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Abstract

A number of existing tourism destination countries are facing growth problems, as the emerging destinations attract tourists with unknown destinations and services at lower prices. Existing destinations need to develop their services in order to compete with the emerging ones, and innovations and innovative behaviour are necessary to gain more tourists. Special characteristics of the industry pose challenges to innovations in the industry, and this study tries to explore if tourism companies could benefit from their networks when innovating, and through networks overcome the challenges that the special characteristics pose. The purpose of this study is to examine the role of networks in tourism companies' innovativeness. The main objective is divided into three sub-objectives: 1. How does the innovativeness of the tourism companies appear? 2. What kind of collaboration occurs in tourism networks? 3. What is the significance of networks in tourism companies' innovativeness?

Qualitative approach was chosen for this research, and the empirical data was collected through interviews of four selected case companies. Empirical findings support some of the issues of the theoretical framework, but also give new aspects to the context of tourism innovations and networks. The study emphasises the importance of demand conditions and entrepreneurs' personal abilities in creating innovative service ideas. Market conditions, competition and company's resources and abilities affect also the generation of innovative business ideas, as well as the choice of which ideas will be developed to commercial services. Networks are of great assistance when deciding which ideas are worth developing further, and an entrepreneur gains outsider opinions which may be crucial in order for the business to succeed. Even though the role of networks in tourism companies' innovativeness is very important in the beginning, a company benefits from networks later on as well. Continuous cooperation in networks affects the service development of the company, and as the current competition in the market is very strong, a company should continuously search for service improvements in order to expand their businesses and market share, and continuously develop their services and business activities.

This study demonstrates that as tourism companies innovate, they should exploit their networks, both informal and formal. From the point of view of companies, innovative services are a good means to attract tourists as well as to realize profitable business. When doing business with limited amount of resources an entrepreneur should recognize the importance and assistance that is possible to gain through networks. Co-operation in networks is an asset that can help tourism companies to achieve commercially successful and innovative services.

Key words	Tourism industry, innovativeness, innovations, networking
Further information	