

# Tourism Diversification and Its Implications for Smart Specialisation

Weidenfeld, A

Published PDF deposited in Coventry University's Repository

**Original citation:**

Weidenfeld, A 2018, 'Tourism Diversification and Its Implications for Smart Specialisation' *Sustainability*, vol 10, no. 319, 319

<https://dx.doi.org/10.3390/su10020319>

DOI [10.3390/su10020319](https://doi.org/10.3390/su10020319)

ESSN 2071-1050

Publisher: MDPI

**This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).**

**Copyright © and Moral Rights are retained by the author(s) and/ or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This item cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder(s). The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.**

Concept Paper

# Tourism Diversification and Its Implications for Smart Specialisation

Adi Weidenfeld 

School of Marketing and Management, Faculty of Business and Law, Coventry University,  
Coventry CV1 5FB, UK; adi.weidenfeld@coventry.ac.uk

Received: 30 October 2017; Accepted: 5 January 2018; Published: 26 January 2018

**Abstract:** The complex nature of tourism, its strong inter-sectoral relationships and regional dimension challenge innovation. The advent of smart specialisation, which focuses on regional diversification across sectors, offers considerable and hitherto largely unrealized potential for developing innovative tourism policies within this new agenda. This paper addresses the understudied concept of tourism diversification and its unrealized relevance to smart specialisation, which has emerged as a mainstream logic underpinning EU Cohesion Policy reforms and has diffused into other OECD countries. It provides a theoretical framework for studying product, market, sectoral and regional diversification as well as related variety in tourism. Some policy implications for realizing tourism diversification and for the potential role of tourism in smart specialisation strategies in particular are suggested.

**Keywords:** tourism diversification; smart specialisation; tourism innovation; related variety

---

## 1. Introduction

Tourism policies are recognised for supporting employment and for their quick return for investment, tax coffers, foreign exchange, earnings [1], diversifying economies at the local, regional and national scales and, more recently, in creating inter-sectoral linkages [2–6]. Tourism is seen as an alternative to decline in traditional industries such as agriculture in general, particularly in lagging or peripheral regions, where territorial policies promote diversification strategies [7,8]. This is even more the case where localities depend on tourism for their diversification and revival [9].

By compensating for the declining contribution of other sectors, tourism sustains gross domestic product in times of economic crisis, particularly given its outstanding resilience compared to other industries and sectors [10]. This is particularly, but not exclusively, germane to rural areas, where the competitive advantages include combinations of natural and cultural values as unique mixtures of attractions, which have the potential to give rural inhabitants a sustainable income [11]. Nevertheless, given that tourism is vulnerable due to its strong dependency on cultural and natural resources, its competitiveness depends on the sustainable use of territorial assets. Furthermore, the differentiation of destinations depends on the integration of cultural and natural resources into the tourism supply as well as on their preservation over time [12]. The success in using tourism for enhancing sustainable development depends on using diversification and specialisation policies wisely. Given that tourism markets are highly fragile and risky (they are volatile, full of quality uncertainties of consumers, and ever-changing life styles of consumers), tourism companies are forced to be innovative and to diversify their goods and services. Thus, innovation and diversification in tourism are pivotal for promoting a competitive advantage [13].

In many advanced economies, tourism is increasingly becoming a knowledge-based activity with a great potential for the development of place- and practice-based innovation strategies, which depend on the human skills and natural and cultural resources available in specific places and regions [14]. Nonetheless, research on tourism innovation policies remains limited and disengaged from the broader

literature on innovation systems and policies [15]. Innovation processes are often facilitated by firms and regions to implement innovation policies aiming at diversification including expanding to new markets and or entering new sectors [16]. Therefore, specialisation and diversification are relevant to the literature and the study of tourism innovation policies.

Innovation is the process of converting new ideas into marketable outcomes and has a pivotal role in driving economic growth [17]. Tourism innovations can constitute product, process, organisational/managerial and market innovations as well as more tourism-specific distribution innovations and institutional innovations [18]. They often constitute smaller changes or improvements rather than entirely new products and/or new markets [19]. At the destination regional level, new experimental packages of products and services constitute innovation, which is often developed by collaboration between tourism and/or non-tourism actors from the business, public and non-profit sectors [10].

So far, tourism innovation system policies have emphasized the cluster approach, which refers to the role of the co-located complementary firms in facilitating intra-regional networking, collaboration, and knowledge transfer through pre-existing network membership and alliances' dynamics for the purpose of fostering economic growth and tourism innovation [20]. However, unclear and unsuccessful cluster innovation policies led to a more holistic but place-based approach in modern innovation policies, which is underpinned by regional innovation systems (RISs) logic [17].

RISs are made up of a subsystem of knowledge generation and diffusion including research and development organizations, educational bodies and technology transfer agencies, and a subsystem of knowledge application and exploitation, which includes the companies and clusters located in the region. The subsystems are linked by intensive knowledge flows, resources and human capital within and between them, which are pivotal and constitute the foundations for systemic innovation [21]. Different aspects of RISs have been emphasized at different time periods and locations over the last three decades and more recently a sectoral based policy approach is emerging in the field of regional innovation [17].

In tourism, where differentiated innovation policies addressing regional-specific barriers are required, there has been growing attention regarding external support and state intervention for RIS [15]. In addition, in the field of innovation policy, a sectoral-based policy approach, which focuses on the sectoral rather than the spatial context as well as the strengthening of existing linkages between firms, institutions and other actors, includes building inter-sectoral networks, synergies, diversification and emerging knowledge exchanges [17]. The sectoral system approach in tourism places importance on sharing industry-specific experience and relevant knowledge between various sub sectors along the value chain [22,23].

More recently, European policies for development and cohesion have been reformed and underpinned by these shifts in modern thinking resulting in the smart specialisation agenda [24,25]. Smart specialisation refers to smart or specialised diversification around identified related activities/themes, aiming to identify new opportunities [26]. These activities/themes are often defined as priority areas of regional specialisation. They are not only the most dominant and regionally embedded but also likely to stimulate high growth and further relatedness between sectors leading to further diversification [17]. The new agenda is now considered both a necessary and effective means of encouraging policy makers in the European Economic Area and other OECD countries, e.g., Australia, the United States, Korea and Singapore, to reform their regional development approach [27].

Whereas the smart specialisation agenda tends to focus on science and high technology-related industries, it has neglected low-tech industries such as tourism [28]. This is quite surprising given that, in practice, tourism is one of the most common regional innovation priorities within the main category of 'business areas and target markets' for smart specialisation and innovation priority areas selected by regional actors across the EU. These business areas and target markets aim to build a regional competitive advantage by addressing EU emerging market potentials, developing and matching research and innovation in knowledge domains to business needs [29,30]. Therefore, it is surprising

that diversification, Related Variety (RV) and smart specialisation strategies (S3) in tourism have so far received little attention in the literature. This includes tourism's role as a facilitator and an enabler of regional diversification in other (non-tourism) sectors.

The limited research on tourism diversification remains fragmented with a main focus on the regional scale; Erkus [13,31–33], very little attention to the national scale focusing on success factors of tourism diversification [34] and some scope on the international scale in the context of export diversification [35,36]. Studies on tourism and smart specialisation have only emerged recently in the context of tourism sustainable development [12,37,38] and sustainable economic growth and resilience [10,39]. This paper is original in being the first to provide a comprehensive theoretical framework for the study of tourism diversification including a conceptual framework for studying tourism diversification strategies at the market/product, regional and sectoral levels. It also contributes to the knowledge on the relevance of tourism to the smart specialisation process by suggesting a new policy framework for the implementation of the smart specialisation agenda in tourism. At the regional level, it explores the specific aspects of tourism in smart specialisation strategies and highlights how the particularities of tourism as a multi-sectoral and multi-stakeholder industry are relevant for implementing smart specialisation strategies in tourism, but also in other sectors. Finally, it suggests some policy implications for diversification strategies in tourism, which can be utilised in accordance with the smart specialisation agenda.

The paper begins by examining tourism diversification versus specialisation, which underlies the rationale for S3 in tourism. Second, it suggests that diversification policies should be examined at the product/market, sectoral and regional levels including the role of RV in maintaining linkages between tourism sub-sectors and between tourism and other (non-tourism) sectors. Third, it identifies tourism-related particularities in smart specialisation processes including prioritisation, monitoring and evaluation and considers some implications for tourism diversification and its role in smart specialisation strategies.

## 2. Diversification and Specialisation in Tourism

### 2.1. Specialisation

The specialization of regional economic activities dates back to Marshall's concept of polarization theory and the new economic geography theory and is based on underlying competitive advantage as a result of inter-firm interactions and institutions and diffusion of technology, transfer of innovation, skills and knowledge (see Gulcan et al., 2009) [40]. It is often associated with several theoretical models, such as the industrial districts model, which refers to the existence of different categories of firms, their proximity and the quality of the social milieu including trust, transferable skills, knowledge, in order to achieve external economies of scale and increase competitiveness and productivity [41]. This model, as well as the cluster model and more recently tourism local systems relating to agglomeration economies, is used to define different patterns of specialised destinations. They are characterised by their ability to increase the links of their regional value chain and therefore collaboration and innovation [42]. The industrial district model refers to spatial clusters of single product industries and a homogenous product (specialisation), whereas the Porterian cluster model refers to concentrations of different but interrelated industries with a heterogeneous product [43,44].

Regional specialisation in tourism has shown contrasting impacts on regional economies. On the one hand, it is linked to fast economic growth and higher value added in the region, particularly in coastal or mountainous regions [10,40,45–47]. On the other hand, more recent studies show lower levels of gross value added in tourism and a lack of connection between tourism, education and productivity, as well as a low contribution of knowledge and research to the economy of regions specialising in tourism [14,37,46]. Specialisation in tourism is common in conditions of economic growth, destinations' confused image and/or lack of resources as existing markets are focused on and gathering intelligence on tourism markets for future diversification [48]. Specialising in one or a few

co-located products contributes to the shaping of a coherent destination image, familiarity, identity and expertise. It also reduces barriers and encourages economies of scale and thematic linkages. The lack of product specialisation in transition countries, such as Montenegro, is counterproductive for developing a unique drawing power to tourists [49]. In cities, tourism specialisation often addresses a lack of resources (attractions, land, labour) and competition with other cities [50].

