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Drivers of Innovation in Rural Tourism:
The Role of Good Governance and Engaged Entrepreneurs

Authors: Marion Joppe, Ed Brooker, & Kimberly Thomas

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Drivers of Innovation in Rural Tourism: the Role of Good Governance and Engaged Entrepreneurs

Marian Joppe
University of Guelph
Guelph, Ontario, Canada
mjoppe@uoguelph.ca

Ed Brooker
Sheridan College
Oakville, Ontario, Canada
ebniagara@gmail.com

Kimberly Thomas
University of Guelph
Guelph, Ontario, Canada
kthomas@uoguelph.ca

Abstract

Good governance and engaged entrepreneurship are integral pillars for innovation in rural tourism and ultimately its success. This paper investigates the barriers to innovative rural tourism development in the province of Ontario, Canada, through a stakeholders' workshop where success factors for innovation in rural development were categorized as: governance, human resources, investments, research, marketing, communication and co-ordination. A detailed survey followed up on stakeholders' perceptions of innovation in rural settings based on the themes identified. This research suggests that while engaged entrepreneurship may not necessarily be conducive for radical innovation, it has been instrumental in providing the impetus for incremental and liminal innovation, allowing rural businesses to sustainably thrive and also to survive turbulent economic environments. Similarly, governance, which includes broader strategic approaches for the management of rural tourism, bottom-up planning, longer-term strategies and better coordination at the federal level, also creates the environment for innovation in rural tourism. Engaged entrepreneurs are further perceived to play a critical role in providing leadership at the local level to effect product development, packaging, advocacy, training and development for the overall success of rural tourism in Ontario, Canada.

Keywords: rural tourism, governance, engaged entrepreneur, innovation, leadership

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1.0 Introduction

For more than two decades, scholarly discussions on tourist destinations management have predominantly focused on their marketing (Baker & Cameron, 2008; Heath & Wall, 1991; Ritchie & Crouch, 2003), management (Kozak, 2004; Laws, 1995), competitiveness (Ritchie & Crouch, 1993; Chon & Mayer, 1995), and, more recently, on their governance (Beritelli et al., 2007). Governance supports

strategic planning, investment in research, product development and education and training. A common difficulty of governance is making it work in a synergistic way from the national to the local levels. Kooiman (1993, p. 2) defines governance as the activities of social, political and administrative acts that can be seen as purposeful efforts to guide, steer, control or manage (sectors or facets of) societies. Tourism governance therefore implies a holistic and complex process of co-ordination of the public, private and non profit sectors (de Bruyn & Fernández Alonso, 2012). With a myriad of small players from these three sectors needing to be consulted, coordinated and aligned in planning and marketing, effective governance is of critical importance.

Significant research has also been undertaken on the importance of cooperation and collaboration, whether to improve policy-making (Bramwell & Sharman, 1999) or to enhance competitiveness (Fyall et al., 2012). In all these cases, the objective is to achieve consensus among stakeholders for planning purposes or to carry out joint initiatives. While these different approaches contribute to a better understanding of structures and processes that allow the coordination, planning and marketing of tourist destinations, a common thread through the literature is the need for power sharing by various levels of government and organizations, and that residents, in particular, should be empowered to have their views taken into account. Although consensus-building usually involves the generation and review of alternative solutions, these rarely lead to innovative break-throughs as this would require stepping away from commonly held beliefs and practices (Joppe & Brooker, 2013; Roberts & Bradley, 1991).

This, then, suggests that the focus of scholarly research on structures, institutions and processes is not enough to understand innovation, especially in rural settings. The rural environment is conducive to a more relaxed approach to business, personified by lifestyle operators (Ateljevic, 2009; Hall, 2005), motivated more by personal relationships and development, as well as an opportunity to showcase the local environment to those who visit (Goulding et al., 2005), and by a lesser concern with the accumulation of personal wealth (Shaw & Williams, 1994; Benseman, 2009). The question therefore arises to what extent rural entrepreneurs are open to innovation and who is able and willing to lead new conceptual thinking in these destinations. Tourism entrepreneurs may be willing to participate in destination governance but this is rarely achieved in reality (Vanneste & Ryckaert, 2013), particularly in rural areas where almost all businesses are micro and small enterprises (Joppe & Brooker, 2013). Barriers include lack of time, knowledge, and commitment (Vanneste & Ryckaert, 2013). When local initiatives in communication and collaboration do occur, they only rarely extend beyond existing administrative boundaries, a function of strong network ties within the industry (Granovetter, 1973).

