences between the main tourism seasons in Norway and New Zealand. While the seasonal character of the industry is obvious in New Zealand too, the country has far more visitors throughout the year. Norway's main tourism season is in comparison short with high numbers in the three summer months.

This seasonal pattern has consequences both for the context of starting up a new tourism business, for staff recruitment and employment pattern. The education level of the Norwegian entrepreneurs of this study was quite high, with an average of more than three years. Having finished an education means that there are alternatives if the business fails. The education level of the NZ entrepreneurs was lower, and with longer tourism seasons, higher income levels from tourism and more months spent in operating the business, it is less relevant to combine the business with another job. Again, from the perspective of knowledge development, full time engagement may mean higher level of commitment and more consistency.

The Norwegian businesses had few full time employees and high shares of instructors or guides being full time students with guiding as a summer job. With short seasons and well-paid jobs waiting after graduation, it is challenging to develop professional teams of Norwegian guides. This was highlighted both in the cases of this study (Heidal Rafting and Folgefonni Breførarlag) and in the two pilot studies. The two entrepreneurs with NZ and US origins both choose to hire mainly non-Norwegian guides for their sea kayaking/glacier hiking products and sea kayaking products, respectively. They argued that the Norwegian guides lack the service mindedness and professional levels they wanted for their products. While this pattern evidently is based on few cases, it is still worth mentioning at a time

when an aim for the Norwegian tourism industry is to develop high quality nature based tourism products.

Different countries also mean different institutional set-ups. Certain national institutions were frequently mentioned in the interviews. Particularly in the New Zealand cases, the DOC was a present actor. With the large amount of commercial activity taking place on conservation land and waters, the institution in charge of issuing operating licenses becomes a powerful agent. No operating license is needed in Norway, so there is no active counterpart to DOC. As obtaining an operation license in New Zealand is quite a bureaucratic process, the more half-hearted attempts at entrepreneurship may be discouraged. While the dealings with DOC sometimes was described in quite negative terms, the presence and accumulated knowledge represented by DOC reflects quite a mature adventure tourism industry.

Innovation Norway is a present public institution for tourism businesses in Norway. All the Norwegian businesses at some point had been involved with or received support from this institution or its precursor NSD. The availability of this type of support is more prevalent in Norway than in NZ, but little is known about how this shapes knowledge development and innovation in the industry. Two Norwegian studies (Rønningen and Lien, 2014; Rønningen, 2009) suggest that tourism businesses receiving funding were found to be more innovative than businesses not receiving funding.

Differences in wage levels make it easier for NZ businesses to have more employees, as the relative cost is lower. Differences in markets, travel patterns, lengths of stay and costs are also factors shaping the adventure tourism industry and its resources. A more thorough understanding on how this shapes patterns of innovation requires an in-depth comparative analysis.

While the study looks into how these proceses are experienced at business level, the study has relevance both at business, industry and policy levels. The findings of this study are also relevant for research on adventure tourism and tourism innovation. First, the study contributes to our knowledge of adventure tourism businesses. While the adventure tourism literature has been growing in recent years, emphasis has been on the consumer perspective with less attention given to the supply side. This study contributes to a greater understanding of the businesses actually operating the adventure tourism activities. The exploration of knowledge resources in this part of the tourism indutry, the differences between each adventure tourism activity and the close relation to the wider outdoor recreation milieu may contribute to close this research gap, but just as much, it suggests topics for further inquiries.

The model in chapter 3 (figure 1) placing adventure tourism practices according to the dimensions of commercialization and involvement may hopefully be fruitful for future research on adventure tourism. The model leads to the distinction between four activity groups with their own different characteristics. The model may be a

way of systematizing the different practices of people travelling to pursue adventure tourism activities.

The study may also contribute to the growing body of research on tourism innovation. For one thing it illustrates the heterogeneity of the industry, particularly highlighting the constrained nature of the micro businesses and how this influence innovation capacity. Simultaneously findings indicate that experience product innovations need not be costly.