Regions specialising in tourism may be characterised by opportunities for regional development based on natural and cultural resources, which might not be sustainably managed. This could result in a vicious circle in which regional amenities attract visitors, which in turn contribute to their damage [37]. Recent studies show that Southern European regions specialising in tourism tend to show high levels of unemployment, slow recovery from financial crisis and low levels of productivity in regions where tourism services are more labour-intensive [14,37]. This is related to tourism low-value added products and services oriented to mass consumption, reduced socio-economic impacts and excessive use of natural resources [12,14]. Other negative impacts of tourism regional specialisation include economic leakage, increased living costs, crime, asset bubbles, crowding out of local businesses—particularly in small and medium size enterprises (SMEs)—the imitation of luxury, consumption, social polarization, demoralization, cultural alienation, pressure on public services e.g., transport, environmental degradation and a decline of other traditional sectors [50]. Nevertheless, it is quite surprising that the impacts of tourism specialisation on socio-cultural sustainability and quality of life in tourism destinations remain understudied [46]. These impacts can be countered by diversification strategies whereby tourism develops linkages with other sectors, which increase its added value but also consider the sustainability of its resources [37,51].

## 2.2. Diversification

According to the Schumpeterian theory of economic development, innovation and product diversification are different yet interdependent strategies for growth. Whereas innovation refers to the degree or type of novelty embodied in the product, diversification refers to the expansion of a product or a sector into a new market rather than specialising in a single-product. Firms may choose to enter new fields seeking diversification rather than innovating within the same market. In addition, firms implementing diversification strategies may use different types of innovation—product, process, radical or incremental—to enter new markets [16].

Diversification has received relatively little attention in the tourism literature. This is quite surprising given its importance to the industry and beyond [13]. In the service industries, diversification is associated with value creation or risk minimization at the customer end [52]. In tourism, diversification offers varied and customized experience products, flexibility in the planning and design of the destination experience and competitiveness through creating more complementarities, synergies, and economies of scope [31]. In many Middle Eastern countries, e.g., the United Arab Emirates and Saudi Arabia, these policies propose alternatives for non-renewable oil and gas resources [53]. Diversification strategies have limited influence on the balance between concentration and diversification because there are many other factors and ad-hoc decisions. For example, they are often determined by uncoordinated individual market-based decisions rather than by coordinated destination policies and market interventions [31]. Implementing these strategies challenges tourism SMEs to gain competitive advantages or else they will suffer from poor economies of scale and scope [54]. Tourism diversification strategies can be addressed at the product/market, regional and sectoral levels. This classification, explained in the next section is more schematic than a strict dichotomy, and strategies may fall into more than one category.

## 3. Diversification Strategies in Tourism

Diversification strategies lead to more tourism sustainable development in terms of protection of natural resources and value-added products and services as well as strengthening linkages between tourism and other regional industrial sectors [12]. Diversification as a multi-sectoral and

multi-stakeholder strategy for recovering tourism destinations was categorised as a component of one of the alternative paths for destination restructuring in coastal destinations. It included new product development processes, which also generated new forms of social interactions and informal learning between residents and visitors [55]. However, diversification strategies might fail unless they manage to identify the areas and markets, which have the best potential to diversify the regional economy and unless they stimulate innovation rather than replication and imitation. In Benidorm, Spain, for example, a new theme park and other recreational facilities represent a failing diversification whereas the hospitality sector has managed partially to diversify the market to event tourism, health and beauty and family markets with greater purchasing power [56]. In Antalya, diversification among small hotels also failed and resulted in imitation of luxury hotels rather than innovation [13].

This paper suggests that tourism diversification strategies should be approached from the recent Evolutionary Economic Geography (EEG) context, which is relevant to place-based economies such as those dominated by tourism. According to the EEG, “path-dependence” is a set of territorial characteristics that define the initial conditions for regional development and therefore influence and constrain the possible future outcomes. Furthermore, tourism areas can follow different evolutionary paths (the S-shaped life cycle, a lock-in to a stable equilibrium, or an ongoing process of change and mutation) [32]. Some regions tend to develop feedback loops, leading to self-re-enforcement of their economies over time, which in turn result in increased product and market development of a particular sector followed by increasing sectoral productivity and regional prosperity. Tourism diversification and specialisation is relevant to these processes because it plays an understudied pivotal role in shaping them. This is particularly the case in regions which depend on tourism for their diversification and revival through knowledge creation and dissemination throughout businesses along time [9].

Defining levels and types of diversification processes in tourism and exploring the factors which influence them are crucial in an era of ever growing competitiveness in the global economy [13] while maintaining sustainable social, economic and environmental outcomes. Therefore, this paper examines diversification in tourism at the product/market, regional and sectoral levels (Figure 1). The product/market levels refer to all geographical levels from the individual firm to the international context. The sectoral level refers mainly to the diversification of sectors at the regional level, but also to intersectoral knowledge transfer at the regional, national and international levels.

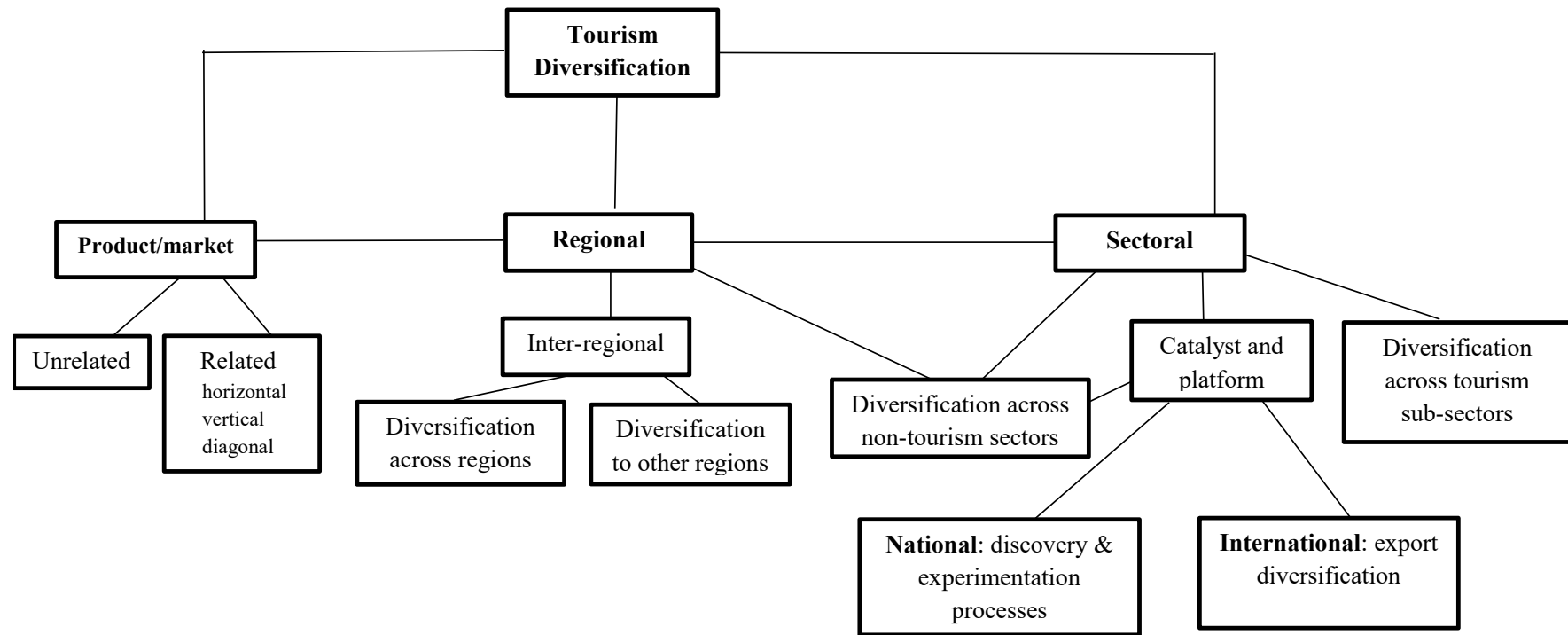


Figure 1. Tourism product/market, regional and sectoral diversification.

#### 4. Product and Market Diversification

Socio-demographic trends, particularly aging populations, climate change, migration, changes in social values, society and consumer perceptions in the nature of resources have forced tourism to adapt to new market demands [4,57]. Market and product diversification strategies encourage growth through the development of new and authentic products [31,58]. Often, they take on risks because of the involvement of high investment costs, overstretching of financial resources, the construction of a confusing image, reproduction and standardization of the tourism experience; moreover, they depend on managers' motivation for creating synergies in the value chain [58] and advocate acquiring new skills, techniques, structures, competencies and resources and/or facilities at the firm level [59]. Drawing from Ansoff's (1957, cited by Evans, 2015 and Bayus, 2011) [58,59] tourism product and market diversification strategies are divided into related and unrelated strategies (Figure 2).

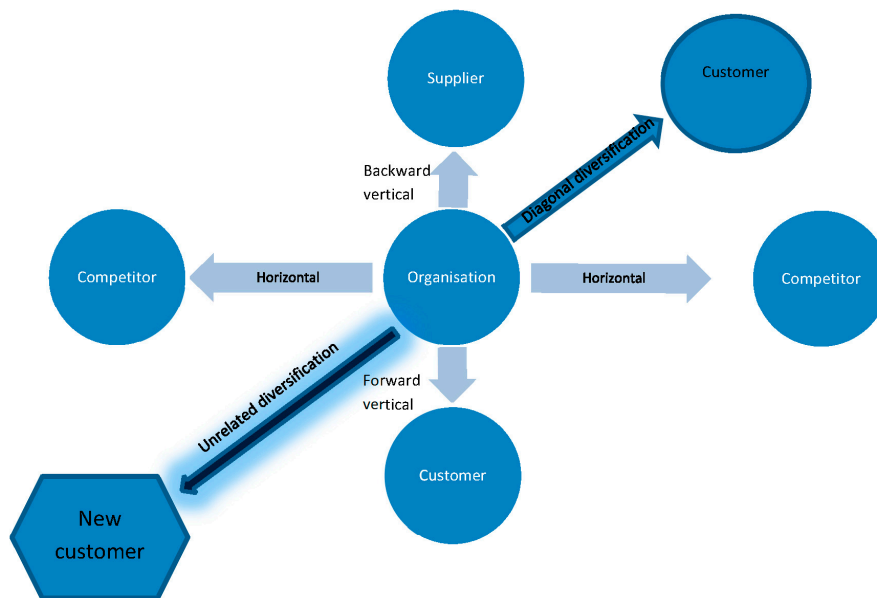


Figure 2. Product related and unrelated diversification. Adapted from Evans (2015) [58].

Related strategies include horizontal, vertical and diagonal strategies, which are related to products or markets from similar sectors and are aimed at reducing costs. Vertical diversification strategies include backward diversification, when organisations seek to introduce new products to the firm, which use existing resources; e.g., a hotel operator extending his/her products by having a stake in a hotel chain. It also includes forward diversification by organisations seeking to extend the value chain to products, which are currently offered to their customers by others, such as a tour operator extending its offer by taking control of a call centre [58].