This paper investigates the barriers to innovative rural tourism development at different levels of organization and scale in the province of Ontario, Canada. The research explores the ways in which these barriers may be overcome and how innovation is understood by provincial, regional, and community tourism stakeholders. Specifically, these stakeholders were asked to identify innovative best practices under a variety of themes and to explain their responses.

2.0 Literature Review

2.1 Innovation

Innovation has come to refer to the introduction of any novel concept, whether new to customers, a sector, or an organization. Recent research has shown that innovation can be divided into three distinct forms from: (1) incremental to (2) liminal and (3) radical, also referred to as 'now', 'new' and 'next' (Joppe & Brooker, 2013). Since tourism operators tend to be risk averse (Morrison et al., 2010; Rogers, 1995), most innovations in the tourism sector are therefore incremental improvements or adjustments to an existing situation (Dewar & Dutton, 1986) that are designed to improve performance, increase efficiency, and where possible, boost short-term profits (Brooker, 2011). At the other extreme, radical innovation introduces the next new idea that disrupts current conventions. The visionary innovator—usually an outsider—is unconcerned with an industry or sector's traditional thinking, and prefers to focus on why customers make certain purchases, and equally importantly, why non-customers do not. Radical innovators, who introduce unique value propositions that had not previously been operational, represent less than three percent of a population (Rogers, 1995). Liminal innovation is situated between incremental improvements and radical innovation whereby existing ideas are lifted from other contexts, shifted and adapted to fit local situations, thereby introducing new concepts. The novelties do not disrupt in the manner of radical innovation, but build on from what is already in place. Radical innovators depend on liminal innovators to adapt their ideas. Liminal innovators are early adoptors of new ideas, who are able to envision their value in advance of the majority. Both liminal and incremental innovators are considered insiders due to strong social ties with industry (Brooker & Joppe, 2013).

The conceptualization and implementation of new concepts characterize a market-driving approach (Kumar et al., 2000) that looks beyond maintaining the status quo, purposely considering alternative strategies to capitalize on changing market opportunities, creating points of sustainable difference, and attracting new markets. The extent of change distinguishes 'adapters' and 'pioneers' (Brooker et al., 2012, p. 687).

A good example of this approach was the European Union's LEADER+ ('links between actions for the development of the rural economy') Programme, which was initiated to help rural actors consider the long-term potential of their local region. It specifically aimed to make the best use of natural and cultural resources, including enhancing the value of sites; improve the quality of life in rural areas; add value to local products, in particular by facilitating access to markets for small production units via collective actions; and incorporate the use of new know-how and new technologies to make products and services in rural areas more competitive (European Commission, 2006). According to van der Ploeg (2003), LEADER+ was very successful since it produced "new insights, new solutions, new arrangements, new networks, new models, new innovative trajectories, etc." (p. 1). It accomplished this by involving "local actors, (mobilizing) local knowledge and (searching) for flexible public-private partnerships (p. 1). Although experiments such as this European program exist in many jurisdictions, it would appear that rural tourism development, specifically in Ontario, has not yet fully considered many of the insights gained.

2.2 Engaged Entrepreneurs

Entrepreneurship commonly refers to the act of starting a business (Baumol et al, 2007), yet as Drucker (1985) notes, "not every new business is entrepreneurial or represents entrepreneurship" (p. 21). Entrepreneurship is the result of a focused effort to identify and capitalize on changes in the market brought about by incongruities, changes in market demands and through new knowledge. Schumpeter (1942) connected entrepreneurs and innovation, suggesting their function is to reform or revolutionize existing production patterns by exploiting a new product, process, new market, or new form of organization. Kuratko (2009) suggests that entrepreneurship is a dynamic process of vision, change and creation. It requires energy and passion to create and implement new ideas and creative solutions to balance risk, resources, planning and vision to recognize an opportunity where others see chaos, contradiction, and confusion.