The evolutionary aspects may contribute to tourism innovation research with its emphasis on the time aspect of innovation. Following a major innovation there is a prolonged period where knowledge and legitimacy will be shaping the development of the businesses within that knowledge domain. This study suggests that perhaps more attention should be paid to the period after the introduction of a competency destroying innovation; the diffusion process, the the gradual knowledge development and growth in legitimacy. Perhaps more policy efforts could be made to support these processes; meaning an increased attention to the quality of the innovation process over time, and less attention to the quantity of innovations. Coming up with new product ideas need not be the difficult part for small businesses producing experience products; developing high quality products profitable for the whole tourism industry is the main challenge.

In hindsight, the lack of a comparative perspective in this research is an obvious drawback. With cases from two defferent countries, more emphasis on contextual differences would have been valuable. It would have been interesting to know more about how national contexts and the overall tourism industry shaped the evolutionary pattern described here. The lack of national comparison is a result of the research process, where selection criteria and research questions were established before the decision of including cases from NZ. As the research perspectives already covered different levels of analysis, the inclusion of a national level seemed overwhelming, both in terms of resources for this type of empirical material and in terms of analysis. Empirical material for this type of analysis was lacking as the evolutionary approach grew out of the empirical analysis *after* the field period in NZ was over.

With eight cases and three different theoretical perspectives on knowledge development and innovation, the study covers a very wide range of topics. The breadth reflects the exploratory aspects of this research, with little preivious research to lean upon. More robust conclusions therefore need to be based on further investigation of each of the three main topics.

Finally, an important finding of this research is the heterogeneity of the adventure tourism industry. In selecting cases, I ended up with adventure tourism activities that have quite specialized knowledge requirements from the guides or instructors. This may influence the generalizability of the theoretical contributions. The concept of serious leisure and the associated milieu factors as well as the gradual building of

a knowledge base may be less relevant in adventure tourism activities with less need for specialized knowledge.

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Appendix A. Example of interview guide

Introduksjon:

- Introduksjon av meg selv og prosjektet mitt.
- Vilkår. Bruk av båndopptaker
- Din rolle i firmaet

a) Om firmaet generelt:

Firmaets historikk:

- Hvordan startet det? Hvem hadde ideen? Hvem var involvert? Hvordan ble ideen konkretisert?
- Din bakgrunn og motivasjon
- Bakgrunnen til evt andre som var med i oppstartfasen. Utdanning, kompetanse, motivasjon
- Hvordan fikk du / dere kapital til å starte opp
- Hvorfor valgte dere å starte opp her?
- Hadde dere noen forretningside eller visjon?

Firmaet i dag:

- Kan du si litt om produktene, eller aktivitetene dere tilbyr? Hvilke er mest populære, hvor har dere de ulike aktivitetene?
- Markeder. Hvem er det som kommer hit og deltar på de ulike aktivitetene? Har dette endret seg?
- Hvordan ser driften ut gjennom et vanlig år? Hovedsesong, stille tider, hva gjøres utenom sesong..
- Antall ansatte i dag. I sesong, utenom sesong? Hvor mye jobber de forskjellige?
- Organisering av bedriften. Hvem gjør hva?

b) Endringer/ nyskaping/ innovasjon som har skjedd i firmaet

Her ønsker jeg en grundig gjennomgang av firmaets utvikling, med vekt på det du oppfatter som betydelige endringer. Disse kan være av ulike slag. Endringer i

aktivitetene dere tilbyr, endring av overnatting eller matservering, endringer i hvordan dere markedsfører dere, eller endringer i hvordan firmaet er organisert. Jeg ser for meg at vi først går grundig igjennom firmaets historie for å identifisere disse endringene, og at vi deretter bruker tid på hver enkelt endring, siden det er prosesser rundt disse jeg er mest opptatt av

Om de identifiserte endringsprosessene:

- Hvem kom med ideen/ initiativet? Hva var bakgrunnen for ideen/initiativet?
- Har dere sett lignende ideer/ prosesser andre steder?
- Hvordan ble det gjennomført? Hvilke ressurser trengtes for å gjennomføre dette?
- Hvem var ansvarlig for prosessen? Var det andre utenfor firmaet som var involvert og evt hvordan var de involvert?
- Hvor tidkrevende/ ressurskrevende var dette? Hvor ble disse ressursene hentet fra?
- Hva var konsekvensen av disse endringene? Hvordan har det virket inn på driften i etterkant? Både økonomisk, organisatorisk, markedsmessig etc.
- Andre ting?

