

The innovation journey of **new-to-tourism** entrepreneurs



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Isabel Rodríguez, University of Alicante
Matilde Brotons, University of Alicante
Allan M. Williams, University of Surrey



Research under the framework of the project (2012-2014):

"Methodology, criteria and implementation of the cluster theory in consolidated tourism areas: innovation, competitiveness and territorial synergies".

Founded by the Spanish National R&D&I Plan 2008-2011.
Main researcher: Professor Fernando Vera Rebollo, University of Alicante.

Research Initiated with Professor Allan M. Williams from Surrey University, United Kingdom.



Entrepreneurship behavior
transformation **innovation**
entrepreneurial
adventurous **opportunity ideas**

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transformation **innovation**
entrepreneurial



1 Research objectives

1 Explore the role of entrepreneurs as innovators in tourism

>> The nature of the innovative entrepreneur. Entrepreneurs provide the essential link between invention and innovation (Burgelman & Sayles, 1986 in Hall & Williams, 2008).

>> The **entrepreneurial process** of those individuals who discover and exploit new business opportunities by **establishing new companies**.



1 Research objectives (cont.)

2 Examine the characteristics of tourism entrepreneurs

>> What motivates them to invest in tourism? What knowledge and experience do they bring?

3 Understand the innovation process through the entrepreneurs' journey initiated from idea generation to effective implementation

>> Barriers encountered, how these are overcome



2 Methodology

1 The sample

>> Young entrepreneurs with innovative tourism projects participating during 2012 and 2013 in a public Programme (Emprendetur) which provides subsidized loans in Spain.

2 The Emprendetur Programme

>> Young entrepreneurs, the collective with the greatest potential to introduce innovation in the tourism sector.

>> Funding to business ideas developed by entrepreneurs under 40 years-old or companies with less than 2 years trajectory with an average age of the partners equal or under 40.



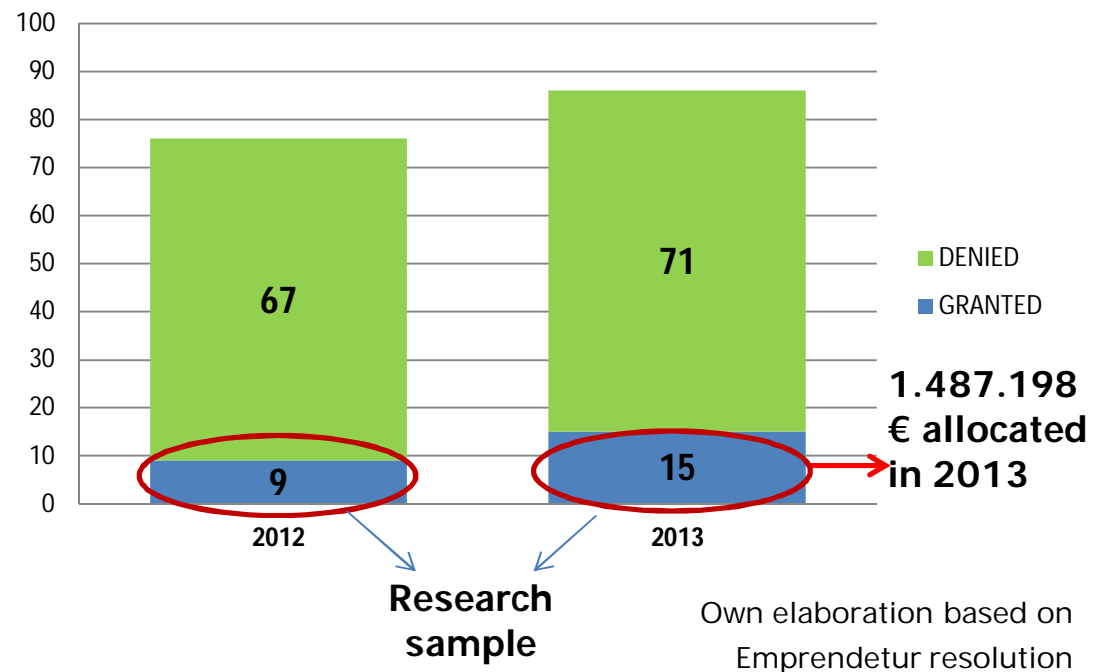
2 Methodology (cont.)