Horizontal diversification strategies occur when an organisation enters complementary or competing markets which would also appeal to its customers, such as airline companies and hotels working together in a complementary manner to achieve common objectives. The firm acquires or develops different products to its current ones which are likely to appeal to its customers [58,59]. Tourism can be integrative through the development of new packages, (re)combining and/or modifying existing products and developing new ones, such as the recent emerging tourism trails [60]. Horizontal and vertical strategies are more common in conditions of market decline or developing competencies in new technologies. Diagonal diversification refers to the utilisation of a common platform of information and technology to target customers with a closely related set of products, such as banks getting involved in travel related financial services, which allows organisations to benefit from economies of scope by lowering costs for each product [58].



Unrelated strategies introduce entirely new products for other markets. They are more radical and risky than in horizontal and vertical strategies and are more likely to be implemented by the private sector [58,59]. The diversification of the tourism product in Middle Eastern countries has recently veered away from its initial heritage base towards a more hedonic, sea-based and sand-based tourism. Such re-orientation is similar to other destinations and might increase vulnerability to events, shocks or competition with similar destinations [53]. Product and market diversification strategies are used as a tool for several marketing and social objectives including extending the tourism season, overcoming seasonality and its impact on tourism sustainable development, increasing social inclusiveness, reorienting the market and avoiding conflict and tension. Extending the tourism season and overcoming seasonality problems include offering more all-year products and targeting new market demands. The first one includes quality enhancement and identifying new opportunities for new products. The SW Wales Regional Tourism Partnership in the UK, a regional public–private partnership, for example, facilitated the ‘Open All Year’ strategy in 2004 as an integrated strategic programme of action. It was aimed at addressing seasonality problems and managed to increase off-season visits from less than 26% in 2006 to 32.5% of the total in 2011 [61]. Similarly, in the highland resorts, Georgia, the US, product and market diversification of visitor attractions resulted in all year employment opportunities [62]. Such policies can also support sustainable development where overcrowding and exceeding carrying capacity of tourism offers cause environmental problems, such as in many European coastal resorts [34].

The second strategy, increasing inclusiveness in tourism, concerns people in poverty, people with disabilities, young families with children, senior citizens as well as the private sector. In Flanders, Belgium, for example, the ‘Holiday Participation Centre’ (Steunpunt Vakantieparticipatie) negotiates special deals with its public and private partners, e.g., accommodation facilities, holiday parks, attractions and events, as well as coordinating with social services and welfare agents and carrying out targeted promotion for disabled markets or customers, creating new all-year markets [61].

Diversification strategies also include the reorientation of the market focus, such as the new cycle routes in a previously under-exploited area in Hungary, which created a diversified range of small business activities, e.g., sport or health activities and businesses based on culinary heritage and planned events. Consequently, these changes required diversification in terms of adapting and/or acquiring new technologies, knowledge and technical skills to develop new products and cater for the needs of new markets including professional and training of current and new members of staff [61]. Market diversification can also be used as a strategic tool in avoiding conflict and tension, such as the development of international tourism and territorial enclaves in third world countries and Muslim countries, where the tourism offering is separate geographically between international and domestic markets [31]. Related and unrelated strategies can guide the development of a systemic approach to regional diversification including links between firms, institutions, and other knowledge actors as well as between sectors, which may diverse into offerings new products and markets in line with their marketing strategies, risk assessment and identification of place based resources.

There is a positive relationship between the differentiation or innovation of tourism businesses and their characteristics including size, type, the share of skilled manpower in the workforce, collaboration with other tourism businesses, recruitment, investments in different but related sectors and inter-sectoral mobility of labour. Businesses that are visited predominantly by mixed customers are more likely to sell more differentiated products and services, than those, whose customer segments are mainly local residents or tourists. This can be explained by the flexibility of businesses to adapt according to differences in market demands [33].

## 5. Regional Diversification

Regions diversify by building on their current knowledge base and inter-sectoral knowledge spillovers [63,64]. Regional diversification refers to the process whereby new industries emerge from technologically related or unrelated industries in regions, where existing competences are recombined

as new economic activities [65]. In tourism, cumulative and combinatorial knowledge dynamics occur predominantly in proximal knowledge interactions [66]. Regional diversification develops new growth paths “... whereby new activities develop out of existing ones, but the scope and outcome are fundamentally affected by technological and cognitive constraints” [67] (p. 1). These constraints are determined by cognitive distance, defined as the extent of sharing the same knowledge base and expertise that determines mutual learning [68].

A high regional sector variety protects against external shock in demand leaving regions with mild negative effects on growth and employment. By contrast, a region specialising in one sector, or a group of sectors with correlated demand, runs the risk of a serious slowdown in growth and high rates of unemployment as a result of a demand shock [63]. This is also the case when destinations focus on one or a few sub sectors as diversification strategies can be seen as appropriate for destinations to enter the rejuvenation or repositioning stage of the tourism area life-cycle [69] aimed at avoiding stagnation or overcoming external shock of demand, such as in coastal destinations across the Mediterranean [13,34].

Diversity between regional sectors is positively related to innovation [70] and is important for maintaining sufficient inter-sectoral cognitive differences and avoiding lock-in by engendering effective knowledge transfer and interactive learning [71]. Regional economies, which branch into new directions may be more stable than those that start from scratch, as long as cognitive distance between sectors is not too large or too small [68]. Rather than regional diversity (which involves too large cognitive distance) or regional specialisation per se (resulting in too much cognitive proximity), it is regional specialisation in RV that enhances real innovations [71]. A dearth of knowledge has emerged on the regional conditions that allow RV among tourism sub-sectors and between tourism sub-sectors and non-tourism sectors which, in turn, simulate inter-sectoral knowledge transfer.

### 5.1. Related Variety in Tourism

RV refers to the sufficient cognitive difference between existing regional economic activities, which engenders novel re-combinations of different but complementary knowledge and therefore underlies regional diversification [63,65]. It is defined on the basis of shared and complementary knowledge bases and competences [72] and stimulates knowledge spillovers between different economic sectors, which are perceived as a source of regional knowledge [63,64]. RV in tourism enables a composition of related technologies or economic activities with high cognitive proximity which are neither too similar nor too different between businesses. It is an important yet understudied determinant of clustering of tourism firms for stimulating a chain of related activities, which are essential for the formation of tourism destination clusters and is positively correlated with the concentration of tourism and non-tourism firms [73]. Tourism co-production and innovation is positively related to RV when there are complementarities in products and services and vice versa [74]. Innovation deriving from previously unrelated domains, technologies and knowledge, which become related over time, can be defined as recombinant innovation, whereas those deriving from related ones are likely to result in incremental innovations [70,71].

Even though tourism is, with a few exceptions, a low-tech industry [75], technology is pivotal to the tourism industry in general [76], and the creation of RVs in particular. ICTs allow stakeholders' collaboration and the raising of consumers' demands for more tailor-made products and therefore facilitate knowledge for diversification into niche markets in distant locations through social media [76,77] as well as in some historical and heritage cities such as Venice, Barcelona, Rome and Bruges [78]. The Internet and online social networking help in overcoming the distance barrier and speeding up diversification processes by focusing on new specialised services and products in low volume demand by companies; the more focused and specific online search queries are, the easier it is for a niche product to appear on potential customers' computer screens, giving them a comparative advantage but exposing them to global competition [79].

Science can also mediate RV by generating inter-sectoral knowledge spillovers, such as agro-science and visitor experience management, which developed the food tourism in North

Jutland, Denmark [80]. Therefore, the more that destinations are strategically specialised, the higher the RV will be among tourism sub sectors and lower levels of RV with other regional sectors. Specialised tourism destinations are more likely to be characterized by incremental innovations than diversified destinations in terms of the composition of their sub-sectors. This is because diversified destinations have more potential to create RV between tourism and other regional sectors stimulating product innovations.

### 5.2. Inter-Regional Tourism Diversification

Inter-regional tourism diversification has two dimensions. Regional diversification reflects a firm's or a sector's diversification to other markets and sectors within the region. However, the first dimension refers to *diversification to geographic markets outside the destination region* [81] by introducing new products to other regions in the same country or to regions in neighbouring countries and thereby differentiating regions. This diversification strategy is common in national governments' agendas to extend tourism to other regions. In Kenya, tourism developed around highly specialised enclaves including sea, sex and sun, safari tourism, and urban tourism with business and conference in the capital, Nairobi. As a result, the Kenyan Tourism Strategic Plan (2008–2012) recommended developing new and different types of tourism offers in other regions, such as in lake Victoria, thereby promoting sustainable development and ameliorating poverty [38,82,83]. This process led to regions differentiating themselves from other regions in the same country.

The second dimension is *diversification across regions*, which may emerge as a result of developing RVs between sectors in different regions and depend on regional and sectoral similarities and dissimilarities between them. Inter-regional diversification can reduce negative consequences to small tourism firms, such as tour companies developing a portfolio of destinations, whereby problems in one destination have little effect on the operations in others [84]. They need to consider the regional spectrum between diversity and concentration against that of competing destinations, which is common across peripheral and rural areas in the EU [85] and developing countries. Tourism inter-regional diversification strategies may also involve external knowledge transfer and joint innovation, such as in cross border regions, which require RV between regional sectors in neighbouring countries [86] and may result in diversification across regions. The different dimensions of tourism diversification, including intra- and inter-sectoral dimensions, especially as a platform for diversification in other sectors, are further explored.

## 6. Sectoral Diversification

Product or market diversification may create a large number of businesses which constitute new sub-sectors in tourism. When linkages between businesses belonging to different sub-sectors create new products, sectoral diversification may take place followed by the emergence of new sub-sectors. Tourism is a place-based industry, whose competitive advantages depend on territorial assets, which range from a single dominant asset such as sea–sun–sand tourism to a broad mix of different assets [13]. Sectoral diversification is more likely to evolve at destination regions, facilitated by RVs between tourism sub-sectors (intra), and/or between its sub-sectors and other (non-tourism) sectors (inter-industry). It may be also used as a platform for RVs between non-tourism sectors at the regional, national and international levels.

### 6.1. Diversification Across Tourism Sub-Sectors (Intra-Industry)

Tourism sectors diversify by creating new sub sectors in the industry, to which they are highly related; e.g., heritage tourism has diversified into dark tourism, which has been recently diversified further as post-war tourism [87]. Other tourism sub-sectors also diversify into new ones e.g., hospitality into the self-catering accommodation sector and the events sector into festivals, diversified into the art festival sub-sector. At the regional level, sectors may diversify into sub-sectors, such as in Antalya,

Turkey, where big hotels used to dominate the hospitality sector, which diversified and became less monopolized, more diversified and more competitive [32].