Engaged entrepreneurs creatively improve existing market structures through liminal innovation (Brooker & Joppe, 2013), periodically introducing new products and services, lifting, shifting and adapting ideas that they have viewed or experienced in different contexts. These entrepreneurs focus not only on their own situation, but also their broader sector, seeking opportunities to contribute to its ability to survive downturns and thrive during positive environmental circumstances. They understand the potential impact of change based on their periodic connections with weak market ties and with other organizations and businesses. Thus they are the first to introduce the new ideas into their context, ensuring that they respect existing boundaries. While they want to be different from their peers, they are not interested in radical revisions nor do they want to be the only business or organization that offers the innovative approach, preferring that their peers also adopt the novelty, in keeping with Rogers' (1995) model of innovation diffusion. Engaged entrepreneurs can therefore be defined as business operators who are actively involved in improving their product or service offerings in keeping with the demands from the external business environment and ensuring that business operations remain competitive.

2.3 Governance

The concept of governance can broadly be delineated as "the ability to coordinate the aggregation of diverging interests to promote policy, projects, and programs that credibly represent the public interests" (Trousdale, 1999, p. 842), and has also come to refer to "the development of governing styles in which boundaries between and within public and private sectors have become blurred" (Stoker, 1998, p. 18). Successful governance for rural tourism is increasingly dependent on appropriate tourism planning and management, whether it is in the form of partnerships among relevant stakeholders or through vested tourism authorities (Sharpley, 2003). Moreover, governance is now considered the basis for success in destinations achieving sustainable development. It suggests "a complex set of institutions and actors drawn from but also beyond government" (Goodwin, 1998 p. 7) and implies values such as participation openness, consultations, dialogue, strong leadership, innovation and coordination. Ultimately, the purpose is to guide, provide direction and manage the social, political and administrative activities within the sector governed (Kooiman, 1993). The diversity of stakeholders, often referred to as the fragmentation of the tourism industry, is seen as a challenge to 'good governance', the collaboration between public and private sectors, as well as the civil society.

Jamal and Getz (1995) purport that while it is difficult to achieve coordination among these three types of entities, the task is not insurmountable.

Nonetheless, governance is often a pitfall to effective collaboration in destination management. One of the strategic decisions in destination management that needs to be made is defining the form of governance and coordinating activities among collaborators. Jamal and Getz (1995) suggest that there is a role for a convener of collaboration who is responsible for identifying and bringing legitimate stakeholders to the table. Local government is considered a suitable convener, especially because it is often the public goods of the destination that are at stake. Furthermore, local government is usually the authority for issues that evolve around facilitating future growth and development. Morgan et al. (2012) and Hjalager (2010) are of the view that limited attention is given by academics to the role of the public sector in innovation even though there is evidence that it is the co-driver of innovation systems which have contributed to legal frameworks, skill enhancement facilities, strategic capacity, infrastructures and knowledge. Undoubtedly, however, the capacity for innovation in governance structures is equally dependent on its knowledge base (academia, industry and government) working together and effectively to share knowledge capital.

3.0 Methods

As part of a larger project that outlined national and international best practices in rural tourism, a stakeholder workshop was held to identify the challenges and barriers to success in rural Ontario. Held on December 7, 2012, participants included economic development officers and representatives from provincial, regional and community tourism organisations (DMOs), including several entrepreneurs who were also board members of some of these organisations, therefore representing a broader group of rural entrepreneurs in the Province. In total, 30 stakeholders participated in the workshop to address barriers to rural tourism development and the success factors that would allow this sector to be more strategic in its innovation. The day was facilitated by a team of academics from the University of Guelph. The participants were randomly assigned to groups with one academic facilitator at each table. The group facilitator was responsible for providing writing materials and monitoring the process. Ideas were recorded individually, then collated into themes with help from the group. These were then presented to, and discussed with, all participants.

