

Values and concern: Drivers of innovation in experience-based tourism

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Abstract

This paper contributes to the tourism innovation literature by discussing the role of values and concern as drivers of innovation and sources of differentiation in tourism. A qualitative study of four whale-watching companies in Iceland and Norway shows that businesses in the same industry can differentiate through innovation based on their values and concerns. We have operationalized concern as the enactment of values and found four main foci of concern, as follows: customer, environment, society and business. Each focal point is further broken down into various sub-categories. These concerns result in differing innovation priorities and firm practices in the same industry. Businesses develop innovation profiles that distinguish them from competitors and that can attract like-minded stakeholders for cooperation. The implications for theory and practice are suggested.

Keywords

Innovation, drivers, experience-based tourism, values, concern

Introduction

Innovation is a topic that consistently surfaces in the tourism literature (Hjalager, 2010; Novelli et al., 2006) and concerns creativity, a problem-solving approach and new ways of thinking and doing (Moscardo, 2008). It has been argued that innovation is vital for the tourism sector because competition is global; the world is changing rapidly, and tourists continually search for new and attractive experiences (Alsos et al., 2014; Boswijk et al., 2012; Sundbo, 2009). However, firms vary widely in their innovation practices with regard to level of innovativeness (radical or incremental), innovation outcomes (products, processes, managerial, etc.), and who are involved in innovation processes and who are the targets of the innovations efforts (customers, employees, owners, suppliers, etc.). One way to understand innovation and the differences between businesses is to cast light on the driving forces behind innovation (Hall and Williams, 2008; Hjalager, 2010).

In this paper we explore the role of values in innovation processes in the tourism experience industry. Values are scarcely discussed in management and innovation studies even though people habitually use

them to comprehend, decide, act and learn in organizations (Gherardi et al., 2007; Sjöstrand, 1997). In tourism, values mainly are studied in consumer research demonstrating the relationship between an individuals' values, concerns and behaviours (Hedlund, 2011). To our knowledge, innovation studies seldom explore how values within an organization can affect innovation strategies and practices. We aim to address this knowledge gap and propose that values held by owners, managers and employees can be viewed as an intangible assets for driving innovation in the tourism businesses and serve as foundations for differentiation because of their uniqueness and inimitability. Furthermore, we focus on concerns as an operational and practical expression of the values of innovators.

We present a qualitative case study of four Nordic whale-watching businesses and contribute to the tourism innovation literature by providing an

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understanding for the motivations of tourism managers to innovate as well as for the direction of change they are pursuing. We identify four main types of concern that lead to different innovation outcomes; thereby determining the paths that different companies are following.

Theoretical framework

Innovation and driving forces in the tourism experience sector

Innovation is generally characterized by changes that differ from business-as-usual or that represent a certain degree of discontinuance of previous practices for the innovating firm (Hjalager, 2002). The ‘what’ of innovation, or the focus of innovation processes, is often referred to as an innovation type. The most common categorizations are the innovation types presented by the Oslo Manual (Organisation for Economic Co-operation and Development, 2005): product, process, market, and organizational innovation. Other researchers have developed additional types, such as institutional innovations (Hjalager, 2002); service innovations (Edvardsson et al., 2000; Johannessen et al., 2001); or technological-, concept-, business model- and value chain/network innovations (Hall and Williams, 2008).

We focus on innovation in experience-based tourism, which is a relatively young field of inquiry. Innovation has mainly been studied within the context of manufacturing industries and information and communication technology sectors. The tourism innovation literature has hosted a debate if innovation theories and models are generic and could be adopted to study innovation in the tourism context or if they are different so that we need theories that divert from traditional understandings. A third approach assumes both similarities and differences and argues for a mixed approach (Hjalager, 2010; Vence and Trigo, 2009). We identify our understanding of innovation in tourism with the mixed approach assuming that innovation processes and outcomes in the tourism experience sector are complex, incremental, behavioural and open for interpretation (Edvardsson et al., 2000; Valminen and Toivonen, 2011).