Generelt om innovasjon

- Har dere andre konkrete ideer som dere ønsker å iverksette eller er du stort sett fornøyd med slik ting blir gjort i dag?
- Har dere mange ideer som dere ikke har fått gjennomført? Konkrete eksempler?
- Hva hindrer deg eventuelt i å sette i gang et nytt prosjekt? Utdyp
- På generelt grunnlag, hva tror du virker inn på nyskaping i denne typen firma?

c) Om kunnskap/ interne ressurser

- Kan du si litt om kompetanse i bedriften? Hva legger du vekt på at de som jobber med aktivitet skal kunne? Hvilke kvalifikasjoner kreves?
- Gjør bedriften noe for å utvikle kompetansen til de ansatte? Eventuelt hva og hvordan er dette organisert?
- Andre typer kompetanse, som har med andre sider av driften å gjøre..
- Hvordan tror du det virker inn på kompetansen å være lokalisert her i…
- Er det noe du ser på som utfordrende i forhold til kompetanse i bedriften?
- Hvilken bakgrunn har de ansatte? Hva gjør de ansatte evt. resten av året?
- Hvor lenge har de jobbet i bedriften?
- Om nyansettelser. Hva ser du etter av kompetanse og ferdigheter, og hvilke kriterier jobber du ut i fra ved nyansettelser.

- Hvorfor tror du de har de valgt å jobbe for firmaet?
- Har du et inntrykk av miljøet på jobb?
- Hvordan er miljøet utenom jobb? Hva gjør de ansatte etter arbeidstid?

d) Om samarbeid og bruk av nettverk

- Er det noen spesielle utenfor firmaet du vil trekke fram som har vært viktige for firmaets utvikling?
- Har dere formelt samarbeid med andre firma, organisasjoner eller lignende? Hvilke?
- Kan du si litt om dette samarbeidet? Uformelt/ formelt? Bruk av provisjon? Motiv?
- Hvordan er kontakten med andre reiselivsbedrifter i området? Hvor ofte har dere kontakt? I hvilke sammenhenger møtes dere?
- Er det spesielle tema dere er opptatt av?
- Andre bedrifter? Transport, overnatting, andre aktiviteter
- Hvordan er kontakten med kommunen? Evt fylkeskommune?
- Andre større aktører innen reiselivet, innovasjon Norge, destinasjonsselskap?
- Har du kontakt med forbundet, evt andre organisasjoner som har innvirkning på aktiviteten dere driver med?
- Har noen utenfra vært involvert i noen av endringsprosessene vi snakket om tidligere?

e) Konkurranse

- Hvordan er konkurranseforholdene til bedriften? Hvem ser du på som firmaets sterkeste konkurrenter?
- Hvordan er konkurranseforholdene lokalt?
- Hvordan tror du konkurranse situasjonen har formet bedriften?
- Hvordan tror du konkurransen har formet reiselivet lokalt?

Avsluttende:

- Hvordan ser du for deg firmaet om du ser noen år fram i tid?

SUMMARY

In a rapidly changing tourism industry, the international competition is strong and the well-travelled tourists have high expectations. This has led to an increasing emphasis on the development of new services and experiences to attract tourists' attention. Innovation has become a "buzz-word", seen as essential for survival and growth.

With cases from Norway and NZ this thesis examines what innovation means in the context of adventure tourism businesses, and explore relations between such change processes and the available knowledge resources of the business. Several factors influence the knowledge resources of a given business, and this study looks specifically at how the size of the business, its location, and the maturity of the specific adventure tourism activity shapes processes of knowledge development and innovation.

The study takes it starting point in research on small businesses and tourism innovation, and draws on perspectives from economic geography and evolutionary theories of industry development. In addition sociological theories of leisure are included to explore how the close relations between adventure tourism and certain outdoor recreation milieus may benefit knowledge development.

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