Results from the stakeholder workshop indicated that the barriers to rural tourism are policy, product and process related, especially in terms of collaboration. The themes suggested as innovation success factors were grouped under the main categories of governance, human resources, investment, research, marketing, communication and co-ordination. The outcomes were probed further in a follow up email six- question survey four months after the workshop. By that time, four participants were no longer with the organization they had represented and one had changed organizations within the group. As a result, 19 of the remaining 25 participants completed the survey for a response rate of 76 percent.

In part, respondents were asked to identify innovative ideas based on the seven success factor themes identified at the workshop, and to classify them as 'now', 'new' or 'next' levels of innovation. Respondents were also asked to identify rural tourism businesses in Ontario that they considered to be innovative and explain/justify their choices. In addition, respondents were asked to comment on the

role of rural entrepreneurs in leadership, specifically in planning and development at local, regional and provincial levels.

The 26 rural businesses identified by the respondents together with their innovation categories were entered into table format for analysis (see Tables 1-4). All businesses selected were further researched using their websites and web videos to triangulate the innovation categorizations selected by respondents.

Table 1. *Innovative Businesses in Ontario, Canada as Identified by Respondents*

Business	Description
Saunder's Farm	Destination Farm with 35+ attractions
Smith's Apples & Farm Market	Operational apple farm with visitors' attractions
Spirit Tree Estate Cidery	Pick-your-own farm operation, bakery and farm-store
Mapleton Dairy and Organics	Organic dairy farm, organic product store and restaurant
Brook's Farm	Destination/adventure farm: 20+ attractions, pick-your-own experience
Springridge Farm	Fun farm yard, orchard, gift shop, bakery cafe
Clovermead Apiaries	Adventure farm with 32 attractions, tours and gift shop
Oxford Fresh	Chefs, growers & processors create artisanal local foods
Northern Edge Algonquin	Park adventure / retreats with several outdoor activities
Blue Heron (Tobermory) Company	Glass bottom boat cruises, accommodation and gift shops
Summerhouse Park	Waterfront camp-ground, cottages and guesthouse
Stratford Tourism Alliance	Non-profit; representation by city; primary goal: marketing
Elmhirst Resort	Lakeside resort; own farm, herb & vegetable garden
Arctic watch, Nunavut	5-star resort offers animal watching/ adventure
Bonnechere Cave	Underground cave
E'terra	Luxury accommodation serving organic and local foods
Scandinave Spa	Resort spa
Long Point Eco Adventures	Outdoor adventure; camping
Alton Mill	Mid -1800's mill converted into art centre and cafe
White Cress Mushroom Farm	Mushroom producer/processor, retail outlet and country store
Blue Mountain Village Association	Non-profit; village events, marketing and beautification
Blue Mountain Resorts Ltd.	Seasonal resort with adventure activities
Regional Tourism Marketing Partnership	Grey Bruce destination marketing
Georgian Bay Destination Partnership	Destination marketing
Golden Gryphon Medieval Entertainment and Catering	Banquet and theatre
Alisa Craig International Quilt Festival	Non-profit