Like other industries, drivers of innovation in the tourism experience sector can be various external and internal factors, such as economic performance, competition, demands from customers, changing regulations, and so on (Hall and Williams, 2008), encouraging or forcing businesses to innovate more or less continually (Ó'Sullivan and Dooley, 2009). Whereas drivers concern an incentive or identified need to change, the direction of change is still

unaddressed. Strategy is about what goals to pursue, what actions to take and how to use resources to achieve goals (Jones and George, 2016) and is therefore an important link in the innovation process to decide what ideas for innovations to follow, and what perspectives of actors to address (Fuglsang, 2008). In order to link problems, incentives and needs for change to the actual managerial choices to innovate, Sundbo and Fuglsang (2002) introduced a strategic reflective representation of innovation in which change results from reflexivity in interaction processes. Hence, strategy is depending on how managers interpret internal and external social, physical and economical environments and resources.

Knowledge is an important resource for driving innovation, and acquiring and absorbing knowledge is therefore vital in innovation processes (Hoarau, 2014; Thomas and Wood, 2014). Access to new knowledge occurs most often through interactions with others, which is why networks and clusters, creative employees and input from customers are considered important drivers of innovation (Fuglsang and Eide, 2012; Hoarau and Kline, 2014; Rønningen and Lien, 2014; Sørensen, 2007). We therefore understand innovation as an open, relational and practice-based process where internal and external actors, knowledge and learning play central roles (also referred to as the Schumpeter III-approach) (Fuglsang, 2008).

Values and concerns

Values are the actor's concepts of the relative worth, utility or importance of something (Carroll and Buchholtz, 2008), that are persistent over time and concerned with individual or collective well-being (Rokeach, 1973). Strong values give meaning to the human experience and trigger certain emotions and actions (Taylor, 1985). They make humans attentive, motivated/engaged, able to understand/know and able to evaluate and make decisions. Hence, values can be perceived as guiding principles central in people's lives (Hedlund, 2011) and as such influence behaviour (Rokeach, 1973). In turn, behaviour has consequences that are evaluated by value-frames of reference (of oneself and others). Where values play a role in the intention of behaviour (pre-practice), concerns are the expressions of values in the evaluation of the (possible) consequences of one's own behaviour or that of others (post-practice) (Fransson and Gärling, 1999). In the example of environmental concern, people care about the environment (value) because they believe that a degraded environment (consequence) poses a threat to people's health or for the ecosystem's own sake (concern). Hence, tourism managers evaluate and decide upon innovation processes based on their

values that not only define what is important to them but also influence what they are concerned about.

Tourism research supports this assumption. For example, Ateljevic and Doorne (2000) and Thomas et al. (2011) do not see tourism actors as rational, problem-solving machines but rather as beings who are influenced by values in their business practices and decision-making processes. Most businesses in the experience-based tourist industry are small- or medium-sized, and research has shown that there is a strong degree of identification between owners and their businesses (Tzschentke et al., 2008). Therefore, owners and managers want their companies to behave according to the norms and values they find important, thus highlighting the need to understand how owner-managers view the world to make sense of how decisions are made. Sjöstrand (1997) also addresses the role of values in strategic decision-making and finds that strategic business choices are multi-dimensional, with a mix of so-called 'rational' and 'irrational' dimensions. The latter dimensions, typically being intuitive and emotional, are also referred to as tacit knowledge and gut feelings, which are tightly connected to values and concerns (Gherardi, 2006).

We further argue that values are dynamic and relational because they are co-constructed through interactions and collective practices (such as organizational culture and communities of practices). Even when the values of one actor (i.e. the owner/manager) dominate the innovation process of a firm, these values are not inborn; they are learned and originate from past contexts, actors, interactions, events, and so on. Hence, values do not only operate at the individual level but are central and often largely implicit parts of organizational culture and social capital (Alvesson and Berg, 1992; Liu and Lee, 2015; Uphoff, 1999). These collectively constructed values influence how people interact with their social and physical environments. An individual can participate in interactions with itself; others and objects (Heidegger, 1926/1996), each of which can involve different types of concern (i.e., concern for self, for others and for things). Interactions with, and concerns for, other human beings are argued to be fundamentally different from those with objects. Human beings are subjects and have intrinsic value to which we can relate; while objects are mainly approached instrumentally. When interactions with other humans become instrumental, they might have problematic consequences. Thus, concern for human beings depends upon relating in an open, understanding (empathic) and dialogic way. When taking a sustainability approach, relationality and recognition of intrinsic values can be extrapolated to creatures and plants comprising the living

environment as well as artifacts and ideas like cultural heritage and arts such, values and, following from them, concern for others and objects can influence innovation processes because they provide direction for priorities, change and development.

