

# Tourism Research: A 20-20 Vision



**Edited by**

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## **Tourism SMEs: changing research agendas and missed opportunities**

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# 7 **Tourism SMEs: changing research agendas and missed opportunities**

Gareth Shaw and Allan M. Williams

## **Introduction**

Work on SMEs (small and medium enterprises) within tourism has become a major focus of research activity during the last 30 years, reflecting the numerical importance of SMEs in tourism and across a range of differing economies (OECD, 2005). This is reflected both in the volume of publications and more significantly in the range of themes being studied (see Thomas, 1998; Morrison *et al.*, 1999; Shaw, 2003; Thomas, 2004). Surprisingly, despite a proliferation of research activities, progress has been uneven, with Thomas commenting that some key themes have only received very limited attention where research ‘remains relatively shallow’ (Thomas, 2004: 1). Research also remains unevenly distributed in terms of national economies, tourism economic environments, and sub-sectors, and institutional economics remains poorly specified in tourism SME research (Shaw and Williams, 2004: Chapter 3).

The aim of this chapter is to review the changing research agendas associated with tourism SMEs with a focus on developed economies and the UK in particular. In doing so we will briefly review the key themes to have emerged from past research before examining in more detail some significant areas of emerging research. In terms of the latter, particular attention is focused on: innovation, knowledge networks and knowledge management, the importance of sustainability as framed within the notions of environmental responsibility, family-owned business practices and institutions, and the research–policy interface. In drawing out retrospective and emerging research agendas, our sub-text is that two or more decades of exciting progress have been matched, almost step by step, with missed opportunities. Missed opportunities are manifested in two interrelated contexts. First, there has been a persistent failure amongst tourism researchers to fully engage with wider debates in the literature on SMEs (Holt and Macpherson, 2006), to the detriment of both. This has resulted to a large extent in two very different, and parallel rather than engaged, literatures. Second, these missed opportunities have also impacted on the policy field, with

this research parallelism contributing to the relative marginalisation of tourism in SME policy domains in many countries. The most obvious implications of this are that some of the specificities of tourism production and consumption, such as the strongly temporal nature of demand and the importance of the supply chain as opposed to in-house R&D as a source of innovation, have often been ignored in wider policy initiatives to support SMEs. This represents a missed opportunity in terms of both informing and engaging critically with policies.

## The uneven evolution of tourism SME research

During the last 30 years the increasing interest in SMEs within tourism has seen a number of emergent themes, including research on entrepreneurship and motivations (particularly notions of lifestyle entrepreneurs), the contribution of small firms to tourism economies, and the dynamics of SME development and business performance. In part these themes overlap with some of the research agendas identified by Thomas (2004), and although of course neither list is inclusive, they reflect the broad distribution of English language publications. While considered separately here, in order to simplify the discussions, these themes are of course invariably inter-woven.

The nature and characteristics of small firm entrepreneurship in tourism was an early research focus. Stallinbrass' (1980) pioneering work on SMEs in the coastal resort of Scarborough (England) was followed by Shaw and Williams (1987) who identified the lack of business experience amongst owners of small tourism enterprises in coastal resorts in Cornwall, England. These studies also emphasised that many entrepreneurs had non-economic motives for establishing such businesses and many depended on informal sources of capital. That such studies were all focussed on English coastal resorts helped to highlight some of the difficulties faced by the local economies of such destinations (Shaw and Williams, 1997). As we have argued elsewhere (Shaw and Williams, 2004), subsequent studies of entrepreneurship in tourism have identified a range of entrepreneurial cultures. These vary from a pre-occupation with economic maximisation goals through to those mainly interested in non-economic factors, with 'lifestyle' being of critical importance; in practice, however, we increasingly understand that such goals may be blurred, and shift over time, as well as being contested amongst the owners/managers of enterprises (which we return to in discussing family businesses).

There is nothing unique about the role of lifestyle in tourism SMEs. Many surveys of SMEs across a range of sectors have highlighted the importance of 'being your own boss' as a motivation (Storey, 1996; Cosh *et al.*, 2008). Indeed, Morrison *et al.* (1999: 13) argue that the 'majority of small firms in the UK can be termed life-style businesses', since they are largely motivated by maintaining a particular way of life. More significantly, Dewhurst and Horobin (1998) attempted to incorporate many

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