Table 2. *Reasons for Nomination as Innovative Businesses*

Business	What makes them innovative
Saunder's Farm	Business strategy focused on both farming and tourism.
Smith's Apples & Farm Market	Business strategy focused on both farming and tourism.
Spirit Tree Estate Cidery	Lifting, shifting and adapting international culinary tourism ideas
Mapleton Dairy and Organics	Business strategy focused niche 'organic products' and tourism
Brook's Farm	Continuous additions of new attraction, produce, packages
Springridge Farm	Unique festivals supported by marketing campaigns
Clovermead Apiaries	Periodic addition of new products and attractions
Oxford Fresh	Creative products/new unique experiences
Northern Edge Algonquin	Focused on sustained quality and authentic experiences for visitors.
Blue Heron (Tobermory) Company	Continuous infrastructure investments to enhance visitors' experiences
Summerhouse Park	Continuous infrastructure investments to facilitate family fun.
Stratford Tourism Alliance	Unique community products, programming and packaging
Elmhirst Resort	Fully integrated supply chain & Canadian products
Arctic watch, Nunavut	Unique location and activities that complement location
Bonnechere Cave	Educational / informational tours, special events and activities
E'terra	Destination experience, 'forest' targeting lucrative demographics
Scandinave Spa	Nature spa; unique get-away products/service offerings
Long Point Eco Adventures	7 adventure tours targeting lucrative demographics
Alton Mill	New product offerings beyond art, eg., weddings and local events
White Cress Mushroom Farm	New produce, eg., 'Artic Kiwi'; new educational tour
Blue Mountain Village Association	New product development to foster community spirit, village life
Blue Mountain Resorts Ltd.	Seasonal activities /attractions eg., Jazz on the Mountain
Regional Tourism Marketing Partnership	Visitor value creation through outdoor/undiscovered nature adventure
Georgian Bay Destination Partnership	Specialized adventure packages and activities
Golden Gryphon Medieval Entertainment and Catering	Unique dining experience with corresponding plays
Alisa Craig International Quilt Festival	International festival; street quilt trail

Table 3. *Showing Type of Innovation in Ontario Businesses Identified by Respondents*

Business	Types of Innovation		
	Incremental	**Liminal**	**Radical**
Saunder's Farm	Yes	Yes	No
Smith's Apples & Farm Market	Yes	Yes	No
Spirit Tree Estate Cidery	Yes	Yes	No
Mapleton Dairy and Organics	Yes	Yes	No
Brook's Farm	Yes	Yes	No
Springridge Farm	Yes	Yes	No
Clovermead Apiaries	Yes	Yes	No
Oxford Fresh	Yes	Yes	No
Northern Edge Algonquin	Yes	Yes	No
Blue Heron (Tobermory) Company	Yes	Yes	No
Summerhouse Park	Yes	Yes	No
Stratford Tourism Alliance	Yes	Yes	No
Elmhirst Resort	Yes	Yes	No
Arctic watch, Nunavut	Yes	Yes	No
Bonnechere Cave	Yes	Yes	No
E'terra	Yes	Yes	No
Scandinave Spa	Yes	Yes	No
Long Point Eco Adventures	Yes	Yes	No
Alton Mill	Yes	Yes	No
White Cress Mushroom Farm	Yes	Yes	No
Blue Mountain Village Association	Yes	Yes	No
Blue Mountain Resorts Ltd.	Yes	Yes	No
Regional Tourism Marketing Partnership	Yes	Yes	No
Georgian Bay Destination Partnership	Yes	Yes	No
Golden Gryphon Medieval Entertainment and Catering	Yes	Yes	No
Alisa Craig International Quilt Festival	Yes	Yes	No
Summary % of information on innovative businesses	**100%**	**100%**	**0%**

4.0 Findings

A 16 percent turnover of stakeholders in a four-month period highlights some of the issues of continuity faced by organizations specifically set up to assist entrepreneurs in the private, non-profit, and public sectors in tourism development and marketing. The time required to gain an understanding of the local and regional strengths and opportunities, build networks and gain their trust for collaborative decision-making and initiatives is severely undermined when personnel changes frequently. This can be clearly related to the responses received.

4.1 Stakeholders' Perception of Innovation Related to Success Factors

Co-ordination: Several respondents saw coordination activities such as having businesses participate in the planning, training, procurement, etc., related to economic development and marketing as well as providing networking opportunities for farmers, producers and tourism experts to exchange ideas and discuss opportunities as incremental improvements to the way rural tourism currently operates.

Half of the respondents felt initiatives such as policy coordination and the breaking down of silos within rural communities and across levels of government constitute liminal innovation in rural Ontario. Specifically, high hopes are pinned on the recently created Regional Tourism Organizations (RTOs) to develop these coordinated and integrated planning and marketing strategies. It is also hoped that RTOs can engage in intraregional collaboration to create platforms for the development of larger tourism regions, such as the whole of Georgian Bay. Other examples of liminal innovation are the adoption of reservation portals that are accessible to micro businesses such as B&B establishments, the Business Improvement Area model, first introduced in Toronto in 1970 and now common in major cities across North America and some European countries, and specialized tours to explore innovative concepts in other regions.