2 The Emprendetur Programme (cont.)

Loan characteristics

3,74 interest
 Up to 100% with a maximum amount of 1.000.000€
 2-year interest-only period
 5-year repayment
 No loan guarantee required

Fig. 1 Projects denied and granted by EMPRENDETUR Young Entrepreneurs





2 Methodology (cont.)

3 2-Step Methodology

Preliminary Step >> Entrepreneurs and new ventures identification from public announcement of accepted proposals. Data based elaboration.

First Step >> Creation of entrepreneurs' (founders and co-founders) professional and educational profile using their own public information on LinkedIn.

LinkedIn

Jaume Mayor i Agell
CEO y fundador en WeSmartPark
Barcelona y alrededores, España | Ingeniería industrial o mecánica

Únete a LinkedIn y accede al perfil completo de Jaume Mayor i Agell. ¡Es gratis!

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- Descubrir a quién tú y Jaume Mayor i Agell conocéis en común
- Hacer que te presenten a Jaume Mayor i Agell
- Contactar con Jaume Mayor i Agell directamente

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Resumen de Jaume Mayor i Agell

Actual	CEO y fundador en WeSmartPark (by 9SMART)
Anterior	CTO y fundador en 3J3D INGENIERIA DE DETALLE, S.L. Proyectista estructuras metálicas con TEKLA en ELTE ESTRUCTURAS METÁLICAS S.A. Herrero oficial de 2ª en TALLER ESTRUCTURA METÁLICA VILASSAR
Educación	ESADE Business School Universitat Politècnica de Catalunya UNIVERSIDAD POLITÉCNICA CATALUNYA



2 Methodology (cont.)

First Step >>

The entrepreneurial **personality**

The influence of **learning**.
Entrepreneurial attributes
acquired by education
Entrepreneurship can be learn
and be taught

Career progression. Previous
work experience connection with
new entrepreneurial venture
Previous entrepreneurial
experience
Entrepreneurial team networks

NAME/AGE	ENTREPRENEURIAL PERSONALITY, SKILLS AND CAPABILITIES	POSITION	EDUCATION	FIELD OF KNOWLEDGE	PREVIOUS WORK EXPERIENCE
Jesús Rodríguez Fernández	Leadership, proactivity, emotional intelligence, multicultural mind, creativity and innovation, negotiation skills, flexibility and results orientation. Passionate about travel and people development	Founder and CEO at Exoticca	2002-2003 International Master in Tourism and leisure - ESADE Business School	Tourism/ E-commerce/ Leisure/ Management/ Revenue Analysis/ Hotels/ Online Marketing/ Marketing Strategy/ Hospitality/ Tour Operators/ Online Advertising/ Business Strategy/ SEM/ Pricing/ Online Travel/ Web 2.0/ Google Analytics/ Digital Marketing/ PPC/ Internet Entrepreneur/ Google Adwords/ SEO/ Airlines/ Email Marketing/ Affiliate	May 2013-present Founder and CEO (Exoticca)
			1998-2001 Diploma in Business and Tourism Activities - ESERP Barcelona	2011-2013 Tour Operation Responsible (Privalia Travel*)	
			1992-1995 Diploma in Special Teaching - Leon University	2011-2011 Tour Operation Manager (Voyage Prive**)	
				2007-2011 Assistant General Manager (Karisma Tours) 2004-2007 Front Office Manager (AC Hotels)	

Complementary skills and knowledge of the entrepreneurial team
The value of learning from others





2 Methodology (cont.)

Second Step >> Semi-structure interviews conducted through Skype during July-September 2014. Response of **24** entrepreneurs representing **16** new companies.



Young entrepreneurs



Why becoming entrepreneurs
Motivation to invest in tourism



Stages in the innovation journey addressed by research questions

Stage 1 Idea space



- Origins of novel idea
- Key individuals involved
- Degree of newness
- Key moments in idea transformation into commercial opportunity
- Etc.