Other tourism sub-sectors also diversify into new ones: e.g., hospitality into the self-catering accommodation sector and the event tourism sector into festivals, diversified into the art festival sub-sector. Tourism sub-sectors may also diversify by establishing new linkages with existing tourism sub-sectors. They can evolve through a combination of existing products, new products, modifying existing products, or from various combinations of these resulting in new or enhanced tourism products [31]. The emerging event attractions, which are events that are held in visitor attractions' premises and share with them some of their spatio-temporal features and management aspects [88] is an example of diversification across the visitor attraction sub-sector and the event tourism sector into a new event attraction sub-sector.

At the regional level, intra-industry knowledge spillovers characterised by low cognitive distance between workers resulted in producing innovative services [13]. A balanced and diversified regional economic structure characterised by close inter-sectoral links including integration of knowledge between tourism and other industries is also important for regional economies as discussed in the next section.

### 6.2. Diversification of Tourism Across Other Sectors (Inter-Industry)

Tourism may be seen as a complex network of a wide variety of economic activities across the entire economy such as agriculture, manufacturing, construction, retail, transport and entertainment [10,89]. Tourism develops inter-sectoral RV with other low-tech sectors of other industries e.g., retail and catering as well as with technology-based sectors, e.g., medicine and ICTs. Tourism growth in Antalya, Turkey, for example, has generated a diversification of some sectors of the urban economy while singling out others [32]. Diversified destination regions contain a variegated mix of small companies such as restaurants, small hotels, jewellery and souvenir shops, and shops selling clothes, bags and shoes mainly to foreign tourists, that are related to the tourism industry either directly or indirectly [33].

Tourism sectors tend to interchange customers and labour along with similar cognitive knowledge, such as production and marketing, which contributes to inter-sectoral RV between them and with non-tourism sectors, particularly retail, catering, agriculture, medicine and health sectors. Inter-sectoral knowledge spill-overs between firms which do not share complementary competences tend to have high cognitive distance and unrelated variety between them and have so far received little attention in economic geography literature. This is germane to non-tourism sectors, e.g., the cut-flower, jewellery, cultural industries and certain trade sectors, that have recently established connections with the tourism industry through the opening of new markets [33].

The levels of RV depend on the nature and strength of the linkages: e.g., seasonality and market share. RV between seasonal agro-tourism attractions (agricultural industry) and other businesses is likely to be lower than that between the medical and hospitality sectors, which attract medical tourists all year around. In Western Pomerania, Poland, for example, RV between recreation and medical sectors stimulated the formation of a network of spa and wellness services including treatments and rehabilitation based on extensive treatment facilities [90]. Tourism and hospitality also diversify the real estate market when hotels evolve into complex, multi-purpose and activity resorts offering leisure, sport, conferences, conventions, gaming, retail (e.g., brand stores) and catering, used by residents and tourists [4].

Tourism has an understudied contribution to economic regional resilience. Based on a study of regions from Spain, Portugal, Italy, Poland, Germany and France as well as national S3 of Slovenia, Hungary and Malta, tourism's contribution to regional economic resilience was categorised by the kind of tourism innovation they pursue and by the emphasis of the relationship between tourism and other sectors of the economy [10]. This categorisation included the following three types [10] (p. 146): "(i) engineering resilience, when tourism innovation is seen as a way to maintain the role of tourism in

the present economic structure; (ii) ecological resilience, when tourism innovation is seen as a factor that increases the economy's ability to absorb shocks; and (iii) evolutionary resilience, when tourism innovation is seen as a dynamic contributor to the system's ability to 'bounce forward' to a renewed economic structure". Whereas the importance of linkages between tourism and other sectors has been acknowledged and studied in the above recent studies, in many regions specialising in tourism, such as in Southern Europe, weak linkages to other sectors do not engender the diversification of the tourism value chain and hinder the potential of tourism to create positive socio-economic impacts [14].

### 6.3. A Platform or a Catalyst for Diversification Across Other Non-Tourism Sectors

Tourism stimulates new connections between non-tourism sectors. At the regional level, as already noted, it provides a sectoral platform as a target market for regional diversification and engenders new RVs between non-tourism technologically unrelated sectors, like ICTs, design, art and gastronomy [10,67]. Tourism and hospitality were a platform for creating a new RV between the wood industry and the medical sector in the Oberpinzgau region of the Hohe Tauern National Park in Austria. They stimulated the development of new medical tourism packages and wood products, resulting in product innovation including new 'allergy-proof' furniture products. In this case, tourism was a catalyst for exploiting scientific evidence about the health benefits of a local feature and broke sectoral boundaries between manufacturing, research and the service industries by taking a market-driven approach for innovation processes [3]. Links between tourism and other sectors, which are technologically unrelated can result in more breakthrough innovations, such as new connections between tourism, ICTs, the art and design sector and gastronomical activities, which make the tourism industry move to an experience good sector with higher returns [91]. Technological development has diversified highly urbanised and industrial landscapes by endowing them with tourism rural and natural spaces [19].

At the national level, particularly in countries that are highly dependent upon exports and investment in experimentation and discovery of products, tourism demand acts as a catalyst for discovery processes in other sectors by lowering the costs of new products and reducing the market uncertainty, while also increasing expected profitability. Countries focusing on tourism diversification have relatively high growth rates in tourism, but the economy's share of tourism remains low: e.g., Zambia [35]. Compared to enterprises initiating a product discovery venture in new products through foreign markets, those selling tourism products have international consumers as their domestic customers. This creates savings and cost reduction including learning about foreign demand, experimenting with new products and establishing operations for achieving scale and internationalization [92].

Some evidence suggests positive relationships between tourism specialisation and product diversification. The countries identified as leading "discoverers" in terms of new products include Indonesia, Thailand, Turkey, Mexico, South Africa, and the Czech Republic as they have created very prominent tourism markets. Other countries with fairly significant tourism markets including Morocco, Hungary, Romania had also discoverers of new products [92]. Developing countries' use of tourism as a vehicle for diversification can be divided into three groups: (i) countries whose development strategy has failed [35], such as Iran, Yemen and Syria, probably due to regional instability, unrest and poor image [53]; (ii) countries showing little development and poverty alleviation due to "leakages" and benefits captured by foreign investors [35] e.g., Cambodia [93]; and (iii) countries where tourism has fostered growth and inclusive development (e.g., the Maldives, which resulted in concentration of exports in tourism and a need for greater tourism diversification to meet new markets). In other countries such as Mauritius, overdependence on tourism necessitated exploring other sources of trade and growth [35].

At the international level, tourism can be a vehicle of product diversification in both destination and generating areas [38,92]; tourists carry their own preferences for certain products and services in an attempt to feel at home away from home, which are often adopted by local markets, e.g., chocolate, beer

and western-style clothes by local residents in Indian villages [94]. Therefore, this example refers to the penetration of goods to new emerging markets at the destination region and therefore diversification. Tourism can also enhance export diversification in both destinations and generate countries/regions by introducing new or adapting existing sets of standards, regulations and technologies to local businesses such as design, display, packaging requirements, environmental regulations, labour laws and practices: e.g., the standardization of scuba diving and adventure tourism [5]. It allows the reaching of international export standards for selling in other countries [35,36], such as butterfly chrysalises in Costa Rica, wooden furniture in Egypt, and rum cakes in Jamaica [36]. Tourism can therefore promote export diversification of other (non-tourism) sectors, which spill over to destination communities, such as availability of health services to local patients in Marrakesh, Morocco [35,92]. The more tourists visit a destination the more money they spend, the more goods and services they consume and the more investments in buildings, infrastructure and facilities are made. The money spent is earned elsewhere and therefore tourism contributes to economic growth similar to exports of goods and services [32].

The Global Production Networks (GPNs) in destinations can also determine the relationships between local (e.g., local accommodation) and international actors, e.g., tourists and international tour companies, along the value chain. They are based on strategic coupling, which brings together actors from different spatial scales with a common goal or incentive for collaboration between active participants aimed at increasing product diversification and gaining visibility and attracting visitors [95].

## 7. Tourism Diversification Strategies in Smart Specialisation

Smart specialisation is about the “... deployment and variation of innovative ideas in a specialised area, that generate knowledge about the future economic value of a possible direction of change” [26] (p. 25). It is based on existing structures and related potential diversification opportunities and focuses on the enhancement of local linkages (place-based approach), development of new ideas and entrepreneurial actions [25]. Based on evidence and strategic intelligence, S3 builds on regional strengths and competitive advantages for making choices for investment [29,96]. It includes governance innovations, which facilitate policy experimentalism and interventions, aimed at supporting the private-sector entrepreneurial innovative (discovery) processes, which are monitored and evaluated by the use of clear indicators [25]. Tourism is a place-based activity which includes multi-product areas and serves multi-segment markets. It also involves interactions between small product and service providers with large international companies and customers, which make destinations a pool of tacit knowledge with high potential for innovation [14]. Even though tourism is one of the most common priorities within the main category ‘business areas and target markets’ for smart specialisation and innovation priority area, particularly in European rural areas, it is rarely mentioned in EU policy documents and guidelines provided to regions [30,37].

### 7.1. Entrepreneurial Discovery

Self-discovery refers to an economic experimentation and lies at the heart of S3. It includes prioritisation of policy domains for securing competitiveness and ensuring sustained mechanisms for new bottom-up initiatives whereby local entrepreneurs are identified as the leading actors. The new prioritised domains emerge out of re-combining existing productive resources, activities and knowledge and are based on the concept of RV [27,97]. Tourism is a prioritised area or activity, and its prioritisation should consider its nature of collaboration and entrepreneurship. The entrepreneurial teams include a large pool of labour and rich set of skills from within and outside tourism. The fact that some tourism entrepreneurs come from outsiders is advantageous because they provide new knowledge, perspectives and awareness of new possibilities, and therefore, are a source of creativity. The team members have to fill voids in key functions with complementary knowledge of the tourism sector, as well as being capable of building, maintaining and exploiting

effective intra- and cross-organizational networks [98] as well as intra- and extra-traditional and political boundaries [98,99].

Collaboration between tourism actors and non-state actors including NGOs, private associations and tourism entrepreneurs including consumers, suppliers, researchers, and institutions can help design regional innovation policies [15,22]. Since tourism actors are often central in inter-organisational networks, characterised by dynamic linkages across various actors [19], they can potentially lead self-discovery processes along the supply chain. This is the case in Apulia, Italy, where a regionally integrated system of actors including universities and research centres specialising in tourism and related technologies, to companies and institutions directly and indirectly involved in tourism shape the boundaries of the tourism supply chain were built [39]. However, tourism collaboration often has low levels of mutual trust and competition [43], which is a barrier to negotiations and bargaining, particularly for 'interactive' or a 'hybrid' of 'top-down' and 'bottom-up' approaches to implementing tourism innovation policies [15,100].