It was surprising that participants were unable to distinguish between liminal and radical innovation. For instance, some of the concepts put forward as radical included (i) Integrated Rural Tourism Planning, similar to the European Union's LEADER program which was discontinued in 2006 and morphed into a more holistic rural development policy, (ii) the creation of regional product development and coordinator positions, whether focused within a region or across jurisdictions to support working with other industries as well as agencies an ministries, and (iii) seeing more senior executives and managers of rural destinations obtain certification by organizations such as the Destination Marketing Association International. None of these concepts can be considered radical since they have existed elsewhere for numerous years; it shows, however, the lack of awareness among rural entrepreneurs of the ideas and trends in other parts of the country and the world.

Research: Only 14 respondents provided any comments on innovative research and three of these only mentioned that it was either incremental or new without clarifying their response. Several saw current research as merely an extension of what has been done for many years with perhaps follow-up surveys or more sharing of results with partners. However, two respondents recognized efforts by the Ontario Tourism Marketing Partnership Corporation to bring new, in-depth research into customer needs and motivations to the RTOs, which is allowing for more strategic decisions to be made. But research done at the local level with consistent methodologies, including into business retention and expansion, are seen as good examples of new

research in Ontario. Radical research ideas include feasibility studies that say "no" to rural tourism as a viable economic diversification option, if that is indeed the case, based on the economic opportunities as well as the social, cultural, and environmental capacities of the region and its people. In addition, research into best practices, development opportunities and concepts (experiences, attractions, etc.) through collaboration among provincial ministries and the RTOs are also considered radical.

Marketing: Not surprisingly, respondents had much to say about marketing, although many of the initiatives mentioned were seen as mere extensions of existing efforts. Providing access to the resources of destination marketing organizations at the local and regional level, especially promotional efforts through websites, social media, familiarization tours and marketing campaigns, are particularly important for the micro and small businesses that constitute much of the entrepreneurial base in rural Ontario. Creating a diversity of experience packages was seen as incremental or liminal innovation, based on whether they are considered merely a theme extension (e.g., in the culinary field, trails around a food or drink item have become very popular) or creating new combinations of offerings as has been done by The Arts & Cookery Bank that showcases local heritage and culture through photographs and cuisine to promote, encourage and sustain a rural lifestyle. Using research to fine-tune experience offerings even further for very tightly defined target markets is seen as radical innovation as is the creation of specialty products for target markets, for instance special jams and preserves to celebrate the British Royal wedding, the Queen's Jubilee and the birth of the next British heir by Springridge Farm, a very successful agritourism attraction. And yet, one could easily argue that this is not innovation at all, let alone radical, since it is really a product extension of something that has been done in many places and many ways before.

Communications: Associations, whether sector specific or destination focused, are seen as the platforms that should allow for greater communications between and among rural tourism businesses and local food producers as well as other sectors that could be linked with tourism to provide unusual experiences and business opportunities. These can be done through educational sessions such as conferences, workshops and tradeshows, but also through social media, webinars, or 'how to' approaches whether in print or online. Respondents also saw a need to educate residents and tourists and an increased use of apps aimed at both residents and visitors to help them discover the activities and experiences available to them in rural Ontario. Coupled with GPS and interpretation of rural community historic events or human interest stories, the applications were even seen as radical innovations. Similarly, input by operators and visitors into tourism planning and showcasing innovation to a broader audience are seen as radical communication innovations.

Governance Although respondents struggled to come up with innovative ideas about governance, they considered two ideas as worthy of consideration: (a) recognizing and addressing challenges such as the cost and barriers to erecting signage for businesses in rural areas and (b) adapting approaches used in other sectors such as translating all activities within government in a way that taxpayers can understand their value and providing high level tourism advisory councils to ministers involved in rural development. Broader strategic approaches, whether for economic development or sustainability, where tourism is but one—albeit important—sector, bottom-up planning, longer term strategies and better coordinated strategies from the federal all the way to the local level are all

considered radical innovations for governance in rural tourism, even though such initiatives might be better seen as coordination.