Stage 2 Idea implementation



Solutions

Stage 3 Present/Future of the innovation once in the market

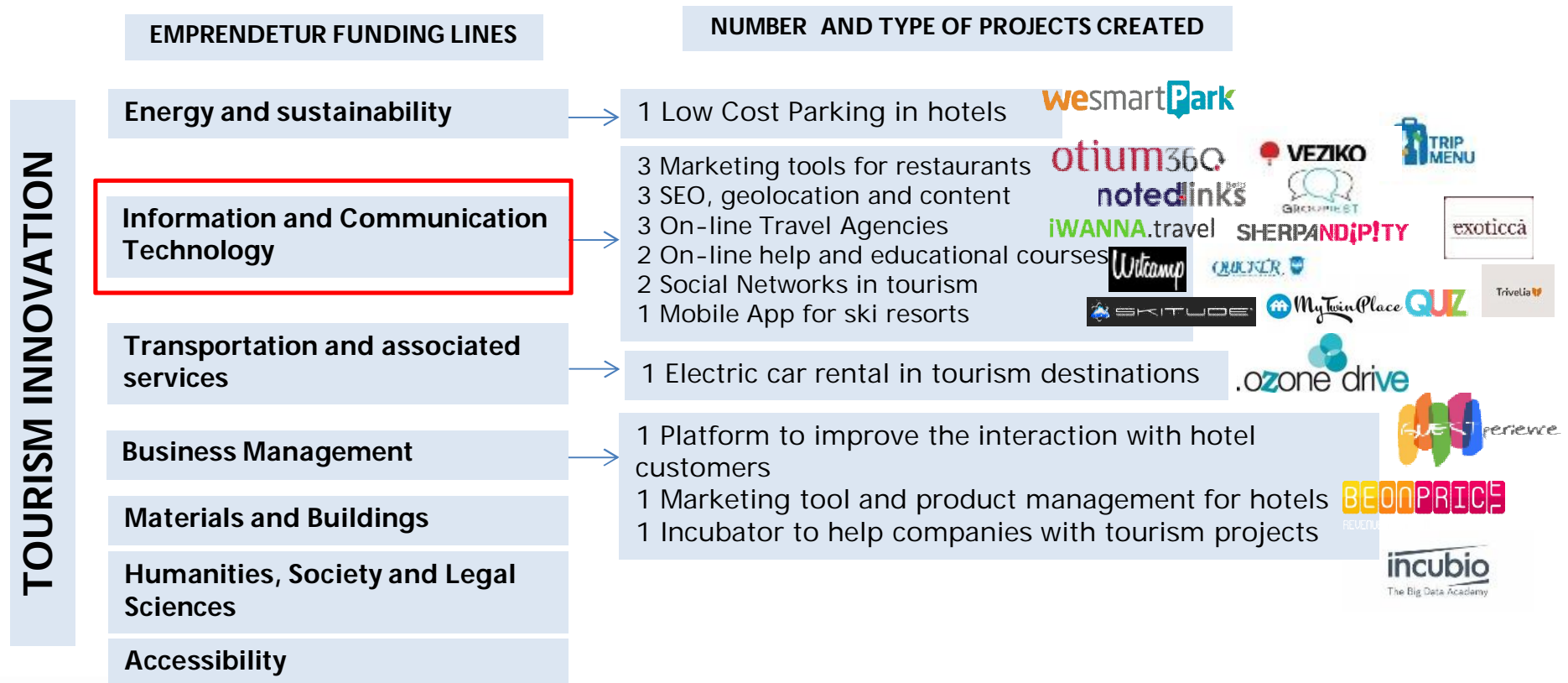
- Current innovation acceptance
- Possible readjustments
- Future innovations





