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Empirical insights into innovation practices as crises response of ski destinations after the first lockdown of the COVID-19 pandemic

Birgit Pikkemaat, Sarah Eichelberger, Mike Peters

Introduction

In the past, research showed that innovations are indispensable for the success of tourism destinations due to saturated markets and a high level of competition (Pikkemaat & Peters, 2016). In the present, the COVID-19 pandemic nearly shut down international travel and tourism worldwide (Prayag, 2020). The tourism industry seems to represent the most vulnerable sector affected by the pandemic requiring solutions to cope with and recover from the crisis (Breier et al., 2019; Sharma et al., 2021). In Winter 2019/2020, the tourism industry in Austria suffered considerable damage due to the way the pandemic was handled: one ski destination was portrayed as one of the main virus clusters that allegedly contributed to the spread throughout Europe (Mayer et al., 2021). Beside the question how customers' behavior will change in the long-term after and with the pandemic (see e.g., Neuburger & Egger, 2020) it also is important to analyze how the supply side can respond to this crisis and develop innovations in order to anticipate or react to these tremendous challenges (see e.g., Kuščer et al., 2021).

Thus, the study at hand aims to gain empirical insights into innovation behavior as means to crisis response of ski destinations. For this purpose, we conducted 20 semi-structured interviews with key stakeholders of ski destinations during the re-start of tourism after the first lockdown in Austria. We further explore how ski destinations perceive types of innovation as response to the COVID-19 pandemic.

Literature Review

Although crisis management to enhance resilience was studied in tourism research, the current COVID-19 pandemic is perceived as having more serious consequences than previous crises (Higgins-Desbiolles, 2020). For Sigala (2020), the COVID-19 crisis represents a way to transform tourism demand, policy makers as well as destination management organizations (DMOs). Breier et al. (2021) exemplify that business model innovation constitutes a strategy for hospitality companies to deal with the COVID-19 crisis. Innovations create opportunities to overcome the crisis, and innovations lead to the required transformation of tourism (Brouder, 2020).

Prior to the COVID-19 pandemic, the tourism industry was characterized by saturated markets and highly competitive pressure, which required innovation as an indispensable component of tourism development (Pikkemaat & Peters, 2016; Hjalager, 2010). Thus, innovations in tourism and hospitality have been extensively discussed in the past (see e.g., review papers of Hjalager, 2010; Gomezelj, 2016; Pikkemaat et al., 2019).

Focusing on community-oriented destinations the output and the success of innovations is determined by the destinations' resource endowment (Denicolai et al., 2010; Paget et al., 2010) and the relationships between the DMO and its stakeholders, such as providers of tourism services, leader-networks, as well as cooperation between key stakeholders (Beritelli et al., 2007; Kompplu,

2016; Zach, 2012). Community-model destinations focus on the consideration of all relevant stakeholders and thus necessitate a high level of cooperation between stakeholders for successful innovation development (Flagestad & Hope, 2001). Previous studies suggest that DMOs and large ski resorts play a key role as innovation facilitators by coaching, initiating and moderating innovations (Pikkemaat et al., 2018; Komppula, 2016; Zehrer et al., 2014). Innovation as a multi-level phenomenon is thus driven by leading stakeholders in the destinations that build on strong destination networks consisting of organizations and enterprises along the tourism value chain (Zehrer et al., 2014; Pikkemaat et al., 2018). According to Beritelli et al. (2017), community-model destinations are particularly characterized by a small-scale structure in which often family-owned SMEs need to cooperate to enable successful innovation management. Research showed that innovations in community-oriented destinations are more often driven by major external developments than internal strategic management initiatives (Hjalager, 2010). In this context the COVID-19 crisis can be seen as external stimuli that forces destinations to foster innovation to overcome actual challenges and initiate the required transformation of tourism (Brouder, 2020; Breier et al., 2019). Moreover, adapting open innovation to community model destinations shows the potential to consider all stakeholders as valuable sources for improving products and services (Egger et al., 2016; Pikkemaat & Peters, 2016).

Ski resorts represent a main component of community-model destinations as a basic Winter infrastructure of the local tourism supply. Regarding ski resort research, the majority of studies focus on the impact of climate change and snow conditions (e.g. Scott et al., 2021), the role of the size of the ski resort with regard to profit (e.g. Falk & Steiger, 2020) or factors influencing customers' decision making (e.g. Konu et al., 2011). In the past, ski resorts were confronted with stagnating markets and increased customers' awareness about ecological impacts. They responded with investments into snow making equipment, new ski trails, connections of former separate ski areas, and ski pass alliances (Zach et al., 2021). Even before the COVID-19 crisis, research called for more innovation and sustainability in ski destinations (Unbehaun et al., 2008; Bausch & Unseld, 2018). More recently Bausch & Gartner (2020) highlight that the future of many ski destinations will depend on how they diversify and adapt to changing conditions.

