Editorial: networks, dynamics, and innovation in the Tourism industry

Håvard Ness, Lars Fuglsang & Dorthe Eide


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Introduction

In recent years, networks and networking between tourism actors have been of increasing scholarly interest (Baggio, Scott, & Cooper, 2010; Haugland, Ness, Grønseth, & Aarstad, 2011; Mwesiumo & Halpern, 2017; Yachin, 2017). A network can be defined as “a set of nodes and the set of ties representing some relationship, or lack of relationship, between the nodes” (Brass, Galaskiewicz, Greve, & Tsai, 2004, p. 795). In a tourism context, nodes are any actor that take part in the production of the tourism product, or experience, and ties are the relationships that exist between the actors. For example, a destination network can be defined as all those organizations, and their relationships, that take part in the co-production of the total destination product. Typically, transportation firms, hotels and lodging, restaurants, and different kinds of activity and infrastructure providers are important actors, as are also public sector organizations that represent the institutional context and framework conditions. Furthermore, tourists are often considered as they are co-creating their experiences (Boswijk, Peelen, & Olthof, 2012; Prebensen, Kim, & Uysal, 2016).

The relationships that these actors form represent social capital (Coleman, 1988) where being in a durable social structure enables access to, and transfer of, resources from other actors thereby facilitating actions, including coordinating interaction and jointly creating value. This is an important aspect because the tourism product typically involves a range of actors that are specialized and interdependent. Research on networks has shown that the social capital associated with having relationships to other actors are effective channels for rich information sharing, knowledge transfer and diffusion of working practices, resource access, learning, and innovation (Brass et al., 2004; Fleming & Marx, 2006; Iversen & Jacobsen, 2016; Uzzi, 1997). Thus, by forming working relationships with each other, tourism firms can exploit complementarities and improve their (joint) performance through dynamic, evolutionary, change processes. Such dynamics can be resulting from the formation or dissolution of relationships, or changing the characteristics, activities, and/or contexts of existing relationships.

Innovation is defined as the realization in practice of any new, novel, and useful products, problem-solving idea, or methods of production for firms “to gain a competitive edge in order to survive and grow” (Grønhaug & Kaufmann, 1988 p. 3). Hjalager (2010), addressing innovation in tourism, describes different innovation categories: product or service, process, managerial (internal organizing), management (e.g. marketing), and institutional. Thus, innovation is a broad concept that ranges from incremental improvements that are new to the firm to disruptive technologies changing the competition and value-creating processes. However, being embedded in a network rich in resources is beneficial for innovation to take place resulting from dynamic processes in the network. Hence, the particular focus of this special issue.
Some general characteristics of networks

The international and more general research on networks is extensive. First, nodes are commonly defined as individuals, groups, firms, or (simply referred to as) actors. Second, different levels of analysis have been addressed, such as dyads including egocentric portfolios, triads, and many-to-many (whole) networks (Brass et al., 2004; Provan, Fish, & Sydow, 2007; Zaheer, Gozubuyuk, & Milanov, 2010).

Network research represent different approaches. One tradition within the literature takes a primarily structural perspective on networks, while a second tradition takes a relational view of networks. Structural perspectives work out from the assumptions that networks as structures impact behavior, are socially constructed, and dynamic (Knoke & Yang, 2008). Important contributions in this tradition have been related to structural holes (Burt, 2004), closure (Coleman, 1988), small world networks (Watts & Strogatz, 1998), and the scale-free properties of networks (Barabasi & Albert, 1999). Relational perspectives have been more interested in the characteristics of relationships. Examples are tie strength (Granovetter, 1973), governance issues (Zaheer et al., 2010), the role of action and process (Sydow & Windeler, 1998), the rich benefits and varied outcomes from network engagement (Human & Provan, 1997), the role of hub firms in orchestrating innovation (Dhanaraj & Parkhe, 2006), and processes associated with different degrees of embeddedness (Uzzi, 1997).

Alternatively, Newell, Robertson, Scarbrough, and Swan (2009) suggests that network driven innovation and learning has been conceptualized within two main approaches, i.e. networks as channels and networks as communities. The former overlaps with the structural perspectives above, while the latter has some overlaps with the relational perspective but also involves practice-based approaches with partly different key concepts.

Research on the dynamics of networks and innovation in tourism

Tourism research on networks, dynamics, and innovation have been addressing a range of topics and issues. While an extensive review is beyond the limits of this editorial, we briefly introduce some of the topics addressed in the scholarly literature.