Methodology

The idea for this paper came from the first data analysis, which showed firms within the same sub-sector choosing different innovation paths. We began to explore the reasons for this divergence and found that the firms' retrospective sense making reflected different concerns and values. Our next step was to turn to alternative types of concepts and literature to interpret and understand what we were seeing and hearing. We develop knowledge through the dialectic interaction between field studies and existing theory (Easterby-Smith et al., 2002). This strategy fits a hermeneutic-phenomenological approach in which, according to Pernecky and Jamal (2010), the researcher seeks to interpret and understand the lived experience; the researcher searches for meaning, analyses, critiques and negotiates between theory and data.

We conducted a multi-case study and selected four Nordic whale-watching companies given the synonyms 'Alpha' (Iceland), 'Beta' (Iceland), 'Gamma' (Iceland) and 'Delta' (Norway). The cases were selected by strategic choice (Denzin and Lincoln, 2011). The main common criteria were the location (Nordic), size (small and medium-sized firms) and whale watching as the main experience product. We intentionally chose diversity in profile, nationality and the whale species watched. The innovative and developing character of the whale-watching businesses and their cooperation with marine biologists justified the choice for the marine nature-based tourism firms in the current study. Whale-watching businesses are successful enterprises in Nordic regions. Since it began in the 1970–1980s, whale watching has become a booming worldwide industry and the number of whale watchers is increasing by 12% a year, which is more than three times that of the overall tourism industry (Einarsson, 2009).

Data were collected by reviewing companies' reports (for example, the guide-handbook and sustainability data) and websites (including Facebook and TripAdvisor), face-to-face interviews and, when possible, participant observation of core activities. This combination of methods and data provides us with an increased understanding of the issues at hand, reveals discrepancies between espoused and in-use values and practices, and increases the credibility and validity of the study (Eisenhardt and Graebner, 2007).

The document review allowed a better understanding of the ‘macro’ issues regarding innovation, product development and ways of working. In particular, the websites revealed the product and marketing innovations that were undertaken over the years as companies would introduce new products, processes and ways of communicating with customers via their websites and Facebook accounts. The information gathered through the document review was useful to get an idea of the overall strategy and focus of the company and prepare the interviews with managers and employees.

To complement the documental review, 21 interviews with managers, employees, captains and researchers were carried out in 2010 and 2011, with an average duration of 45 minutes. This main material was complemented with Skype interviews in 2013 and 2015. Each interviewee was strategically chosen, and the main criteria were variation in organizational function, hierarchy and gender. Interviews were semi-structured with a set of topics but allowed the informants to speak freely about the topics addressed by the interviewer. Based on the tourism management and innovation literature, we created a ‘start list’ of codes prior to performing the fieldwork. These codes functioned as a list of topics for the interviews. Examples of the codes are as follows: communication with customers; customer satisfaction; customer expectations; market focus; responsibility towards others; sustainable activities; developing new ideas; personal influences on change; motivations for change and internal and external cooperation. During the interviews, we asked the informants to provide examples and discuss their experience with the concepts that we introduced. Interviews were audio-recorded and transcribed verbatim.

Direct observation and informal conversations allowed us to understand interactions with customers, expressions of values in practice, the use of tacit knowledge and interactions between company and wildlife. The first author participated in different types of whale-watching trips, ticket sales, meetings and social events. After each event, she created narrative memos, including the most important issues at stake.

We created theoretical propositions, which were subsequently verified with the qualitative data. The analysis of interview transcripts generated new codes, the combination of both theory-generated codes and inductively generated codes called for a more systematic method to organize the emerging concepts. We examined and compared the concepts between cases to reveal differences and similarities within and across cases, using content analysis (Easterby-Smith et al., 2002) and more interpretive developments of meaning condensation, categories and stories in line with the

hermeneutic–phenomenological approach. The use of a phenomenological and hermeneutic research strategy has its own challenges and limitations. Although the phenomenon of innovation has been identified in numerous studies examining management, tourism and entrepreneurship, it was a challenge to understand and identify the innovation processes, outcomes and values and concerns as motivations of innovation in experience-based tourism. The informants’ ability to articulate motivations (including values) varied. Values are related to human practices and are more or less tacit and veiled, to unveil them requires reflection and sensemaking from both informants and researchers. These methods allowed us to grasp the metaphorical tip of the iceberg of motivations for innovation. Our theorizing is a construction built on what we have heard, seen and read. In line with the interpretive paradigm, we do not seek traditional generalizing.

