Innovation in rural tourism: Insights from small tourism enterprises in BC

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What is up ahead?

- Context of “doing business” in rural areas
- Importance of innovation for rural business success
- Methodology
- Key insights
  - Level of innovation in STE’s
  - Types
  - Origin of innovation
- Strategies to diffuse innovation in other contexts
“Doing business” in rural BC
Unique business climate

- “friction of time and distance” is greater for rural businesses;
- Limited ability to benefit from business clusters;
- Greater costs to operation (marketing, purchasing, fuel, energy);
- Less access to available, trained labour supply;
- Access to natural and cultural resources requires permits, collaboration, negotiation;
- Limited access to technology (cell phone coverage and internet).
Bell cell coverage
northern BC
And southern BC
And access to internet
Importance of innovation

- An innovation is “an idea, practice, or object that is perceived to be new by an individual or other unit of adoption”.

- It is important because...

- “The opposite of success is not failure but inertia... without innovation you stall, your competitors take over and you die” (James Kilts)
Perhaps more important for rural STE’s?

- Do rural tourism enterprises use innovation to cope with the impact of contextual factors on business operations?
- If so, what type of innovation is evident?
- Where do the innovations come from?
- And what impact do they have?
- Collectively… are innovations applicable in other contexts?
Methods of inquiry
Field research

- Annual extension tours
- Students from VIU, UNBC, TRU, COTR
- Locate innovators and set up site visits
- Group interview and photo/video footage
- Write up 2 page snapshots
- Reviewed by operator
- Hosted on TRIP website to diffuse innovation
Tourism Research Innovation Project

Enhancing rural tourism development in British Columbia through research and innovation

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Innovative Practices
- Marketing Strategies
- Partnership
- Product Development
- Special Events
- Research and Tracking
- Visitor Experience
- Planning
- Environmental Stewardship
- Profit Maximization

Within BC, entrepreneurs and community leaders are using innovative strategies to develop tourism. TRIP is profiling these innovators so that others in the province can benefit from their knowledge.

We are always looking for more examples of innovation to share with others around the province. If you have one that you would like to share, please contact the program coordinator.

Marketing Strategies
Successful tourism products have to be “market ready” in order to result in increased visitation for a destination or business. Check out how these rural BC innovators have selected market niches or used promotional strategies to market themselves to visitors.

Partnership
Due both to the geographic distances in rural BC and the complex nature of delivering a tourism experience, everyone involved must work together. Explore how these BC innovators have been
Innovation Snapshot

British Columbia has thousands of innovative entrepreneurs and leaders in tourism. These people are one of the best sources of information on what works and does not work in the industry.

Innovator in:
Marketing, signage

Key Words: innovation, bed and breakfast, accommodation, heritage house, artisan

Contact: Victoria Simpson
www.artistshouse.ca, victoria@artistshouse.ca

Artist’s House Heritage B & B

By Maureen Massini

Background
Sicamous is located on the TransCanada Highway between Salmon Arm and Revelstoke on Shuswap Lake. The Artist’s House Heritage Bed and Breakfast is situated on the CP Rail Hillside overlooking Shuswap Lake and the house was purchased by Victoria Simpson as a residence in 1989. As she stood on the deck overlooking the lake she declared, “I’m going to have an artists’ retreat here one day.” She opened the bed and breakfast in 2000.

The house was built by Swedish immigrant, the Honourable Pelle Hult. in 1900. The maple floors and fir wood mouldings...
Insights gained
Issues driving innovation

1. Need to create optimal visitor experiences;
2. Need to differentiate within the market;
3. Need to build collective capacity among stakeholders;
4. Need to express business values and ethics;
5. Need to adapt to the rural business context.
Types of innovation in rural STE’s

- Partnerships
- Marketing
- Product development
- Research and tracking
- Visitor experience
- Sustainability
- Planning
- Profit maximization
Impact of innovation

- Enhanced customer loyalty due to positive visitor experience
- Industry recognition
  - Enhanced awareness by marketing organizations
  - Expanded opportunities to be showcased to visitors (fam tours, marketing initiatives)
  - Opinion leader status
- Differentiation in the marketplace

= Business success
Methods of diffusion
Diffusion of Innovation

Diffusion researchers believe that a population can be broken down into five different segments, based on their propensity to adopt a specific innovation: innovators, early adopters, early majorities, late majorities and laggards.
Unlike diffusion of innovation theory, which suggests the idea comes from outside and is diffused into an organization, the majority of innovators were “organic innovators” meaning the ideas were their own.

Of those who “borrowed ideas” from others, the mechanisms for diffusion were largely through peer to peer networks vs. formalized, external initiatives.
Q4. Which of the following best describes HOW you went about adopting sustainable tourism practices (STP's) into your operation?

Self starter – we decided to do it and figured it out as we went (64%)

Borrower – we got some ideas from other businesses and modified them to fit our… (18%)

Planner – we mapped out a strategy or plan to make our business more… (8%)

Experimenter – we tested a few ideas on a small scale first before committing (6%)

Fact checker – we researched extensively before deciding to incorporate a STP (5%)
Suggests a model more like…

*We see evidence that…*

Issues and opportunities exert forces on operators to adapt business to rural context

Operators generate their own ideas (or borrow from peers)

Ideas are implemented by the business

*What we need to know…*

What forces are unique to the rural business context? Which are the most prevalent? What innovations have the most impact on these forces?

How do business operators make the decision to innovate? What persuades innovation? What is the role of Universities or other agents in sharing innovation?

What is the lifespan of innovation? How often are businesses innovating? What happens to ideas that are unsuccessful? Is business attrition linked to innovation?
If innovation is good for business, how can innovation be diffused for greater impact?
Assisting in the diffusion of innovation among STE’s

1. Catalogue further examples of innovators to identify further types, prevalence in different contexts;
2. Determine how diffusion of innovation takes place among rural STE’s;
3. Study the experience of innovators and learn from them how to adapt the business environment in ways that optimize success;
4. Encourage further peer to peer networking;
5. Find mechanisms to share innovative ideas in ways that suit rural audiences (face to face, hard copy, gatherings).
Thank you

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