3 Preliminary findings

1 Type of projects developed by the innovative entrepreneurs

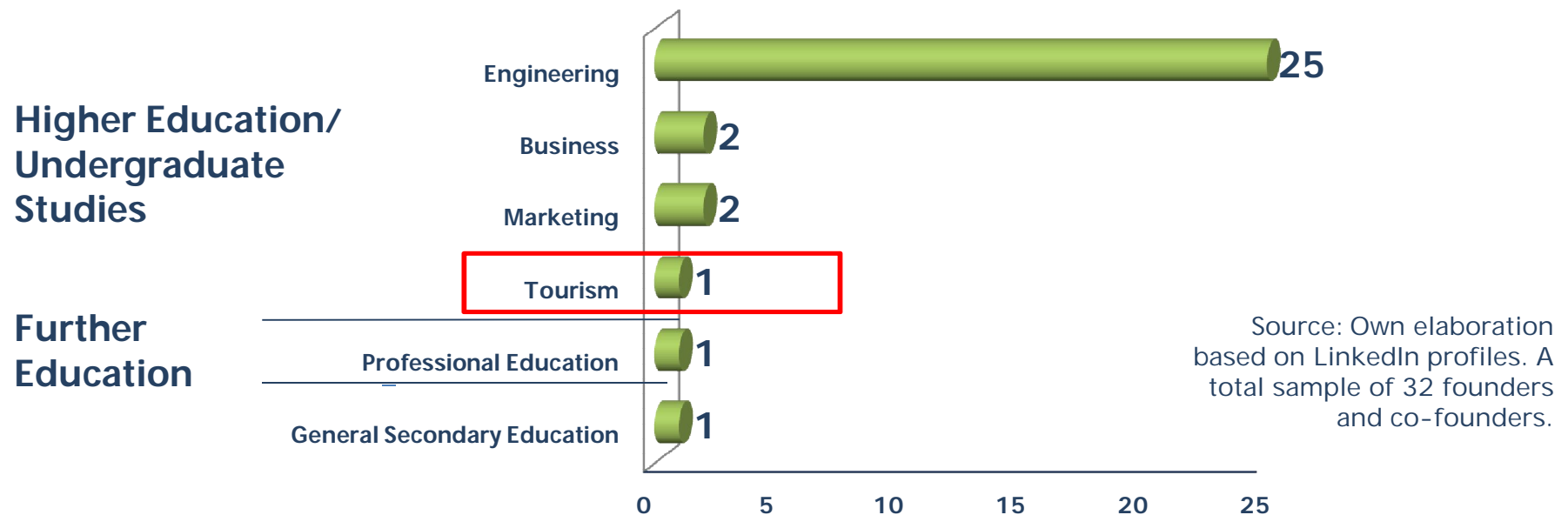




3 Preliminary finding (cont.)

2 Distinctive knowledge and experience of these “New-to-tourism” entrepreneurs

Fig. 2 Entrepreneurs Educational Background





3 Preliminary finding (cont.)

2 Distinctive knowledge and experience of these “New-to-tourism” entrepreneurs

Fig. 3 Entrepreneurs Educational Background. Higher education. Postgraduate studies