Findings and discussion

The studied companies are characterized by a unique combination of values and concerns that infiltrate their sense making, innovations and practices. We distinguish between the following four main types of concerns: (1) for customers, (2) for the environment, (3) for society and (4) for business. Each of these categories have sub-types that address certain aspects of concern.

Table 1 provides an overview of the different types of concern, their sub-types and innovation examples. The innovation examples are categorized using the innovation types provided by the Oslo Manual and others.

Although one main type of concerns seems to dominate and guide the innovations of a firm in a certain direction, the other types can be found in the same business as well. Our logic is that, for example, in the case of a main concern for customers, we see that innovations are prioritized that address customer needs. We interpret that when there are strong organizational values to care for customers, they are considered very important in regard to continuously improving the business, and this will affect innovation practices.

In this section, we further elaborate on the main concern types (and their subsequent sub-types) and how they can drive innovation strategies and practices.

Concern for customers

Wellbeing. The studied companies are concerned for the wellbeing of tourists during the experience, which is reflected in their innovations. These innovations are

Table 1. Concern-based innovation.

Concern focus	Sub-category	Examples of concern-based innovation	Innovation types
Customers	Well-being	Floatation suits Sea sickness prevention/coping practices Safety equipment and practices Services (e.g., cafeterias)	Process
	Core Product (experience)	New types of experience products New guiding practices New processes New stories Child-friendly adjustments to the boat: glass walls to see the whales	Product Process
	Reliving the Experience	USB with pictures Web shop Authentic souvenirs	Product Organizational
Environment	Grey Environment	New practices (use LED lights; reduce paper waste, do not litter) Environmental management system More efficiency to find whales to reduce boat fuel and shorten the waiting time for customers Reduction of negative environmental impacts with new technology (electric engines, etc.)	Process Managerial Organizational Marketing
	Green Environment, including wildlife	Campaign against whaling cooperation with IFAW Approaching the whales in relational ways, limiting disturbances	Networks Organization Management
Society	Culture and Heritage	Restore Icelandic boats Storytelling and marketing while referring to family history Sailing and fishing experience products	Product Process
	Research and Education	Whale-research products New whale research centre Whale watching tours for school children Whale museum	Networks Organization Product
Business economy	Profit	Ticket prices Reducing operational costs	Management Process
	Employees	Hiring local people Hiring knowledgeable people (with both language skills and knowledge about whales) Employee parties to create a good atmosphere and promote responsibility Meetings to discuss the tours	Management Organization

often incremental and adopted by similar companies because they are visible to both tourists and competitors and thus easy to copy. Innovations of the customer concern type are often process innovations, referring typically to backstage initiatives, which aim to escalate efficiency, productivity and flow. According to

Hjalager (2010), technology investments are the anchor of mainstream process innovation and are sometimes found in combination with reengineered layouts for manual work operations. However, in nature-based tourism, such process innovations are low-tech and are aimed at escalating wellbeing during the tour.

For example, all studied whale-watching firms offer their customers warm floatation suits. The interview data suggest that these incremental changes of investing in warm whale-watching gear to make the tour more comfortable are driven by empathy and genuine concern for the customer's physical wellbeing and safety. In addition to these motives lies an economic rationale because it improves the value of the total experience. When customers have no disturbing physical discomforts, they are more likely to immerse in the experience product and co-creation of value (Hansen and Mossberg, 2013). An extensive body of literature in tourism marketing focuses on the preconditions of value co-creation in experience products. For example, according to Carù and Cova (2007), a good experiential context should be thematized, enclaved and secure, and the firm can facilitate consumer immersion by managing the experiential context and customer interactions.

Experience products. A second type of concern for customers is translated into innovations when experience products are developed or improved. Experience products allow customers to build memorable and extraordinary experiences. When tourists co-create the experience, they are actively participating in the moment and can temporarily escape their daily lives. Experience design can facilitate different degrees of involvement and different customer value creations. Prebensen et al. (2013) discuss, for example, learning, emotional and social values. Pine and Gilmore (1998) suggest four experience designs with different degrees of involvement: aesthetic, entertainment, education and escapism. The latter two more actively involve the customer in co-creation. Studies indicate that customers often prefer to be actively involved (Pralhad, 2004); however, opportunities for active involvement vary across the subsectors of tourism. Whale watching has traditionally been a passive gazing experience, and involving customers more actively can stimulate process and product innovations. For example, Beta worked with the innovation of a new experience concept: whale watching on a traditional sailing schooner. They developed a product that allowed tourists to see the whales quietly (without disturbance of engines), to experience the technology of a schooner and learn to hoist the sails and use the wind.