Tourism entrepreneurship is dominated by small and medium-sized family firms, which differ in their motivation to meet commercial goals. The diversification potential is often restricted by the entrepreneurs' inability to capitalise on opportunities [101]. Tourism is often located in attractive regions with concentrations of lifestyle entrepreneurs, whose non-growth orientation and non-economic motivation constrain the development of tourism destinations [102,103]. They tend to resist change, fear of technology and bureaucracy, and are characterized by traditional thinking, lethargy, short termism and being risk averse [104]. As lead actors, they use existing links with other sectors but often struggle to maintain trust and remain motivated to facilitate innovation processes. Different from lifestyle entrepreneurs, who tend to focus on niche market innovations, other tourism entrepreneurs can be described as mobile or networked boundary spanners in terms of innovation [98].

### *7.2. Prioritisation of Tourism*

Prioritisation of new domains, areas and economic activities requires entrepreneurial knowledge, including vision and integration between different bodies of knowledge, which are essential in the identification of existing themes by actors selected by the government [25,26,97,105]. Specialised areas have to be dissimilar to other regions and create a sustainable interregional competitive advantage and strong potential for growth in several sectors [26]. Regional comparative advantages include elements and territorial capital including physical resources, human resources, capital resources, historical and cultural resources, infrastructure, which can determine whether tourism is prioritised in smart specialisation strategies [37]. Denmark, Austria and Portugal and most of the Mediterranean countries have regions, which selected tourism, restaurants and recreation (appears as one sector) as a regional priority of S3 with Slovenia, Malta and Cyprus, prioritising tourism at the national scale. In addition, some regions in Poland, Scotland (the UK), Germany, The Netherlands, France and Finland have also prioritised tourism. Tourism as a target market (markets that are addressed by the strategy) is the most common category after research and innovation capabilities that are used to develop and implement the priority activities (European Commission, 2016).

S3s are influenced by embeddedness, relatedness and connectivity. The embeddedness of regional industries, labour and activities is particularly relevant in non-core regions, which tend to be dominated by a small range of strongly interlinked sectors [7]. In tourism, embeddedness refers to specific local culture and natural resources, which contribute to knowledge of developing new niche tourism markets e.g., health tourism, ecotourism, gastronomy [3] as well as to giving a sense of exclusiveness in class and status position [13]. It exists when there are linkages between consumers, producers, communities and institutions and might be a constrain for market diversification [106]. Tourism as a prioritised area or a target market needs to be based on some existing related expertise, a production base, and/or a resource base, which are inadequately exploited with a potential for tourism products. Tourism may emerge as a new regional sector or target market out of un/related non-tourism sectors e.g., developing food and wine tourism clusters of vineyards [107].

In terms of relatedness, the greater the regional variety across related sectors, the more learning opportunities will become available and inter-sectoral knowledge spillovers, and economic performance will also improve [108]. This is relevant to RV between tourism sectors (and between tourism sectors and other sectors) with balanced cognitive proximity. New RVs might stimulate new knowledge combinations leading to radical innovation [70]. A set of similarities and complementarities between knowledge bases and between products and services of different industries in destinations engenders integration of tourism services and products [10]. Connectivity between firms includes transactions associated with trade, transportation, flows of passengers, information and finance, knowledge interactions, management and international decision-making capabilities [7,25,97]. Tourism can link regional networks and individual actors to other regions/ countries by providing infrastructure, accommodation and communication facilities [19]. Knowledge and information from tourists, suppliers or producers may spread beyond tourism specialised territories, activating externalities and facilitate international innovation networks, allowing access to deeper knowledge flows provided to both tourism and non-tourism firms [22,47]. Tourism therefore can be identified as one of the peripheral regions' most connected industries to other advanced regions, which is pivotal in regional diversification [7].

### 7.3. Monitoring and Evaluation

Smart specialisation has been successful in the past regardless of any policy intervention and occurred spontaneously as a result of coordination and discovery capacities of regional private agents. Today, it is a part of the ex-ante conditionality framework, whereby EU regions need to implement well-developed S3 before they can receive EU financial support through the Structural Funds for their planned innovation measures [26]. The combinations of top-down effectiveness criteria and bottom-up dynamics produce new knowledge, mainly by knowledge-intensive industries in the science and technology sectors and less systematically by low-tech industries and services, such as tourism. Smart specialisation in the context of the EU regional reform agenda context is monitored through evaluation and outcome indicators with an emphasis on place based reforms and the linking of institutions, policies, and incentives around a core set of priorities derived from the structure and evolutionary trends of the region [24,25].

One suggested method for measuring the extent of inter-sectoral RV between tourism and other (non-tourism) sectors, is the ratio of indirect to direct effects, known as the ratio multiplier of tourism. This indicator is used widely to measure units of tourist spending in the tourism economy (e.g., hotels, tour operators, souvenir shops, etc.), and it reverberates through backward linkages to non-tourism sectors of the economy. The higher the ratio multiplier, the greater the backward linkages will be between the tourism industry and other sectors of the economy. Therefore, the ratio of indirect to direct effects represents a proxy for tourism linkages [92].

## 8. Policy Implications

Following the theoretical discussion on regional diversification in tourism including related variety as well as the role of tourism in diversifying non-tourism sectors in general and in the S3 context, this paper suggests several policy implications. There are two identified strategic approaches of tourism sectoral diversification in S3, which are germane for tourism as a prioritised area or a target market: (1) diversification across tourism sub-sectors; and (2) as a platform and a catalyst for diversification across other sectors. Another approach in which tourism is a market 'niche' of specialisation (i.e., a portion of the market that can be addressed by specific services and products) [29] is in diversification across other sectors. Apart from embeddedness, relatedness and connectivity, each approach should be selected depending on the extent to which tourism is concentrated or diverse in destinations (Table 1).



**Table 1.** Strategic approaches to the role of tourism in smart specialisation strategies.

Approach	Regional Diversity of Tourism	Dimensions Affecting Prioritization of Tourism	Prioritized Area
Diversification across related tourism sub sectors (intra-industry)	concentrated	embeddedness and relatedness	tourism
An enabling platform and a catalyst for diversification of other (non-tourism) sectors	concentrated or diverse	connectedness	tourism and other areas
Diversification across tourism and other sectors (inter-industry)	concentrated	embeddedness and relatedness	tourism and other areas

### 8.1. Diversification Across Related Tourism Sub Sectors

Given that the tourism industry consists of various sectors, which are often embedded in the regional economy, particularly in regions specialising in tourism, S3 can prioritise tourism and focus on existing RVs between identified tourism sectors and possibly other closely (non-tourism) related sectors. Regional embeddedness of tourism and sufficient relatedness between its sub sectors will determine the willingness to adopt this strategy. Diversification across the maritime and coastal tourism sectors through creating linkages with religious tourism and cultural heritage tourism is a suggested strategy for developing new products such as cultural, religious or ancient trade routes [2].

### 8.2. A Platform and a Catalyst for Diversification of Other Sectors

In this approach, tourism is prioritised as an enabling regional platform for creating RV between non-tourism sectors. Tourism facilitates connectivity between different sectors in three ways. First, developing new tourism products often requires inter-sectoral collaboration and cutting across sectoral boundaries resulting in knowledge transfer and innovation. This is the case in the cross-border TourFish project, which linked between food, fisheries and heritage as well as the hospitality sector in the Oberpinzgau region, Austria. It also created new links between the wood industry and the health sector, resulting in new ‘allergy-proof’ furniture products (discussed earlier in this paper). Second, at the international level tourism markets are a catalyst for the discovery and experimentation of new products and a platform for export diversification by introducing new foreign market demands to domestic markets and driving standardisation and improvement of existing domestic products. Third, tourism facilitates inter-sectoral connectedness between remote and more advanced regions (inter-regional diversification). It also facilitates the international mobility of people and ideas, which creates new RVs between sectors. This approach can be used to diversify non-tourism sectors, particularly in peripheral areas, where tourism often increases connectedness with core regions.

### 8.3. Diversification Across Tourism and Other Sectors (Inter-Industry)

This approach is appropriate for tourism-specialised regions, which aim to diversify tourism and other sectors. Tourism can be linked to other prioritised areas/sectors, creating new tourism sub sectors: e.g., links to agriculture and medicine creating forms of tourism in Mediterranean countries [109]. Once prioritisation is complete, the challenge is to ensure mechanisms or structures for new entrepreneurial bottom-up initiatives to emerge and mobilise the relevant stakeholders with the potential to provide added value in terms of skills and training. This ensures the ‘open invitation’ flows between stakeholders, empowering and accelerating the learning process [105]. If tourism is prioritised, mutual support, developing new skills and providing adequate training, particularly to low-tech staff, are pivotal. In such a complex and multi-sectoral nature, the willingness to be open minded and consider the development of new tourism sectors and acquiring new skills is essential; such as the training of entrepreneurs of the Dark Sky Route in Portugal in enhancing their guiding skills and knowledge in astronomy [110].

## 9. Conclusions

Even though tourism is one of the most popular specialisation areas and has a pivotal role in the sustainable use of both natural and cultural resources and in enhancing sustainable economic growth, particularly in peripheral and remote regions, its contribution to S3 remains largely ignored. This paper provides an original contribution to the study of tourism diversification and smart specialisation. First, it provides a conceptual framework by suggesting that diversification in tourism needs to be understood and its policies have to be addressed at different levels including the market/product, regional and sectoral levels. This is because each level has different emphases on different aspects related to stimulating diversification within tourism and/or to the role of tourism in the diversification of non-tourism sectors, which may emerge within regions and/or outside regions. For example, strategic policies may target tourism as a driver for experimentation processes of potential export products (sectoral level) at the national level whereas regional actors should consider tourism as a platform for diversifying of non-tourism sectors at the regional level.

At the regional scale, this paper contributes new knowledge by identifying the particularities of tourism as a multi-sectoral and multi stakeholder industry, which are relevant for implementing smart specialisation strategies in tourism as well as in other sectors. Tourism entrepreneurs are potential facilitators of entrepreneurial discovery processes in S3 given the tendency of new tourism entrepreneurs to come from outside tourism and that of entrepreneurs from within tourism to have rich experience in working with non-tourism actors. This is more germane to those who are boundary spanners rather than life-style tourism entrepreneurs. The original contribution of this paper is also in suggesting some new strategic approaches to the role of tourism in smart specialisation strategies. These approaches depend on four identified aspects including the extent of existing *diversity or concentration* of tourism in the region, the *embeddedness* of tourism in regional resources as well as *relatedness* and *connectedness* to other regional sectors. The combination of and relationships between these aspects, as well as the type of selected prioritised areas in the S3, determine which strategic approach should be adopted in the prioritisation of the entrepreneurial discovery process.