Source: Own elaboration based on LinkedIn profiles

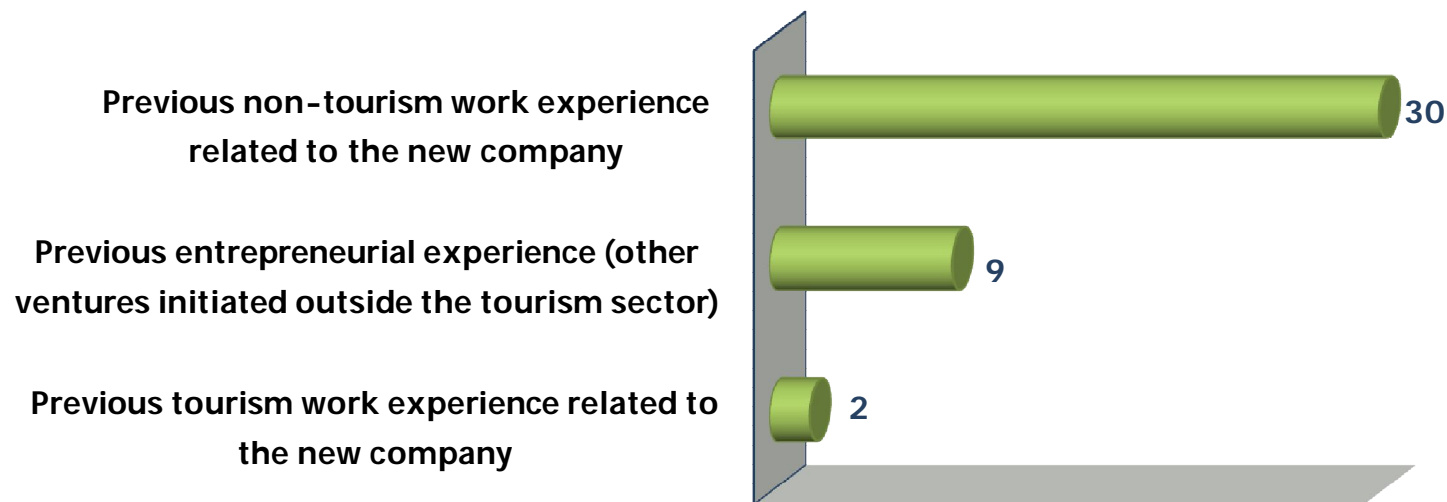




3 Preliminary finding (cont.)

2 Distinctive knowledge and experience of these “New-to-tourism” entrepreneurs (cont.)

Fig. 4 Relation of previous Professional experience with new company