Research on network dynamics and innovation sometimes emphasize the importance of clustering, localized knowledge, social glue, and multiplexity, especially in local places where multiple relations and roles such as family, friendship, work, and policy relate people and firms to each other (Åberg & Svels, 2017; Baker, Miner, & Eslely, 2003; Boesen, Sundbo, & Sundbo, 2017; Buhalis & Cooper, 1998; Eide & Fuglsang, 2013; Hjalager, 2010; Nordin, 2003; Saxena, Clark, Oliver, & Ilbery, 2007; Weidenfeld, Williams, & Butler, 2010). Furthermore, networks are commonly associated with knowledge sharing, knowledge transfer, mutual learning and innovation (Ness, Aarstad, Haugland, & Grønseth, 2014; Newell et al., 2009; Novelli, Schmitz, & Spencer, 2006; Saxena, 2005; Sørensen & Fuglsang, 2014). Moreover, tourism development has been related to policy networks, as policy networking are assumed to facilitate innovation and value creation (de Araujo & Bramwell, 2002; Dredge, 2006; Dredge & Pforr, 2008; Mei, Lerfald, & Bråta, 2017). This includes destination marketing, governance, and evolutionary dynamics (Aarstad, Ness, & Haugland, 2015; Ma & Hassink, 2013; Marcussen, 2017; Pavlovich, 2003, 2014; Sanz-Ibáñez & Anton Clavé, 2014; Saxena, 2005; Sheehan, Ritchie, & Hudson, 2007).

Some initial steps have been taken to study the co-evolution of networks and innovation by focussing the interrelations of network characteristics and the process of innovation and business development (Clegg, Josserand, Mehra, & Pitsis, 2016; Sanz-Ibáñez & Anton Clavé, 2016). According to these approaches, the network context of actors may change dynamically over time along with the need for business development in the different stages of an
innovation process (Greve, 1995; Sørensen & Fuglsang, 2014). For example, a network may be characterized as local and/or non-local (Sørensen & Fuglsang, 2014). In a certain stage of its development, the network of an enterprise may tend to be embedded in local structures (Spilling, 2011) rather than the enterprise is striving to develop relations with non-local actors. In another stage of its development, a firm may want to emphasize “global pipelines” (Bathelt, Malmberg, & Maskell, 2004). The network focus is not a question of either or, but rather a question of emphasis and balance. How a network changes its characteristics dynamically can stem from the firm’s need to either explore new innovative ideas or exploiting them economically (March, 1991; Sørensen & Fuglsang, 2014). Exploration of ideas can be locally motivated, but also eventually inspired by and combined with knowledge from the outside of a locality (Ness et al., 2014). A strong local network may be needed to exploit the ideas, i.e. a local market, local subcontractors, and a local delivery system – at least in the beginning. Similarly, in one stage of a network’s evolution, loose ties may dominate while in another stage, strong ties can be more important (cf. Granovetter, 1973). Furthermore, as networks grow in size (number of actors), not only characteristics of ties might change, but also the larger structure as local sub-clusters might form and impact on tie formation (Aarstad, Ness, & Haugland, 2015a). Aarstad, Ness, and Haugland (2015b) show that innovation at the firm level is promoted by network reach (path-length) and that a firm’s tie formation affects this reach. In a related paper, Aarstad, Ness, Haugland, and Kvitastein (2018) find that local clustering dynamics cause imitation (spread of “new to the firm” practices), but also that imitation instigate tie formation in the network that further enables clustering and imitation. Furthermore, they also find that firms that tend to pursue innovation strategies also are likely to imitate.

An additional characteristic of a network considered here is whether the network emerges from practice, or whether it is explicitly designed to fit a certain framework or purpose (Fuglsang & Eide, 2013). To summarize, networks may at different stages of innovation processes emphasize various and different configurations of network characteristics (i.e. local/non-local, loose/strong, clustered/rich in holes, emergent/designed).

The dynamics of a network may further be theorized by a weak or a strong view on network processes (cf. Welch & Paavilainen-Mantymaki, 2014), both of which are represented in this special issue (Høegh-Guldberg, 2018; Høegh-Guldberg, Eide, Trengereid, & Hjemdahl, 2018). The weak model describes the dynamics regarding stages of development in which innovation and networks dynamics co-evolve. The stages need not be seen as following sequentially one after another in a linear process. A network may move back and forth between different configurations of network characteristics. Further, theoretically, all network characteristics may be present in all stages, but emphasis and foci can change. A strong model, rather than focusing stages, would seek to describe processes and dynamics as a flux of activities that evolve into actor networks over time. A strong process model can seek to theorize how innovations come to be by the formation of actor networks that tie together process dynamics in a network context. In tourism, development and maintenance of network characteristics can be seen as an important problem that needs investigation (Eide, Fuglsang, & Sundbo, 2017) due to the fragility of relationships (caused, among others, by seasonal work), the difficulties in conceptualizing and codifying what innovations are about, or the lack of resources for networking and collaboration. Analysing the dynamics of networking and innovation could here mean, not just dividing the networking and innovation process into stages, but also exploring how the assembling of certain complex dynamics and processes takes place on the go.