Destination regions vary between sectoral concentration and diversity. Diversification strategies aim to identify alternative new sectors in response to the decline of others and reduce risk of demand shock. In this paper, they are recommended in conditions of economic growth, confused image and/or lack of resources for gathering knowledge on new markets. They contribute towards creating a destination image, economies of scale, thematic inter-sectoral linkages and reduce barriers to management and cooperation. They can be favoured for speeding up economic growth and higher added value, particularly in coastal or mountainous destinations offering natural resources. In practice, specialisation versus diversification strategies are often determined by uncoordinated individual market-based decisions rather than by coordinated destination policies and market interventions [31].

This paper suggests that tourism diversification strategies should be approached from the product/market, regional and sectoral levels. At the product/market level, new tourism resources and changing market demands, trends and needs stimulate growth achieved through product and market diversification strategies, resulting in new products for new markets. These strategies are risky and costly, particularly to SMEs for necessary structural and organisational changes and dependency on staff motivation and new skills. They are related and unrelated to products and markets from similar sectors and include horizontal and diagonal strategies while others are unrelated and introduce entirely new products for emerging markets [58]. Both are used as tools for marketing objectives including extending the tourism season, overcoming seasonality and its impact on tourism sustainable development, increasing social inclusiveness, reorientation of the market and avoiding conflict and tension. At a regional level, new tourism sectors, activities and products emerge from existing tourism as well as non-tourism sectors.

Regional diversification is enabled by RV between tourism sectors and between them and other (non-tourism) sectors and is positively related to compatibility, complementarity and the extent of labour exchange between them. ICTs create RVs between tourism and other sectors by facilitating

collaborations between stakeholders and allowing for customer engagement, that, in turn, provides vital knowledge for developing new products and particularly new niche sectors. Inter-regional diversification is the diversification of sectors across other regions following careful consideration of the differences in sector composition and diversity between regions. It also refers to diversification across regions by developing RV between sectors in different regions.

At the sectoral level, tourism diversification includes creating new tourism sectors, and diversifying across other (non-tourism) sectors. Tourism is also an enabling platform for creating RVs between other (non-tourism) sectors and their diversification at regional, national and international scales. At the regional scale, tourism breaks sectoral boundaries of other sectors and provides the platform for their diversification. At the national level, it may also be used as an enabler of introducing new products and exports by reducing the costs of their experimentations to foreign markets with some countries showing a positive correlation between tourism specialisation and diversification in other sectors. At the international level, tourism facilitates product diversification by introducing new demands in both destinations and generating areas. It also supports export diversification, particularly in developing countries, by adapting existing sets of standards, regulations and technologies of various products to international standards. Tourism also engenders international mechanisms in destinations, such as GPNs, which facilitate innovation and diversification processes through interactions between actors with shared goals.

Tourism smart specialisation builds on elements of regional, sectoral as well as product/market diversification strategies and is based on RVs among tourism sub-sectors and between tourism and other sectors, which stimulate knowledge transfer and innovation. Including low-tech knowledge such as market knowledge and low efficiency-enhancing measures in the entrepreneurial discovery and experimentation processes may enhance the under-represented labour-intensive sectors such as tourism in S3 [28]. Tourism can be the main prioritised area of specialisation in two different policy scenarios. First, diversification occurs across related tourism sectors when tourism is the main regional industry, as is particularly common in remote regions. Second, tourism may be used as an enabling platform or a catalyst for diversification of other (non-tourism) sectors where tourism is one of several regional sectors.

Diversification exists across tourism and other (non-tourism) sectors (inter-industry), wherein tourism is one of several prioritised areas or target markets, which contributes knowledge to smart specialisation processes and regional economic resilience. Selecting the most appropriate strategy depends on regional embeddedness, relatedness and the role of tourism in facilitating intra- and extra-regional connectivity between sectors as well as on the regional composition of sectors in terms of types, synergies, complementarities and level of concentration versus diversity of tourism sectors in destination regions. S3 is monitored and evaluated as a part of the EU ex-ante conditionality framework, which has to be demonstrated by regions before receiving EU financial support. Evaluating tourism contribution can be measured by the ratio multiplier of tourism.

This paper has suggested some policy implications for tourism diversification strategies and smart specialisation in particular. Diversification is useful for facilitating innovation in tourism by enterprises, local authorities and national governments while considering calculated risks and levels of collaboration and trust among actors. Such risks can be reduced by interregional diversification, which is shaped by the composition and diversity of sectors in competing regions, and it supports the use of external knowledge for developing new product innovations and a regional competitive advantage leading to sustainable growth. S3 should consider tourism particularities, including different entrepreneurial motivations and lack of trust as inhibitors and the inter-sectoral nature of tourism as a facilitator of diversification strategies. Sectoral diversification in tourism at all scales is not mutually exclusive and should be coordinated, particularly when trying to design a more systematic sectoral and regional diversification strategy such as smart specialisation. It is yet to be examined which levels and types of diversification are more likely to characterise certain tourism sub-sectors rather than others.

For example, some tourism sub-sectors are more likely to depend on RV with non-tourism sectors than others.

Incorporating sectoral with aspects of regional and product/market diversification strategies is pivotal in understanding the role of tourism in S3. Factors related to implementing diversification strategies in individual tourism enterprises and the impact of embeddedness, relatedness and connectedness on diversification processes require further investigation. These include the role of ICTs in tourism diversification including facilitating inter-sectoral connectedness between less and more advanced core regions and export diversification. Governments should consider the role of tourism at the inter-regional and international scales when designing diversification strategies (e.g., to increase regional competitiveness, to detect business opportunities and to capitalise on synergies and complementarities with other regions). Here, international organisations and GPNs could serve as platforms to facilitate inter-regional and international interactions across sectors [105].

It is suggested that specialisation and diversification in tourism are needed to be examined in the context of EEG in general and tourism destination evolution in particular. The contribution of this paper highlights the understudied role of tourism diversification and specialisation in changing the evolutionary paths of tourism destinations along time. More specifically, their role in developing path dependence of regional trajectories along time is needed [9]. Regions' sectoral and sub-sectoral composition can determine their potential to diversify and define their evolutionary path. Certain sectors such as tourism may have additional capability to diversify other sectors based on their regional embeddedness, connectedness and relatedness to other sectors within the regions.

Tourism is a platform for diversifying other regional sectors and not only its own sub-sectors because of its ability to adapt its service products to new extra-regional markets and therefore generate new knowledge on market demands. Whereas tourism's role as a platform requires further empirical studies, other service sectors such as catering, retail and leisure and potentially others may be also used as a platform for generating further knowledge and new related varieties between unrelated sectors. Therefore, the types of market knowledge and other service sectors acting as platforms for diversification strategies such as smart specialisation should be identified and examined. Further studies on the reasons behind prioritising tourism in S3 by regional stakeholders in the entrepreneurial discovery would enhance our understanding of the role of tourism in smart specialisation.

In conclusion, this paper has highlighted the processes and dimensions that policy makers and tourism entrepreneurs need to engage with in order to facilitate tourism diversification in general and smart specialisation in particular. It throws light on the understudied potential contribution of tourism to smart specialisation in other sectors at the regional, national and international levels. Further empirical studies are required to support the largely conceptual arguments in this paper and to improve our understanding of the role of tourism in smart specialisation.

**Conflicts of Interest:** The author declares no conflicts of interest.

## References

1. Sharpley, R.; Telfer, D.J. *Tourism and Development: Concepts and Issues*; Channel View Publication: Bristol, UK, 2014.
2. European Commission. *A European Strategy for More Growth and Jobs in Coastal and Maritime Tourism*; European Union: Brussels, Belgium, 2014.
3. European Commission. *Directorate-General for Enterprise and Industry—Guide on EU Funding for the Tourism Sector*; European Commission: Brussels, Belgium, 2015.
4. International Labour Organisation (ILO). Developments and challenges in the hospitality and tourism sector—Issues paper for discussion. In *Global Dialogue Forum for the Hotels, Catering, Tourism Sector*; International Labour Organisation (ILO): Geneva, Switzerland, 2010.
5. United Nations. The contribution of tourism to trade and development. In *Proceedings of the United Nations Conference on Trade and Development*, Geneva, Switzerland, 3–7 May 2010.