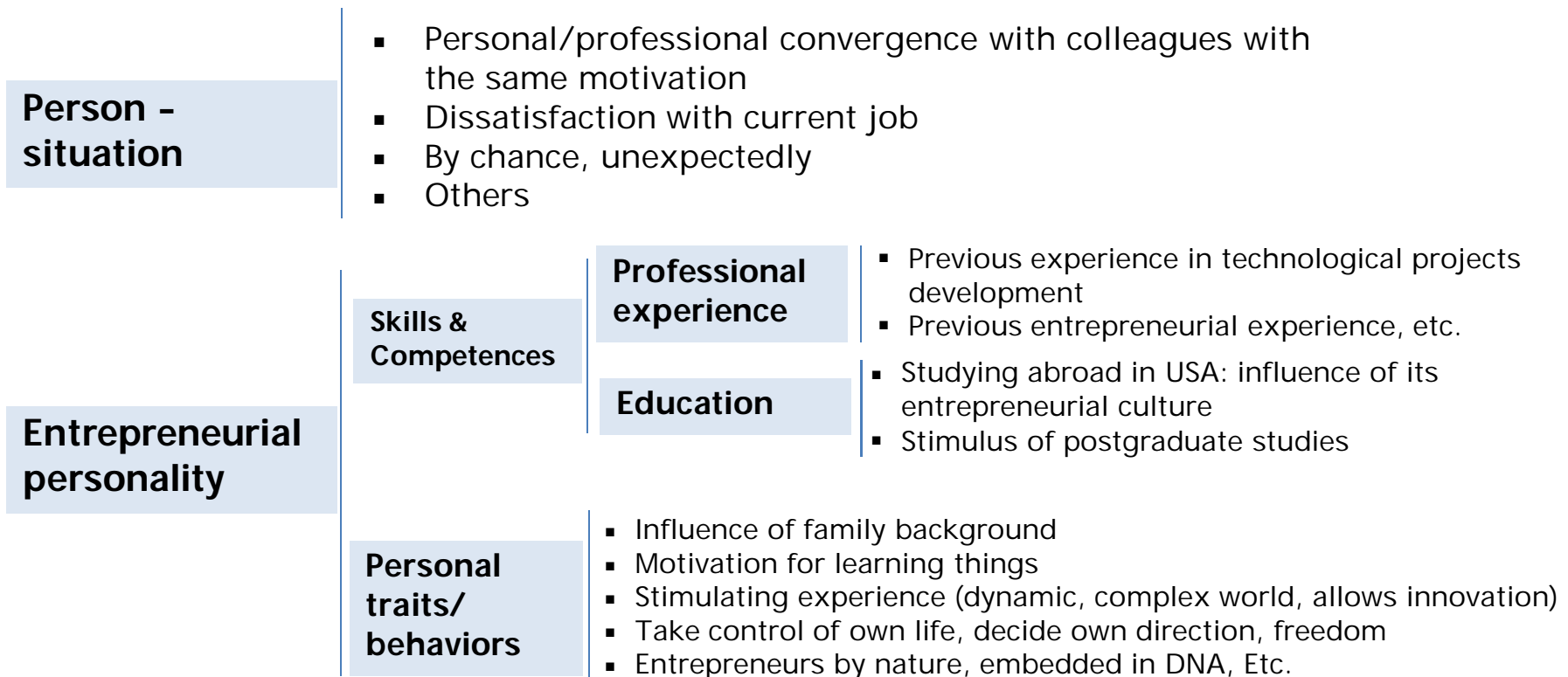


Source: Own elaboration based on LinkedIn profiles



3 Preliminary finding (cont.)

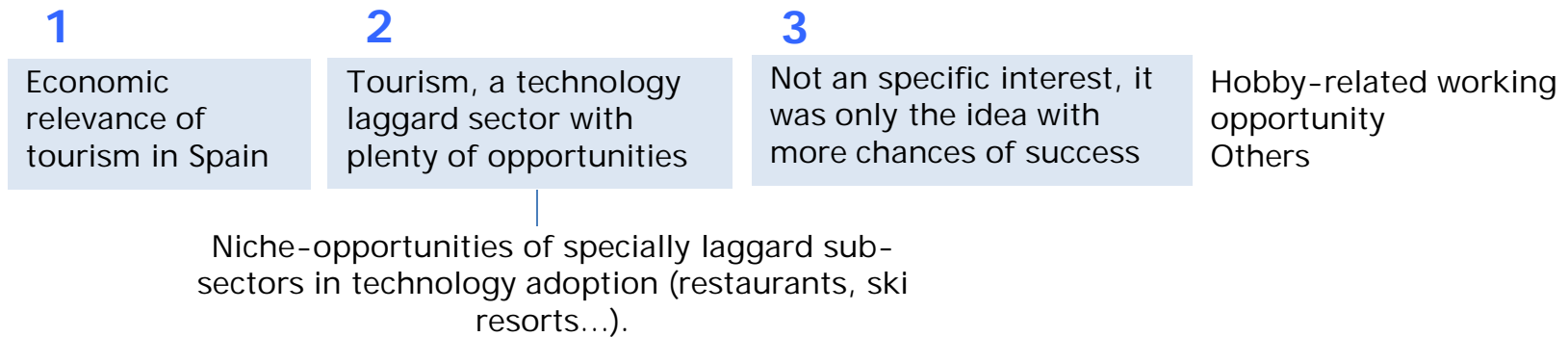
3 Heterogeneity of motivations to become entrepreneurs