Human Resources: Tourism workforce strategies and concomitant training of staff are relatively recent developments in Ontario, Canada, contrary to most other provinces where government strategies have been in place for tourism and other sectors for many years. These belated developments are welcomed as incremental innovations, whereas training of planners and facilitators or building capacity within rural communities as well as the creation of funded specialist positions in marketing, product development and coordination/governance are seen as liminal innovations. Taking this a level further would be actually contracting with event producers to create and enhance experiences that extend the regional brand but are beyond the capacity of the small office staff of most RTOs.

Investment: Investment in human resource and capacity development for rural tourism is believed to be a liminal innovation. Similarly, having destination management organizations actually receive funds to contribute to capital projects, e.g., private public transit, building attractions or developing signature experiences that will provide distinct competitive advantages to a region, are seen as potential new innovations. Providing 'patient capital' that supports risk and long-term thinking to innovative business start-ups and expansions, similar to the Sand Plains Community Development Fund, is considered radical innovation in rural tourism. Instead of relying on grants, funding should be tied to joint accountability between the respective RTO and the tourism business to ensure both partners have a stake in the outcome.

4.2 Examples of Innovation in Ontario

Respondents provided a total of 26 examples of what they considered to be innovative businesses or organizations in Ontario (see Tables 1, 2 & 3). Of these it is interesting to note that not one could be classified as radical. However, every one of them had elements of both incremental and liminal innovation. Only six of the examples can be said to have involved stakeholder collaboration and consensus, and all of these were organizations specifically set up to bring together a variety of public, private and volunteer organizations. The need to grow and to be competitive to achieve some level of economic stability are the innovative driving forces for these rural businesses.

4.3 Engaged Entrepreneurs

All of the examples provided by respondents feature engaged entrepreneurs since they introduced both incremental and liminal innovations that improved existing operations through differentiation and additional value to current and potential customers (see Table 4). Businesses were considered to be led by engaged entrepreneurs if they are actively involved in some kind of 'now' and 'new' innovation which suggests their acknowledgement to meet the needs and expectations of customers and at the same time maintain some level of competitiveness and growth in their industry. However, they do not introduce radical innovations as they are insiders, rather than outsiders. They are unable to totally divorce themselves from seeing what is already in place. Radical innovators, in contrast, would see situations with totally fresh perspectives. In addition, findings revealed that the majority of engaged entrepreneurs were not involved in collaboration with other tourism businesses. This potentially limits urgency or

regularity to implement 'next' innovations. The scale of liminal innovation may be determined by the extent of collaborating with other stakeholders in the sector. Tourism businesses commonly operate in isolation, a characteristic that has been identified as a key barrier to innovation since it prevents operators from learning from others (Sorensen, 2007). These rural tourism businesses remain adaptive to changes in behaviour and expectation of their clients by seeking to generate incremental and liminal level innovations (Brooker & Joppe, 2013).

Table 4: *Degree of Involvement in Stakeholder Collaboration/Consensus and Engaged Entrepreneurship*

Business	Stakeholder Collaboration/Consensus		Engaged Entrepreneurship	
	(Yes)	(No)	(Yes)	(No)
Saunder's Farm		No	Yes	
Smith's Apples & Farm Market		No	Yes	
Spirit Tree Estate Cidery		No	Yes	
Mapleton Dairy and Organics		No	Yes	
Brook's Farm		No	Yes	
Springridge Farm		No	Yes	
Clovermead Apiaries		No		
Oxford Fresh		No	Yes	
Northern Edge Algonquin		No	Yes	
Blue Heron (Tobermory) Company		No	Yes	
Summerhouse Park		No	Yes	
Stratford Tourism Alliance	Yes		Yes	
Elmhirst Resort		No	Yes	
Arctic watch, Nunavut		No	Yes	
Bonnechere Cave		No	Yes	
E'terra		No	Yes	
Scandinave Spa		No	Yes	
Long Point Eco Adventures		No	Yes	
Alton Mill		No	Yes	
White Cress Mushroom Farm		No	Yes	
Blue Mountain Village Association	Yes		Yes	
Blue Mountain Resorts Ltd.	Yes		Yes	
Regional Tourism Marketing Partnership	Yes		Yes	
Georgian Bay Destination Partnership	Yes		Yes	
Golden Gryphon Medieval Entertainment and Catering		No	Yes	
Alisa Craig International Quilt Festival	Yes		Yes	
Summary % of information on innovative businesses	**24 %**	**76%**	**100%**	