6. United Nations. *Enhancing Backward Linkages between Tourism and Other Sectors in Lao's People Democratic Republic*; United Nations: Geneva, Switzerland, 2014.
7. McCann, P.; Ortega-Argilés, R. Smart Specialization, Regional Growth and Applications to European Union Cohesion Policy. *Reg. Stud.* **2015**, *49*, 1291–1302. [[CrossRef](#)]
8. Vanhove, N. Tourism as a Strategic Option for Development of Less Regions. In *Tourism and Leisure*; Pechlaner, H., Smeral, E., Eds.; Springer Fachmedien Wiesbaden: Wiesbaden, German, 2015; pp. 95–113.
9. Brouder, P.; Anton Clavé, S.; Gill, A.; Ioannides, D. Why is tourism not evolutionary science? In *Tourism Destination Evolution*; Brouder, P., Anton Clavé, S., Ioannides, D., Eds.; Routledge: New York, NY, USA, 2017.
10. Bellini, N.; Grillo, F.; Lazzeri, G.; Pasquinelli, C. Tourism and regional economic resilience from a policy perspective: Lessons from smart specialization strategies in Europe. *Eur. Plan. Stud.* **2017**, *25*, 140–153. [[CrossRef](#)]
11. Trukhachev, A. Methodology for Evaluating the Rural Tourism Potentials: A Tool to Ensure Sustainable Development of Rural Settlements. *Sustainability* **2015**, *7*, 3052. [[CrossRef](#)]
12. Romão, J.; Guerreiro, J.; Rodrigues, P. Territory and Sustainable Tourism Development: A Space-Time Analysis on European Regions. *Regions* **2017**, *4*, 1–17. [[CrossRef](#)]
13. Erkus-Öztürk, H. *Diversification of Hotels in a Single-Asset Tourism City Tourism and Hospitality Management*; Emerald Group Publishing Limited: Bingley, UK, 2016; Volume 12, pp. 173–185.
14. Romão, J.; Nijkamp, P. Impacts of innovation, productivity and specialization on tourism competitiveness—A spatial econometric analysis on European regions. *Curr. Issues Tour.* **2017**, 1–20. [[CrossRef](#)]
15. Rodríguez, I.; Williams, A.M.; Hall, C.M. Tourism innovation policy: Implementation and outcomes. *Ann. Tour. Res.* **2014**, *49*, 76–93. [[CrossRef](#)]
16. Deligianni, I.; Voudouris, I.; Lioukas, S. The Relationship Between Innovation and Diversification in the Case of New Ventures: Unidirectional or Bidirectional. *IEEE Trans. Eng. Manag.* **2014**, *61*, 462–475. [[CrossRef](#)]
17. McCann, P.; Ortega-Argilés, R. Modern regional innovation policy. *Camb. J. Reg. Econ. Soc.* **2013**, *6*, 187–216. [[CrossRef](#)]
18. Hjalager, A.-M. Progress in Tourism Management—A review of innovation research in tourism. *Tour. Manag.* **2010**, *31*, 1–12. [[CrossRef](#)]
19. Hall, M.C.; Williams, A.M. *Tourism and Innovation*; Routledge: London, UK, 2008.
20. Novelli, M.; Schmitz, B.; Spencer, T. Networks, clusters and innovation in tourism: A UK experience. *Tour. Manag.* **2006**, *27*, 1141–1152. [[CrossRef](#)]
21. Lundquist, K.J.; Tripp, M. Distance, Proximity and Types of Cross-Border Innovation Systems: A Conceptual Analysis. *Reg. Stud.* **2013**, *47*, 450–460. [[CrossRef](#)]
22. Weidenfeld, A.; Hall, M.C. Tourism in the Development of Regional and Sectoral Innovation Systems. In *The Wiley Blackwell Companion to Tourism*; Lew, A.A., Hall, C.M., Williams, A.M., Eds.; Wiley Blackwell: Hoboken, NJ, USA, 2014; pp. 578–588.
23. Williams, A.M.; Shaw, G. Internationalization and innovation in tourism. *Ann. Tour. Res.* **2011**, *38*, 27–51. [[CrossRef](#)]
24. Camagni, R.; Capello, R. Regional Innovation Patterns and the EU Regional Policy Reform: Toward Smart Innovation Policies. *Growth Chang.* **2013**, *44*, 355–389. [[CrossRef](#)]
25. McCann, P.; Ortega-Argilés, R. Transforming European regional policy: A results-driven agenda and smart specialization. *Oxf. Rev. Econ. Policy* **2013**, *29*, 405–431. [[CrossRef](#)]
26. Foray, D. *Smart Specialisation—Opportunities and Challenges for Regional Innovation Policy*; Taylor & Francis: New York, NY, USA, 2015.
27. McCann, P.; Ortega-Argilés, R. Smart specialisation in European regions: Issues of strategy, institutions and implementation. *Eur. J. Innov. Manag.* **2014**, *17*, 409–427. [[CrossRef](#)]
28. Benner, M. From Smart Specialisation to Smart Experimentation: Towards a New Theoretical Framework for EU Regional Policy. *SPACES Online* **2013**, *11*. Available online: [https://mpra.ub.uni-muenchen.de/54822/1/MPRA\\_paper\\_51843.pdf](https://mpra.ub.uni-muenchen.de/54822/1/MPRA_paper_51843.pdf) (accessed on 23 January 2018). [[CrossRef](#)]
29. European Commission. Smart Specialisation Platform, FAQ on RIS3. Available online: <http://s3platform.jrc.ec.europa.eu/faqs-on-ris3> (accessed on 2 December 2016).
30. Sörvik, J.; Kleibrink, A. *Mapping Innovation Priorities and Specialisation Patterns in Europe*; European Commission: Brussels, Belgium, 2015.

31. Benur, A.M.; Bramwell, B. Tourism product development and product diversification in destinations. *Tour. Manag.* **2015**, *50*, 213–224. [[CrossRef](#)]
32. Erkuş-Öztürk, H.; Terhorst, P. Economic diversification of a single-asset tourism city: Evidence from Antalya. *Curr. Issues Tour.* **2015**, 1–18. [[CrossRef](#)]
33. Erkuş-Öztürk, H. (Un)related variety, urban milieu and tourism-company differentiation. *Tour. Geogr.* **2016**, 1–23. [[CrossRef](#)]
34. Farmaki, A. A Supply-Side Evaluation of Coastal Tourism Diversification: The Case of Cyprus. *Tour. Plan. Dev.* **2012**, *9*, 183–203. [[CrossRef](#)]
35. Cattaneo, O. Tourism as a Strategy to Diversify Exports: Lessons from Mauritius. In *Breaking into New Markets—Emerging Lessons for Export Diversification*; Newfarmer, R., Shaw, W., Walkenhorst, P., Eds.; The World Bank: Washington, DC, USA, 2009; pp. 183–196.
36. Lejárraga, I.; Walkenhorst, P. Fostering Productive Diversification through Tourism. In *Reaking into New Markets—Emerging Lessons for Export Diversification*; Newfarmer, R., Shaw, W., Walkenhorst, P., Eds.; The World Bank: Washington, DC, USA, 2009; pp. 197–210.
37. Romão, J.; Neuts, B. Territorial capital, smart tourism specialization and sustainable regional development: Experiences from Europe. *Habitat Int.* **2017**, *68*, 64–74. [[CrossRef](#)]
38. Rotich, D.; Nthiga, R.; Bor, T.; Kogola, B. Product diversification for sustainable tourism development: Exploring the strengths and challenges of Kisumu Regions, Kenya. *Eur. J. Bus. Soc. Sci.* **2012**, *1*, 108–117.
39. Del Vecchio, P.; Passiante, G. Is tourism a driver for smart specialization? Evidence from Apulia, an Italian region with a tourism vocation. *J. Destin. Mark. Manag.* **2017**, *6*, 163–165. [[CrossRef](#)]
40. Gülcan, Y.; Kuştepe, Y.; Akgüngör, S. Public Policies and Development of the Tourism Industry in the Aegean Region. *Eur. Plan. Stud.* **2009**, *17*, 1509–1523. [[CrossRef](#)]
41. Storper, M. Globalization, localisation, and trade. In *Oxford Handbook of Economic Geography*; Clark, G.L., Feldman, M.P., Gertler, M.S., Eds.; Oxford University Press: Oxford, UK, 2000; pp. 146–165.
42. Capone, F. Systemic approaches to the analysis of tourism destinations: Towards the tourist local systems. In *Tourism Local Systems and Networking*; Lazzeretti, L., Petrillo, C.S., Eds.; Elsevier Ltd.: Kidlington, UK, 2006; pp. 7–27.
43. Hjalager, A. Tourism destinations and the concept of industrial districts. *Tour. Hosp. Res.* **2000**, *2*, 199–213. [[CrossRef](#)]
44. Jackson, J.; Murphy, P. Tourism destinations as clusters: Analytical experiences from the New World. *Tour. Hosp. Res.* **2002**, *4*, 36–52. [[CrossRef](#)]
45. Algier, B. International Tourism Specialisation of Small Countries. *Int. J. Tour. Res.* **2006**, *8*, 1–12. [[CrossRef](#)]
46. Croes, R.; Ridderstaat, J.; van Niekerk, M. Connecting quality of life, tourism specialization, and economic growth in small island destinations: The case of Malta. *Tour. Manag.* **2018**, *65* (Suppl. C), 212–223. [[CrossRef](#)]
47. Paci, R.; Marrocu, E. Tourism and regional growth in Europe. *Pap. Reg. Sci.* **2014**, *93*, S25–S50. [[CrossRef](#)]
48. Dupeyras, A.; MacCallum, N. Indicators for Measuring Competitiveness in Tourism—A Guidance Document. *OECD Tour. Pap.* **2013**. [[CrossRef](#)]
49. Moric, I. The Role and Challenges of Rural Tourism Development in Transition Countries: Montenegro Experiences. *Turizam* **2013**, *17*, 84–95. [[CrossRef](#)]
50. Sheng, L. Specialisation versus diversification: A simple model for tourist cities. *Tour. Manag.* **2011**, *32*, 1229–1231. [[CrossRef](#)]
51. Borseková, K.; Vaňová, A.; Vitálišová, K. Smart Specialization for Smart Spatial Development: Innovative Strategies for Building Competitive Advantages in Tourism in Slovakia. *Socio-Econ. Plan. Sci.* **2017**, *58*, 39–50. [[CrossRef](#)]
52. Rugman, A.; Verbeke, A. A new perspective on the regional and global strategies of multinational services firms. *Manag. Int. Rev.* **2008**, *48*, 397–411. [[CrossRef](#)]
53. Morakabati, Y. Tourism in the Middle East: Conflicts, Crises and Economic Diversification, Some Critical Issues. *Int. J. Tour. Res.* **2013**, *15*, 375–387. [[CrossRef](#)]
54. Zehrer, A. Service experience and service design: Concepts and application in tourism SMEs. *Manag. Serv. Qual. Int. J.* **2009**, *19*, 332–349. [[CrossRef](#)]
55. Anton Clavé, S. Rethinking Mass Tourism, Space and Place. In *The Routledge Handbook of Tourism Geographies*; Wilson, J., Ed.; Routledge: London, UK, 2012; pp. 217–224.