In this regard, research needs to explore areas of innovation in ski destinations, considering the perceptions of all relevant stakeholders, such as DMOs and ski resorts, hotels, restaurants, shops, and skiing supporting services. Additionally, recent innovation studies cannot neglect to incorporate the COVID-19 pandemic as trigger for innovation opportunities. Thus, it seems important to examine the resilience strategies of ski destinations against the backdrop of the COVID-19 crisis to illustrate their response to the pandemic. This leads us to the following research question: *How do ski destinations respond to the COVID-19 crisis in terms of innovation opportunities?*

Methodology

Innovation in tourism research already has applied many different methods, with qualitative inquires being most popular (Pikkemaat et al., 2019). However, Prayag (2020) proposes further qualitative studies to provide in-depth insights due to the particularities and the novel global dimension of this health crisis. In order to answer the research question, our study builds on a qualitative research design. Semi-structured interviews were conducted, which enables researchers to probe deep into the interviewees' perceptions and experiences (Halperin & Heath, 2020). The

interview guideline was developed based on previous literature, addressing key questions around innovation, and community destination management in ski destinations.

The study targeted ski destination stakeholders of community focused destinations, by employing purposive sampling focusing on researchers' judgement (Miles et al., 2014). With the aim to reach theoretical saturation 20 interviews were conducted with stakeholders of four community focused ski destinations in Tyrol, Austria during the lockdown in late autumn 2020. Regarding the selection of ski destinations, we used comparable destinations regarding overnights, incoming markets, and size of ski resorts. Representative stakeholders in these destinations were selected according to the stakeholder theory by Freeman (1999). Precisely, DMOs, cable car operators, ski schools, shop owners, and accommodation providers were interviewed (see Table 1 for details).

Table 1: Sample of interviewed stakeholders

Organsation /Code	Ski Destination	Position	Gender
1_DMO	1	Managing director	male
1_Cable Car	1	Managing director	male
1_Hotel	1	Hotel owner	male
1_Ski School	1	Managing director	female
1_Shop Owner	1	Owner	male
2_DMO	2	Managing director	female
2_Cable Car	2	Managing director	male
2_Hotel	2	Hotel owner	male
2_Ski School	2	Managing director	male
2_Shop Owner	2	Owner	male
3_DMO	3	Managing director	male
3_Cable Car	3	Managing director	male
3_Hotel	3	Hotel owner	female
3_Ski School	3	Managing director	female
3_Shop Owner	3	Owner	male
4_DMO	4	Managing director	male
4_Cable Car	4	Managing director	male
4_Hotel	4	Hotel owner	male
4_Ski School	4	Managing director	male
4_Shop Owner	4	Owner	female

The interview data was triangulated with publicly available information about the destination, e.g., from the websites of the DMOs or the tourist facilities (Decrop, 1999). The semi-structured interviews allowed for an in-depth exploration of the interviewees' experiences (Rowley, 2012). The data was analyzed using the template analysis approach (King, 2017). Thus, the authors developed an initial coding template consisting of a priori codes, followed by coding and examining the data using the qualitative data analysis software MAXQDA (King, 2017). The final template (see Table 2) is based on a discussion of the coding results to merge and reformulate the categories (King, 2017).

Results

The final template is presented in table 2 below.

Table 2: Exemplary findings

Category	Code	Exemplary quotes
Innovation practices	<i>Innovation as crisis response strategy</i>	'That certainly comes to innovations, 100 per cent, you have to.' (4_DMO)
	<i>Innovation activities</i>	'We have to be relatively spontaneous and we also have to innovate relatively spontaneously - just as we get information about which market, which people we have a chance with, so to speak.' (2_Hotel)
Market developments creating innovation opportunities	<i>Preference for small-scale structuring</i>	'For a small ski area, there is certainly the chance because of the non-existent mass on the slopes. People then prefer to go to a small ski area because they hope that there are no crowds.' (2_Cable Car)
	<i>Tourists' safety perception</i>	'Because we are such a small ski area, I think people feel safer because of Corona. So, I think that the small ski areas have more of an advantage.' (3_Cable Car)
	<i>Preference for alternative offerings</i>	'The customers then prefer other things. I think versatility means that you can not only ski, but also snowboarding, tobogganing and ski touring. That is also a not insignificant segment and an opportunity for innovation.' (3_DMO)
	<i>Marketing strategies to position innovative offerings</i>	'In terms of marketing strategies, we could move in a direction where you ask yourself whether you need 200 kilometers of slopes at all or whether I would prefer to have only 40 kilometers of slopes for myself as a person, as a skier, which is generally the case with small ski areas. That could possibly be an innovation, that they try to market it that way.' (4_Hotel)
Innovation building on sustainability	<i>Short-haul tourism</i>	'People may go away less and stay here again and see that the beauty is also so close, and I think Corona is certainly turning people to domestic holidaymakers again.' (1_Ski School)
	<i>Regional focus</i>	'Perhaps the regional aspect is perceived a little more, because the customer demands that a little more. That would perhaps be an innovation somewhere, that this is also addressed more and perceived more in the products and so on.' (2_DMO)
Stakeholder competition	<i>Cohesion</i>	'Looking forward, I don't have as much headache because of the strong togetherness. I believe that we will make it, thanks to this cohesion, which I always like to emphasize.' (2_Shop Owner)