4.4 Stakeholders' Perception of the Role of Rural Entrepreneurs in Providing Tourism Planning and Development Leadership

According to the respondents, the most effective way for rural entrepreneurs to provide leadership is at the local level, and by working in collaboration with the media to increase awareness of rural tourism businesses. It is at this level that these leaders can best impact product development, packaging, advocacy, training and development. They are able to facilitate business to business collaboration and ensure representation and governance at the grassroots level in local tourism governing authorities.

Regionally, entrepreneurs should be seen as champions of rural development. In this capacity, they need to engage with regional level tourism planning and development organizations and provide ideas and direction for planning and action for the development of the tourism sector.

At the provincial level, the role of rural entrepreneurs is seen as much more limited although they could assist in promoting their particular region and working with provincial organizations. Entrepreneurs should also be sitting on both provincial and regional boards and ensure collaboration exists among the ministries with a tourism portfolio and the RTOs. Currently, few rural entrepreneurs are represented on governance boards which are dominated by larger cities, major hotels, attractions, events, suppliers, and volunteer organizations. Respondents also describe most rural entrepreneurs as disengaged, largely due to lack of time and limited resources.

5.0 Discussion and Conclusion

Through a workshop followed by a more detailed survey, stakeholders in rural tourism in Ontario, Canada, were probed on the understanding and success factors leading to innovation. While stakeholders found it relatively easy to determine seven key success factors, actually identifying innovations in each of the areas proved to be much more challenging. Most of the examples cited related to incremental and liminal innovations, and after further review, even those suggested as radical were in reality versions of initiatives quite well established in other jurisdictions. Perhaps most insightful in this regard were the radical innovations mentioned under 'governance': while these are in reality not radical ideas, calling for broader strategic approaches, bottom-up planning, longer term strategies and better coordinated strategies from the federal to the local level speak to the great frustration with a lack of progress in Ontario, much of it as a result of competing administrative organizations.

When asked to identify innovative businesses, it became clear that while none demonstrated radical innovation, each business could be said to be led by engaged entrepreneurs as they introduced both incremental improvements and liminal innovations to their sector. In each instance they tweaked rather than rebuilt existing offerings, focussing primarily on existing markets. Aware of the potential for new approaches to entice new markets, these businesses have done so but without changing their core offerings. As the literature suggests, their inside position prevents the introduction of radical innovation as they are unable to totally divorce themselves from seeing what is already in place.

Thus, respondents confirmed that good governance combined with galvanized human resources is critical to successful rural tourism and engaged innovation, even if this does not stretch to radical innovation. All of the successful businesses are led

by engaged entrepreneurs, involved in implementing incremental improvements and liminal innovation. Only 24 percent of the businesses collaborate with other stakeholders to remain competitive. Stakeholder collaboration does not seem to have played an integral part in responsiveness to innovation for these rural businesses. However, it could increase the extent to which 'next'/liminal innovation is adopted since collaboration is likely to increase the awareness of liminal innovation options available and therefore influence the diffusion of ideas among rural businesses. An infusion of liminal innovation would also result in greater socio-economic impacts. It can be instrumental in increasing economic opportunities with spin off effects such as employment and wealth distribution. Further studies on the impact of liminal innovation in rural communities are therefore recommended. Nonetheless, based on the findings of this research it can be concluded that a key success factor for rural tourism businesses is engaged entrepreneurship. The extent to which rural entrepreneurs are engaged is critical to the success of their businesses actively implementing incremental improvements and liminal innovation.

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