56. Baidal, I.; Antoni, J.; Rodríguez Sánchez, I.; Vera-Rebollo, J.F. The evolution of mass tourism destinations: New approaches beyond deterministic models in Benidorm (Spain). *Tour. Manag.* **2013**, *34* (Suppl. C), 184–195. [[CrossRef](#)]
57. Lordkipanidze, M.; Brezet, H.; Backman, M. The entrepreneurship factor in sustainable tourism development. *J. Clean. Prod.* **2005**, *13*, 787–798. [[CrossRef](#)]
58. Evans, N. *Strategic Management for Tourism, Hospitality and Events*, 2nd ed.; Routledge: Abingdon, UK, 2015.
59. Bayus, B.L. *Wiley International Encyclopedia of Marketing: Product Innovation and Management*; John Wiley Publications: Chichester, UK, 2011; Volume 5.
60. Goussous, J.; Haddad, L.G. Innovation of New Tourism Trails and its Effect on the Ajloun Touristic Process. *J. Am. Sci.* **2014**, *10*, 50–60.
61. Centre for Strategy and Evaluation Services. *Enhancing the Competitiveness of Tourism in the EU—An Evaluation Approach to Establishing 20 Cases of Innovation and Good Practice*; Centre for Strategy and Evaluation Services: Sevenoaks, UK, 2013.
62. Martin, C.B. *Tourism in the Mountain South: A Double-Edged Sword*; University of Tennessee Press: Knoxville, TX, USA, 2007.
63. Frenken, K.; Van Oort, F.; Verburg, T. Related Variety, Unrelated Variety and Regional Economic Growth. *Reg. Stud.* **2007**, *41*, 685–697. [[CrossRef](#)]
64. Hassink, R.; Klaerdi, C. *Evolutionary approaches to local and regio development policy* In *Handbook of Local and Regional Development*; Pike, A., Rodriguez-Pose, A., Tomaney, J., Eds.; Routledge: London, UK, 2011; pp. 139–148.
65. Boschma, R.; Frenken, K. Technological relatedness and regional branching. In *Beyond Territory. Dynamic Geographies of Knowledge Creation, Diffusion and Innovation*; Bathelt, H., Feldman, M.P., Kogler, D.F., Eds.; Routledge: London, UK, 2011; pp. 64–81.
66. Strambach, S.; Klement, B. Cumulative and combinatorial micro-dynamics of knowledge: The role of space and place in knowledge integration. *Eur. Plan. Stud.* **2012**, *20*, 1843–1866. [[CrossRef](#)]
67. Boschma, R.; Gianelle, C. Regional branching and smart Specialisation Policy. In *JRC Technical Reports*; Joint Research Centre, Institute for Prospective Technological Studies: Seville, Spain, 2014.
68. Boschma, R. Proximity and innovation: A critical assessment. *Reg. Stud.* **2005**, *39*, 61–74. [[CrossRef](#)]
69. Butler, R.W. The concept of a tourist area cycle of evolution: Implications for management of resources. *Can. Geogr.* **1980**, *24*, 5–12. [[CrossRef](#)]
70. Castaldi, C.; Frenken, K.; Los, B. Related Variety, Unrelated Variety and Technological Breakthroughs: An analysis of US State-Level Patenting. *Reg. Stud.* **2015**, *49*, 767–781. [[CrossRef](#)]
71. Boschma, R. *Constructing Regional Advantage: Related Variety and Regional Innovation Policy, Report for the Dutch Scientific Council for Government Policy University of Utrecht*; University of Utrecht, Faculty of Geosciences, Department of Economic Geography: Utrecht, The Netherlands, 2008.
72. Asheim, B.T.; Boschma, R.; Cooke, P. Constructing Regional Advantage: Platform Policies Based on Related Variety and Differentiated Knowledge Bases. *Reg. Stud.* **2011**, *45*, 893–904. [[CrossRef](#)]
73. Lazzarretti, L.; Capone, F.; Innocenti, N. The impact of related variety on tourist destinations: An analysis of tourist firms clustering. In *Tourist Clusters, Destinations and Competitiveness Theoretical Issues and Empirical Evidences*; Capone, F., Ed.; Routledge: Abingdon, UK, 2016; pp. 62–80.
74. Aarstad, J.; Kvitastein, O.A.; Jakobsen, S.-E. Related and unrelated variety in a tourism context. *Ann. Tour. Res.* **2016**, *57*, 254–256. [[CrossRef](#)]
75. Shaw, G.; Williams, A.M. Knowledge transfer and management in tourism organisations: An emerging research agenda. *Tour. Manag.* **2009**, *30*, 325–335. [[CrossRef](#)]
76. Buhalis, D.; Law, R. Progress in tourism management: Twenty years on and 10 years after the internet: The state of eTourism research. *Tour. Manag.* **2008**, *29*, 609–623. [[CrossRef](#)]
77. Paci, R.; Marrocu, E. Knowledge Assets and Regional Performance. *Growth Chang.* **2013**, *44*, 228–257. [[CrossRef](#)]
78. García-Hernández, M.; de la Calle-Vaquero, M.; Yubero, C. Cultural Heritage and Urban Tourism: Historic City Centres under Pressure. *Sustainability* **2017**, *9*, 1346. [[CrossRef](#)]
79. Lew, A.A. Long Tail Tourism: New Geographies For Marketing Niche Tourism Products. *J. Travel Tour. Mark.* **2008**, *25*, 409–419. [[CrossRef](#)]

80. James, L.; Halkier, H. Regional development platforms and related variety: Exploring the changing practices of food tourism in North Jutland, Denmark. *Eur. Urban Reg. Stud.* **2014**, *23*, 831–847. [[CrossRef](#)]
81. Oh, C.H.; Sohl, T.; Rugman, A.M. Regional and product diversification and the performance of retail multinationals. *J. Int. Manag.* **2015**, *21*, 220–234. [[CrossRef](#)]
82. Hidalgo, M.C.; Hernández, B. Place Attachment: Conceptual and empirical Questions. *J. Environ. Psychol.* **2001**, *21*, 273–281. [[CrossRef](#)]
83. Kibicho, W. *Sex Tourism in Africa Kenya's Booming Industry Sex Tourism in Africa*; Routledge: Farnham, UK, 2009.
84. Williams, A.M.; Baláž, V. Tourism risk and uncertainty: Theoretical reflections. *J. Travel Res.* **2015**, *54*, 271–287. [[CrossRef](#)]
85. Karypouli, S.; Koutra, C. Mature coastal Mediterranean Destinations: Mitigating Seasonality. In *Trends in European Tourism Planning and Organisation*; Costa, C., Panyik, E., Buhalis, D., Eds.; Channel View Publications: Bristol, UK, 2013; pp. 48–63.
86. Weidenfeld, A. Tourism and cross border regional innovation systems. *Ann. Tour. Res.* **2013**, *42*, 191–213. [[CrossRef](#)]
87. Pieris, A. Southern invasions: Post-war tourism in Sri Lanka. *Postcolonial Stud.* **2014**, *17*, 266–285. [[CrossRef](#)]
88. Weidenfeld, A.; Leask, A. Exploring the relationship between visitor attractions and events: Definitions and management factors. *Curr. Issues Tour.* **2013**, *16*, 552–569. [[CrossRef](#)]
89. Gauzy, M.; Nijkamp, P. *Tourism and Regional Development: New Pathways*; Ashgate: Aldershot, UK, 2006.
90. Pomorze, Z. *Process of Identifying West Pomeranian Regional and Smart Specialization*; Department of Strategic Management The Marshal's Office of West Pomerania Province: Szczecin, Poland, 2014.
91. Boschma, R. Constructing regional advantage and smart specialization: Comparisons of two European policy concepts. *Ital. J. Reg. Sci.* **2014**, *13*, 51–68.
92. Lejarraja, I.; Walkenhorst, P. Diversification by Deepening Linkages with Tourism. In Proceedings of the the World Bank Workshop on Export Growth and Diversification: Pro-Active Policies in the Export Cycle, Washington, DC, USA, 15 March 2007; World Bank: Washington, DC, USA, 2007.
93. Mao, N.; Grunfeld, H.; DeLacy, T.; Chandler, D. Agriculture and tourism linkage constraints in the Siem Reap-Angkor region of Cambodia. *Tour. Geogr.* **2014**, *16*, 669–686. [[CrossRef](#)]
94. Kaosa-Ard, M.; Bezic, D.; White, S. Domestic tourism in India. In *The Native Tourist: Mass Tourism within Developing Countries*; Ghimire, K.B., Ed.; Earthscan Publications: New York, NY, USA, 2001; pp. 109–141.
95. Sanz-Ibáñez, C.; Anton Clavé, S. Strategic coupling evolution and destination upgrading. *Ann. Tour. Res.* **2016**, *56*, 1–15. [[CrossRef](#)]
96. European Commission. *Regional Policy Contributing to Smart Growth in Europe 2020*; European Commission: Brussels, Belgium, 2011.
97. Asheim, B.; Grillitsch, M. Smart specialisation: Sources for new path development in a peripheral manufacturing region. In *Papers in Innovation Studies*; CIRCLE, Lund University: Lund, Sweden, 2015.
98. Rodriguez-Sanchez, I.; Williams, A.M.; Brotons, M. The innovation journey of new-to-tourism entrepreneurs. *Curr. Issues Tour.* **2017**, 1–28. [[CrossRef](#)]
99. Selin, S. Elaborating the Role of Backbone Leadership Organizations in Sustainable Tourism Development: The Monongahela River Valley Coalition. *Sustainability* **2017**, *9*, 1367. [[CrossRef](#)]
100. Hall, M.C. Archetypal Approaches to Implementation and their Implications for Tourism Policy. *Tour. Recreat. Res.* **2009**, *34*, 235–245. [[CrossRef](#)]
101. Hjalager, A.-M.; Kwiatkowski, G.; Østervig Larsen, M. Innovation gaps in Scandinavian rural tourism. *Scand. J. Hosp. Tour.* **2017**, 1–17. [[CrossRef](#)]
102. Ateljevic, I.; Doorne, S. Staying within the fence: Lifestyle entrepreneurship in tourism. *J. Sustain. Tour.* **2000**, *8*, 378–392. [[CrossRef](#)]
103. Peters, M.; Frehse, J.; Buhalis, D. The importance of lifestyle entrepreneurship: A conceptual study of the tourism industry. *PASOS J. Tourism Cult. Chang.* **2009**, *7*, 393–405. [[CrossRef](#)]
104. Weiermain, K. Product improvement or innovation: What is the key to success in tourism. In *Innovation and Growth in Tourism*; OECD: Paris, France, 2006; pp. 53–69.
105. OECD. *Innovation-Driven Growth in Regions: The Role of Smart Specialisation*; OECD Publications: Paris, France, 2013.



106. Oliver, T.; Jenkins, T. Integrated tourism in Europe's rural destination: Competition or cooperation. In *Tourism SMES, Service Quality and Destination Competitiveness*; Jones, E., Haven-Tang, C., Eds.; UK CABI Publishing: Wallingford, UK, 2005; pp. 25–39.
107. Charles, D.; Gross, F.; Bachtler, J. Smart Specialisation and Cohesion Policy—A Strategy for All Regions? In Proceedings of the 32nd IQ-Net Conference on (Phase V) Improving the Quality of Structural Funds Programme Management Through Exchange of Experience, Tampere, Finland, 18–20 June 2012.
108. Boschma, R.; Minondo, A.; Navarro, M. The Emergence of New Industries at the Regional Level in Spain: A Proximity Approach Based on Product Relatedness. *Econ. Geogr.* **2013**, *89*, 29–51. [[CrossRef](#)]
109. Schrittwieser Consulting. Creative Med-Analysis of Smart Specialisation Strategies in Selected Mediterranean Coastal Regions and Countries, Mediterranean Creativity and Innovation for a New Model of Development. In Fraz, Austria. 2014. Available online: <https://creativemedit.files.wordpress.com/2014/10/analysis-of-smart-specialization-strategies-in-selected-mediterranean-coastal-regions-and-countries.pdf> (accessed on 7 January 2018).
110. Rodrigues, A.L.O.; Rodrigues, A.; Peroff, D.M. The Sky and Sustainable Tourism Development: A Case Study of a Dark Sky Reserve Implementation in Alqueva. *Int. J. Tour. Res.* **2015**, *17*, 292–302. [[CrossRef](#)]



© 2018 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).