In addition to more active participation in the experience product, innovation in whale watching has developed to include different seasonal experiences by making Icelandic nature accessible for tourists during the winter season. Innovation and experience design are driven by concern for what is important for tourists when experiencing something new and meaningful, either to participate more

actively in a traditional passive experience or by offering the same experience in a different context (winter versus traditional summer whale watching).

Another example of the same experience (whale watching) in a different context can be found at Gamma. This company bought speedy Zodiac boats that can reach whales quickly, even when they are far away. Hence, the new feature in this experience scape is technological. With this boat, the company increases tourists' chances of seeing the larger whales, such as blue whales and humpback whales. Buying these boats allowed the company to develop a new experience product that is totally different from their (and their competitors') other products. A third example of an innovation (by Alpha) that changes the experience scape to provide a better experience is the installation of transparent railings (instead of wooden railings) so that small children can see the sea and the whales. This type of innovation addresses one of the fundamental challenges of wildlife tourism: increasing the chances that tourists experience exciting wildlife while making the experience scape more stable and controllable. In addition to stimulation of the senses, meaning and value are increased through different ways of storytelling and the practices of guides; it is often not enough just to 'see' (Sundbo and Hagedorn-Rasmussen, 2008).

Re-living the experience. The studied tourism companies find it important to allow tourists to bring back tangible memory objects from their tours. In other words, they understand that tourists want to relive the tour and re-create value from their memories. We found different examples of such memory-object innovations in the observed companies: for example, Alpha introduced a USB stick with pictures from their whale-watching tours. Although the innovation was motivated by customer demand, the direct commercial value was not the primary reason it was introduced; rather, they wanted to help customers to bring home good memories of the tour: We have this USB with our logo and we are selling it for a rather cheap price, just what it cost us, to give people the opportunity to buy photos. We have been thinking about this for many years; do people really want to buy all these photos? And then we got a letter from one of our customers who said that it is difficult for people to get good shots when they are not used to taking pictures of whales and that it would have been great to be able to buy some photos from the tour. He came up with the same idea we had (manager/owner, Alpha).

Another example can be found in Beta's development of an online shop in addition to their regular souvenir shop. Tourists now do not need to purchase their souvenirs immediately after the tour but

can order them online when they feel the need to relive the experience. These findings support consumer research and studies of experience design that argue that firms need to work with innovations not only related to the phase ‘during’ the product/consumption but also before and after (see e.g., Hansen and Mossberg, 2013).

Concern for the environment

Concern for the environment can be focused on environmental quality and chemical components, such as the quality of air and water, or towards the living environment, such as the ecosystem, animals and plants. In this paper, we further refer to the chemical quality of the environment as the ‘grey’ environment and to the living environment as the ‘green’ environment.

Grey environment. Alpha has developed innovations out of concern for the ‘grey’ environment:

Little by little, we changed the engines of the boats, mainly because they emit less pollution. We use 60% less petrol, which is really good. It was something we decided to do, and it costs a fortune, but it was a really a good move that was performed mainly because we want to control our pollution (owner/manager, Alpha).

Customers and other stakeholders can be concerned with the environmental impact of businesses’ activities, which can be an incentive to increase concern and actions:

We talk to the people and some of them are very concerned about the environment; if I say that we use mostly reusable cups and that we eliminated almost all of the paper, they are very happy. I don’t like to waste resources either (manager, Delta).

Several studies confirm this finding and suggest that tourists place a fairly high level of importance on seeing environmentally responsible practices and innovations being implemented by tourism businesses (e.g., Andereck, 2009). The environmental quality of a destination is a prevailing issue when making travel-related decisions and thus is a competitiveness factor among different tourism destinations with varying environmental qualities (Mihalič, 2000). Within a destination, the same can be said for the environmental responsibility of businesses. As such, environmentally motivated innovations are often good marketing material, which create win–win effects for innovations motivated out of concern for the environment because they also increase customer and economic value.