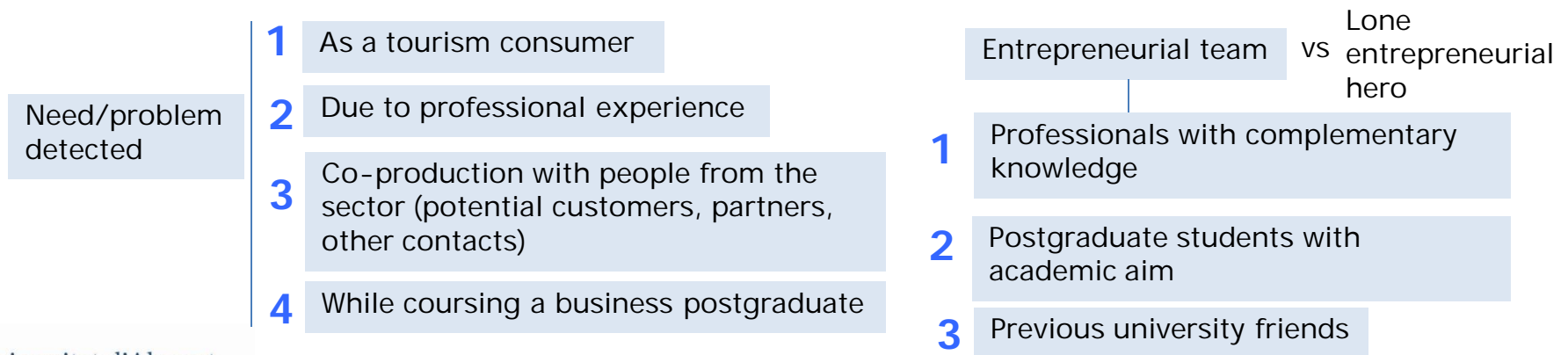


3 Preliminary finding (cont.)

4 What made tourism an interesting sector to invest



5 Where the idea came from and key individuals





3 Preliminary finding (cont.)

6 Critical moments in moving from idea to effective implementation

- 1 Idea validated by the potential customers' interest
- 2 First customers acquire the product
- 3 Investors funding
- 4 Public resources allocation (credit)

7 Degree of newness of the innovation

- 1 Existing product/service but considerably improved
 - 2 New-to-tourism sector
 - 3 New in a tourism sub-sector (leisure, restaurants)
 - 4 Something totally new
- Incremental innovation (encompassing items 1, 2, and 3)
- Radical innovation (encompassing item 4)



3 Preliminary finding (cont.)

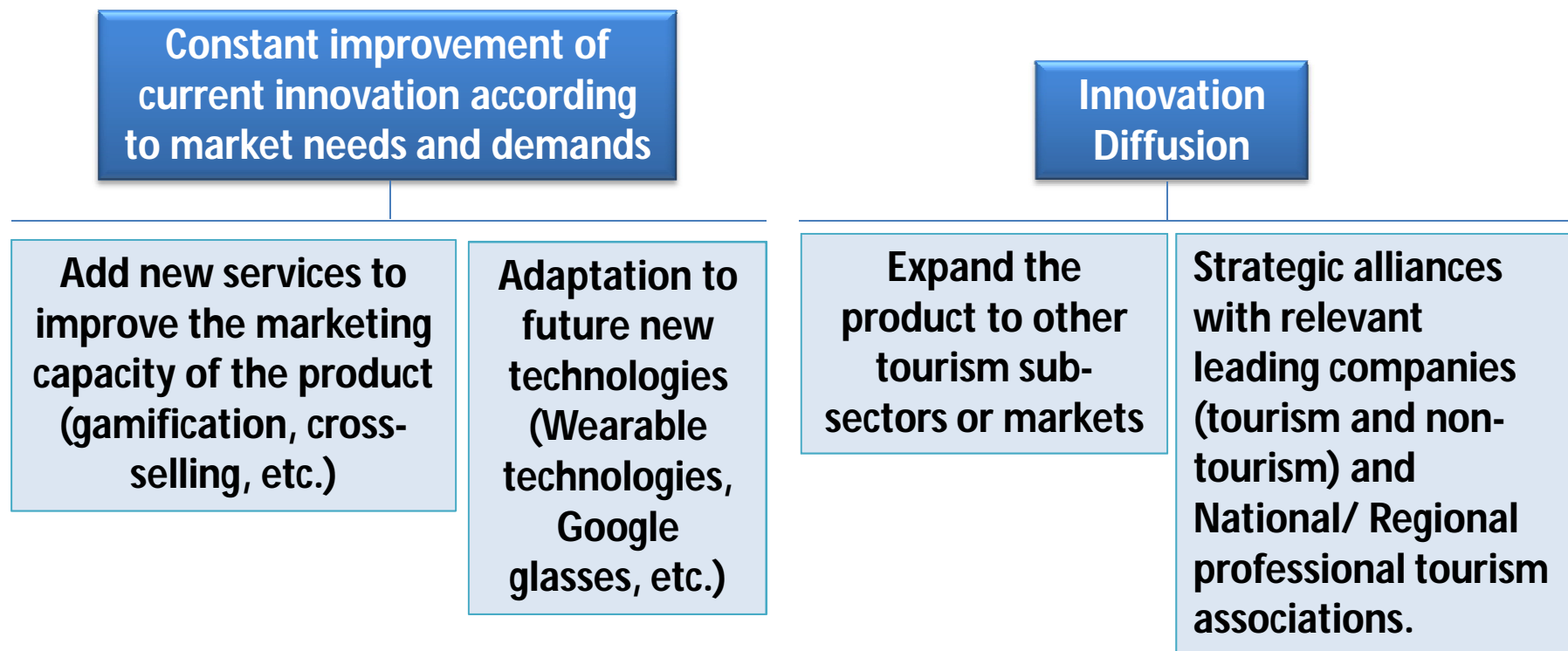
8 Problems and solutions while implementation