	<i>Competition</i>	‘Especially here, because we have four villages with four ski areas in our valley, and that is of course also very strong competition. That is a bit of a difficult situation.’ (1_Cable Car)
DMOs as innovation facilitators	<i>DMOs consideration of stakeholders</i>	‘At the destination, you can certainly tell that people are sticking together, that's definitely the case at the moment. That there is a unified presence.’ (4_Shop Owner)
	<i>DMOs as innovation drivers</i>	‘Actually, it is already the case that a lot is made over the DMO.’ (1_Ski School)

The interviews conducted in this research show that in the examined ski destinations, the COVID-19 crisis is seen as a trigger for innovation, revealing that innovations are seen as a strategy to be able to respond to the crisis. According to the ski destination stakeholders, the activities related to creating innovations have to be very spontaneous and should always be based on the shifting conditions of the market.

In this regard, the stakeholders believe that tourists will prefer smaller-structured ski destinations and individual accommodation offers (e.g., such as apartments) because of the pandemic. They argue that they assume a more focused perception of safety among tourists. The interviewees thus consider advantages for small-scaled ski destinations and these advantages contribute to the fact that they perceive opportunities for innovation. In addition, according to the stakeholders, changing demands for alternative products result in opportunities for innovation as a prerequisite for successful destination marketing and novel ski destination positioning strategies.

The destination stakeholders also think the crisis triggers sustainability: particularities triggered by the crisis. They argue for tourist’s increased likelihood to travel nearby and thus focus more on short-haul tourism, as well as on the aspect of regionality, which according to them can be exploited for innovation opportunities.

In addition, the interviewees perceive increased collaboration in the destination in terms of innovation development. The stakeholders are willing to work more closely together to foster innovation and respond to the crisis, even though they perceive competitive situations. In this context, the DMOs are also addressed in the interviews, which on the one hand enable cooperation, but are also seen as innovation drivers in the sense of support and stimulation.

Conclusion and Discussion

The findings demonstrate that the perceived changes of the COVID-19 pandemic in community-oriented ski destinations are seen as opportunities to develop and drive innovation. Corresponding to previous studies (Neuburger & Egger, 2020; Pikkemaat et al., 2018; Sigala, 2020) destination stakeholders perceive that the crisis impacts tourists’ preferences, safety perceptions, and accommodation choices. In this regard, the stakeholder interviews showed that tourists are likely

to search for small-scale destinations as a result of the pandemic. According to Pikkemaat et al. (2018) and Beritelli et al. (2007) primarily community-model destinations offer individual accommodation such as bed and breakfast inns, apartment houses or vacation homes. In particular, changing guest flows, in terms of a shift towards domestic and short-haul tourism, as well as the avoidance of tourist crowds and mass tourism destinations might foster the demand for small-scale destination structures such as community-model destinations (Pikkemaat et al., 2018).

The interviews also reveal that the COVID-19 crisis improves cooperation among stakeholders. In accordance with this, Zehrer et al. (2014) and Pikkemaat et al. (2018) demonstrated the necessity of strong destination networks for innovation. DMOs are highlighted in the literature as innovation facilitators who initiate, coach and moderate innovation (Pikkemaat et al., 2018; Komppula, 2016; Zehrer et al., 2014). This research suggests that the COVID-19 crisis has actually reinforced this, with the interviews demonstrating that the role of DMOs has become even more important.

The changing customer preferences (Breier et al., 2021) for small scale structures (Pikkemaat et al., 2018; Beritelli et al., 2007), as well as the improved cooperation between stakeholders (Zehrer et al., 2014) and the enhanced role of DMOs (Komppula, 2016) can be utilized for innovation opportunities in the ski destinations (Pikkemaat & Peters, 2016), and thus contribute to the innovation behavior of DMOs and its key stakeholders. This study demonstrates that innovations are seen as a response strategy by ski destination stakeholders. Brouders' (2020) underlines that innovations are able to support a recovery from crises. The interviews furthermore indicate that innovation can be driven by external developments, such as the COVID-19 crisis, rather than by internal management, corresponding to Hjalager (2010). The findings illustrate the importance of developing sustainable innovations and the emergence of new products based on changing preferences of tourists (Sigala, 2020; Kuščer et al., 2021).

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