While networks and network dynamics can be understood as resources for value creation and innovation, they are not just resources. Networks are not necessarily something that one “has”. First, they can be argued to be something one does that needs continuous assembling and puzzling (Eide & Fuglsang, 2015), otherwise they fade away. This points to a need to
investigate the activities and engagement practices of the single actors and the communities that emerge and/or are being designed. They develop practices and tools in different periods of networks developments (see Høegh-Guldberg et al. (2018) pointing at some of this) and define resources, interactions, boundary objects, brokers and members (Wenger, 2003).

Second, certain networks can be characterized as social movements. Social movements are not best characterized as social capital. Their primary task is to challenge power structures and develop new rights and obligations (Somers, 2005). They are not resources for value creation in a simple way. Thus, there may be networks (of a profit or non-profit character) that are constructed to support certain values, lifeforms, rights, and obligations. As such, network dynamics can be “disruptive” and normative, and change the living conditions of particular people as explained by Widtfeldt Mege and Zillinger (2018) in this special issue. They show how free guided tours based on tips circumvented traditional industry structure.

Research also suggests that tourism companies may be difficult to engage in networking activities (Haugland et al., 2011; Volgger & Pechlaner, 2014). They often involve small companies with limited resources, risk aversion, and a short-term revenue focus. Hence, firms might hesitate to develop relationships with the local destination management and marketing organization (DMO), or take on similar leading DMO-like and orchestrating roles in the local network themselves. Hjalager (2000) has argued that tourism firms also may tend to exhibit free-rider behavior due to a lack of stabilized collaborative structures that enhance trust and reciprocity among tourism companies in local areas. Thus, networks may also have characteristics and dynamics that inhibit learning and innovation processes within and between firms.

To summarize, there is a need to explore networks dynamics from different angles and how they are intertwined with innovation processes in tourism. A network is a resource for value co-creation. However, it can change dynamically during an innovation process, when new types of resources are needed for value creation. Networks are nested in each other and co-evolve, and they are embedded in local social and institutional structures and practices, as Sigurðardóttir and Steinthorsson (2018) address in this issue. Thus, the dynamics of networks may vary from context to context, and there is a need to develop contextual knowledge of networking and network dynamics. The dynamics of networks, networking, and innovation, uncovered by research, thus needs to be further investigated in specific contexts, such as the tourism sector. This contextualization of research has been a major ambition of this special issue.

The articles in this special issue

Høegh-Guldberg et al. (2018) in their paper Dynamics of innovation network journeys: Phases and crossroads in seven regional innovation networks set out to explore the dynamics of network-driven innovation by suggesting two research strategies. The first is to combine three main theoretical approaches, the organizational change approach, the process- and practice-based approach, and the innovation journey approach. The second research strategy is to study regional innovation networks using a mixed qualitative data method approach to grasp the network development longitudinally. The paper describes how the networks develop and transform themselves over time through partly similar phases, yet partly different “crossroads”, i.e. critical events leading to changes in the innovation path. These phases and crossroads are theorized by using the concept of “network innovation journey”. The journeys’ development is thus due to a mix of designed and emerging dynamics. The authors explain the crossroads as prompting change by four critical factors: financing, management, shared activity, and organizing. The three latter are mainly internal. However, they partly depended upon the first, which is largely external. The factors can become door openers or setbacks; some seem emerging, and some being due to design or the lack of design. Another central challenge when seeking to
understand the dynamics of networks is the aligning of structure and discourse (Clegg et al., 2016). The crossroads have structural characteristics, but crossroads are only part of the journeys. All networks were busy negotiating vision and strategy particularly in the first two phases, and later when working with the exit strategy, which points at the importance of discourse. The paper shows that structure and discourse are two important and interacting dimensions. However, the network development also largely depends on other types of actions and results, and there must be actors willing to “play”. In sum, the paper contributes with new knowledge about the complex and dynamic developments of innovation networks.