Green environment. With the term ‘green environment’, we refer to nature and wildlife, which are critical resources for nature-based tourism companies. In nature-based tourism, the green environment is the main reason for tourists to engage in tourism (Fredman and Tyrväinen, 2010). Nature and wildlife can be approached in a purely instrumental way (as a resource to use) or as having value of their own and can thus be approached in more relational ways (Lindberg et al., 2013). Respect, appreciation and stewardship of the green environment are expressed through the relationship between wildlife and whale-watching companies. The marketing manager of Delta explains that they aim to disturb wildlife as little as possible with their tourism practices: We look after the animals; we are playing with the animals, we are not trying to push them, we are very considerate with them because if you hurt them, they will leave and then you have nothing to show. It is very important for the guests on board that they know we are very careful when we are close to the whales (marketing manager, Delta).

Whale watching is a form of nature-based tourism that is extremely dependent on the behaviour of wild animals. At the same time, tourism companies have very little control over the context and behaviour of the animals. The whales are difficult to find and can disappear into the depths any time. The concern for animals can also therefore be viewed as an indirect concern for the customers and the company. Innovation efforts of whale-watching companies can be aimed at improving relationships with wildlife by, for example, investing in silent engines, developing approaching techniques that do not disturb the whales and campaigning against whaling. Animal rights and empathy for animals are other values that originate from and are situated in different social practices, cultures and ideals.

Concern for society

Culture and heritage. Culture, including heritage, is considered to be one of three main experience areas in tourism, in addition to nature-based and culinary experiences (Alsos et al., 2014). The family of the owner of Gamma has lived in the region for a long time, and the whale-watching company has now inherited their traditions:

We want to tell people how we are strongly related and how our roots lay all around the bay. It is also hard competition here in this place, and we can tell our family story and show our traditions while the competitors cannot (owner, Gamma).

These stories link the firm and their products to the local society. As such, the customer gains contact with the local people and their history via the whale-watching company. The Zodiac boat bought for whale and bird watching is named after the grandmother of the owner to show the character of the family business. The tours are not only about seeing whales but are also about experiencing Icelandic coastal culture through storytelling. Therefore, the whale-watching experience has evolved by means of a more radical and hybrid innovation (the Zodiac boat) because it involves intertwined innovations of product, process, marketing and organization stemming from a combination of concern for customers, the business and, not least, society.

Values began influencing innovation in the start-up phases of these companies. The following quote illustrates how the passion for local culture (in this case for old fishing boats) can lead to entrepreneurial opportunities:

They wanted to save the oak fishing boat that is used to be common in Iceland, but now they don't build them anymore. When they lose their purpose, they burn them at New Year. However, this boat was all right, there was nothing wrong with her; she was maybe a little bit ugly without paint, just an old fishing boat. They were really interested in old building techniques and quite a few people now know how to build these oak Icelandic boats and that was something the owners have always been interested in (guide/owner, Beta).

The importance of and concern for culture and heritage lead to business creation, innovations and local development. The main motivation in the above story was to save and use the beloved boats, and, to do so, the company had to find a profitable activity (i.e., whale watching) to cover the costs. Values such as appreciation and preservation of cultural heritage are important to drive innovation in the direction of concern for society. Additionally, the studied companies find it important that people learn about the history and culture of the region, and they try to weave this aspect into the total experience concept.

Research and education. Research and education are often part of whale watching for various reasons. Delta focuses heavily on the role of whale research in their whale-watching practices, and they support knowledge development by closely cooperating with researchers and allowing them on board when they conduct tours. A central goal is to contribute to knowledge development concerning marine mammals and other

wildlife. However, different concerns are combined when investing in research. For example, there are concerns that customers learn about wildlife and nature and that knowledge about environment and wildlife can support preservation and protection. The manager talks about the company's ambitions with regard to whale research below:

We want to have researchers all year around, projects that are financed by Innovation Norway or the European Union, and we want to have a research centre where people can go and see, like a laboratory with lectures. I want to involve the universities and people studying marine mammals. If we want to build this research centre, we need quite a bit of money, but we have a building already (manager, Delta).

All four cases in our study cooperate with marine researchers, although the role of research differs greatly across the companies. For some, the underlying value of contributing to knowledge development is substantial and is a goal in itself, while for others, it is a mean for improving tourism core products and marketing. We propose that concern for research and education can also be a concern for the animals and/or for society. The latter can be observed when knowledge of and awareness about whales are spread in society by inviting school children on whale-watching trips. Every year, Alpha takes groups of children on tours to show them the whales and the sea. Contributing to knowledge development is a driving force for innovation and change in their company:

We want to have more school kids. We plan to invite some of them for free in September and inform them about the whales because Icelanders don't know much about the whales, and it is like they don't care. We want to inform the kids; they go home and tell their parents (project manager, Alpha).