Problems faced	Solutions to minimise/overcome them
<p>1 Lack of financial resources</p>	<ul style="list-style-type: none"> - Bootstrapping - Business model to minimize structure costs (Business Model Canvas) - Apply for public credit
<p>2 Problems with technological developments</p>	<ul style="list-style-type: none"> - Customer involvement in project reformulation - Trial and error
<p>3 Barriers of late-adopter subsectors to invest in technological innovations</p>	<ul style="list-style-type: none"> - Free product distribution - Product adaptation to easy-to-use formats and educate the sector - Selling the product as non-innovative
<p>4 Initial testing in the market reveals inefficiencies</p>	<ul style="list-style-type: none"> - Model pivoting until satisfactory option: lean startup philosophy - Customer involvement in project reformulation - Deep project restructuring

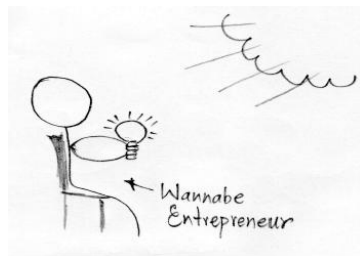
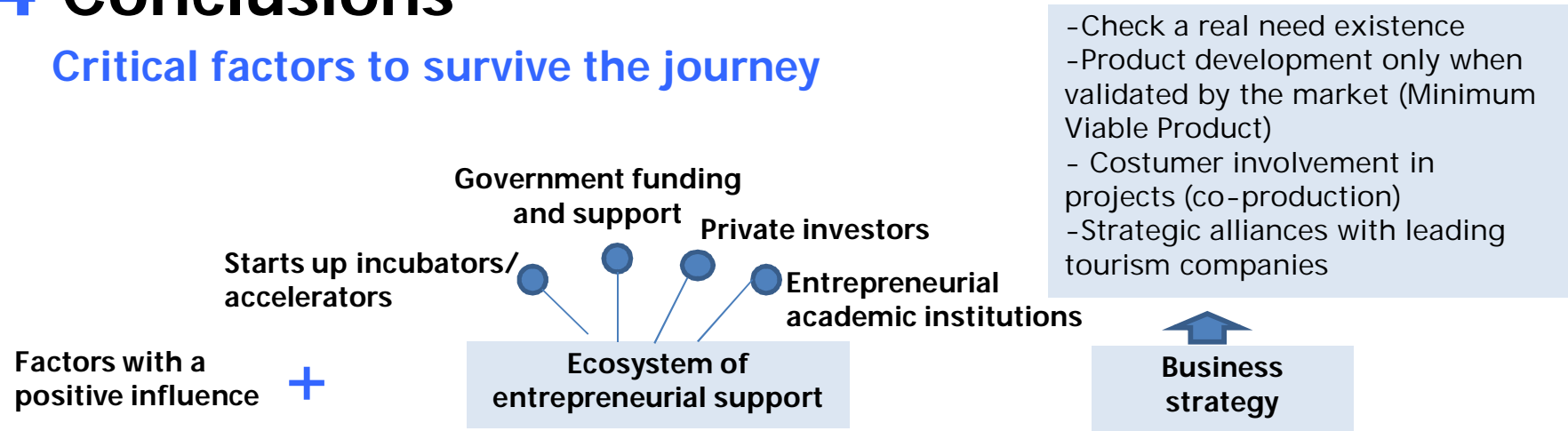
3 Preliminary finding (cont.)

9 The future of the innovation



4 Conclusions

Critical factors to survive the journey



Factors with a negative influence -



- Experience / Age
- Ability to convince others of opportunity value
- Quick response to project inadequacies
- Flexibility to pivot and adaptability
- Resilience

Resource scarcity
 Lack of time
 Entry barriers





Thank you very much for your attention!

isabel.rodriguez@ua.es



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