Cluster theory inspires the study Development of micro-clusters in tourism: A case of equestrian tourism in Northwest Iceland by Sigurðardóttir and Steinthorsson (2018). The paper investigates the incremental development of a horse-related tourism micro-cluster, and how this cluster relates to (other) clusters within agriculture and tourism. Within these interactions, businesses are not only working directly with horses, but also other types of industries as well as education and research. The paper describes the development of a co-creating value network of different types of organization. The direct horse-related firms operate as the hub and core firms, while it generates lots of spin-off activity with other organizations. Cooperation and complementation increase with specialization through differentiation and innovation of niche products and markets, which then increases competitiveness. It is a cooperate-to-compete framework as argued by relational marketing (see Sheth & Parvatayar, 1995). Knowledge transfer is shown to be important for both specialization and innovation, and the knowledge mainly comes from two educational institutions and cooperation abroad, i.e. it depends on access to other communities of practice not only regionally but also globally. Cooperation in the cluster is shown to depend on a common agenda with shared vision, goals, and trust, a point argued by previous studies of networks in tourism (see e.g. Fuglsang & Eide, 2013). Even though most of the core firms still do multi-tasking like horse breeding or training and farming or tourism to get enough income to the households, they also see the benefit of specialization by both themselves and others to increase complementarity. The cluster has a positive impact not only for the firms but also for the growth of the rural region as it creates work and life quality to the people living there, including opportunities for combining passion and work (lifestyle entrepreneurship).

Høegh-Guldberg (2018) in her paper Between company and network practices: Mirroring innovative ideas takes a novel approach to the study of network-driven innovation by using the concept of mirroring. Instead of mainly focusing at the analytical level of the network, the paper addresses the relationship between the network and the member organization, and how innovation processes also depend on hard work in each organization to become implemented – through a process of mirroring. The complexity and stickiness of practice in organizations make it difficult for them to change. Images of the future produced in a network context can function as a mirror. The network provides images of the future that can lead to reflections on, and reconstitution of, practice in the member organizations. According to Høegh-Guldberg, it is very important that the organizational members, and not only the network management, actively co-construct this image to secure ownership and engagement. The image should suggest ideas about new practices in the member organizations (as described in Fuglsang & Eide, 2013). Realizing the new desired reality takes time and is an enactment of the image rather than reception of it. This changing of practices accordingly involves both organizational and network resources and skills, as well as novel combinations of elements. The study focuses on the innovation processes of what takes place in the network and then how this is transferred to the member organizations, and what needs to take place there (e.g. translation and practicing). Particularly, it presents an alternative to the diffusion of innovation approach (Rogers, 1995). This is an area in need
of more in-depth studies not only to test the suggested understanding but also to expand it in depth and scope. Future research should also study how processes in the member organizations move and play a role at the network level, to increase understanding of network-driven innovation.

In *Disruptive Network Innovation in Free Guided Tours* Widtfeldt Meged and Zillinger (2018) study a case of free guided tours in Copenhagen, Copenhagen Free Walking Tours, as a networked innovation: In this network, guides offer tours for free, and participants tip them according to their level of satisfaction. It is also seen as a case of disruptive innovation and innovation that relates to an ideology of the sharing economy. A mixed methods approach is applied composed by observations, interviews, and netnography. The investigated network is shown to draw on lifestyle entrepreneurs and commonality with the self-governed free town of Christiania in Copenhagen. The paper also shows how fairness and trust are major factors explaining the evolution of this network. However, equally important is the ability to draw on other networks as well, including social media-based networks, an international visionary network of guides and lifestyle entrepreneurs, a network of guides and friends, and a network with other tourism companies. The paper generally stresses a communitarian network approach as a basis for tourism innovation dynamics. The communitarian style of the network enables it to tap into the ideologies of sharing economy, democracy, inclusivity and a fair distribution of assets in a for-profit business.

Together, the four papers provide new insights into the dynamics of networking and innovation. They pay attention to the interaction of highly socially embedded networks with other networks and support structures in the environment of these networks. Networks are nested into each other, and networks can tap into wider ideologies and images of the future that they share with other firms and networks. Thus, networking is a social activity that draws on “futures” i.e. the images of how things might be. These futures that direct change are often constructed in collaboration between many tourism actors in different network settings. While networking relies on different actors, they are pulled together by common ideas and visions that can gain support from many and different actors.

References


Håvard Ness
Department of Business, Marketing and Law, University of South-Eastern Norway, Hønefoss, Norway
✉ havard.ness@usn.no

Lars Fuglsang
Department of Social Sciences and Business, Centre for Experience and Tourism Research, Roskilde University, Roskilde, Denmark

Dorthe Eide
Nord University Business School, Bodø, Norway