The importance given to research may be a way to differentiate a firm and its products from its competitors.

Concern for business

Profit. Most innovation processes in the cases we studied seem to be investments over the long term that do not result in immediate short-term profits. Equipment, such as boats, requires a large capital injection, and the return on investments might take many years. Furthermore, environmental management systems (e.g. EarthCheck) are costly, although investing in

them still seems to be the economically rational thing to do according to Alpha's environmental manager:

It is very expensive in the beginning when you have to start and change many things. However, in the end, it is not so very expensive; it is cheaper really for the company because we are using less paper and oil and whatever (environmental manager, Alpha).

An example of an innovation to attract more customers and earn more money (economy of scale) is to expand the business to other regions where the competition is not yet operating. In 2011, Beta began whale-watching tours in a new location in Northern Iceland, where they observed opportunities based on the sighting reports of fishermen and improved the infrastructure so tourists could more easily reach the village where the whale watching started. It was a pilot project that they had been considering for many years. However, despite the convenience for some travellers, tours from the new destination were no longer offered by 2014. Hence, innovation and development of products follow its own cycle and is often a mix of balanced values and concerns. If the tour from a different location proves to be too costly because there are not enough customers, for example, the company must rethink their strategies.

Employees. Because guides and other employees have such a major influence on the quality of the experience and on the value co-creation with the tourists, they are an important part of the whale-watching industry. Companies try to keep the same staff year after year so that they avoid losing their knowledge, which is built on experience. Training staff takes a long time, and not everyone is a natural-born guide. Alpha is committed in their certification to hire local staff to generate local employment. However, a fair amount of Alpha's staff comprises international employees who return each year because other qualities such as language skills, knowledge about nature and whales, and cultural background also play important roles when hiring people. Delta also prioritizes hiring employees who speak certain languages to offer tours in a wide range of languages to their customers.

Keeping employees satisfied and ensuring good team spirit is therefore an important concern in terms of the competence and organizational quality of a company's staff (recruiting, turnover, motivation, learning, etc.). Companies invest in social events and organize regular meetings in which employees can discuss their experiences and frustrations and develop and share solutions. Another strategy for improving work satisfaction is to give people increased responsibility. The manager of Gamma argued that he

purposefully gives responsibilities to his employees because they then do a better job and become more satisfied with their work. Sørensen and Jensen (2015) argue that good managers trust their employees, believe in their innovative potential and are open to setting their creativity free.

Summary and conclusion

We have explored the role of values in innovation processes in the tourism experience industry by discussing the different types of concerns whale-watching firms address within their innovation processes. As such, we contribute to tourism innovation literature by showing how values and concerns can drive innovation processes in experience-based tourism sectors.

Values are part of human practices, and help us orient (Hedlund, 2011). Taylor (1985) argues that particularly strong values shape attention, motivation, knowledge and decisions. It is therefore possible to make a profile for each company based on their values, concerns and innovation directions. We see Alpha as the 'green' whale-watching company of this study (their main concern is for environmental sustainability), Beta as the sailors (their concern is for cultural heritage, restoring boats and sailing), Gamma as the family of fishermen (their concern is for Icelandic coastal fishing culture and family heritage) and Delta as the environmental researchers (their concern is for knowledge development and conservation). Each company addresses other concerns as well, but these are less dominant in their innovation choices. For example, maximizing profit and its growth were not a main goal for any of the businesses, although economic value creation is necessary to keep a whale-watching company in business. No firm in the experience economy can survive without attractive products and a concern for its customers. Market-oriented innovations that are developed based on knowledge of what creates and drains value for customers are therefore vital for innovation and value-creation processes (Jernsand et al., 2015; Sørensen and Jensen, 2015). However, this strategy might not be the strongest drive for investment and change. Informants prioritized values and concerns differently in innovations and everyday practice, resulting in a dynamic priority web where some values and concerns ranked higher than others. As such, each company has a profile that differentiates it from others and that can be seen as the company's unique fingerprint and identity.

Values and concerns complement other drivers and rational managerial tools by influencing innovation practices. Our paper therefore supports the idea that values can be perceived as an intangible resource for

innovation because they are unique, inimitable and non-substitutable means of achieving a competitive advantage (Liu and Lee, 2015). As we have argued, values are derived from social relationships, which make the presence of strong values among employees in the company a part of culture, social practice and capital (Alvesson and Berg, 1992). Social capital emphasizes evaluation of values, interaction with customers, development of norms with cooperative partners and mutual trust and reciprocity. Values and concern are thus not only guiding innovation efforts in a certain direction, but they also contribute to the development of social capital within the organization and with network partners outside of the organization. Because values and concerns take time to develop, are unique and are difficult to imitate, they can be perceived as intangible resources (Liu and Lee, 2015) that they can serve as the foundation for differentiation of various types of value creations in an industry.

Theoretical and practical implications

In this paper, we applied a Schumpeter Mark III and practice-based approach to innovation by exploring how values and concerns influence innovation strategies and practices. Our theoretical and empirical elaboration contributes to the understanding of innovation in the economy of tourism experience in the following ways.

We provide an understanding for differentiation within a tourism-industry. Different values, and concerns, make seemingly similar companies (all providing whale-watching tours) develop in different and unique directions. Once managers and other innovators become aware of their values and value hierarchy, genuine concern can be explored and translated into innovations that matter. Being strategically reflexive (Sundbo and Fuglsang, 2002) on what is important for both the company and its environment can lead to more systematic work with innovations, contributing to increased uniqueness, differentiation and competitiveness.

Secondly, the study supports and elaborates upon the argument of Lordkipanidze et al. (2005) that experience-based tourism firms operate in a 'web of values'. Certain values have more importance and priority than others, indicating a certain hierarchy, although they must be balanced continuously. Concern for the environment, economy and society has a clear overlap with the perspectives of the triple bottom line of sustainability and corporate social responsibility (Crane and Matten, 2007). However, to be sustainable and survive in the experience industry, businesses must take stances on more holistic value creation, with strong concerns for customer needs as well.

Thirdly, nature-based tourism is a sector closely dependent on and influencing wildlife and nature. Despite the dependence on and closeness to the environment and nature, we see different levels of sustainability within the nature-based tourism sector. Understanding the values and concerns that lie at the base of innovation choices contributes to the understanding of differences in these sustainability, innovation and value creation approaches. Some nature-based tourism companies approach nature instrumentally, while others emphasize the intrinsic value of nature and wildlife. The same could be said about tourism experiences developed around for example cultural heritage, culinary knowledge, art and architecture. Some countries and destinations have public regulations and other quality certifications, while in other places environment and quality management are left up to each firm's discretion. When nature and/or culture is an important reason for tourists to visit a place, it becomes even more important that tourism firms and destinations prioritize sustainable innovations and practices (Andereck, 2009). It seems that valuing nature depends on how innovators have experienced nature and wildlife themselves. Sampaio et al. (2012) argue that giving priority to and having strong emotions toward nature seems to be dependent upon earlier close relations with nature. In other words, developing strong values is based on learning in practice.

In addition to its theoretical implications, the research has management and policy implications because it provides an increased understanding and conceptualization of the role of values and concerns in innovation processes.

In terms of practical implications for tourism companies, the findings suggest that the awareness of core company values is an important step in developing and managing innovations in a direction that is supported by the involved actors. Strong values can be made more explicit and reflected upon within the company so that everyone knows what the company stands for and how new developments can fit within the value base of the company and its employees. The suggested categories of concerns can provide practitioners with concepts to explore their own in-use values, concerns and innovation history so as to discuss strategy and innovations that can differentiate them from competitors as well as connect them to like-minded organizations.

Limitations and further studies

To grasp values is challenging, and the difficulty has created some limitations in our study. We have developed findings and theorized implications based upon

a multi-case study of four whale-watching companies. From the interpretive paradigm follows that the findings cannot be automatically generalized to other sectors the relevance of the study and theoretical implications need to be explored in other contexts. Studied further in other tourism contexts, as well as in other co-creational sectors such as culture and food. Hence, the relevance of the study and theoretical implications need to be explored in other tourism contexts, as well as in other co-creational sectors such as culture and food. Future research directions include additional comparison of cases that are exploring the different values and concerns that contribute to innovation and change processes. We therefore encourage empirical research that is in-depth and uses a combination of methods to go beyond the espoused theories and glimpse the in-use practices of tourism actors (Eide and Lindberg, 2006; Feldman and Orlikowski, 2012).

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